

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-K

(Mark One)

Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 [Fee Required]

For the fiscal year ended December 31, 2001 or  
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Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 [No Fee Required]

For the transition period from to  
-----

Commission file number 0-25739

WELLS REAL ESTATE INVESTMENT TRUST, INC.

-----  
(Exact name of registrant as specified in its charter)

Maryland  
-----

(State or other jurisdiction of incorporation or organization)

58-2328421  
-----

(I.R.S. Employer Identification Number)

6200 The Corners Parkway, Norcross, Georgia  
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(Address of principal executive offices)

30092  
-----

(Zip Code)

Registrant's telephone number, including area code (770) 449-7800  
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Securities registered pursuant to Section 12 (b) of the Act:

Title of each class -----	Name of exchange on which registered -----
NONE	NONE
-----	-----

Securities registered pursuant to Section 12 (g) of the Act:

COMMON STOCK  
-----

(Title of Class)

COMMON STOCK  
-----

(Title of Class)

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

Aggregate market value of the voting stock held by nonaffiliates:

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While there is no established market for the Registrant's shares of voting stock, the Registrant has offered and sold shares of its voting stock pursuant to a Form S-11 Registration Statement under the Securities Act of 1933 at a price of \$10 per share. The number of shares of common stock outstanding as of February 28, 2002 was 98,533,643.

Documents Incorporated by Reference:

Registrant incorporates by reference portions of the Wells Real Estate Investment Trust, Inc. Definitive Proxy Statement for the 2002 Annual Meeting of Stockholders (Items 10, 11, 12 and 13 of Part III) to be filed no later than April 30, 2002.

PART I

ITEM 1. BUSINESS

GENERAL

Wells Real Estate Investment Trust, Inc. (the "Company") is a Maryland corporation formed on July 3, 1997, which qualifies as a real estate investment trust ("REIT"). Substantially all of the Company's business is conducted through Wells Operating Partnership, L.P. ("Wells OP"), a Delaware limited partnership organized for the purpose of acquiring, developing, owning, operating, improving, leasing, and otherwise managing income producing commercial properties for investment purposes on behalf of the Company. The Company is the sole general partner of Wells OP.

On January 30, 1998, the Company commenced a public offering of up to 16,500,000 shares of common stock at \$10 per share pursuant to a Registration Statement on Form S-11 filed under the Securities Act of 1933. The Company commenced active operations on June 5, 1998, upon receiving and accepting subscriptions for 125,000 shares. The Company terminated its initial public offering on December 19, 1999 at which time gross proceeds of approximately \$132,181,919 had been received from the sale of approximately 13,218,192 shares from its initial public offering. The Company commenced its second public offering of shares of common stock on December 20, 1999, which was terminated on December 19, 2000 after receipt of gross proceeds of approximately \$175,229,193 from the sale of approximately 17,522,919 shares from the second public offering. The Company commenced its third public offering of the shares of common stock on December 20, 2000. As of December 31, 2001, the Company has received gross proceeds of approximately \$530,204,577 from the sale of approximately 53,020,458 shares from its third public offering. Accordingly, as of December 31, 2001, the Company has received aggregate gross offering proceeds of approximately \$837,614,690 from the sale of 83,761,469 shares of its common stock to 84,002 investors. After payment of \$29,122,286 in Acquisition and Advisory Fees and Acquisition Expenses, payment of \$98,125,735 in selling commissions and organization and offering expenses, capital contributions to joint ventures and acquisitions expenditures by Wells OP of \$642,106,041 in property acquisitions, and common stock redemptions of \$5,550,396 pursuant to the Company's share redemption program, the Company was holding net offering proceeds of \$62,711,000 available for investment in properties, as of December 31, 2001.

EMPLOYEES

The Company has no direct employees. The employees of Wells Capital, Inc. (the "Advisor") and Wells Management Company, Inc. perform a full range of real estate services including leasing and property management, accounting, asset management and investor relations for the Company.

INSURANCE

Wells Management Company, Inc., an affiliate of the Company and the Advisor, carries comprehensive liability and extended coverage with respect to all the properties owned directly or indirectly by the Company. In the opinion of management of the registrant, the properties are adequately insured.

#### COMPETITION

The Company will experience competition for tenants from owners and managers of competing projects, which may include its affiliates. As a result, the Company may have to provide free rent, reduced charges for tenant improvements and other inducements, all of which may have an adverse impact on results of operations. At the time the Company elects to dispose of its properties, the Company will also be in competition with sellers of similar properties to locate suitable purchasers for its properties.

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#### ITEM 2. PROPERTIES

As of December 31, 2001, the Company owned interests in 39 properties listed in the table below through its ownership in Wells OP. As of December 31, 2001, all of these properties were 100% leased.

Property Name	Tenant	Property Location	% Owned	Purchase Price	Square Feet	Annual Rent
Windy Point Buildings	TCI Great Lakes, Inc.	Schaumburg, IL	100%	\$ 89,275,000	129,157	\$ 2,067,204
	The Apollo Group, Inc.				28,322	\$ 357,919
	Global Knowledge Network				22,028	\$ 382,307
	Zurich American Insurance				300,000	\$ 5,091,577
	Various other tenants				8,884	\$ 160,000
Convergys Building	Convergys Customer Management Group, Inc.	Tamarac, FL	100%	\$ 13,255,000	100,000	\$ 1,248,192
ADIC Buildings	Advanced Digital Information Corporation	Parker, CO	68.2%	\$ 12,954,213	148,200	\$ 1,222,683
Lucent Building	Lucent Technologies, Inc.	Cary, NC	100%	\$ 17,650,000	120,000	\$ 1,800,000
Ingram Micro Building	Ingram Micro, L.P.	Millington, TN	100%	\$ 21,050,000	701,819	\$ 2,035,275
Nissan Property (1)	Nissan Motor Acceptance Corporation	Irving, TX	100%	\$ 5,545,700	268,290	\$ 4,225,860 (2)
IKON Buildings	IKON Office Solutions, Inc.	Houston, TX	100%	\$ 20,650,000	157,790	\$ 2,015,767
State Street Building	SSB Realty, LLC	Quincy, MA	100%	\$ 49,563,000	234,668	\$ 6,922,706
AmeriCredit Building	AmeriCredit Financial Services Corporation	Orange Park, FL	68.2%	\$ 12,500,000	85,000	\$ 1,201,050
Comdata Building	Comdata Network, Inc.	Nashville, TN	55.0%	\$ 24,950,000	201,237	\$ 2,398,672
AT&T Oklahoma Buildings	AT&T Corp.	Oklahoma City, OK	55.0%	\$ 15,300,000	103,500	\$ 1,242,000
	Jordan Associates, Inc.				25,000	\$ 294,500
Metris Minnesota Building	Metris Direct, Inc.	Minnetonka, MN	100%	\$ 52,800,000	300,633	\$ 4,960,445
Stone & Webster Building	Stone & Webster, Inc. SYSCO Corporation	Houston, TX	100%	\$ 44,970,000	206,048	\$ 4,533,056
					106,516	\$ 2,130,320
Motorola Plainfield Building	Motorola, Inc.	Plainfield, NJ	100%	\$ 33,648,156	236,710	\$ 3,324,428
Quest Building	Quest Software, Inc.	Irvine, CA	15.8%	\$ 7,193,000	65,006	\$ 1,287,119
Delphi Building	Delphi Automotive Systems, LLC	Troy, MI	100%	\$ 19,800,000	107,193	\$ 1,955,524
Avnet Building	Avnet, Inc.	Tempe, AZ	100%	\$ 13,250,000	132,070	\$ 1,516,164
Siemens Building	Siemens Automotive Corp.	Troy, MI	56.8%	\$ 14,265,000	77,054	\$ 1,374,643
Motorola Tempe Building	Motorola, Inc.	Tempe, AZ	100%	\$ 16,000,000	133,225	\$ 2,054,329
ASML Building	ASM Lithography, Inc.	Tempe, AZ	100%	\$ 17,355,000	95,133	\$ 1,927,788
Dial Building	Dial Corporation	Scottsdale, AZ	100%	\$ 14,250,000	129,689	\$ 1,387,672
Metris Tulsa Building	Metris Direct, Inc.	Tulsa, OK	100%	\$ 12,700,000	101,100	\$ 1,187,925

Cinemark Building	Cinemark USA, Inc. The Coca Cola Co.	Plano, TX	100%	\$ 21,800,000	65,521 52,587	\$ 1,366,491 \$ 1,354,184
Gartner Building	The Gartner Group, Inc.	Ft. Myers, FL	56.8%	\$ 8,320,000	62,400	\$ 830,668
Marconi Building	Marconi Data Systems, Inc.	Wood Dale, IL	100%	\$ 32,630,940	250,354	\$ 3,376,746
Johnson Matthey Building	Johnson Matthey, Inc.	Tredyffrin Township, PA	56.8%	\$ 8,000,000	130,000	\$ 828,750
Alstom Power Richmond Building (1)	Alstom Power, Inc.	Midlothian, VA	100%	\$ 11,400,000	99,057	\$1,243,657
Sprint Building	Sprint Communications Company, L.P.	Leawood, KA	56.8%	\$ 9,500,000	68,900	\$ 999,048
EYBL CarTex Building	EYBL CarTex, Inc.	Greenville, SC	56.8%	\$ 5,085,000	169,510	\$ 550,908
Matsushita Building	Matsushita Avionics Systems Corporation (1)	Lake Forest, CA	100%	\$ 18,431,206	144,906	\$ 2,005,464
AT&T Pennsylvania Building	Pennsylvania Cellular Telephone Corp.	Harrisburg, PA	100%	\$ 12,291,200	81,859	\$ 1,442,116
PwC Building	PricewaterhouseCoopers, LLP	Tampa, FL	100%	\$ 21,127,854	130,091	\$ 2,093,382
Fairchild Building	Fairchild Technologies U.S.A., Inc.	Fremont, CA	77.5%	\$ 8,900,000	58,424	\$ 893,340
Cort Furniture Building	Cort Furniture Rental Corporation	Fountain Valley, CA	44.0%	\$ 6,400,000	52,000	\$ 834,888
Iomega Building	Iomega Corporation	Ogden City, UT	3.7%	\$ 5,025,000	108,250	\$ 659,868
Interlocken Building	ODS Technologies, L.P. and GAIAM, Inc.	Broomfield, CO	3.7%	\$ 8,275,000	51,975	\$ 845,810
Ohmeda Building	Ohmeda, Inc.	Louisville, CO	3.7%	\$ 10,325,000	106,750	\$ 1,004,520
Alstom Power Knoxville Building	Alstom Power, Inc.	Knoxville, TN	3.7%	\$ 7,900,000	84,404	\$ 1,106,520
Avaya Building	Avaya, Inc.	Oklahoma City, OK	3.7%	\$ 5,504,276	57,186	\$ 508,383

(1) Includes the actual costs incurred or estimated to be incurred by Wells OP to develop and construct the building in addition to the purchase price of the land.

(2) Annual rent does not take effect until construction of the building is completed and the tenant is occupying the building.

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As of December 31, 2001, no tenant leasing the Company's properties accounted for more than 10% of the Company's aggregate annual rental income. The Company's most substantial tenants, based on annual rental income, are SSB Realty, LLC (approximately 9.0%), Metris Direct, Inc. (approximately 8.0%), Motorola, Inc. (approximately 7.0%) and Zurich American Insurance Company, Inc. (approximately 6.6%).

#### JOINT VENTURES WITH AFFILIATES

Wells OP owns some of its properties through its ownership interests in the seven joint ventures listed below. The Company does not have control over the operations of the joint ventures; however, it does exercise significant influence. Accordingly, investment in joint ventures are recorded using the equity method.

Joint Venture	Joint Venture Partners	Properties Held by Joint Venture
Fund XIII-REIT Joint Venture	Wells Operating Partnership, L.P. Wells Real Estate Fund XIII, L.P.	A two-story office building in Orange Park, FL (the "AmeriCredit Building") Two connected one-story office and light assembly buildings in Parker, CO (the "ADIC Buildings")
Fund XII-REIT Joint Venture	Wells Operating Partnership, L.P. Wells Real Estate Fund XII, L.P.	A three-story office building in Troy, MI (the "Siemens Building") A one-story and a two-story office building in

Oklahoma City, OK (the "AT&T Oklahoma Buildings")  
 A three-story office building in Brentwood, TN  
 (the "Comdata Building")

Fund XI-XII-REIT Joint Venture	Wells Operating Partnership, L.P. Wells Real Estate Fund XI, L.P. Wells Real Estate Fund XII, L.P.	A two-story manufacturing and office building in Fountain Inn, SC (the "EYBL CarTex Building") A three-story office building in Leawood, KS (the "Sprint Building") A one-story office and warehouse building in Tredyffrin Township, PA (the "Johnson Matthey Building") A two-story office building in Fort Myers, FL (the "Gartner Building")
Fund IX-X-XI-REIT Joint Venture	Wells Operating Partnership, L.P. Wells Real Estate Fund IX, L.P. Wells Real Estate Fund XI, L.P. (the Wells Real Estate Fund X, L.P.)	A three-story office building in Knoxville, TN "Alstom Power Knoxville Building") A two-story office building in Louisville, CO (the "Ohmeda Building") A three-story office building in Broomfield, CO (the "Interlocken Building") A one-story office building in Oklahoma City, OK (the "Avaya Building") A one-story office and warehouse building in Ogden, UT (the "Iomega Building")
Wells/Freemont Associates Joint Venture (the "Freemont Joint Venture")	Wells Operating Partnership, L.P. Fund X-XI Joint Venture	A two-story office and manufacturing building in Freemont, CA (the "Fairchild Building")
Wells/Orange County Associates Joint Venture (the "Orange County Joint Venture")	Wells Operating Partnership, L.P. Fund X-XI Joint Venture	A one-story warehouse and office building in Fountain Valley, CA (the "Cort Building")
Fund VIII-IX-REIT Joint Venture	Wells Operating Partnership, L.P. Fund VIII-IX Joint Venture	A two-story office building in Orange County, CA (the "Quest Building")

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#### THE WELLS FUND XIII - REIT JOINT VENTURE

Wells OP and Wells Fund XIII entered into a joint venture partnership known as the Wells Fund XIII-REIT Joint Venture Partnership ("XIII-REIT Joint Venture"). The investment objectives of Wells Fund XIII are substantially identical to the investment objectives of Wells OP. As of December 31, 2001, the joint venture partners of the XIII-REIT Joint Venture had made the following contributions and held the following equity percentage interests:

Joint Venture Partner	Capital Contribution	Equity Interest
Wells OP	\$17,359,875	68.2%
Wells Fund XIII	\$ 8,491,069	31.8%

#### THE WELLS FUND XII-REIT JOINT VENTURE

Wells OP and Wells Fund XII entered into a joint venture partnership known as the Wells Fund XII-REIT Joint Venture Partnership ("XII-REIT Joint Venture"). The investment objectives of Wells Fund XII are substantially identical to the investment objectives of Wells OP. As of December 31, 2001, the joint venture partners of the XII-REIT Joint Venture had made the following contributions and held the following equity percentage interests:

Joint Venture Partner	Capital Contribution	Equity Interest
Wells OP	\$29,950,668	55.0%
Wells Fund XII	\$24,613,401	45.0%

#### THE WELLS FUND XI-FUND XII-REIT JOINT VENTURE

Wells OP entered into a joint venture partnership with Wells Fund XI and Wells Fund XII known as The Wells Fund XI-Fund XII-REIT Joint Venture ("XI-XII-REIT

Joint Venture"). The XI-XII-REIT Joint Venture was originally formed on May 1, 1999 between Wells OP and Wells Fund XI. On June 21, 1999, Wells Fund XII was admitted to the XI-XII-REIT Joint Venture as a joint venture partner. The investment objectives of Wells Fund XI and Wells Fund XII are substantially identical to the investment objectives of Wells OP. As of December 31, 2001, the joint venture partners of the XI-XII-REIT Joint Venture had made the following contributions and held the following equity percentage interests:

Joint Venture Partner	Capital Contribution	Equity Interest
Wells OP	\$17,641,211	56.8%
Wells Fund XI	\$ 8,131,351	26.1%
Wells Fund XII	\$ 5,300,000	17.1%

THE FUND IX, FUND X, FUND XI AND REIT JOINT VENTURE

Wells OP entered into a joint venture partnership with Wells Fund IX, Wells Fund X and Wells Fund XI, known as The Fund IX, Fund X, Fund XI and REIT Joint Venture ("IX-X-XI-REIT Joint Venture"). The IX-X-XI-REIT Joint Venture was originally formed on March 20, 1997 between Wells Fund IX and Wells Fund X. On June 11, 1998, Wells OP and Wells Fund XI were admitted as joint venture partners to the IX-X-XI-REIT Joint Venture. The investment objectives of Wells Fund IX, Wells Fund X and

Wells Fund XI are substantially identical to the investment objectives of Wells OP. As of December 31, 2001, the joint venture partners of the IX-X-XI-REIT Joint Venture had made the following contributions and held the following equity percentage interests:

Joint Venture Partner	Capital Contribution	Equity Interest
Wells OP	\$ 1,421,466	3.7%
Wells Fund IX	\$14,982,435	39.1%
Wells Fund X	\$18,501,185	48.3%
Wells Fund XI	\$ 3,357,436	8.9%

THE FREMONT JOINT VENTURE

Wells OP entered into a joint venture partnership known as Wells/Fremont Associates ("Fremont Joint Venture") with Fund X and Fund XI Associates ("X-XI Joint Venture"), a joint venture between Wells Fund X and Wells Fund XI. The purpose of the Fremont Joint Venture is the acquisition, ownership, leasing, operation, sale and management of the Fairchild Building. As of December 31, 2001, the joint venture partners of the Fremont Joint Venture had made the following contributions and held the following equity percentage interests:

Joint Venture Partner	Capital Contribution	Equity Interest
Wells OP	\$6,983,111	78.0%
X-XI Joint Venture	\$2,000,000	22.0%

THE CORT JOINT VENTURE

Wells OP entered into a joint venture partnership with the X-XI Joint Venture known as Wells/Orange County Associates ("Cort Joint Venture") for the purpose of the acquisition, ownership, leasing, operation, sale and management of the Cort Furniture Building. As of December 31, 2001, the joint venture partners of the Cort Joint Venture had made the following contributions and held the following equity percentage interests:

Joint Venture Partner	Capital Contribution	Equity Interest
Wells OP	\$2,871,430	44.0%
X-XI Joint Venture	\$3,695,000	56.0%

THE WELLS FUND VIII-FUND IX-REIT JOINT VENTURE

Wells OP entered into a joint venture partnership with the Fund VIII-IX Joint Venture known as the Wells Fund VIII-Fund IX-REIT Joint Venture ("VIII-IX-REIT Joint Venture") for the purpose of the ownership, leasing, operation, sale and management of the Quest Building. The investment objectives of Wells Fund VIII and Wells Fund IX are substantially identical to the investment objectives of Wells OP. As of December 31, 2001, the joint venture partners of the VIII-IX-REIT Joint Venture had made the following contributions and held the following equity percentage interests:

Joint Venture Partner	Capital Contribution	Equity Interest
Wells OP	\$1,282,111	15.8%
Wells Fund VIII	\$3,608,109	46.2%
Wells Fund IX	\$3,620,316	38.1%

Properties Held Directly by Wells OP

As of December 31, 2001, Wells OP owned the following 22 properties directly:

- A four-story office building in Tampa, FL (the "PwC Building")
- A four story office building in Harrisburg, PA (the "AT&T Pennsylvania Building")
- A two-story office building in Lake Forest, CA (the "Matsushita Building")
- A two-story office building in Richmond, VA (the "Alstom Power Richmond Building")
- A two-story office assembly and manufacturing building in Wood Dale, IL (the "Marconi Building")
- A five-story office building in Plano, TX (the "Cinemark Building")
- A three-story office building in Tulsa, OK (the "Metris Tulsa Building")
- A two-story office building in Scottsdale, AZ (the "Dial Building")
- A two-story office and warehouse building in Tempe, AZ (the "ASML Building")
- A two-story office building in Tempe, AZ (the "Motorola Tempe Building")
- A two-story office building in Tempe, AZ (the "Avnet Building")
- A three-story office building in Troy, MI (the "Delphi Building")
- A three-story office building in Plainfield, NJ (the "Motorola Plainfield Building")
- A nine-story office building in Minnetonka, MN (the "Metris Minnesota Building")
- A six-story office building in Houston, TX (the "Stone & Webster Building")
- A seven-story office building in Quincy, MA (the "State Street Building")
- Two one-story office buildings in Houston, TX (the "IKON Buildings")
- A 14.873 acre tract of land in Irving, TX (the "Nissan Property")
- A one-story office and distribution facility in Millington, TN (the "Ingram

Micro Building")

A four-story office building in Cary, NC (the "Lucent Building")

A two-story office building in Tamarac, FL (the "Convergys Building")

A seven-story and an eleven-story office building in Schaumburg, IL (the "Windy Point Buildings")

Descriptions of Properties

The following table shows lease expirations during each of the next ten years for all leases in which the Company has an interest, either directly or through Wells OP's investments in joint ventures as of December 31, 2001, assuming no exercise of renewal options or termination rights:

Year of Lease Expiration	Number of Leases Expiring	Square Feet Expiring	Annualized Gross Base Rent (1)	Partnership Share of Annualized Gross Base Rent (1)	Percentage Of Total Square Feet Expiring	Percentage Of Total Annualized Gross Base Rent
2002 (2)	5	33,610	\$ 563,072	\$ 20,898	0.6%	0.7%
2003 (3)	2	69,146	1,123,570	375,310	1.3	1.5
2004 (4)	2	123,430	2,235,143	937,964	2.2	2.9
2005 (5)	6	248,859	3,172,944	2,156,713	4.5	4.1
2006 (6)	2	197,493	3,522,375	3,522,375	4.0	4.6
2007 (7)	5	489,554	6,449,078	4,470,526	8.9	8.4
2008 (8)	8	762,251	9,584,884	8,271,448	13.4	12.5
2009 (9)	4	331,250	4,006,172	3,486,255	5.5	5.2
2010 (10)	8	1,036,300	16,415,964	15,152,732	18.8	21.4
2011 (11)	9	2,240,712	29,802,675	28,912,536	40.7	38.8
	51	5,502,810	\$76,875,877	\$67,306,758	100.0%	100.0%

- (1) Average monthly gross rent over the life of the lease, annualized.
- (2) Expiration of five leases in the Interlocken Building totaling 33,610 square feet.

- (3) Expiration of the Cort Building lease--52,000 square feet and expiration of the ODS lease in the Interlocken Building -- 17,146 square feet.
- (4) Expiration of the Fairchild Building lease--58,424 square feet and expiration of the Quest Building lease--65,006 square feet.
- (5) Expiration of the Ohmeda Building lease--106,750 square feet, expiration of Motorola Tempe Building lease--133,225 square feet and expiration of four leases in the Windy Point Buildings - 8,884 square feet.
- (6) Expiration of Coca-Cola lease in the Cinemark Building--52,587 square feet, expiration of the Matsushita Building lease--144,906 square feet.
- (7) Expiration of the Johnson Matthey Building lease--130,000 square feet; expiration of the Alstom Power Knoxville Building lease--84,404 square feet; expiration of the Sprint Building lease--68,900 square feet; expiration of the Alstom Power Richmond Building lease--99,057 square feet; and expiration of the Delphi Building lease--107,193 square feet.
- (8) Expiration of the PWC Building lease--130,091 square feet; expiration of the Gartner Building lease--62,400 square feet; expiration of the EYBL CarTex Building lease--169,510 square feet; expiration of the



Avaya Building lease--57,186 square feet; expiration of the AT&T Pennsylvania Building lease--81,859 square feet; expiration of the Dial Building lease--129,689 square feet; expiration of the SYSCO lease in the Stone & Webster Building--106,516 square feet; and expiration of the Jordan & Associates lease in the AT&T Oklahoma Buildings--25,000 square feet.

- (9) Expiration of the Iomega Building lease--108,250 square feet, expiration of the Cinemark lease in the Cinemark Building--65,521 square feet and expiration of two leases with TCI Great Lakes, Inc. in the Windy Point Buildings.
- (10) Expiration of Metris Tulsa Building lease--101,100 square feet; expiration of Avnet Building lease--132,070 square feet; expiration of Motorola Plainfield Building lease--236,710 square feet; expiration of AT&T Oklahoma Buildings lease--103,500 square feet; expiration of the Siemens Building lease--77,054 square feet; expiration of the IKON building lease--157,790 square feet; and expiration of the Global Knowledge Network, Inc. lease in the Windy Point I Building; and expiration of the Stone & Webster lease -- 206,048 square feet.
- (11) Expiration of the AmeriCredit Building lease--85,000 square feet; expiration of the ADIC Buildings lease-- 148,200 square feet; expiration of the Marconi Building lease --250,354 square feet; expiration of the Metris Minnesota Building lease -- 300,633; expiration of the State Street Building lease -- 234,668 square feet; expiration of the Ingram Micro Building lease --701,819 square feet; expiration of the Lucent Building lease--120,000 square feet; expiration of the Convergys Building lease--100,000 square feet; and expiration of the Zurich lease in the Windy Point Buildings -- 300,034 square feet.

#### WINDY POINT BUILDINGS

Wells OP purchased the Windy Point Buildings on December 31, 2001 for a purchase price of \$89,275,000. The Windy Point Buildings, which were built in 1999 and 2001, respectively, consist of a seven-story office building containing 186,922 rentable square feet ("Windy Point I") and an eleven-story office building containing 300,000 rentable square feet ("Windy Point II") located in Schaumburg, Illinois.

The Windy Point Buildings are subject to a 20-year annexation agreement originally executed on December 12, 1995 with the Village of Schaumburg, Illinois ("Annexation Agreement"). The Annexation Agreement covers a 235-acre tract of land which includes a portion of the site of the Windy Point Buildings' parking facilities relating to the potential construction of a new eastbound on-ramp interchange for I-90. Wells OP issued a \$382,556 letter of credit pursuant to the request of the Village of Schaumburg, Illinois, representing the estimated costs of demolition and restoration of constructed parking and landscaped areas and protecting pipelines in connection with the potential construction. The obligation to maintain the letter of credit will continue until the costs of demolition and restoration are paid if the project proceeds or until the Annexation Agreement expires in December 2015. If Wells OP is unable to restore the parking spaces due to structural issues related to the utilities underground, Wells OP would then be required to construct a new parking garage on the site to accommodate the parking needs of its tenants. The

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cost for this construction is currently estimated at approximately \$3,581,000. In addition, if the interchange is constructed, Wells OP will be required to pay for its share of the costs for widening Meacham Road as part of the project, which potential obligation is currently estimated to be approximately \$288,300.

The Windy Point Buildings are currently leased as follows:

Tenant	Building	Rentable Sq. Ft.	Percentage of Building
TCI Great Lakes, Inc.	Windy Point I	129,157	69%
The Apollo Group, Inc.	Windy Point I	28,322	15%
Global Knowledge Network, Inc.	Windy Point I	22,028	12%
Multiple Tenants	Windy Point I	8,884	4%
Zurich American Insurance Company, Inc.	Windy Point II	300,000	100%

TCI Great Lakes, Inc. ("TCI") occupies 129,150 rentable square feet (69%) of the Windy Point I building. The TCI lease commenced on December 1, 1999 and expires on November 30, 2009. TCI has the right to extend the initial 10-year term of its lease for two additional five-year periods at 95% of the then-current market rental rate. TCI may terminate the TCI lease on the last day of the seventh lease year by providing 12 months prior written notice and paying Wells OP a termination fee of approximately \$4,119,500. The current annual base rent payable under the TCI lease is \$2,067,204.

TCI is a wholly-owned subsidiary of AT&T Broadband. AT&T Broadband provides basic cable and digital television services, as well as high-speed Internet access and cable telephony, with video-on-demand and other advanced services.

The Apollo Group, Inc. ("Apollo") leases 28,322 rentable square feet (15%) of the Windy Point I building. The Apollo lease commences on April 1, 2002, and expires on June 30, 2009. Apollo has the right to extend the initial term of its lease for one additional five-year period at 95% of the then-current market rental rate. The current annual base rent payable under the Apollo lease is \$357,919.

Apollo is an Arizona corporation having its corporate headquarters in Phoenix, Arizona. Apollo provides higher education programs to working adults through its subsidiaries, the University of Phoenix, Inc., the Institute for Professional Development, the College for Financial Planning Institutes Corporation and Western International University, Inc. Apollo offers educational programs and services at 58 campuses and 102 learning centers in 36 states, Puerto Rico, and Vancouver, British Columbia.

Global Knowledge Network, Inc. ("Global") leases 22,028 rentable square feet (12%) of the Windy Point I building. The Global lease commenced on May 1, 2000, and expires on April 30, 2010. Global has the right to extend the initial 10-year term of its lease for one additional five-year period at the then-current market rental rate. Wells OP has the right to terminate the Global lease on December 31, 2005 by giving Global written notice on or before April 30, 2005. The current annual base rent payable under the Global lease is \$382,307.

Global is a privately held corporation with its corporate headquarters in Cary, North Carolina and international headquarters in Tokyo, London and Singapore. Global is owned by New York-based investment firm Welsh, Carson, Anderson and Stowe, a New York limited partnership which acts as a private equity investor in information services, telecommunications and healthcare. Global provides information technology education solutions and certification programs, offering more than 700 courses in more than 60 international locations and in 15 languages. Global has posted a \$100,000 letter of credit as security for the Global lease.

Zurich American Insurance Company, Inc. ("Zurich") leases the entire 300,000 rentable square feet of the Windy Point II building. The Zurich lease commenced on September 1, 2001, and expires on August 31, 2011. Zurich has the right to extend the initial 10-year term of its lease for two additional five-year periods at 95% of the then-current market rental rate. The current annual base rent payable under the Zurich lease is \$5,091,577.

Zurich is headquartered in Schaumburg, Illinois and is a wholly owned subsidiary of Zurich Financial Services Group ("ZFSG"). ZFSG, which has its corporate headquarters in Zurich, Switzerland, is a leading provider of financial protection and wealth accumulation solutions for some 35 million customers in over 60 countries. Zurich provides commercial property-casualty insurance and serves the multinational, middle market and small business sectors in the United States and Canada.

Zurich has the right to terminate the Zurich lease for up to 25% of the rentable square feet leased by Zurich at the end of the fifth lease year. If Zurich terminates a portion of the Zurich lease, it will be required to pay a termination fee to Wells OP equal to three months of the current monthly rent for the terminated space plus additional costs related to the space leased by Zurich. In addition, Zurich may terminate the entire Zurich lease at the end of the seventh lease year by providing Wells OP 18 months prior written notice and paying Wells OP a termination fee of approximately \$8,625,000.

#### Convergys Building

Wells OP purchased the Convergys Building on December 21, 2001 for a purchase price of \$13,255,000. The Convergys Building, which was built in 2001, is a two-story office building located in Tamarac, Florida.

The Convergys Building is leased to Convergys Customer Management Group, Inc. ("Convergys") The Convergys lease is guaranteed by Convergys' parent company, Convergys Corporation, which is an Ohio corporation traded on the New York Stock Exchange having its corporate headquarters in Cincinnati, Ohio. Convergys Corporation provides outsourced billing and customer care services in the United States, Canada, Latin America, Israel and Europe.

The current term of the Convergys lease is 10 years, which commenced on September 10, 2001 and expires on September 30, 2011. Convergys has the right to extend the initial 10-year term of this lease for three additional five-year periods at 95% of the then-current market rental rate. Convergys may terminate the Convergys lease at the end of the seventh lease year (September 30, 2008) by providing 12 months prior written notice and paying Wells OP a termination fee of approximately \$1,341,000. The current annual base rent payable under the Convergys lease is \$1,248,192.

#### ADIC Buildings

Wells Fund XIII-REIT Joint Venture purchased the ADIC Buildings and an undeveloped 3.43 acre tract of land adjacent to the ADIC Buildings (the "Additional ADIC Land") on December 21, 2001 for a purchase price of \$12,954,213. The ADIC Buildings, which were built in 2001, consist of two connected one-story office and assembly buildings, containing 148,200 rentable square feet located in Parker, Colorado.

The ADIC Buildings are currently leased to Advanced Digital Information Corporation ("ADIC"), which lease does not include the Additional ADIC Land. ADIC is a Washington corporation traded on NASDAQ having its corporate headquarters in Redmond, Washington and regional management centers in Englewood, Colorado; Bohmenkirch, Germany; and Paris, France. ADIC manufactures data storage systems and specialized storage management software and distributes these products through its relationships with original equipment manufacturers such as IBM, Sony, Fujitsu, Siemens and Hewlett-Packard.

The current term of the ADIC lease is 10 years, which commenced on December 15, 2001, and expires on December 31, 2011. ADIC has the right to extend the term of its lease for two additional five-year periods at the then-current fair market rental rate for the first year of each five-year extension. The annual base rent will increase 2.5% for each subsequent year of each five-year extension. The current annual base rent payable under the ADIC lease is \$1,222,683.

#### Lucent Building

Wells OP purchased the Lucent Building from Lucent Technologies, Inc. ("Lucent") in a sale-lease back transaction on September 28, 2001 for a purchase price of \$17,650,000. The Lucent Building, which was built in 1999, is a four-story office building with 120,000 rentable square feet, which includes a 17.34 acre undeveloped tract of land, located in Cary, North Carolina.

The Lucent Building is leased to Lucent, which is traded on the New York Stock Exchange and has its corporate headquarters in Murray Hill, New Jersey. Lucent designs, develops and manufactures communications systems, software and other products.

The current term of the Lucent lease is 10 years, which commenced on September 28, 2001, and expires on September 30, 2011. Lucent has the right to extend the term of this lease for three additional five-year periods at the then-current fair market rental rate, upon 12 months prior written notice. The current annual base rent payable under the Lucent lease is \$1,800,000. The average effective annual rental rate per square foot at the Lucent Building was \$16.53 for 2001, the first year of ownership.

#### Ingram Micro Building

On September 27, 2001, Wells OP acquired a ground leasehold interest in a 701,819 square foot distribution facility located in Millington, Tennessee, pursuant to a Bond Real Property Lease dated as of December 20, 1995 ("Bond Lease"). The ground leasehold interest under the Bond Lease, along with the Bond and the Bond Deed of Trust, were purchased from Ingram Micro L.P. ("Ingram") in a sale-lease back transaction for a purchase price of \$21,050,000. The Bond Lease expires on December 31, 2026. Construction on the Ingram Micro Building was completed in 1997.

Fee simple title to the land upon which the Ingram Micro Building is located is held by the Industrial Development Board of the City of Millington, Tennessee ("Industrial Development Board"), which originally entered into the Bond Lease with Lease Plan North America, Inc. ("Lease Plan"). The Industrial Development Board issued an Industrial Development Revenue Note Ingram Micro L.P. Series 1995 ("Bond") in a principal amount of \$22,000,000 to Lease Plan in order to finance the construction of the Ingram Micro Building. The Bond is secured by a Fee Construction Mortgage Deed of Trust and Assignment of Rents and Leases ("Bond Deed of Trust") executed by the Industrial Development Board for the benefit of Lease Plan. Lease Plan assigned to Ingram its ground leasehold interest in the Ingram Micro Building under the Bond Lease. Lease Plan also assigned all of its rights and interest in the Bond and the Bond Deed of Trust to Ingram.

Wells OP also acquired the Bond and the Bond Deed of Trust from Ingram at closing. Beginning in 2006, Wells OP has the option under the Bond Lease to purchase the land underlying the Ingram Micro Building from the Industrial Development Board for \$100 plus satisfaction of the indebtedness evidenced by the Bond which, as set forth above, was acquired and is currently held by Wells OP.

Ingram Micro, Inc. ("Micro") is the general partner of Ingram and a guarantor on the Ingram lease. Micro is traded on the New York Stock Exchange and has its corporate headquarters in Santa Ana, California. Micro provides technology products and supply chain management services through

wholesale distribution. It targets three different market segments, including corporate resellers, direct and consumer marketers, and value-added resellers. Micro's worldwide business consists of approximately 14,000 associates and operations in 36 countries.

The Ingram lease has a current term of 10 years with two successive options to extend for 10 years each at an annual rate equal to the greater of (1) 95% of the then-current fair market rental rate, or (2) the annual rental payment effective for the final year of the term immediately prior to such extension. Annual rent, as determined for each extended term, is also increased by 15% beginning in the 61st month of each extended term. The current annual base rent payable for the Ingram lease is \$2,035,275. The average effective annual rental rate per square foot at the Ingram Micro Building was \$2.96 for 2001, the first year of ownership.

#### Nissan Property

Purchase of the Nissan Property. The Nissan Property is a build-to-suit property

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which commenced construction in January 2002 in Irving Texas. Wells OP purchased the Nissan Property on September 19, 2001 for a purchase price of \$5,545,700. Wells OP obtained a construction loan in the amount of \$32,400,000 from Bank of America, N.A. ("BOA"), to fund the construction of a building on the Nissan Property.

Wells OP entered into a development agreement, an architect agreement and a design and build agreement to construct a three-story office building containing 268,290 rentable square feet ("Nissan Project") on the Nissan Property.

Development Agreement. Wells OP entered into a development agreement

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("Development Agreement") with Champion Partners, Ltd., a Texas limited partnership ("Developer"), as the exclusive development manager to supervise, manage and coordinate the planning, design, construction and completion of the Nissan Project. As compensation for the services to be rendered by the Developer under the Development Agreement, Wells OP will pay a development fee of \$1,250,000. The fee will be due and payable ratably as the construction and development of the Nissan Project is completed.

We anticipate that the aggregate of all costs and expenses to be incurred by Wells OP with respect to the acquisition of the Nissan Property and the planning, design, development, construction and completion of the Nissan Project will total approximately \$42,259,000. Under the terms of the Development Agreement, the Developer has agreed that in the event that the total of all such costs and expenses exceeds \$42,258,600, subject to certain adjustments, the amount of fees payable to the Developer shall be reduced by the amount of any such excess.

Construction Agreement. Wells OP entered into a design and build construction

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agreement ("Construction Agreement") with Thos. S. Byrne, Inc. ("Contractor") for the construction of the Nissan Project. The Contractor is based in Ft. Worth, Texas and specializes in commercial, industrial and high-end residential buildings. The Contractor commenced operations in 1923 and has completed over 200 projects for a total of approximately 60 clients. The Contractor is presently engaged in the construction of over 20 projects with a total construction value of in excess of \$235 million.

The Construction Agreement provides that Wells OP will pay the Contractor a maximum of \$25,326,017 for the construction of the Nissan Project which includes all estimated fees and costs including the architect fees. The Contractor will be responsible for all costs of labor, materials, construction equipment and machinery necessary for completion of the Nissan Project. In addition, the Contractor will be required to secure and pay for any additional business

licenses, tap fees and building permits which may be necessary for construction of the Nissan Project.

Nissan Lease. The Nissan Property is leased to Nissan Motor Acceptance

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Corporation ("Nissan"), a California corporation with its corporate headquarters in Torrance, California. Nissan is a wholly owned subsidiary of Nissan North

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America, Inc. ("NNA"), a guarantor of Nissan's lease. NNA is a California corporation, with headquarters in Gardena, California. NNA handles the North American business sector of its Japanese parent, Nissan Motor Company, Ltd. NNA's business activities include design, development, manufacturing and marketing of Nissan vehicles in North America. As a subsidiary of NNA, Nissan purchases retail and lease contracts from, and provides wholesale inventory and mortgage loan financing to, Nissan and Infiniti retailers.

The initial term of the Nissan lease commenced on September 19, 2001 and will extend 10 years beyond the rent commencement date. Construction on the building began in January 2002 and is expected to be completed by December 2003. The rent commencement date will occur shortly after completion. Nissan has the right to extend the initial 10-year term of this lease for an additional two years, upon written notice. Nissan also has the right to extend the lease for two additional five-year periods at 95% of the then-current market rental rate, upon written notice. The annual base rent payable for the Nissan lease beginning on the rent commencement date is expected to be \$4,225,860.

#### IKON Buildings

Wells OP purchased the IKON Buildings on September 7, 2001 for a purchase price of \$20,650,000. The IKON Buildings, which were built in 2000, consist of two one-story office buildings aggregating 157,790 rentable square feet located in Houston, Texas.

The IKON Buildings are leased to IKON Office Solutions, Inc. ("IKON"). IKON provides business communication products such as copiers and printers, as well as services such as distributed printing, facilities management, network design, e-business development, and technology training. IKON's customers include various sized businesses, professional firms and government agencies. IKON distributes products manufactured by companies such as Microsoft, IBM, Canon, Novell and Hewlett-Packard.

The current term of the IKON lease is 10 years, which commenced on May 1, 2000, and expires on April 30, 2010. IKON has the right to extend the term of this lease for two additional five-year periods at the then-current fair market rental rate. The current annual base rent payable for the IKON lease is \$2,015,767. The average effective annual rental rate per square foot at the IKON Buildings was \$13.40 for 2001, the first year of ownership.

#### State Street Building

Wells OP purchased the State Street Building on July 30, 2001 for a purchase price of \$49,563,000. The State Street Building, which was built in 1990, is a seven-story office building with 234,668 rentable square feet located in Quincy, Massachusetts.

The State Street Building is leased to SSB Realty, LLC ("SSB Realty"). SSB Realty is a wholly-owned subsidiary of State Street Corporation, a Massachusetts corporation ("State Street"). State Street, a guarantor of the SSB Realty lease, is a world leader in providing financial services to investment managers, corporations, public pension funds, unions, not-for-profit organizations and individuals. State Street's services range from investment research and professional investment management to trading and brokerage services to fund accounting and administration.

The current term of the SSB Realty lease is 10 years, which commenced on February 1, 2001, and expires on March 31, 2011. SSB has the right to extend the term of this lease for one additional five-year period at the then-current fair market rental rate. Pursuant to the SSB Realty lease, Wells OP is obligated to provide SSB Realty an allowance of up to approximately \$2,112,000 for tenant, building and architectural improvements. The current annual base rent payable for the SSB Realty lease is \$6,922,706. The average effective annual rental rate per square foot at the State Street Building was \$31.24 for 2001, the first year of ownership.

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#### AmeriCredit Building

The XIII-REIT Joint Venture purchased the AmeriCredit Building on July 16, 2001 for a purchase price of \$12,500,000. The AmeriCredit Building, which was built in 2001, is a two-story office building containing 85,000 rentable square feet located in Orange Park, Florida.

The AmeriCredit Building is leased to AmeriCredit Financial Services Corporation ("AmeriCredit"). AmeriCredit is wholly-owned by and serves as the primary operating subsidiary for AmeriCredit Corp., a Texas corporation whose common stock is publicly traded on the New York Stock Exchange. AmeriCredit Corp. is the guarantor of the lease. AmeriCredit is the world's largest independent middle-market automobile finance company. AmeriCredit purchases loans made by franchised and select independent dealers to consumers buying late model used and, to a lesser extent, new automobiles.

The initial term of the AmeriCredit lease is 10 years which commenced in June 2001 and expires in May 2011. AmeriCredit has the right to extend the AmeriCredit lease for two additional five-year periods of time. Each extension option must be exercised by giving written notice to the landlord at least 12 months prior to the expiration date of the then-current lease term. The monthly base rent payable for each extended term of the AmeriCredit lease will be equal to 95% of the then-current market rate. The AmeriCredit lease contains a termination option which may be exercised by AmeriCredit effective as of the end of the seventh lease year and requires AmeriCredit to pay the joint venture a termination payment estimated at approximately \$1.9 million. AmeriCredit also has an expansion option for an additional 15,000 square feet of office space and 120 parking spaces. AmeriCredit may exercise this expansion option at any time during the first seven lease years. The current annual base rent payable under the AmeriCredit lease is \$1,201,050. The average effective annual rental rate per square foot at the AmeriCredit Building was \$17.03 for 2001, the first year of ownership.

#### Comdata Building

The XII-REIT Joint Venture purchased the Comdata Building on May 15, 2001 for a purchase price of \$24,950,000. The Comdata Building, which was built in 1989 and expanded in 1997, is a three-story office building containing 201,237 rentable square feet located in Brentwood, Tennessee.

The Comdata Building is leased to Comdata Network, Inc. ("Comdata"). Comdata is a leading provider of transaction processing and information services to the transportation and other industries. Comdata provides trucking companies with fuel cards, electronic cash access, permit and licensing services, routing software, driver relationship services and vehicle escorts, among other services. Comdata provides these services to over 400,000 drivers, 7,000 truck stop service centers and 500 terminal fueling locations. Ceridian Corporation, the lease guarantor, is one of North America's leading information services companies that serves the human resources and transportation markets. Ceridian and its subsidiaries generate, process and distribute data for customers and help customers develop systems plans and software to perform these functions internally.

The Comdata lease commenced on April 1, 1997, and the current term expires on

May 31, 2016. Comdata has the right to extend the Comdata lease for one additional five-year period of time at a rate equal to the greater of the base rent of the final year of the initial term or 90% of the then-current fair market rental rate. The current annual base rent payable for the Comdata lease is \$2,398,672. The average effective annual rental per square foot at the Comdata Building was \$12.47 for 2001, the first year of ownership.

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#### AT&T Oklahoma Buildings

The XII-REIT Joint Venture purchased the AT&T Oklahoma Buildings on December 28, 2000 for a purchase price of \$15,300,000. The AT&T Oklahoma Buildings, which were built in 1998 and 2000, respectively, consist of a one-story office building and a two-story office building, connected by a mutual hallway, containing an aggregate of 128,500 rentable square feet in Oklahoma City, Oklahoma.

AT&T Corp. ("AT&T") leases the entire 78,500 rentable square feet of the two-story office building and 25,000 rentable square feet of the one-story office building. AT&T is among the world's leading voice and data communications companies, serving consumers, businesses and governments worldwide. AT&T has one of the largest digital wireless networks in North America and is one of the leading suppliers of data and internet services for businesses. In addition, AT&T offers outsourcing, consulting and networking-integration to large businesses and is one of the largest direct internet access service providers for consumers in the United States.

The AT&T lease commenced on April 1, 2000, and the initial term expires on November 30, 2010. AT&T has the right to extend the AT&T lease for two additional five-year periods of time at the then-current fair market rental rate. AT&T has a right of first offer to lease the remainder of the space in the one-story office building currently occupied by Jordan Associates, Inc. ("Jordan"), if Jordan vacates the premises. The current annual base rent payable for the AT&T lease is \$1,242,000.

Jordan Associates, Inc. ("Jordan") leases the remaining 25,000 rentable square feet contained in the one-story office building. Jordan provides businesses with advertising and related services including public relations, research, direct marketing and sales promotion. Through this corporate office and other offices in Tulsa, St. Louis, Indianapolis and Wausau, Wisconsin, Jordan provides services to major clients such as Bank One, Oklahoma, N.A., BlueCross & BlueShield of Oklahoma, Kraft Food Services, Inc., Logix Communications and the American Dental Association.

The Jordan lease commenced on April 1, 1998, and the initial term expires on March 31, 2008. Jordan has the right to extend the Jordan lease for one additional five-year period of time at the then-current fair market rental rate. The current annual base rent payable for the Jordan lease is \$294,500.

The average effective annual rental rate per square foot at the AT&T Oklahoma Buildings was \$15.86 for 2001, the first year of ownership.

#### Metris Minnesota Building

Wells OP purchased the Metris Minnesota Building on December 21, 2000 for a purchase price of \$52,800,000. The Metris Minnesota Building, which was built in 2000, is a nine-story office building with 300,633 rentable square feet located in Minnetonka, Minnesota.

The Metris Minnesota Building is Phase II of a two-phase office complex known as Crescent Ridge Corporate Center in Minnetonka, Minnesota, which is a western suburb of Minneapolis. Phase I of Crescent Ridge Corporate Center is an eight-story multi-tenant building which is connected to the Metris Minnesota Building by a single-story restaurant link building. Neither Phase I of Crescent Ridge Corporate Center nor the connecting restaurant are owned by Wells OP.



The Metris Minnesota Building is leased to Metris Direct, Inc. ("Metris") as its corporate headquarters. Metris is a principal subsidiary of Metris Companies, Inc. ("Metris Companies"), a publicly traded company listed on the New York Stock Exchange ("symbol MXT") which has guaranteed the Metris lease. Metris Companies is an information-based direct marketer of consumer credit products and fee-based services primarily to moderate income consumers. Metris Companies consumer credit products are primarily unsecured credit cards issued by its subsidiary, Direct Merchants Credit Card Bank.

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The Metris lease commenced on September 1, 2000 and expires on December 31, 2011. Metris has the right to renew the Metris lease for an additional five-year term at fair market rent, but in no event less than the basic rent payable in the immediately preceding period. In addition, Metris is required to pay annual parking and storage fees of \$132,384 through December 2006 and \$164,052 payable on a monthly basis for the remainder of the lease term. The current annual base rent payable for the Metris lease is \$4,960,445. The average effective annual rental rate per square foot at the Metris Minnesota Building was \$18.17 for 2001 and \$17.89 for 2000, the first year of ownership.

#### Stone & Webster Building

Wells OP purchased the Stone & Webster Building on December 21, 2000 for a purchase price of \$44,970,000. The Stone & Webster Building, which was built in 1994, is a six-story office building with 312,564 rentable square feet located in Houston, Texas. In addition, the site includes 4.34 acres of unencumbered land available for expansion.

Stone & Webster is a full-service engineering and construction company offering managerial and technical resources for solving complex energy, environmental, infrastructure and industrial challenges. Stone & Webster, which was founded in 1889 as an electrical testing laboratory and consulting firm, has evolved into a global organization employing more than 5,000 people worldwide. The Stone & Webster lease is guaranteed by The Shaw Group, Inc., the parent company of Stone & Webster. Shaw Group is the largest supplier of fabricated piping systems and services in the world. Shaw Group distinguishes itself by offering comprehensive solutions consisting of integrated engineering and design, pipe fabrication, construction and maintenance services and the manufacture of specialty pipe fittings and supports to the power generation, crude oil refining, chemical and petrochemical processing and oil and gas exploration and production industries.

The current term of the Stone & Webster lease is 10 years, which commenced on December 21, 2000, and expires on December 20, 2010. Stone & Webster has the right to extend the Stone & Webster lease for two additional five-year periods of time for a base rent equal to the greater of (1) rent for the immediately preceding lease year, or (2) the then-current fair market rental value. The current annual base rent payable for the Stone & Webster lease is \$4,533,056.

SYSCO is the largest marketer and distributor of foodservice products in North America. SYSCO operates from 101 distribution facilities and provides its products and services to about 356,000 restaurants and other users across the United States and portions of Canada.

The current term of the SYSCO lease is 10 years, which commenced on October 1, 1998 and expires on September 30, 2008. The current annual base rent payable for the SYSCO lease is \$2,130,320.

The average effective annual rental rate per square foot at the Stone & Webster Building was \$22.41 for 2001 and \$22.56 for 2000, the first year of ownership.

#### Motorola Plainfield Building

Wells OP purchased the Motorola Plainfield Building on November 1, 2000 for a purchase price of \$33,648,156. The Motorola Plainfield Building, which was built

in 1976, is a three-story office building containing 236,710 rentable square feet located in Plainfield, New Jersey.

The Motorola Plainfield Building is leased to Motorola. Motorola is a global leader in providing integrated communications solutions and embedded electronic solutions, including software-enhanced wireless telephones, two-way radios and digital and analog systems and set-top terminals for broadband cable television operators.

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The initial term of the Motorola lease is 10 years which commenced on November 1, 2000 and expires on October 31, 2010. Motorola has the right to extend the Motorola lease for two additional five-year periods of time for a base rent equal to the greater of (1) base rent for the immediately preceding lease year, or (2) 95% of the then-current "fair market rental rate." The current annual base rent payable for the Motorola lease is \$3,324,428. The average effective annual rental rate per square foot at the Motorola-Plainfield Building was \$14.54 for 2001 and 2000, the first year of ownership.

The Motorola lease grants Motorola a right of first refusal to purchase the Motorola Plainfield Building if Wells OP attempts to sell the property during the term of the lease. Additionally, Motorola has an expansion right for an additional 143,000 rentable square feet. Upon completion of the expansion, the term of the Motorola lease shall be extended an additional 10 years after Motorola occupies the expansion space. The base rent for the expansion space shall be determined by the construction costs and fees for the expansion. The base rent for the original building for the extended 10-year period shall be the greater of (1) the then-current base rent, or (2) 95% of the then-current "fair market rental rate."

#### Quest Building

The VIII-IX Joint Venture purchased the Quest Building on January 10, 1997 for a purchase price of \$7,193,000. On July 1, 2000, the VIII - IX Joint Venture contributed the Quest Building to the VIII-IX-REIT Joint Venture. The Quest Building, which was built in 1984 and refurbished in 1996, is a two-story office building containing 65,006 rentable square feet located in Irvine, California.

The Quest Building is currently leased to Quest Software, Inc. ("Quest"). Quest is a publicly traded corporation that provides software database management and disaster recovery services for its clients. Quest was established in April 1987 to develop and market software products to help insure uninterrupted, high performance access to enterprise and custom computing applications and databases.

The initial term of the Quest lease is 42 months which commenced on June 9, 2000 and expires on December 31, 2003. The annual base rent payable for the remaining portion of the initial lease term is \$1,287,119. Quest has the right to extend the lease for two additional one-year periods of time at an annual base rent of \$1,365,126. The average effective rental rate per square foot at the Quest Building was \$18.58 for 2001, \$13.72 for 2000, and \$10.11 for 1999, the first year of ownership.

#### Delphi Building

Wells OP purchased the Delphi Building on June 29, 2000 for a purchase price of \$19,800,000. The Delphi Building, which was built in 2000, is a three-story office building containing 107,193 rentable square feet located in Troy, Michigan.

The Delphi Building is leased to Delphi Automotive Systems LLC ("Delphi LLC"). Delphi LLC is a wholly-owned subsidiary of Delphi Automotive Systems Corporation ("Delphi"), formally the Automotive Components Group of General Motors, which was spun off from General Motors in May 1999. Delphi is the world's largest automotive components supplier and sells its products to almost every major

manufacturer of light vehicles in the world.

The initial term of the Delphi lease is seven years which commenced on May 1, 2000 and expires on April 30, 2007. Delphi LLC has the right to extend the Delphi lease for two additional five-year periods of time at 95% of the then-current fair market rental rate. The current annual base rent payable for the Delphi lease is \$1,955,524. The average effective annual rental rate per square foot at the Delphi Building was \$17.58 for 2001 and \$17.11 for 2000, the first year of ownership.

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#### Avnet Building

Wells OP purchased the Avnet Building on June 12, 2000 for a purchase price of \$13,250,000. The Avnet Building, which was built in 2000, is a two-story office building containing 132,070 rentable square feet located in Tempe, Arizona. The Avnet Building is subject to a first priority mortgage in favor of SouthTrust Bank, N.A. ("SouthTrust") securing a SouthTrust Line of Credit.

The Avnet Building is leased to Avnet, Inc. ("Avnet"). Avnet is a Fortune 300 company and one of the world's largest industrial distributors of electronic components and computer products, including microprocessors, semi-conductors and electromechanical devices, serving customers in 60 countries. Additionally, Avnet sells products of more than 100 of the world's leading component manufacturers to customers around the world.

The initial term of the Avnet lease is 10 years which commenced on May 1, 2000 and expires on April 30, 2010. Avnet has the right to extend the Avnet lease for two additional five-year periods of time. The yearly rent payable for the first three years of each extension period will be at the current fair market rental rate at the end of the preceding term. The yearly rent payable for the fourth and fifth years of each extension period will be the current fair market rental rate at the end of the preceding term multiplied by a factor of 1.093. The current annual base rent payable for the Avnet lease is \$1,516,164.

Avnet has a right of first refusal to purchase the Avnet Building if Wells OP attempts to sell the Avnet Building. Avnet also has an expansion option. Wells OP has the option to undertake the expansion or allow Avnet to undertake the expansion at its own expense, subject to certain terms and conditions.

The Avnet ground lease commenced on April 5, 1999 and expires on September 30, 2083. Wells OP has the right to terminate the Avnet ground lease prior to the expiration of the 30th year. The current annual ground lease payment pursuant to the Avnet ground lease is \$230,777. The average effective annual rental rate per square foot at the Avnet Building was \$11.48 for 2001 and \$11.41 for 2000, the first year of ownership.

#### Siemens Building

The XII-REIT Joint Venture purchased the Siemens Building on May 10, 2000 for a purchase price of \$14,265,000. The Siemens Building, which was built in 2000, is a three-story office building containing 77,054 rentable square feet located in Troy, Michigan.

The Siemens Building is leased to Siemens Automotive Corporation ("Siemens"). Siemens is a subsidiary of Siemens Corporation USA, a domestic corporation which conducts the American operations of Siemens AG, the world's second largest manufacturer of electronic capital goods. Siemens, part of the worldwide Automotive Systems Group of Siemens AG, is a supplier of advanced electronic and electrical products and systems to automobile manufacturers.

The initial term of the Siemens lease is 10 years which commenced on March 3, 2000 and expires on August 31, 2010. Siemens has the right to extend the Siemens lease for two additional five-year periods of time at 95% of the then-current fair market rental rate. The current annual base rent payable for the Siemens

lease is \$1,374,643. The average effective annual rental rate per square foot at the Siemens Building was \$19.01 for 2001 and 2000, the first year of ownership.

Siemens has a one-time right to cancel the Siemens lease effective after the 90th month of the lease term if Siemens pays a cancellation fee to the XII-REIT Joint Venture currently calculated to be approximately \$1,234,160.

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#### Motorola Tempe Building

Wells OP purchased the Motorola Tempe Building on March 29, 2000 for a purchase price of \$16,000,000. The Motorola Tempe Building, which was built in 1998, is a two-story office building containing 133,225 rentable square feet in Tempe, Arizona. The Motorola Tempe Building is subject to a first priority mortgage in favor of SouthTrust securing a SouthTrust line of credit.

The Motorola Tempe Building is leased to Motorola, Inc. ("Motorola"). The Motorola Tempe Building is occupied by Motorola's Satellite Communications Division ("SATCOM"). SATCOM is a worldwide developer and manufacturer of space and ground communications equipment and systems. SATCOM is the prime contractor for the Iridium System and is primarily engaged in computer design and development functions.

The initial term of the Motorola lease is seven years which commenced on August 17, 1998 and expires on August 31, 2005. Motorola has the right to extend the Motorola lease for four additional five-year periods of time at the then-prevailing market rental rate. The current annual rent payable under the Motorola lease is \$2,054,329. The average effective annual rental rate per square foot at the Motorola Building was \$13.84 for 2001 and \$13.77 for 2000, the first year of ownership.

The Motorola Tempe Building is subject to a ground lease which commenced November 19, 1997 and expires on December 31, 2082. Wells OP has the right to terminate the Motorola ground lease prior to the expiration of the 30th year and prior to the expiration of each subsequent 10-year period thereafter. The current annual ground lease payment pursuant to the Motorola ground lease is \$243,825.

#### ASML Building

Wells OP purchased the ASML Building on March 29, 2000 for a purchase price of \$17,355,000. The ASML Building, which was built in 2000, is a two-story office and warehouse building containing 95,133 rentable square feet located in Tempe, Arizona.

The ASML Building is leased to ASM Lithography, Inc. ("ASML"). ASML is a wholly-owned subsidiary of ASM Lithography Holdings NV ("ASML Holdings"), a Dutch multi-national corporation that supplies lithography systems used for printing integrated circuit designs onto very thin disks of silicon, commonly referred to as wafers. These systems are supplied to integrated circuit manufacturers throughout the United States, Asia and Western Europe.

The initial term of the ASML lease is 15 years which commenced on June 4, 1998 and expires on June 30, 2013. The current annual base rent payable under the ASML lease is \$1,927,788. ASML has an expansion option which allows ASML the ability to expand the building into at least an additional 30,000 rentable square feet, to be constructed by Wells OP. If the expansion option exercised is for less than 30,000 square feet, Wells OP may reject the exercise at its sole discretion. In the event that ASML exercises its expansion option after the first five years of the initial lease term, such lease term will be extended to 10 years from the date of such expansion. The average effective annual rental rate per square foot at the ASML Building was \$20.26 for 2001 and \$20.17 for 2000, the first year of ownership.

The ASML Building is subject to a ground lease which commenced on August 22,

1997 and expires on December 31, 2082. Wells OP has the right to terminate the ASML ground lease prior to the expiration of the 30th year, and prior to the expiration of each subsequent 10-year period thereafter. The current annual ground lease payment pursuant to the ASML ground lease is \$186,368.

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#### Dial Building

Wells OP purchased the Dial Building on March 29, 2000 for a purchase price of \$14,250,000. The Dial Building, which was built in 1997, is a two-story office building containing 129,689 rentable square feet located in Scottsdale, Arizona. The Dial Building is subject to a first priority mortgage in favor of SouthTrust securing a SouthTrust line of credit.

The Dial Building is leased to Dial Corporation ("Dial"). Dial currently has its headquarters in the Dial Building and is one of the leading consumer product manufacturers in the United States. Dial's brands include Dial soap, Purex detergents, Renuzit air fresheners, Armour canned meats, and a variety of other leading consumer products.

The initial term of the Dial lease is 11 years which commenced on August 14, 1997 and expires on August 31, 2008. Dial has the right to extend the Dial lease for two additional five-year periods of time at 95% of the then-current fair market rental rate. The annual rent payable for the initial term of the Dial lease is \$1,387,672. The average effective annual rental rate per square foot at the Dial Building was \$10.70 for 2001 and \$10.65 for 2000, the first year of ownership.

#### Metris Tulsa Building

Wells OP purchased the Metris Tulsa Building on February 11, 2000 for a purchase price of \$12,700,000. The Metris Tulsa Building, which was built in 2000, is a three-story office building containing 101,100 rentable square feet located in Tulsa, Oklahoma.

The Metris Tulsa Building is leased to Metris Direct, Inc. ("Metris"). See the property description for the Metris Minnesota Building above for a detailed description of Metris.

The initial term of the Metris lease is 10 years which commenced on February 1, 2000 and expires on January 31, 2010. Metris has the right to extend the Metris lease for two additional five-year periods of time. The monthly base rent payable for the renewal terms of the Metris lease shall be equal to the then-current market rate. The current annual base rent payable for the Metris lease is \$1,187,925. The average effective annual rental rate per square foot at the Metris Tulsa Building was \$11.75 for 2001 and 2000, the first year of ownership.

#### Cinemark Building

Wells OP purchased the Cinemark Building on December 21, 1999 for a purchase price of \$21,800,000. The Cinemark Building, which was built in 1999, is a five-story office building containing 118,108 rentable square feet located in Plano, Texas.

The entire 118,108 rentable square feet of the Cinemark Building is currently leased to two tenants. Cinemark USA, Inc. ("Cinemark") occupies 65,521 rentable square feet (56%) of the Cinemark Building, and The Coca-Cola Company ("Coca-Cola") occupies the remaining 52,587 (44%) rentable square feet of the Cinemark Building.

Cinemark, a privately owned company, is one of the largest motion picture exhibitors in North and South America. Cinemark currently operates in excess of 2,575 screens in 32 states within the United States and internationally in countries such as Argentina, Brazil, Canada, Chile, Costa Rica, Ecuador, El

Salvador, Honduras, Nicaragua, Mexico and Peru.

The initial term of the Cinemark lease is 10 years which commenced on December 21, 1999 and expires on December 20, 2009. Cinemark has the right to extend the Cinemark lease for two additional five-year periods of time. The monthly base rent payable for the second renewal term of the Cinemark lease shall be equal to 95% of the then-current market rate. Cinemark shall have a right of first refusal to lease any of the remaining rentable area of the Cinemark Building

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which subsequently becomes vacant. The current annual base rent payable for the Cinemark lease is \$1,366,491.

Coca-Cola is the global soft-drink industry leader with world headquarters in Atlanta, Georgia. Coca-Cola manufactures and sells syrups, concentrates and beverage bases for Coca-Cola, the company's flagship brand, and over 160 other soft drink brands in nearly 200 countries around the world.

The initial term of the Coca-Cola lease is seven years, which commenced on December 1, 1999 and expires on November 30, 2006. Coca-Cola has the right to extend the lease for two additional five-year periods of time. The current annual base rent payable for the Coca-Cola lease is \$1,354,184. The average effective annual rental rate per square foot at the Cinemark Building was \$22.67 for 2001 and \$22.16 for 2000, the first year of ownership.

#### Gartner Building

The XI-XII-REIT Joint Venture purchased the Gartner Building on September 20, 1999 for a purchase price of \$8,320,000. The Gartner Building, which was built in 1998, is a two-story office building containing 62,400 rentable square feet located in Fort Myers, Florida.

The Gartner Building is currently leased to The Gartner Group, Inc. ("Gartner"). The Gartner Building will be occupied by Gartner's Financial Services Division. Gartner is one of the world's leading independent providers of research and analysis related to information and technology solutions. Gartner has over 80 locations worldwide and over 12,000 clients.

The initial term of the Gartner lease is ten years which commenced on February 1, 1998 and expires on January 31, 2008. Gartner has the right to extend the lease for two additional five-year periods of time. The current annual base rent payable for the Gartner lease is \$830,668. The average effective annual rental rate per square foot at the Gartner Building was \$13.68 for 2001, 2000, and 1999, the first year of ownership.

The monthly base rent payable for each extended term of the lease will be equal to the lesser of (1) the prior rate increased by 2.5%, or (2) 95% of the then-current market rate.

#### Marconi Building

Wells OP purchased the Marconi Building on September 10, 1999 for a purchase price of \$32,630,940. The Marconi Building, which was built in 1991, is a two-story office, assembly and manufacturing building containing 250,354 rentable square located in Wood Dale, Illinois.

The Marconi Building is leased to Marconi Data Systems, Inc. Marconi Data Systems, Inc. ("Marconi") is the world's leading producer of state-of-the-art industrial ink jet marking and coding products. The Marconi lease is guaranteed by GEC Incorporated, a wholly-owned subsidiary of Marconi, p.l.c. (formerly known as "General Electric Company, p.l.c."), a publicly traded United Kingdom corporation that ranks among the largest electronic system and equipment manufacturers in the world.

The initial term of the Marconi lease is 20 years which commenced in November 1991 and expires in November 2011. Marconi has the right to extend the Marconi lease for one additional five-year period of time. The current annual base rent payable for the Marconi lease is \$3,376,746. The average effective annual rental rate per square foot at the Marconi Building was \$13.23 for 2001 and \$13.18 for 2000 and 1999, the first year of ownership.

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#### Johnson Matthey Building

The XI-XII-REIT Joint Venture purchased the Johnson Matthey Building on August 17, 1999 for a purchase price of \$8,000,000. The Johnson Matthey Building, which was built in 1973 and refurbished in 1998, is a 130,000 square foot research and development, office and warehouse building located in Tredyffrin Township, Chester County, Pennsylvania.

The Johnson Matthey Building is currently leased to Johnson Matthey, Inc. ("Johnson Matthey"). Johnson Matthey is a wholly-owned subsidiary of Johnson Matthey, PLC of the United Kingdom, a world leader in advanced materials technology. Johnson Matthey, PLC is a publicly traded company that is over 175 years old, has operations in 38 countries and employs 12,000 people.

The lease term of the Johnson Matthey lease is 10 years which commenced in July 1998 and expires in June 2007. Johnson Matthey has the right to extend the lease for two additional three-year periods of time. The monthly base rent payable for each extension term will be equal to the fair market rent. Johnson Matthey has a right of first refusal to purchase the Johnson Matthey Building in the event that the XI-XII-REIT Joint Venture desires to sell the building to an unrelated third-party. The current annual base rent payable under the Johnson Matthey lease is \$828,750. The average effective annual rental rate per square foot at the Johnson Matthey Building was \$6.67 for 2001, 2000, and 1999, the first year of ownership.

#### Alstom Power Richmond Building

Wells REIT, LLC - VA I ("Wells LLC - VA"), a limited liability company wholly-owned by Wells OP, purchased a 7.49 acre tract of land on July 22, 1999 for a purchase price of \$936,250 and completed construction of the Alstom Power Richmond Building at an aggregate cost of approximately \$11,400,000, including the cost of the land. The Alstom Power Richmond Building, which was built in 2000, is a four-story brick office building containing 99,057 gross square feet located in Midlothian, Virginia.

Wells OP originally obtained a construction loan from SouthTrust in the maximum principal amount of \$9,280,000 to fund the development and construction of the Alstom Power Richmond Building. This loan, which is more specifically detailed in the "Real Estate Loans" section of this prospectus, was converted to a line of credit and is secured by a first priority mortgage against the Alstom Power Richmond Building, an assignment of the landlord's interest in the Alstom Power Richmond lease and a \$4,000,000 letter of credit issued by Unibank.

The Alstom Power Richmond Building is leased to Alstom Power, Inc. ("Alstom Power"). Alstom Power is the result of the December 30, 1999, merger between ABB Power Generation, Inc. and ABB Alstom Power, Inc.

The initial term of the Alstom Power Richmond lease is seven years which commenced on July 24, 2000 and expires on July 23, 2007. Alstom Power has the right to extend the lease for two additional five-year periods of time. The monthly base rent payable for each extended term of the Alstom Power lease will be equal to the then-current "Market Rate". The current annual base rent payable for the Alstom Power lease is \$1,243,657. The average effective annual rental rate per square foot at the Alstom Power-Richmond Building was \$12.92 for 2001 and \$13.53 for 2000, the first year of ownership.

Alstom Power has a one-time option to terminate the Alstom Power lease as to a

portion of the premises containing between 24,500 and 25,500 rentable square feet as of the fifth anniversary of the rental commencement date and Alstom Power will be required to pay a termination fee equal to six times the sum of the next due installments of rent plus the unamortized portions of the base improvement allowance, additional allowance and broker commission, each being amortized in equal monthly installments of principal and interest over the initial term of the lease at an annual rate of 10%.

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#### Sprint Building

The XI-XII-REIT Joint Venture purchased the Sprint Building on July 2, 1999 for a purchase price of \$9,500,000. The Sprint Building, which was built in 1992, is a three-story office building with 68,900 rentable square feet.

The Sprint Building is leased to Sprint Communications Company L.P. ("Sprint"). Sprint is the nation's third largest long distance phone company, which operates on an all-digital long distance telecommunications network using state-of-the-art fiber optic and electronic technology.

The initial term of the Sprint lease is 10 years which commenced in May, 1997 and expires in May 2007, subject to Sprint's right to extend the lease for two additional five-year periods of time. The annual base rent payable under the Sprint lease is \$999,048 through May 18, 2002, and \$1,102,404 for the remainder of the lease term. The monthly base rent payable for each extended term of the Sprint lease will be equal to 95% of the then-current market rate. The average effective annual rental rate per square foot at the Sprint Building was \$15.45 for 2001, \$15.44 for 2000 and 1999, the first year of ownership.

The Sprint lease contains a termination option which may be exercised by Sprint effective as of May 18, 2004 provided that Sprint has not exercised either expansion option, as described below. Sprint must provide notice to the XI-XII-REIT Joint Venture of its intent to exercise its termination option on or before August 21, 2003. If Sprint exercises its termination option, it will be required to pay the joint venture a termination payment equal to \$6.53 per square foot, or \$450,199.

Sprint also has an expansion option for an additional 20,000 square feet of office space. If Sprint exercises an expansion option, the XI-XII-REIT Joint Venture will be required to construct the expansion improvements in accordance with the specific drawings and plans attached as an exhibit to the Sprint lease. The joint venture will be required to fund the expansion improvements and to fund to Sprint a tenant finish allowance of \$10 per square foot for the expansion space.

#### EYBL CarTex Building

The XI-XII-REIT Joint Venture purchased the EYBL CarTex Building on May 18, 1999 for a purchase price of \$5,085,000. The EYBL CarTex Building, which was built in the 1980's, is a manufacturing and office building consisting of a total of 169,510 square feet located in Greenville, South Carolina.

The EYBL CarTex Building is leased to EYBL CarTex, Inc. ("EYBL CarTex"). EYBL CarTex produces automotive textiles for BMW, Mercedes, GM Bali, VW Mexico and Golf A4. EYBL CarTex is a wholly-owned subsidiary of EYBL International, AG, Krems/Austria. EYBL International is the world's largest producer of circular knit textile products and loop pile plushes for the automotive industry.

The initial term of the EYBL CarTex lease is 10 years which commenced in March 1998 and expires in February 2008, subject to EYBL CarTex's right to extend the lease for two additional five-year periods of time. The monthly base rent payable for each extended term of the lease will be equal to the fair market rent. In addition, EYBL CarTex has an option to purchase the EYBL CarTex Building at the expiration of the initial lease term by giving notice to the landlord by March 1, 2007. The current annual base rent payable under the EYBL



CarTex lease is \$550,908. The average effective annual rental rate per square foot at the EYBL CarTex Building was \$3.31 for 2001, 2000 and 1999, the first year of ownership.

#### Matsushita Building

Wells OP completed construction of the Matsushita Building at an aggregate cost of approximately \$18,431,206, including the cost of the land. The Matsushita Building, which was built in 2000, is a two-story office building containing

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144,906 rentable square feet. Wells OP purchased an 8.8 acre tract of land on March 15, 1999, for a purchase price of \$4,450,230.

The Matsushita Building is leased to Matsushita Avionics Systems Corporation ("Matsushita Avionics"). Matsushita Avionics is a wholly-owned subsidiary of Matsushita Electric Corporation of America ("Matsushita Electric"). Matsushita Electric, a guarantor of the Matsushita lease, is a wholly-owned subsidiary of Matsushita Electric Industrial Co., Ltd. ("Matsushita Industrial"), a Japanese company which is the world's largest consumer electronics manufacturer.

The initial term of the Matsushita lease is seven years which commenced on January 4, 2000 and expires in January 2007. Matsushita Avionics has the option to extend the initial term of the Matsushita lease for two successive five-year periods. The current annual base rent payable for the Matsushita lease is \$2,005,464. The average effective annual rental rate per square foot at the Matsushita Building was \$13.23 for 2001 and \$12.80 for 2000, the first year of ownership.

The monthly base rent payable during the option term shall be 95% of the stated rental rate. The monthly base rent during the option term shall be adjusted upward during the option term at the beginning of the 24th and 48th month of each option term by an amount equal to 6% of the monthly base rent payable immediately preceding such period.

#### AT&T Pennsylvania Building

Wells OP purchased the AT&T Pennsylvania Building on February 4, 1999 for a purchase price of \$12,291,200. The AT&T Pennsylvania Building, which was built in 1998, is a four-story office building containing 81,859 rentable square feet located in Harrisburg, Pennsylvania.

The AT&T Pennsylvania Building is leased to Pennsylvania Cellular Telephone Corp. ("Pennsylvania Telephone"), a subsidiary of Vanguard Cellular Systems, Inc. ("Vanguard Cellular"), and the obligations of Pennsylvania Telephone under the Vanguard Cellular lease are guaranteed by Vanguard Cellular. Vanguard Cellular is an independent operator of cellular telephone systems in the United States with over 664,000 subscribers located in 26 markets in the Mid-Atlantic, Ohio Valley and New England regions of the United States. Vanguard Cellular markets its wireless products and services under the name CellularOne, a nationally recognized brand name partially owned by Vanguard Cellular.

The initial term of the Vanguard Cellular lease is 10 years which commenced in November 1998 and expires in November 2008. Vanguard has the option to extend the initial term of the Vanguard Cellular lease for three additional five-year periods and one additional four year and 11-month period. The annual base rent for each extended term under the lease will be equal to 93% of the "fair market rent." The fair market rent shall be multiplied by the "fair market escalator" (which represents the yearly rate of increases in the fair market rent for the entire renewal term), if any. The current annual base rent payable for the Vanguard Cellular lease is \$1,442,116. The average effective annual rental rate per square foot at the AT&T Pennsylvania Building was \$16.65 for 2001, and \$16.69 for 2000 and 1999, the first year of ownership.

In addition, the Vanguard Cellular lease contains an option to expand the

premises to create additional office space of not less than 40,000 gross square feet and not more than 90,000 gross square feet, as well as additional parking to accommodate such office space. If Pennsylvania Telephone exercises its option for the expansion improvements, Wells OP will be obligated to expend the funds necessary to construct the expansion improvements. Pennsylvania Telephone may exercise its expansion option by delivering written notice to Wells OP at any time before the last business day of the 96th month of the initial term of the Vanguard Cellular lease.

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#### PwC Building

Wells OP purchased the PwC Building on December 31, 1998 for a purchase price of \$21,127,854. The PwC Building, which was built in 1998, is a four-story office building containing 130,090 rentable square feet located in Tampa, Florida. Wells OP purchased the PwC Building subject to a loan from SouthTrust.

The PwC Building is leased to PricewaterhouseCoopers ("PwC"). PwC provides a full range of business advisory services to leading global, national and local companies and to public institutions.

The initial term of the PwC lease is 10 years which commenced in December 1998 and expires in December 2008, subject to PwC's right to extend the lease for two additional five-year periods of time. The current annual base rent payable under the PwC lease is \$2,093,382. The base rent escalates at the rate of 3% per year throughout the 10 year lease term. In addition, PwC is required to pay a "reserve" of \$13,009 (\$0.10 per square foot) as additional rent. The average effective annual rental rate per square foot at the PwC Building was \$16.98 for 2001, 2000, and 1999, the first year of ownership.

The annual base rent for each renewal term under the lease will be equal to the greater of (1) 90% of the "market rent rate" for such space multiplied by the rentable area of the leased premises, or (2) 100% of the base rent paid during the last lease year of the initial term, or the then-current renewal term.

In addition, the PwC lease contains an option to expand the premises to include a second three or four-story building with an amount of square feet up to a total of 132,000 square feet which, if exercised by PwC, will require Wells OP to expend funds necessary to construct the expansion building. PwC may exercise its expansion option at any time prior to the expiration of the initial term of the PwC lease.

If PwC elects to exercise its expansion option, Wells OP will be required to expand the parking garage such that a sufficient number of parking spaces, at least equal to four parking spaces per 1,000 square feet of rentable area, is maintained. In the event that PwC elects to exercise its expansion option and Wells OP determines not to proceed with the construction of the expansion building as described above, or if Wells OP is otherwise required to construct the expansion building and fails to do so in a timely basis pursuant to the PwC lease, PwC may exercise its purchase option by giving Wells OP written notice of such exercise within 30 days after either such event. If PwC properly exercises its purchase option, PwC must simultaneously deliver a deposit in the amount of \$50,000.

#### Fairchild Building

The Fremont Joint Venture purchased the Fairchild Building on July 21, 1998 for a purchase price of \$8,900,000. The Fairchild Building, which was built in 1985, is a two-story manufacturing and office building with 58,424 rentable square feet located in Fremont, Alameda County, California.

The Fairchild Building is leased to Fairchild Technologies U.S.A., Inc. ("Fairchild"). Fairchild is a global leader in the design and manufacture of production equipment for semiconductor and compact disk manufacturing. Fairchild is a wholly-owned subsidiary of the Fairchild Corporation ("Fairchild Corp"),

the largest aerospace fastener and fastening system manufacturer and one of the largest independent aerospace parts distributors in the world. The obligations of Fairchild under the Fairchild lease are guaranteed by Fairchild Corp.

The initial term of the Fairchild lease is seven years which commenced in December 1997 and expires in November 2004, subject to Fairchild's right to extend the Fairchild lease for an additional five-year period. The base rent during the first year of the extended term of the Fairchild lease, if exercised by Fairchild, shall be 95% of the then-fair market rental value of the Fairchild Building subject to the annual 3% increase adjustments. The current annual base rent payable under the Fairchild lease is \$893,340. The average effective annual

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rental rate per square foot at the Fairchild Building was \$15.46 for 2001, 2000, and 1999, the first year of ownership.

#### Cort Furniture Building

The Cort Joint Venture purchased the Cort Furniture Building on July 31, 1998 for a purchase price of \$6,400,000. The Cort Furniture Building, which was built in 1975, is a one-story office, showroom and warehouse building with 52,000 rentable square feet located in Fountain Valley, California.

The Cort Furniture Building is leased to Cort Furniture Rental Corporation ("Cort"). Cort uses the Cort Furniture Building as its regional corporate headquarters with an attached clearance showroom and warehouse storage areas. Cort is a wholly-owned subsidiary of Cort Business Services Corporation, a New York Stock Exchange Company ("Cort Business Services"). Cort Business Services is the largest and only national provider of high-quality office and residential rental furniture and related accessories. The obligations of Cort under the Cort Furniture lease are guaranteed by Cort Business Services.

The initial term of the Cort lease is 15 years which commenced in November 1988 and expires in October 2003. Cort has an option to extend the Cort lease for an additional five-year period of time. The monthly base rent during the first year of the extended term shall be 90% of the then-fair market rental value, but will be no less than the rent in the 15th year of the Cort lease. The current annual base rent payable under the Cort lease is \$834,888 for the remainder of the lease term. The average effective annual rental rate per square foot at the Cort Building was \$15.30 for 2001, 2000, and 1999, the first year of ownership.

#### Iomega Building

Wells Fund X originally purchased the Iomega Building on April 1, 1998 for a purchase price of \$5,025,000 and on July 1, 1998, contributed the Iomega Building to the IX-X-XI-REIT Joint Venture. The Iomega Building is a warehouse and office building with 108,250 rentable square feet located in Ogden City, Utah.

The Iomega Building is leased to Iomega Corporation ("Iomega"). Iomega, a New York Stock Exchange company, is a manufacturer of computer storage devices used by individuals, businesses, government and educational institutions, including "Zip" drives and disks, "Jaz" one gigabyte drives and disks, and tape backup drives and cartridges.

The initial term of the Iomega lease is 10 years which commenced in August 1996 and expires in July 2006. On March 1, 2003 and July 1, 2006, the monthly base rent payable under the Iomega lease will be increased to reflect an amount equal to 100% of the increase in the Consumer Price Index during the preceding 40 months; provided however, that in no event shall the base rent be increased with respect to any one year by more than 6% or by less than 3% per year, compounded annually, on a cumulative basis from the beginning of the lease term. The current annual base rent payable under the Iomega lease is \$659,868. The average effective annual rental rate per square foot at the Iomega Building was \$6.22 for 2001 and 2000, and \$5.18 for 1999, the first year of ownership.

#### Interlocken Building

The IX-X-XI-REIT Joint Venture purchased the Interlocken Building on March 20, 1998 for a purchase price of \$8,275,000. The Interlocken Building, which was built in 1996, is a three-story multi-tenant office building with 51,974 rentable square feet located in Broomfield, Colorado. The aggregate current annual base rent payable for all tenants of the Interlocken Building is \$845,810. The average effective annual rental rate per square foot at the Interlocken Building was \$16.12 for 2001, \$16.23 for 2000, and \$15.97 for 1999, the first year of ownership.

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#### Ohmeda Building

The IX-X-XI-REIT Joint Venture purchased the Ohmeda Building on February 13, 1998 for a purchase price of \$10,325,000. The Ohmeda Building, which was built in 1988, is a two-story office building with 106,750 rentable square feet located in Louisville, Colorado.

The Ohmeda Building is leased to Ohmeda, Inc. ("Ohmeda"). Ohmeda is a medical supply firm based in Boulder, Colorado and is a worldwide leader in vascular access and hemodynamic monitoring for hospital patients. On April 13, 1998, Instrumentarium Corporation, a Finnish company, acquired the division of Ohmeda that occupies the Ohmeda Building. Instrumentarium is an international health care company concentrating on selected fields of medical technology manufacturing, marketing and distribution.

The Ohmeda lease currently expires in January 2005, subject to Ohmeda's right to extend the Ohmeda lease for two additional five-year periods of time. The current annual base rent payable under the Ohmeda lease is \$1,004,520. The average effective annual rental rate per square foot at the Ohmeda Building was \$9.62 for 2001, 2000, and 1999, the first year of ownership.

The Ohmeda lease contains an option to expand the premises by an amount of square feet up to a total of 200,000 square feet which, if exercised by Ohmeda, will require the IX-X-XI-REIT Joint Venture to expend funds necessary to acquire additional land, if necessary, and to construct the expansion space.

#### Alstom Power Knoxville Building

Wells Fund IX purchased the land and constructed the Alstom Power Knoxville Building. The Alstom Power Knoxville Building, which was built in 1997, is a three-story multi-tenant steel-framed office building containing 84,404 square feet located in Knoxville, Tennessee. Wells Fund IX contributed the Alstom Power Knoxville Building to the IX-X-XI-REIT Joint Venture on March 26, 1997 and was credited with making a \$7,900,000 capital contribution.

The Alstom Power Knoxville Building is currently leased to Alstom Power, Inc. ("Alstom Power"). Alstom Power is the result of the December 30, 1999 merger between ABB Power Generation, Inc. and ABB Alstom Power, Inc.

As security for Alstom Power's obligations under its lease, Alstom Power has provided to the IX-X-XI-REIT Joint Venture an irrevocable standby letter of credit in accordance with the terms and conditions set forth in the Alstom Power Knoxville lease. The letter of credit maintained by Alstom Power is required to be in the amount of \$4,000,000 until the seventh anniversary of the rental commencement date, at which time it will be reduced by \$1,000,000 each year until the end of the lease term.

The current term of the Alstom Power Knoxville lease nine years and 11 months which commenced in January 1998 and expires in November 2007. The current annual base rent for the Alstom Power Knoxville lease is \$1,106,520. The average effective annual rental rate per square foot at the Alstom Power Building was \$13.83 for 2001, \$14.05 for 2000, and \$11.82 for 1999, the first year of

ownership.

Alstom Power has an option to terminate the Alstom Power Knoxville lease as of the seventh anniversary of the rental commencement date. If Alstom Power elects to exercise this termination option, Alstom Power is required to pay to the IX-X-XI-REIT Joint Venture a termination payment. We currently anticipate that the termination payment required to be paid by Alstom Power in the event it exercises its option to terminate the Alstom Power Knoxville lease on the seventh anniversary would be approximately \$1,800,000 based upon certain assumptions.

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#### Avaya Building

The Avaya Building was purchased by the IX-X-XI-REIT Joint Venture on June 24, 1998 for a purchase price of \$5,504,276. The Avaya Building, which was built in 1998, is a one-story office building containing 57,186 rentable square feet located in Oklahoma City, Oklahoma.

The Avaya Building is leased to Avaya, Inc. ("Avaya"), the former Enterprise Networks Group of Lucent Technologies Inc. ("Lucent Technologies"). Lucent Technologies, the former tenant, assigned the lease to Avaya on September 30, 2000. Lucent Technologies, which was not released from its obligations to pay rent under the lease, is a telecommunications company which was spun off by AT&T in April 1996.

The initial term of the Avaya lease is 10 years which commenced in January 1998 and expires in January 2008. The current annual base rent payable under the Avaya lease is \$508,383. The average effective annual rental rate per square foot at the Avaya Building was \$10.19 for 2001, 2000, 1999 and 1998, the first year of ownership. Under the Avaya lease, Avaya also has an option to terminate the Avaya lease on the seventh anniversary of the rental commencement date. If Avaya elects to exercise its option to terminate the Avaya lease, Avaya would be required to pay a termination payment anticipated to be approximately \$1,339,000.

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## PART II

### ITEM 5. MARKET FOR COMPANY'S COMMON STOCK AND RELATED SECURITY HOLDER MATTERS

As of February 28, 2002, the Company had 98,533,643 shares of common stock outstanding held by a total of 90,281 shareholders. The current offering price per share is \$10. There is no established public trading market for the Company's common stock. Under the Company's Articles of Incorporation, restrictions are imposed on the ownership and transfer of shares.

The Company will make distributions each taxable year (not including a return of capital for federal income tax purposes) equal to at least 90% of its taxable income. The Company intends to make regular quarterly dividend distributions to shareholders. Dividends will be made to those shareholders who are shareholders of record as of daily record dates selected by the Directors. Dividends will be paid on a quarterly basis.

Dividend distributions made to the shareholders during 2001 and 2000 were as follows:

	Total		
	Cash	Investment	Return of
Distribution for Quarter Ended	Distributed	Income	Capital

March 31, 2000	2,634,251	0.106	0.069
June 30, 2000	3,321,189	0.109	0.072
September 30, 2000	4,477,865	0.114	0.074
December 31, 2000	5,396,113	0.114	0.074
March 31, 2001	6,257,805	0.135	0.053
June 30, 2001	7,584,376	0.135	0.053
September 30, 2001	9,706,782	0.135	0.053
December 31, 2001	13,222,241	0.139	0.055

#### Distributions

The fourth quarter dividend distributions declared through December 15, for 2001 were paid to shareholders in December 2001. Dividends for the period from December 16, 2001 to year-end will be paid to shareholders in March 2002.

#### ITEM 6. SELECTED FINANCIAL DATA

The Company commenced active operations when it received and accepted subscriptions for a minimum of 125,000 shares on June 5, 1998.

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#### PART II

The following sets forth a summary of the selected financial data for the fiscal year ended December 31, 2001, 2000 and 1999.

	2001	2000	1999
	-----	-----	-----
Total assets	\$753,224,519	\$398,550,346	\$143,852,290
Total revenues	49,308,802	23,373,206	6,495,395
Net income	21,723,967	8,552,967	3,884,649
Net income allocated to Shareholders	21,723,967	8,552,967	3,884,649
Earning per share:			
Basic and diluted	\$ 0.43	\$ 0.40	\$ 0.50
Cash distributions	0.76	0.73	0.70

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

The following discussion and analysis should be read in conjunction with the Selected Financial Data and the accompanying financial statements of the Company and notes thereto.

##### Forward Looking Statements

This Report contains forward-looking statements, within the meaning of Section 27A of the Securities Act of 1933 and 21E of the Securities Exchange Act of 1934, including discussion and analysis of the financial condition of the Company, anticipated capital expenditures required to complete certain projects, amounts of anticipated cash distributions to shareholders in the future and certain other matters. Readers of this Report should be aware that there are various factors that could cause actual results to differ materially from any forward-looking statements made in the Report, which include changes in general economic conditions, changes in real estate conditions, construction costs which may exceed estimates, construction delays, increases in interest rates, lease-up risks, inability to obtain new tenants upon the expiration of existing leases, and the potential need to fund tenant improvements or other capital expenditures out of operating cash flow.

The Company has made an election under Section 856 (c) of the Internal Revenue Code (the "Code") to be taxed as a REIT under the Code beginning with its taxable year ended December 31, 1999. As a REIT for federal income tax purposes,

the Company generally will not be subject to Federal income tax on income that it distributes to its stockholders. If the Company fails to qualify as a REIT in any taxable year, it will be subject to federal income tax on its taxable income at regular corporate rates and will not be permitted to qualify for treatment as a REIT for federal income tax purposes for four years following the year in which its qualification is lost. Such an event could materially, adversely affect the Company's net income. However, management believes that the Company is organized and operates in a manner, which has enabled the Company to qualify for treatment as a REIT for federal income tax purposes during the year ended December 31, 2001. In addition, management intends to continue to operate the Company so as to remain qualified as a REIT for federal income tax purposes.

## Liquidity and Capital Resources

### General

During the fiscal year ended December 31, 2001, the Company received aggregate gross offering proceeds of \$522,516,620 from the sale of 52,251,662 shares of its common stock. After payment of \$18,143,307 in Acquisition and Advisory Fees and Acquisition Expenses, payment of \$58,387,809 in

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selling commissions and organization and offering expenses, and common stock redemptions of \$4,137,427 pursuant to the Company's share redemption program, the Company raised net offering proceeds available for investment in properties of \$441,848,077 during 2001.

As of December 31, 2001, the Company had received aggregate gross offering proceeds of approximately \$837,614,690 from the sale of 83,761,469 shares of its common stock to 84,002 investors. After payment of \$29,122,286 in Acquisition and Advisory Fees and Acquisition Expenses, payment of \$98,125,735 in selling commissions and organization and offering expenses, capital contributions to joint ventures and acquisitions expenditures by Wells OP of \$642,106,041 in property acquisitions, and common stock redemptions of \$5,550,396 pursuant to the Company's share redemption program, the Company was holding net offering proceeds of \$62,711,000 available for investment in properties, as of December 31, 2001. As of February 28, 2002, the Company had received aggregate gross offering proceeds of approximately \$985,336,430 from the sale of 98,533,643 shares of its common stock to 90,281 investors.

The net increase in cash and cash equivalents during 2001, as compared to 2000, is primarily the result of raising \$522,516,620 in capital contributions from the sale of 52,251,662 shares of common stock, offset by the acquisition of nine properties during 2001, and the payment of acquisition and advisory fees and acquisition expenses, commissions, organization and offering costs and capital contributions to joint ventures.

As of December 31, 2001, the Company owned interests in 39 real estate properties either directly or through its interests in joint ventures. These properties are generating operating cash flow sufficient to cover the Company's operating expenses and pay dividends to shareholders. The Company pays dividends on a quarterly basis regardless of the frequency with which such distributions are declared. Dividends will be paid to investors who are shareholders as of the record dates selected by the Board of Directors. The Company currently calculates quarterly dividends based on the daily record and dividend declaration dates; thus, shareholders are entitled to receive dividends immediately upon the purchase of shares. Dividends declared during 2001 and 2000 totaled \$.76 per share and \$.73 per share, respectively. Although there is no assurance, management of the Company anticipates that dividend distributions to shareholders will continue in 2002 at a level at least comparable with 2001 dividend distributions.

Dividends to be distributed to the shareholders are determined by the Board of Directors and are dependent on a number of factors related to the Company, including funds available for payment of dividends, financial condition, capital

expenditure requirements and annual distribution requirements in order to maintain the Company's status as a REIT under the Code. Operating cash flows are expected to increase as additional properties are added to the Company's investment portfolio.

#### Cash Flows From Operating Activities

The Company's net cash provided by operating activities was \$42,349,342 for 2001, \$7,319,639 for 2000 and \$4,008,275 for 1999. The increase in net cash provided by operating activities was due primarily to the net income generated by properties acquired during 2000 and 2001.

#### Cash Flows Used In Investing Activities

The Company's net cash used in investing activities was \$274,605,735 for 2001, \$249,316,460 for 2000 and \$105,394,956 for 1999. The increase in net cash used in investing activities was due primarily to investments in properties, directly and through contributions to joint ventures, and the payment of related deferred project costs.

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#### Cash Flows From Financing Activities

The Company's net cash provided by financing activities was \$303,544,260 for 2001, \$243,365,318 for 2000, and \$96,337,082 for 1999. The increase in net cash provided by financing activities was due primarily to the raising of additional capital offset by the repayment of notes payable. The Company raised \$522,516,620 in offering proceeds for fiscal year ended December 31, 2001, as compared to \$180,387,220 for fiscal year ended December 31, 2000, and \$103,169,490 for fiscal year ended December 31, 1999. In addition, the Company received loan proceeds from financing secured by properties of \$110,243,145 and repaid notes payable in the amount of \$229,781,888 for fiscal year ended December 31, 2001.

#### Results of Operations

As of December 31, 2001, the Company's real estate properties were 100% leased to tenants. Gross revenues were \$49,308,802 for the fiscal year ended December 31, 2001, \$23,373,206 for fiscal year ended December 31, 2000 and \$6,495,395 for fiscal year ended December 31, 1999. Gross revenues for the year ended December 31, 2001, 2000 and 1999 were attributable to rental income, interest income earned on funds held by the Company prior to the investment in properties, and income earned from joint ventures. The increase in revenues in 2001 was primarily attributable to the purchase of additional properties during 2000 and 2001. The purchase of additional properties also resulted in an increase in expenses which totaled \$27,584,835 for the year ended December 31, 2001, \$14,820,239 for the year ended December 31, 2000 and \$2,610,746 for the year ended December 31, 1999. Expenses in 2001, 2000 and 1999 consisted primarily of depreciation, interest expense and management and leasing fees. The Company's net income also increased from \$3,884,649 for fiscal year ended December 31, 1999 to \$8,552,967 for fiscal year ended December 31, 2000 to \$21,723,967 for the year ended December 31, 2001.

#### Property Operations

The following table summarizes the operations of the joint ventures in which Wells OP owned an interest as of December 31, 2001, 2000 and 1999:

Total Revenue For Years Ended December 31			Net Income For Years Ended December 31			Company's Share of Net Income For Years Ended December 31		
2001	2000	1999	2001	2000	1999	2001	2000	1999



Venture	\$ 4,344,209	\$ 4,388,193	\$4,053,042	\$2,684,837	\$2,669,143	\$2,172,244	\$ 99,649	\$ 99,177	\$ 81,501
Orange County Joint Venture	797,937	795,545	795,545	546,171	568,961	550,952	238,542	248,449	240,585
Fremont Joint Venture	907,673	902,946	902,946	562,893	563,133	559,174	436,265	436,452	433,383
Fund XI-XII-REIT Joint Venture	3,371,067	3,349,186	1,443,503	2,064,911	2,078,556	853,073	1,172,103	1,179,848	488,500
Fund XII-REIT Joint Venture	4,708,467	976,865	N/A	2,611,522	614,250	N/A	1,386,877	305,060	N/A
Fund VIII-IX-REIT Joint Venture	1,208,724	563,049	N/A	566,840	309,893	N/A	89,779	24,887	N/A
Fund XIII-REIT Joint Venture	706,373	N/A	N/A	356,355	N/A	N/A	297,745	N/A	N/A
	=====	=====	=====	=====	=====	=====	=====	=====	=====
	\$16,044,450	\$10,975,784	\$7,195,036	\$8,977,529	\$6,803,936	\$4,135,443	\$3,720,960	\$2,293,873	\$1,243,969

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#### Subsequent Events

On January 11, 2002, Wells OP purchased a three-story office building containing approximately 157,700 rentable square feet (the "Arthur Andersen Building") on a 9.8 acre tract of land located in Sarasota County, Florida for a purchase price of \$21,400,000. The Arthur Andersen Building is leased to Arthur Andersen LLP ("Andersen"). The current term of the Andersen lease is 10 years, which commenced on November 11, 1998 and expires on November 30, 2008. Andersen has the right to extend the initial 10-year term of its lease for two additional five-year periods at 90% of the ten-current market rental rate. The current annual base rent payable under the Andersen lease is \$1,988,454. Andersen has the option to purchase the Arthur Andersen Building prior to the end of the fifth lease year for \$23,250,000 and again at the expiration of the initial lease term for \$25,148,000.

On March 6, 2002, the Board of Directors of the Company declared dividends for the second quarter of 2002 in the amount of \$0.19375 per share, or a 7.75% annualized percentage return on an investment of \$10.00 per share, payable to the stockholders of the Company on a daily record basis.

#### Funds from Operations

Funds from Operations ("FFO"), as defined by the National Association of Real Estate Investment Trusts ("NAREIT"), generally means net income, computed in accordance with GAAP excluding extraordinary items (as defined by GAAP) and gains (or losses) from sales of property, plus depreciation and amortization on real estate assets, and after adjustments for unconsolidated partnerships, joint ventures and subsidiaries. The Company believes that FFO is helpful to investors as a measure of the performance of an equity REIT. However, the Company's calculation of FFO, while consistent with NAREIT's definition, may not be comparable to similarly titled measures presented by other REITs. Adjusted Funds from Operations ("AFFO") is defined as FFO adjusted to exclude the effects of straight-line rent adjustments, deferred loan cost amortization and other non-cash and/or unusual items. Neither FFO nor AFFO represent cash generated from operating activities in accordance with GAAP and should not be considered as alternatives to net income as an indication of the Company's performance or to cash flows as a measure of liquidity or ability to make distributions.

The following table reflects the calculation of FFO and AFFO for the three years ended December 31, 2001, 2000, and 1999, respectively:

	December 31, 2001	December 31, 2000	December 31, 1999
	-----	-----	-----

FUNDS FROM OPERATIONS:			
Net income	\$ 21,723,967	\$ 8,552,967	\$ 3,884,649
Add:			
Depreciation of real assets	15,344,801	7,743,550	1,726,103
Amortization of deferred leasing costs	303,347	350,991	0
Depreciation and amortization - unconsolidated partnerships	3,211,828	852,968	652,167
	-----	-----	-----
Funds from operations (FFO)	40,583,943	17,500,476	6,262,919
Adjustments:			
Loan cost amortization	770,192	232,559	8,921
Straight line rent	(2,754,877)	(1,650,791)	(847,814)
Straight line rent - unconsolidated partnerships	(543,039)	(245,288)	(140,076)
Lease acquisition fees paid	0	(152,500)	0
Lease acquisition fees paid - unconsolidated partnerships	0	(8,002)	(512)
	-----	-----	-----
Adjusted funds from operations	\$ 38,056,219	\$ 15,676,454	\$ 5,283,438
	=====	=====	=====
WEIGHTED AVERAGE SHARES:			
BASIC AND DILUTED	51,081,867	21,616,051	7,769,298
	=====	=====	=====

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#### Inflation

The real estate market has not been affected significantly by inflation in the past three years due to the relatively low inflation rate. However, there are provisions in the majority of tenant leases which would protect the Company from the impact of inflation. These provisions include reimbursement billings for common area maintenance charges ("CAM"), real estate tax and insurance reimbursements on a per square foot basis, or in some cases, annual reimbursement of operating expenses above a certain per square foot allowance.

#### Critical Accounting Policies

The Company's accounting policies have been established and conform with accounting principles generally accepted in the United States ("GAAP"). The preparation of financial statements in conformity with GAAP requires management to use judgment in the application of accounting policies, including making estimates and assumptions. These judgments affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. If our judgment or interpretation of the facts and circumstances relating to various transactions had been different, it is possible that different accounting policies would have been applied; thus, resulting in a different presentation of our financial statements. Below is a discussion of the accounting policies that we consider to be critical in that they may require complex judgment in their application or require estimates about matters which are inherently uncertain. Additional discussion of accounting policies that we consider to be significant, including further discussion of the critical accounting policies described below, is presented in the notes to the Company's financial statements in Item 14(a).

#### Straight-Lined Rental Revenues

The Company recognizes rental income generated from all leases on real estate assets in which the Company has an ownership interest, either directly or through investments in joint ventures, on a straight-line basis over the terms of the respective leases. If a tenant was to encounter financial difficulties in

future periods, the amount recorded as a receivable may not be realized.

#### Operating Cost Reimbursements

The Company generally bills tenants for operating cost reimbursements, either directly or through investments in joint ventures, on a monthly basis at amounts estimated largely based on actual prior period activity and the respective lease terms. Such billings are generally adjusted on an annual basis to reflect reimbursements owed to the landlord based on the actual costs incurred during the period and the respective lease terms. Financial difficulties encountered by tenants may result in receivables not being realized.

#### Real Estate

Management continually monitors events and changes in circumstances indicating that the carrying amounts of the real estate assets in which the Company has an ownership interest, either directly or through investments in joint ventures, may not be recoverable. When such events or changes in circumstances are present, management assesses the potential impairment by comparing the fair market value of the asset, estimated at an amount equal to the future undiscounted operating cash flows expected to be generated from tenants over the life of the asset and from its eventual disposition, to the carrying value of them asset. In the event that the carrying amount exceeds the estimated fair market value, the Company would recognize an impairment loss in the amount required to adjust the carrying amount of the asset to its

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estimated fair market value. Neither the Company nor its joint ventures have recognized impairment losses on real estate assets in 2001, 2000 or 1999.

#### Deferred Project Costs

Wells Capital, Inc. expects to continue to fund 100% of the acquisition and advisory fees and acquisition expenses and recognize related expenses, to the extent that such costs exceed 3.5% of cumulative capital raised (subject to certain overall limitations described in the prospectus), on behalf of the Company. The Company records acquisition and advisory fees and acquisition expenses by capitalizing deferred project costs and reimbursing Wells Capital, Inc. in an amount equal to 3.5% of cumulative capital raised to date. As the Company invests its capital proceeds, deferred project costs are applied to real estate assets, either directly or through contributions to joint ventures, at an amount equal to 3.5% of each investment and depreciated over the useful lives of the respective real estate assets.

#### Deferred Offering Costs

Wells Capital, Inc. expects to continue to fund 100% of the organization and offering costs and recognize related expenses, to the extent that such costs exceed 3% of cumulative capital raised, on behalf of the Company. Organization and offering costs include items such as legal and accounting fees, marketing and promotional costs, and printing costs, and specifically exclude sales costs and underwriting commissions. The Company records offering costs by accruing deferred offering costs, with an offsetting liability included in due to affiliates, at an amount equal to the lesser of 3% of cumulative capital raised to date or actual costs incurred from third-parties less reimbursements paid to Wells Capital, Inc. As the actual equity is raised, the Company reverses the deferred offering costs accrual and recognizes a charge to stockholders' equity upon reimbursing Wells Capital, Inc.

#### ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Financial Statements of the Registrant and supplementary data are detailed under Item 14(a) and filed as part of the report on pages F-2 through F-40 of this Annual Report on Form 10-K and Schedule III beginning on page S-1 of this Annual Report on Form 10-K, all of which are hereby incorporated into

this Item 8 by references.

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

There were no disagreements with the Company's accountants or other reportable events during 2001.

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

The information required by this Item is incorporated by reference to the Company's Definitive Proxy Statement to be filed with the Commission for its annual stockholders' meeting to be held on June 26, 2002.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated by reference to the Company's Definitive Proxy Statement to be filed with the Commission for its annual stockholders' meeting to be held on June 26, 2002.

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ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this Item is incorporated by reference to the Company's Definitive Proxy Statement to be filed with the Commission for its annual stockholders' meeting to be held on June 26, 2002.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this Item is incorporated by reference to the Company's Definitive Proxy Statement to be filed with the Commission for its annual stockholders' meeting to be held on June 26, 2002.

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PART III

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

(a)1. The financial statements are contained on pages F-2 through F-40 of this Annual Report on Form 10-K, and the list of the financial statements contained herein is set forth on page F-1, which is hereby incorporated by reference.

(a)2. Financial statement Schedule III

Information with respect to this item begins on page S-1 of this Annual Report on Form 10-K.

(a)3. The Exhibits filed in response to Item 601 of Regulation S-K are listed on the Exhibit Index attached hereto.

(b) The Company filed a Current Report on Form 8-K dated December 21, 2001 and an Amendment No. 1 to Current Report on Form 8-K/A dated December 21, 2001, reporting the acquisitions of the Convergys Building located in Tamarac, Florida, the ADIC Buildings located in Parker, Colorado, and the Windy Point Buildings located in Schaumburg, Illinois.

(c) The exhibits filed in response to Item 601 of Regulation S-K are listed on the Exhibit Index attached hereto.

(d) See (a) 2 above.

SIGNATURES

Pursuant to the requirements of Sections 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 this 25th day of March 2002.

Wells Real Estate Investment Trust, Inc.  
(Registrant)

By: /s/Leo F. Wells, III

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Leo F. Wells, III  
President and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following person on behalf of the registrant and in the capacity as and on the date indicated.

Signature	Title	Date
-----	-----	-----
/s/Leo F. Wells, III ----- Leo F. Wells, III	President and Director (Principal Executive Officer)	March 25, 2002
/s/Walter W. Sessoms ----- Walter W. Sessoms	Director	March 25, 2002
/s/John L. Bell ----- John L. Bell	Director	March 25, 2002
/s/Richard W. Carpenter ----- Richard W. Carpenter	Director	March 25, 2002
/s/Bud Carter ----- Bud Carter	Director	March 25, 2002
/s/Donald S. Moss ----- Donald S. Moss	Director	March 25, 2002
/s/Neil H. Strickland ----- Neil H. Strickland	Director	March 25, 2002
/s/Williams H. Keogler, Jr. ----- William H. Keogler, Jr.	Director	March 25, 2002
/s/Douglas P. Williams		

## INDEX TO FINANCIAL STATEMENTS

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Statements of Income for the Years ended December 31, 2001, 2000 and 1999	F4
Statements of Shareholder's Equity for the Years Ended December 31, 2001, 2000 and 1999	F5
Statements of Cash Flows for the Years Ended December 31, 2001, 2000 and 1999	F6
Notes to Financial Statements for the Years Ended December 31, 2001, 2000 and 1999	F7

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## REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Wells Real Estate Investment Trust, Inc.:

We have audited the accompanying consolidated balance sheets of WELLS REAL ESTATE INVESTMENT TRUST, INC. (a Maryland corporation) AND SUBSIDIARY as of December 31, 2001 and 2000 and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2001. These financial statements and the schedule referred to below are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wells Real Estate Investment Trust, Inc. and subsidiary as of December 31, 2001 and 2000 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. Schedule III--Real Estate Investments and Accumulated Depreciation as of December 31, 2001 is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, fairly states, in all material respects, the financial data required to

be set forth therein in relation to the basic financial statements taken as a whole.

Atlanta, Georgia  
January 25, 2002

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2001 AND 2000

	2001	2000
	-----	-----
ASSETS		
REAL ESTATE ASSETS, at cost:		
Land	\$ 86,246,985	\$ 46,237,812
Building, less accumulated depreciation of \$24,814,454 and \$9,469,653 at December 31, 2001 and 2000, respectively	472,383,102	287,862,655
Construction in progress	5,738,573	3,357,720
	-----	-----
Total real estate assets	564,368,660	337,458,187
INVESTMENT IN JOINT VENTURES	77,409,980	44,236,597
CASH AND CASH EQUIVALENTS	75,586,168	4,298,301
INVESTMENT IN BONDS	22,000,000	0
ACCOUNTS RECEIVABLE	6,003,179	3,781,034
DEFERRED PROJECT COSTS	2,977,110	550,256
DUE FROM AFFILIATES	1,692,727	309,680
DEFERRED LEASE ACQUISITION COSTS	1,525,199	1,890,332
DEFERRED OFFERING COSTS	0	1,291,376
PREPAID EXPENSES AND OTHER ASSETS, net	718,389	4,734,583
	-----	-----
Total assets	\$ 752,281,412	\$ 398,550,346
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Notes payable	\$ 8,124,444	\$ 127,663,187
Obligation under capital lease	22,000,000	0
Accounts payable and accrued expenses	8,727,473	2,166,387
Due to affiliate	2,166,161	1,772,956
Dividends payable	1,059,026	1,025,010
Deferred rental income	661,657	381,194
	-----	-----
Total liabilities	\$ 42,738,761	\$ 133,008,734
COMMITMENTS AND CONTINGENCIES		
MINORITY INTEREST OF UNIT HOLDER IN OPERATING PARTNERSHIP		
SHAREHOLDERS' EQUITY:	200,000	200,000
Common shares, \$.01 par value; 125,000,000 shares authorized, 83,761,469 shares issued and 83,206,429 shares outstanding at December 31, 2001; 125,000,000 shares authorized, 31,509,807 shares issued, and 31,368,510 shares outstanding at December 31, 2000	837,614	315,097
Additional paid-in capital	738,236,525	275,573,339
Cumulative distributions in excess of earnings	(24,181,092)	(9,133,855)
Treasury stock, at cost, 555,040 shares at December 31, 2001 and 141,297 shares at December 31, 2000	(5,550,396)	(1,412,969)
	-----	-----
Total shareholders' equity	709,342,651	265,341,612
	-----	-----
Total liabilities and shareholders' equity	\$ 752,281,412	\$ 398,550,346
	=====	=====

The accompanying notes are an integral part of these consolidated balance sheets.

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AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2001, 2000, AND 1999

	2001	2000	1999
	-----	-----	-----
<b>REVENUES:</b>			
Rental income	\$44,204,279	\$20,505,000	\$ 4,735,184
Equity in income of joint ventures	3,720,959	2,293,873	1,243,969
Take out fee (Note 9)	137,500	0	0
Interest and other income	1,246,064	574,333	516,242
	-----	-----	-----
	49,308,802	23,373,206	6,495,395
	-----	-----	-----
<b>EXPENSES:</b>			
Depreciation	15,344,801	7,743,551	1,726,103
Interest expense	3,411,210	3,966,902	442,029
Amortization of deferred financing costs	770,192	232,559	8,921
Operating costs, net of reimbursements	4,128,883	888,091	(74,666)
Management and leasing fees	2,507,188	1,309,974	257,744
General and administrative	973,785	438,953	135,144
Legal and accounting	448,776	240,209	115,471
	-----	-----	-----
	27,584,835	14,820,239	2,610,746
	-----	-----	-----
<b>NET INCOME</b>	<b>\$21,723,967</b>	<b>\$ 8,552,967</b>	<b>\$ 3,884,649</b>
	=====	=====	=====
<b>EARNINGS PER SHARE:</b>			
Basic and diluted	\$ 0.43	\$ 0.40	\$ 0.50
	=====	=====	=====

The accompanying notes are an integral part of these consolidated statements.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.  
AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2001, 2000, AND 1999

	Common Stock		Additional Paid-In Capital	Cumulative Distributions in Excess of Earnings	Retained Earnings
	Shares	Amount			
	-----	-----	-----	-----	-----
<b>BALANCE, December 31, 1998</b>	3,154,136	\$ 31,541	\$ 27,567,275	\$ (511,163)	\$ 334,034
Issuance of common stock	10,316,949	103,169	103,066,321	0	0
Net income	0	0	0	0	3,884,649
Dividends (\$.70 per share)	0	0	0	(1,346,240)	(4,218,683)
Sales commissions and discounts	0	0	(9,801,197)	0	0
Other offering expenses	0	0	(3,094,111)	0	0
	-----	-----	-----	-----	-----
<b>BALANCE, December 31, 1999</b>	13,471,085	134,710	117,738,288	(1,857,403)	0
Issuance of common stock	18,038,722	180,387	180,206,833	0	0
Treasury stock purchased	0	0	0	0	0
Net income	0	0	0	0	8,552,967
Dividends (\$.73 per share)	0	0	0	(7,276,452)	(8,552,967)
Sales commissions and discounts	0	0	(17,002,554)	0	0
Other offering expenses	0	0	(5,369,228)	0	0



BALANCE, December 31, 2000	31,509,807	315,097	275,573,339	(9,133,855)	0
Issuance of common stock	52,251,662	522,517	521,994,103	0	0
Treasury stock purchased	0	0	0	0	0
Net income	0	0	0	0	21,723,967
Dividends (\$.76 per share)	0	0	0	(15,047,237)	(21,723,967)
Sales commissions and discounts	0	0	(49,246,118)	0	0
Other offering expenses	0	0	(10,084,799)	0	0
BALANCE, December 31, 2001	83,761,469	\$837,614	\$ 738,236,525	\$ (24,181,092)	0

	Treasury Stock		Total Shareholders' Equity
	Shares	Amount	
BALANCE, December 31, 1998	0	0	\$ 27,421,687
Issuance of common stock	0	0	103,169,490
Net income	0	0	3,884,649
Dividends (\$.70 per share)	0	0	(5,564,923)
Sales commissions and discounts	0	0	(9,801,197)
Other offering expenses	0	0	(3,094,111)
BALANCE, December 31, 1999	0	0	116,015,595
Issuance of common stock	0	0	180,387,220
Treasury stock purchased	(141,297)	(1,412,969)	(1,412,969)
Net income	0	0	8,552,967
Dividends (\$.73 per share)	0	0	(15,829,419)
Sales commissions and discounts	0	0	(17,002,554)
Other offering expenses	0	0	(5,369,228)
BALANCE, December 31, 2000	(141,297)	(1,412,969)	265,341,612
Issuance of common stock	0	0	522,516,620
Treasury stock purchased	(413,743)	(4,137,427)	(4,137,427)
Net income	0	0	21,723,967
Dividends (\$.76 per share)	0	0	(36,771,204)
Sales commissions and discounts	0	0	(49,246,118)
Other offering expenses	0	0	(10,084,799)
BALANCE, December 31, 2001	(555,040)	\$ (5,550,396)	\$ 709,342,651

The accompanying notes are an integral part of these consolidated statements.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2001, 2000, AND 1999

	2001	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$ 21,723,967	\$ 8,552,967	\$ 3,884,649
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in income of joint ventures	(3,720,959)	(2,293,873)	(1,243,969)
Depreciation	15,344,801	7,743,551	1,726,103
Amortization of deferred financing costs	770,192	232,559	8,921
Amortization of deferred leasing costs	303,347	350,991	0
Write-off of deferred lease acquisition fees	61,786	0	0
Changes in assets and liabilities:			
Accounts receivable	(2,222,145)	(2,457,724)	(898,704)
Due from affiliates	10,995	(435,600)	0
Prepaid expenses and other assets, net	3,246,002	(6,826,568)	149,501
Accounts payable and accrued expenses	6,561,086	1,941,666	36,894
Deferred rental income	280,463	144,615	236,579
Due to affiliates	(10,193)	367,055	108,301

Total adjustments	20,625,375	(1,233,328)	123,626
Net cash provided by operating activities	42,349,342	7,319,639	4,008,275
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment in real estate	(227,933,858)	(231,518,138)	(85,514,506)
Investment in joint ventures	(33,690,862)	(15,063,625)	(17,641,211)
Deferred project costs paid	(17,220,446)	(6,264,098)	(3,610,967)
Distributions received from joint ventures	4,239,431	3,529,401	1,371,728
Net cash used in investing activities	(274,605,735)	(249,316,460)	(105,394,956)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from notes payable	110,243,145	187,633,130	40,594,463
Repayments of notes payable	(229,781,888)	(83,899,171)	(30,725,165)
Dividends paid to shareholders	(36,737,188)	(16,971,110)	(3,806,398)
Issuance of common stock	522,516,620	180,387,220	103,169,490
Treasury stock purchased	(4,137,427)	(1,412,969)	0
Sales commissions paid	(49,246,118)	(17,002,554)	(9,801,197)
Offering costs paid	(9,312,884)	(5,369,228)	(3,094,111)
Net cash provided by financing activities	303,544,260	243,365,318	96,337,082
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	71,287,867	1,368,497	(5,049,599)
CASH AND CASH EQUIVALENTS, beginning of year	4,298,301	2,929,804	7,979,403
CASH AND CASH EQUIVALENTS, end of year	\$ 75,586,168	\$ 4,298,301	\$ 2,929,804
SUPPLEMENTAL DISCLOSURES OF NONCASH ACTIVITIES:			
Deferred project costs applied to real estate assets	\$ 14,321,416	\$ 5,114,279	\$ 3,183,239
Deferred project costs contributed to joint ventures	\$ 1,395,035	\$ 627,656	\$ 735,056
Deferred project costs due to affiliate	\$ 1,114,140	\$ 191,281	\$ 191,783
Deferred offering costs due to affiliate	\$ 0	\$ 1,291,376	\$ 964,941
Reversal of deferred offering costs due to affiliate	\$ 964,941	\$ 0	\$ 0
Other offering expenses due to affiliate	\$ 943,107	\$ 0	\$ 0
Assumption of obligation under capital lease	\$ 22,000,000	\$ 0	\$ 0
Investment in bonds	\$ 22,000,000	\$ 0	\$ 0

The accompanying notes are an integral part of these consolidated statements.

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WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2001, 2000, AND 1999

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Wells Real Estate Investment Trust, Inc. (the "Company") is a Maryland corporation that qualifies as a real estate investment trust ("REIT"). The Company is conducting an offering for the sale of a maximum of 125,000,000 (exclusive of 10,000,000 shares available pursuant to the Company's dividend reinvestment program) shares of common stock, \$.01 par value per share, at a price of \$10 per share. The Company will seek to acquire and operate commercial properties, including, but not limited to, office buildings, shopping centers, business and industrial parks, and other commercial and industrial properties, including properties which are under construction, are newly constructed, or have been constructed and have operating histories. All such properties may be acquired, developed, and operated by the Company alone or jointly with another party. The Company is likely to enter into one or more joint ventures with affiliated entities for the acquisition of properties. In connection therewith, the Company may

enter into joint ventures for the acquisition of properties with prior or future real estate limited partnership programs sponsored by Wells Capital, Inc. (the "Advisor") or its affiliates.

Substantially all of the Company's business is conducted through Wells Operating Partnership, L.P. (the "Operating Partnership"), a Delaware limited partnership. During 1997, the Operating Partnership issued 20,000 limited partner units to the Advisor in exchange for \$200,000. The Company is the sole general partner in the Operating Partnership and possesses full legal control and authority over the operations of the Operating Partnership; consequently, the accompanying consolidated financial statements of the Company include the accounts of the Operating Partnership. All significant intercompany balances have been eliminated in consolidation.

The Company owns interests in the following properties directly through its ownership in the Operating Partnership: (i) the PricewaterhouseCoopers property (the "PwC Building"), a four-story office building located in Tampa, Florida; (ii) the AT&T Building, a four-story office building located in Harrisburg, Pennsylvania; (iii) the Marconi Data Systems property (the "Marconi Building"), a two-story office, assembly, and manufacturing building located in Wood Dale, Illinois; (iv) the Cinemark Property (the "Cinemark Building"), a five-story office building located in Plano, Texas; (v) the Matsushita Property (the "Matsushita Building"), a two-story office building located in Lake Forest, California; (vi) the ASML Property (the "ASML Building"), a two-story office and warehouse building located in Tempe, Arizona; (vii) the Motorola Property (the "Motorola Tempe Building"), a two-story office building located in Tempe, Arizona; (viii) the Dial Property (the "Dial Building"), a two-story office building located in Scottsdale, Arizona; (ix) the Delphi Building, a three-story office building located in Troy, Michigan; (x) the Avnet Property (the "Avnet Building"), a two-story office building located in Tempe, Arizona; (xi) the Metris Oklahoma Building, a three-story office building located in Tulsa, Oklahoma; (xii) the Alstom Power-Richmond Building, a four-story office building located in Richmond, Virginia; (xiii) the Motorola Plainfield Building, a three-story office building located in South Plainfield, New Jersey; (xiv) the Stone & Webster Building, a six-story office building located in Houston, Texas; (xv) the Metris Minnetonka Building, a nine-story office building located in Minnetonka, Minnesota; (xvi) the State Street Bank Building, a seven-story office building located in Quincy, Massachusetts; (xvii) the IKON Buildings, two one-story office buildings located in Houston, Texas; (xviii) the Ingram Micro Distribution Facility, a one-story office and warehouse building located in Millington, Tennessee; (xix) the Lucent Building, a four-story office building located in Cary, North Carolina; (xx) the Nissan land (the "Nissan Property"), a 14.873 acre tract of undeveloped land located in Irving, Texas; (xxi) the Convergys Building, a two-story office

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building located in Tamarac, Florida; and (xxii) the Windy Point Buildings, a seven-story office building and an eleven-story office building located in Schaumburg, Illinois.

The Company owns an interest in one property through a joint venture between the Operating Partnership, Wells Real Estate Fund VIII, L.P. ("Wells Fund VIII"), and Wells Real Estate Fund IX, L.P. ("Wells Fund IX"), which is referred to as the Fund VIII, IX, and REIT Joint Venture. The Company also owns interests in five properties through a joint venture between the Operating Partnership, Wells Fund IX, Wells Real Estate Fund X, L.P. ("Wells Fund X"), and Wells Real Estate Fund XI, L.P. ("Wells Fund XI"), which is referred to as the Fund IX, Fund X, Fund XI, and REIT Joint Venture. The Company owns an interest in one property through each of two unique joint ventures between the Operating Partnership and Fund X and XI Associates, a joint venture between Wells Fund X and Wells Fund XI. In addition, the Company owns interests in four properties through a joint

venture between the Operating Partnership, Wells Fund XI, and Wells Real Estate Fund XII, L.P. ("Wells Fund XII"), which is referred to as the Fund XI, XII, and REIT Joint Venture. The Company owns interests in three properties through a joint venture between the Operating Partnership and Wells Fund XII, which is referred to as the Fund XII and REIT Joint Venture. The Company also owns interests in two properties through a joint venture between the Operating Partnership and Wells Fund XIII, which is referred to as the Fund XIII and REIT Joint Venture.

Through its investment in the Fund VIII, IX, and REIT Joint Venture, the Company owns an interest in a two-story office building in Irvine, California (the "Quest Building").

The following properties are owned by the Company through its investment in the Fund IX, X, XI, and REIT Joint Venture: (i) a three-story office building in Knoxville, Tennessee (the "Alstom Power Building"), (ii) a two-story office building in Louisville, Colorado (the "Ohmeda Building"), (iii) a three-story office building in Broomfield, Colorado (the "360 Interlocken Building"), (iv) a one-story office and warehouse building in Ogden, Utah (the "Iomega Building"), and (v) a one-story office building in Oklahoma City, Oklahoma (the "Avaya Building").

Through its investment in two joint ventures with Fund X and XI Associates, the Company owns interests in the following properties: (i) a one-story office and warehouse building in Fountain Valley, California (the "Cort Furniture Building"), owned by Wells/Orange County Associates and (ii) a two-story manufacturing and office building in Fremont, California (the "Fairchild Building"), owned by Wells/Fremont Associates.

The following properties are owned by the Company through its investment in the Fund XI, XII, and REIT Joint Venture: (i) a two-story manufacturing and office building in Fountain Inn, South Carolina (the "EYBL CarTex Building"), (ii) a three-story office building Leawood, Kansas (the "Sprint Building"), (iii) an office and warehouse building in Chester County, Pennsylvania (the "Johnson Matthey Building"), and (iv) a two-story office building in Ft. Myers, Florida (the "Gartner Building").

Through its investment in the Fund XII and REIT Joint Venture, the Company owns interests in the following properties: (i) a three-story office building in Troy, Michigan (the "Siemens Building"), (ii) a one-story office building and a two-story office building in Oklahoma City, Oklahoma (collectively referred to as the "AT&T Call Center Buildings"), and (iii) a three-story office building in Brentwood, Tennessee (the "Comdata Building").

The following properties are owned by the Company through its investment in the Fund XIII and REIT Joint Venture: (i) a one-story office building in Orange Park, Florida (the "AmeriCredit Building"), and (ii) two connected one-story office and assembly buildings in Parker, Colorado (the "ADIC Buildings").

#### Use of Estimates and Factors Affecting the Company

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the

financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The carrying values of real estate are based on management's current intent

to hold the real estate assets as long-term investments. The success of the Company's future operations and the ability to realize the investment in its assets will be dependent on the Company's ability to maintain rental rates, occupancy, and an appropriate level of operating expenses in future years. Management believes that the steps it is taking will enable the Company to realize its investment in its assets.

#### Income Taxes

The Company has elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended. To qualify as a REIT, the Company must meet a number of organizational and operational requirements, including a requirement to currently distribute at least 90% of the REIT's ordinary taxable income to shareholders. It is management's current intention to adhere to these requirements and maintain the Company's REIT status. As a REIT, the Company generally will not be subject to federal income tax on distributed taxable income. Even if the Company qualifies as a REIT, it may be subject to certain state and local taxes on its income and real estate assets, and to federal income and excise taxes on its undistributed taxable income. No provision for federal income taxes has been made in the accompanying consolidated financial statements, as the Company made distributions equal to or in excess of its taxable income in each of the three years in the period ended December 31, 2001.

#### Real Estate Assets

Real estate assets held by the Company and joint ventures are stated at cost less accumulated depreciation. Major improvements and betterments are capitalized when they extend the useful life of the related asset. All repair and maintenance expenditures are expensed as incurred.

Management continually monitors events and changes in circumstances which could indicate that carrying amounts of real estate assets may not be recoverable. When events or changes in circumstances are present which indicate that the carrying amounts of real estate assets may not be recoverable, management assesses the recoverability of real estate assets by determining whether the carrying value of such real estate assets will be recovered through the future cash flows expected from the use of the asset and its eventual disposition. Management has determined that there has been no impairment in the carrying value of real estate assets held by the Company or the joint ventures as of December 31, 2001 and 2000.

Depreciation of building and improvements is calculated using the straight-line method over 25 years. Tenant improvements are amortized over the life of the related lease or the life of the asset, whichever is shorter.

#### Revenue Recognition

All leases on real estate assets held by the Company or the joint ventures are classified as operating leases, and the related rental income is recognized on a straight-line basis over the terms of the respective leases.

#### Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents include cash and short-term investments. Short-term investments are stated at cost, which approximates fair value, and consist of investments in money market accounts.

#### Deferred Lease Acquisition Costs

Costs incurred to procure operating leases are capitalized and amortized on a straight-line basis over the terms of the related leases.

#### Earnings Per Share

Earnings per share are calculated based on the weighted average number of common shares outstanding during each period. The weighted average number of common shares outstanding is identical for basic and fully diluted earnings per share, as there is no dilutive impact created from the Company's stock option plan (Note 10) using the treasury stock method.

#### Reclassifications

Certain prior year amounts have been reclassified to conform with the current year financial statement presentation.

#### Investment in Joint Ventures

##### Basis of Presentation

The Operating Partnership does not have control over the operations of the joint ventures; however, it does exercise significant influence. Accordingly, the Operating Partnership's investments in joint ventures are recorded using the equity method of accounting.

##### Partners' Distributions and Allocations of Profit and Loss

Cash available for distribution and allocations of profit and loss to the Operating Partnership by the joint ventures are made in accordance with the terms of the individual joint venture agreements. Generally, these items are allocated in proportion to the partners' respective ownership interests. Cash is paid from the joint ventures to the Operating Partnership on a quarterly basis.

##### Deferred Lease Acquisition Costs

Costs incurred to procure operating leases are capitalized and amortized on a straight-line basis over the terms of the related leases. Deferred lease acquisition costs are included in prepaid expenses and other assets, net, in the balance sheets presented in Note 5.

#### 2. DEFERRED PROJECT COSTS

The Company paid a percentage of shareholder contributions to the Advisor for acquisition and advisory services and acquisition expenses. These payments, as stipulated in the prospectus, can be up to 3.5% of shareholder contributions, subject to certain overall limitations contained in the prospectus. Aggregate fees paid through December 31, 2001 were \$29,122,286 and amounted to 3.5% of shareholders' contributions received. These fees are allocated to specific properties as they are purchased or developed and are included in capitalized assets of the joint ventures or real estate assets. Deferred project costs at December 31, 2001 and 2000 represent fees not yet applied to properties.

#### 3. DEFERRED OFFERING COSTS

Offering expenses, to the extent they exceed 3% of gross offering proceeds, will be paid by the Advisor and not by the Company. Offering expenses include such costs as legal and accounting fees, printing costs, and other offering expenses and specifically exclude sales costs and underwriting commissions.

As of December 31, 2001, the Advisor paid offering expenses on behalf of the Company in the aggregate amount of \$20,459,289, of which the Advisor had been reimbursed \$18,551,241, which did not exceed the 3% limitation.

4. RELATED-PARTY TRANSACTIONS

Due from affiliates at December 31, 2001 and 2000 represents the Operating Partnership's share of the cash to be distributed from its joint venture investments for the fourth quarter of 2001 and 2000 and advances due from the Advisor as of December 31, 2000:

	2001	2000
	-----	-----
Fund VIII, IX, and REIT Joint Venture	\$ 46,875	\$ 21,605
Fund IX, X, XI, and REIT Joint Venture	36,073	12,781
Wells/Orange County Associates	83,847	24,583
Wells/Fremont Associates	164,196	53,974
Fund XI, XII, and REIT Joint Venture	429,980	136,648
Fund XII and REIT Joint Venture	680,542	49,094
Fund XIII and REIT	251,214	0
Advisor	0	10,995
	-----	-----
	\$1,692,727	\$309,680
	=====	=====

The Operating Partnership entered into a property management and leasing agreement with Wells Management Company, Inc. ("Wells Management"), an affiliate of the Advisor. In consideration for supervising the management and leasing of the Operating Partnership's properties, the Operating Partnership will pay management and leasing fees equal to the lesser of (a) 4.5% of the gross revenues generally paid over the life of the lease or (b) .6% of the net asset value of the properties (excluding vacant properties) owned by the Company to Wells Management. These management and leasing fees are calculated on an annual basis plus a separate competitive fee for the one-time initial lease-up of newly constructed properties generally paid in conjunction with the receipt of the first month's rent.

The Operating Partnership's portion of the management and leasing fees and lease acquisition costs paid to Wells Management, both directly and at the joint venture level, were \$2,468,294, \$1,111,748, and \$336,517 for the years ended December 31, 2001, 2000, and 1999, respectively.

The Advisor performs certain administrative services for the Operating Partnership, such as accounting and other partnership administration, and incurs the related expenses. Such expenses are allocated among the Operating Partnership and the various Wells Real Estate Funds based on time spent on each fund by individual administrative personnel. In the opinion of management, such allocation is a reasonable basis for allocating such expenses.

The Advisor is a general partner in various Wells Real Estate Funds. As such, there may exist conflicts of interest where the Advisor, while serving in the capacity as general partner for Wells Real Estate Funds, may be in competition with the Operating Partnership for tenants in similar geographic markets.

5. INVESTMENT IN JOINT VENTURES

The Operating Partnership's investment and percentage ownership in joint ventures at December 31, 2001 and 2000 are summarized as follows:

	Amount	Percent	Amount	Percent
Fund VIII, IX, and REIT Joint Venture	\$ 1,189,067	16%	\$ 1,276,551	16%
Fund IX, X, XI, and REIT Joint Venture	1,290,360	4	1,339,636	4
Wells/Orange County Associates	2,740,000	44	2,827,607	44
Wells/Fremont Associates	6,575,358	78	6,791,287	78
Fund XI, XII, and REIT Joint Venture	17,187,985	57	17,688,615	57
Fund XII and REIT Joint Venture	30,299,872	55	14,312,901	47
Fund XIII and REIT Joint Venture	18,127,338	68	0	0
	\$77,409,980		\$44,236,597	

The following is a roll forward of the Operating Partnership's investment in joint ventures for the years ended December 31, 2001 and 2000:

	2001	2000
Investment in joint ventures, beginning of year	\$ 44,236,597	\$ 29,431,176
Equity in income of joint ventures	3,720,959	2,293,873
Contributions to joint ventures	35,085,897	15,691,281
Distributions from joint ventures	(5,633,473)	(3,179,733)
Investment in joint ventures, end of year	\$ 77,409,980	\$ 44,236,597

#### Fund VIII, IX, and REIT Joint Venture

On June 15, 2000, Fund VIII and IX Associates, a joint venture between Wells Real Estate Fund VIII, L.P. ("Fund VIII") and Wells Real Estate Fund IX, L.P. ("Fund IX"), entered into a joint venture with the Operating Partnership to form Fund VIII, IX, and REIT Joint Venture, for the purpose of acquiring, developing, operating, and selling real properties.

On July 1, 2000, Fund VIII and IX Associates contributed the Quest Building (formerly the Bake Parkway Building) to the joint venture. Fund VIII, IX, and REIT Joint Venture recorded the net assets of the Quest Building at an amount equal to the respective historical net book values. The Quest Building is a two-story office building containing approximately 65,006 rentable square feet on a 4.4-acre tract of land in Irvine, California. During 2000, the Operating Partnership contributed \$1,282,111 to the Fund VIII, IX, and REIT Joint Venture. Ownership percentage interests were recomputed accordingly.

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Following are the financial statements for Fund VIII, IX, and REIT Joint Venture:

Fund VIII, IX, and REIT Joint Venture  
(A Georgia Joint Venture)  
Balance Sheets  
December 31, 2001 and 2000

	2001	2000
Assets		
Real estate assets, at cost:		
Land	\$2,220,993	\$2,220,993
Building and improvements, less accumulated depreciation of \$649,436 in 2001 and \$187,891 in 2000	4,952,724	5,408,892
Total real estate assets	7,173,717	7,629,885
Cash and cash equivalents	297,533	170,664



Accounts receivable	164,835	197,802
Prepaid expenses and other assets, net	191,799	283,864
	-----	-----
Total assets	\$7,827,884	\$8,282,215
	-----	-----
Liabilities and Partners' Capital		
Liabilities:		
Accounts payable	\$ 676	\$ 0
Partnership distributions payable	296,856	170,664
	-----	-----
Total liabilities	297,532	170,664
	-----	-----
Partners' capital:		
Fund VIII and IX Associates	6,341,285	6,835,000
Wells Operating Partnership, L.P.	1,189,067	1,276,551
	-----	-----
Total partners' capital	7,530,352	8,111,551
	-----	-----
Total liabilities and partners' capital	\$7,827,884	\$8,282,215
	=====	=====

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Fund VIII, IX, and REIT Joint Venture  
(A Georgia Joint Venture)  
Statements of Income  
for the Year Ended December 31, 2001 and  
the Period from June 15, 2000 (Inception) Through  
December 31, 2000

	2001	2000
	-----	-----
Revenues:		
Rental income	\$1,207,995	\$563,049
Interest income	729	0
	-----	-----
	1,208,724	563,049
	-----	-----
Expenses:		
Depreciation	461,545	187,891
Management and leasing fees	142,735	54,395
Property administration expenses	22,278	5,692
Operating costs, net of reimbursements	15,326	5,178
	-----	-----
	641,884	253,156
	-----	-----
Net income	\$ 566,840	\$309,893
	=====	=====
Net income allocated to Fund VIII and IX Associates	\$ 477,061	\$285,006
	=====	=====
Net income allocated to Wells Operating Partnership, L.P.	\$ 89,779	\$ 24,887
	=====	=====

Fund VIII, IX, and REIT Joint Venture  
(A Georgia Joint Venture)  
Statements of Partners' Capital  
for the Year Ended December 31, 2001 and  
the Period from June 15, 2000 (Inception) Through  
December 31, 2000

Fund VIII and IX	Wells Operating	Total Partners'
---------------------	--------------------	--------------------

	Associates -----	Partnership, L.P. -----	Capital -----
Balance, June 15, 2000 (inception)	\$ 0	\$ 0	\$ 0
Net income	285,006	24,887	309,893
Partnership contributions	6,857,889	1,282,111	8,140,000
Partnership distributions	(307,895)	(30,447)	(338,342)
	-----	-----	-----
Balance, December 31, 2000	6,835,000	1,276,551	8,111,551
Net income	477,061	89,779	566,840
Partnership contributions	0	5,377	5,377
Partnership distributions	(970,776)	(182,640)	(1,153,416)
	-----	-----	-----
Balance, December 31, 2001	\$ 6,341,285	\$ 1,189,067	\$ 7,530,352
	=====	=====	=====

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Fund VIII, IX, and REIT Joint Venture  
(A Georgia Joint Venture)  
Statements of Cash Flows  
for the Year Ended December 31, 2001 and  
the Period from June 15, 2000 (Inception) Through  
December 31, 2000

	2001 -----	2000 -----
Cash flows from operating activities:		
Net income	\$ 566,840	\$ 309,893
	-----	-----
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	461,545	187,891
Changes in assets and liabilities:		
Accounts receivable	32,967	(197,802)
Prepaid expenses and other assets, net	92,065	(283,864)
Accounts payable	676	0
	-----	-----
Total adjustments	587,253	(293,775)
	-----	-----
Net cash provided by operating activities	1,154,093	16,118
	-----	-----
Cash flows from investing activities:		
Investment in real estate	(5,377)	(959,887)
	-----	-----
Cash flows from financing activities:		
Contributions from joint venture partners	5,377	1,282,111
Distributions to joint venture partners	(1,027,224)	(167,678)
	-----	-----
Net cash (used in) provided by financing activities	(1,021,847)	1,114,433
	-----	-----
Net increase in cash and cash equivalents	126,869	170,664
Cash and cash equivalents, beginning of period	170,664	0
	-----	-----
Cash and cash equivalents, end of year	\$ 297,533	\$ 170,664
	=====	=====
Supplemental disclosure of noncash activities:		
Real estate contribution received from joint venture partner	\$ 0	\$ 6,857,889
	=====	=====

Fund IX, X, XI, and REIT Joint Venture

On March 20, 1997, Fund IX and Wells Real Estate Fund X, L.P. ("Fund X") entered into a joint venture agreement. The joint venture, Fund IX and X Associates, was formed to acquire, develop, operate, and sell real properties. On March 20, 1997, Wells Fund IX contributed a 5.62-acre tract of real property in Knoxville, Tennessee, and improvements thereon, known as the Alstom Power Building, to the Fund IX and X Associates joint venture. An 84,404-square foot, three-story

building was constructed and commenced operations at the end of 1997.

On February 13, 1998, the joint venture purchased a two-story office building, known as the Ohmeda Building, in Louisville, Colorado. On March 20, 1998, the joint venture purchased a three-story office building, known as the 360 Interlocken Building, in Broomfield, Colorado. On June 11, 1998, Fund IX and X Associates was amended and restated to admit Wells Real Estate Fund XI, L.P. ("Fund XI") and the Operating Partnership. The joint venture was renamed the Fund IX, X, XI, and REIT Joint Venture. On June 24, 1998, the new joint venture purchased a one-story office building, known as the Avaya Building, in Oklahoma City, Oklahoma. On April 1, 1998, Wells Fund X purchased a one-story warehouse facility, known as the Iomega Building, in Ogden, Utah. On July 1, 1998, Wells Fund X contributed the Iomega Building to the Fund IX, X, XI, and REIT Joint Venture.

During 1999, Fund IX and Fund XI made contributions to the Fund IX, X, XI, and REIT Joint Venture; during 2000, Fund IX and Fund X made contributions to the Fund IX, X, XI, and REIT Joint Venture.

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Following are the financial statements for the Fund IX, X, XI, and REIT Joint Venture:

The Fund IX, X, XI, and REIT Joint Venture  
(A Georgia Joint Venture)  
Balance Sheets  
December 31, 2001 and 2000

Assets

	2001	2000
	-----	-----
Real estate assets, at cost:		
Land	\$ 6,698,020	\$ 6,698,020
Building and improvements, less accumulated depreciation of \$5,619,744 in 2001 and \$4,203,502 in 2000	27,178,526	28,594,768
Total real estate assets, net	33,876,546	35,292,788
Cash and cash equivalents	1,555,917	1,500,044
Accounts receivable	596,050	422,243
Prepaid expenses and other assets, net	439,002	487,276
Total assets	\$36,467,515	\$37,702,351
	=====	=====

Liabilities and Partners' Capital

Liabilities:		
Accounts payable and accrued liabilities	\$ 620,907	\$ 568,517
Refundable security deposits	100,336	99,279
Due to affiliates	13,238	9,595
Partnership distributions payable	966,912	931,151
Total liabilities	1,701,393	1,608,542
	-----	-----
Partners' capital:		
Wells Real Estate Fund IX	13,598,505	14,117,803
Wells Real Estate Fund X	16,803,586	17,445,277
Wells Real Estate Fund XI	3,073,671	3,191,093
Wells Operating Partnership, L.P.	1,290,360	1,339,636
Total partners' capital	34,766,122	36,093,809
	-----	-----
Total liabilities and partners' capital	\$36,467,515	\$37,702,351
	=====	=====

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The Fund IX, X, XI, and REIT Joint Venture  
(A Georgia Joint Venture)  
Statements of Income  
for the Years Ended December 31, 2001, 2000, and 1999

	2001 -----	2000 -----	1999 -----
Revenues:			
Rental income	\$ 4,174,379	\$ 4,198,388	\$ 3,932,962
Other income	119,828	116,129	61,312
Interest income	50,002	73,676	58,768
	-----	-----	-----
	4,344,209	4,388,193	4,053,042
	-----	-----	-----
Expenses:			
Depreciation	1,416,242	1,411,434	1,538,912
Management and leasing fees	357,761	362,774	286,139
Operating costs, net of reimbursements	(232,601)	(133,505)	(34,684)
Property administration expense	91,747	57,924	59,886
Legal and accounting	26,223	20,423	30,545
	-----	-----	-----
	1,659,372	1,719,050	1,880,798
	-----	-----	-----
Net income	\$ 2,684,837	\$ 2,669,143	\$ 2,172,244
	=====	=====	=====
Net income allocated to Wells Real Estate Fund IX	\$ 1,050,156	\$ 1,045,094	\$ 850,072
	=====	=====	=====
Net income allocated to Wells Real Estate Fund X	\$ 1,297,665	\$ 1,288,629	\$ 1,056,316
	=====	=====	=====
Net income allocated to Wells Real Estate Fund XI	\$ 237,367	\$ 236,243	\$ 184,355
	=====	=====	=====
Net income allocated to Wells Operating Partnership, L.P.	\$ 99,649	\$ 99,177	\$ 81,501
	=====	=====	=====

The Fund IX, X, XI, and REIT Joint Venture  
(A Georgia Joint Venture)  
Statements of Partners' Capital  
for the Years Ended December 31, 2001, 2000, and 1999

	Wells Real Estate Fund IX -----	Wells Real Estate Fund X -----	Wells Real Estate Fund XI -----	Wells Operating Partnership, L.P. -----	Total Partners' Capital -----
Balance, December 31, 1998	\$ 14,960,100	\$ 18,707,139	\$ 2,521,003	\$ 1,443,378	\$ 37,631,620
Net income	850,072	1,056,316	184,355	81,501	2,172,244
Partnership contributions	198,989	0	911,027	0	1,110,016
Partnership distributions	(1,418,535)	(1,762,586)	(307,982)	(135,995)	(3,625,098)
	-----	-----	-----	-----	-----
Balance, December 31, 1999	14,590,626	18,000,869	3,308,403	1,388,884	37,288,782
Net income	1,045,094	1,288,629	236,243	99,177	2,669,143
Partnership contributions	46,122	84,317	0	0	130,439
Partnership distributions	(1,564,039)	(1,928,538)	(353,553)	(148,425)	(3,994,555)
	-----	-----	-----	-----	-----
Balance, December 31, 2000	14,117,803	17,445,277	3,191,093	1,339,636	36,093,809
Net income	1,050,156	1,297,665	237,367	99,649	2,684,837
Partnership distributions	(1,569,454)	(1,939,356)	(354,789)	(148,925)	(4,012,524)
	-----	-----	-----	-----	-----
Balance, December 31, 2001	\$ 13,598,505	\$ 16,803,586	\$ 3,073,671	\$ 1,290,360	\$ 34,766,122
	=====	=====	=====	=====	=====

(A Georgia Joint Venture)  
 Statements of Cash Flows  
 for the Years Ended December 31, 2001, 2000, and 1999

	2001 -----	2000 -----	1999 -----
Cash flows from operating activities:			
Net income	\$ 2,684,837	\$ 2,669,143	\$ 2,172,244
	-----	-----	-----
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	1,416,242	1,411,434	1,538,912
Changes in assets and liabilities:			
Accounts receivable	(173,807)	132,722	(421,708)
Prepaid expenses and other assets, net	48,274	39,133	(85,281)
Accounts payable and accrued liabilities, and refundable security deposits	53,447	(37,118)	295,177
Due to affiliates	3,643	3,216	1,973
	-----	-----	-----
Total adjustments	1,347,799	1,549,387	1,329,073
	-----	-----	-----
Net cash provided by operating activities	4,032,636	4,218,530	3,501,317
	-----	-----	-----
Cash flows from investing activities:			
Investment in real estate	0	(127,661)	(930,401)
	-----	-----	-----
Cash flows from financing activities:			
Distributions to joint venture partners	(3,976,763)	(3,868,138)	(3,820,491)
Contributions received from partners	0	130,439	1,066,992
	-----	-----	-----
Net cash used in financing activities	(3,976,763)	(3,737,699)	(2,753,499)
	-----	-----	-----
Net increase (decrease) in cash and cash equivalents	55,873	353,170	(182,583)
Cash and cash equivalents, beginning of year	1,500,044	1,146,874	1,329,457
	-----	-----	-----
Cash and cash equivalents, end of year	\$ 1,555,917	\$ 1,500,044	\$ 1,146,874
	=====	=====	=====
Supplemental disclosure of noncash activities:			
Deferred project costs contributed to joint venture	\$ 0	\$ 0	\$ 43,024
	=====	=====	=====

Wells/Orange County Associates

On July 27, 1998, the Operating Partnership entered into a joint venture agreement with Wells Development Corporation, referred to as Wells/Orange County Associates. On July 31, 1998, Wells/Orange County Associates acquired a 52,000-square foot warehouse and office building located in Fountain Valley, California, known as the Cort Furniture Building.

On September 1, 1998, Fund X and XI Associates acquired Wells Development Corporation's interest in Wells/Orange County Associates, which resulted in Fund X and XI Associates becoming a joint venture partner with the Operating Partnership in the ownership of the Cort Furniture Building.

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Following are the financial statements for Wells/Orange County Associates:

Wells/Orange County Associates  
 (A Georgia Joint Venture)  
 Balance Sheets  
 December 31, 2001 and 2000

	2001 -----	2000 -----
Assets		

Real estate assets, at cost:		
Land	\$2,187,501	\$2,187,501
Building, less accumulated depreciation of \$651,780 in 2001 and \$465,216 in 2000	4,012,335	4,198,899
	-----	-----
Total real estate assets	6,199,836	6,386,400
Cash and cash equivalents	188,407	119,038
Accounts receivable	80,803	99,154
Prepaid expenses and other assets	9,426	0
	-----	-----
Total assets	\$6,478,472	\$6,604,592
	=====	=====

Liabilities and Partners' Capital

Liabilities:		
Accounts payable	\$ 11,792	\$ 1,000
Partnership distributions payable	192,042	128,227
	-----	-----
Total liabilities	203,834	129,227
	-----	-----
Partners' capital:		
Wells Operating Partnership, L.P.	2,740,000	2,827,607
Fund X and XI Associates	3,534,638	3,647,758
	-----	-----
Total partners' capital	6,274,638	6,475,365
	-----	-----
Total liabilities and partners' capital	\$6,478,472	\$6,604,592
	=====	=====

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Wells/Orange County Associates  
(A Georgia Joint Venture)  
Statements of Income  
for the Years Ended December 31, 2001, 2000, and 1999

	2001	2000	1999
	-----	-----	-----
Revenues:			
Rental income	\$795,528	\$795,545	\$795,545
Interest income	2,409	0	0
	-----	-----	-----
	797,937	795,545	795,545
	-----	-----	-----
Expenses:			
Depreciation	186,564	186,564	186,565
Management and leasing fees	33,547	30,915	30,360
Operating costs, net of reimbursements	21,855	5,005	22,229
Legal and accounting	9,800	4,100	5,439
	-----	-----	-----
	251,766	226,584	244,593
	-----	-----	-----
Net income	\$546,171	\$568,961	\$550,952
	=====	=====	=====
Net income allocated to Wells Operating Partnership, L.P	\$238,542	\$248,449	\$240,585
	=====	=====	=====
Net income allocated to Fund X and XI Associates	\$307,629	\$320,512	\$310,367
	=====	=====	=====

Wells/Orange County Associates  
(A Georgia Joint Venture)  
Statements of Partners' Capital  
for the Years Ended December 31, 2001, 2000, and 1999

Wells Operating Partnership, L.P.	Fund X and XI Associates	Total Partners' Capital
--	--------------------------------	-------------------------------

Balance, December 31, 1998	\$ 2,958,617	\$ 3,816,766	\$ 6,775,383
Net income	240,585	310,367	550,952
Partnership distributions	(306,090)	(394,871)	(700,961)
Balance, December 31, 1999	2,893,112	3,732,262	6,625,374
Net income	248,449	320,512	568,961
Partnership distributions	(313,954)	(405,016)	(718,970)
Balance, December 31, 2000	2,827,607	3,647,758	6,475,365
Net income	238,542	307,629	546,171
Partnership distributions	(326,149)	(420,749)	(746,898)
Balance, December 31, 2001	\$ 2,740,000	\$ 3,534,638	\$ 6,274,638

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Wells/Orange County Associates  
(A Georgia Joint Venture)  
Statements of Cash Flows  
for the Years Ended December 31, 2001, 2000, and 1999

	2001	2000	1999
	-----	-----	-----
Cash flows from operating activities:			
Net income	\$ 546,171	\$ 568,961	\$ 550,952
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	186,564	186,564	186,565
Changes in assets and liabilities:			
Accounts receivable	18,351	(49,475)	(36,556)
Accounts payable	10,792	1,000	(1,550)
Prepaid and other expenses	(9,426)	0	0
Total adjustments	206,281	138,089	148,459
Net cash provided by operating activities	752,452	707,050	699,411
Cash flows from financing activities:			
Distributions to partners	(683,083)	(764,678)	(703,640)
Net increase (decrease) in cash and cash equivalents	69,369	(57,628)	(4,229)
Cash and cash equivalents, beginning of year	119,038	176,666	180,895
Cash and cash equivalents, end of year	\$ 188,407	\$ 119,038	\$ 176,666

Wells/Fremont Associates

On July 15, 1998, the Operating Partnership entered into a joint venture agreement with Wells Development Corporation, referred to as Wells/Fremont Associates. On July 21, 1998, Wells/Fremont Associates acquired a 58,424-square foot two-story manufacturing and office building located in Fremont, California, known as the Fairchild Building.

On October 8, 1998, Fund X and XI Associates acquired Wells Development Corporation's interest in Wells/Fremont Associates, which resulted in Fund X and XI Associates becoming a joint venture partner with the Operating Partnership in the ownership of the Fairchild Building.

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Following are the financial statements for Wells/Fremont Associates:

Wells/Fremont Associates  
(A Georgia Joint Venture)  
Balance Sheets  
December 31, 2001 and 2000

	2001	2000
	-----	-----
Assets		
Real estate assets, at cost:		
Land	\$2,219,251	\$2,219,251
Building, less accumulated depreciation of \$999,301 in 2001 and \$713,773 in 2000	6,138,857	6,424,385
Total real estate assets	8,358,108	8,643,636
Cash and cash equivalents	203,750	92,564
Accounts receivable	133,801	126,433
Total assets	\$8,695,659	\$8,862,633
	=====	=====
Liabilities and Partners' Capital		
Liabilities:		
Accounts payable	\$ 1,896	\$ 3,016
Due to affiliate	8,030	7,586
Partnership distributions payable	201,854	89,549
Total liabilities	211,780	100,151
	-----	-----
Partners' capital:		
Wells Operating Partnership, L.P.	6,575,358	6,791,287
Fund X and XI Associates	1,908,521	1,971,195
Total partners' capital	8,483,879	8,762,482
	-----	-----
Total liabilities and partners' capital	\$8,695,659	\$8,862,633
	=====	=====

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Wells/Fremont Associates  
(A Georgia Joint Venture)  
Statements of Income  
for the Years Ended December 31, 2001, 2000, and 1999

	2001	2000	1999
	-----	-----	-----
Revenues:			
Rental income	\$902,945	\$902,946	\$902,946
Interest income	2,713	0	0
Other income	2,015	0	0
	907,673	902,946	902,946
	-----	-----	-----
Expenses:			
Depreciation	285,528	285,527	285,526
Management and leasing fees	36,267	36,787	37,355
Operating costs, net of reimbursements	16,585	13,199	16,006
Legal and accounting	6,400	4,300	4,885
	344,780	339,813	343,772
	-----	-----	-----
Net income	\$562,893	\$563,133	\$559,174
	=====	=====	=====
Net income allocated to Wells Operating Partnership, L.P.	\$436,265	\$436,452	\$433,383
	=====	=====	=====



Net income allocated to Fund X and XI Associates	\$126,628	\$126,681	\$125,791
	=====	=====	=====

Wells/Fremont Associates  
(A Georgia Joint Venture)  
Statements of Partners' Capital  
for the Years Ended December 31, 2001, 2000, and 1999

	Wells Operating Partnership, L.P.	Fund X and XI Associates	Total Partners' Capital
	-----	-----	-----
Balance, December 31, 1998	\$7,166,682	\$2,080,155	\$9,246,837
Net income	433,383	125,791	559,174
Partnership distributions	(611,855)	(177,593)	(789,448)
	-----	-----	-----
Balance, December 31, 1999	6,988,210	2,028,353	9,016,563
Net income	436,452	126,681	563,133
Partnership distributions	(633,375)	(183,839)	(817,214)
	-----	-----	-----
Balance, December 31, 2000	6,791,287	1,971,195	8,762,482
Net income	436,265	126,628	562,893
Partnership distributions	(652,194)	(189,302)	(841,496)
	-----	-----	-----
Balance, December 31, 2001	\$6,575,358	\$1,908,521	\$8,483,879
	=====	=====	=====

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Wells/Fremont Associates  
(A Georgia Joint Venture)  
Statements of Cash Flows  
for the Years Ended December 31, 2001, 2000, and 1999

	2001	2000	1999
	-----	-----	-----
Cash flows from operating activities:			
Net income	\$ 562,893	\$ 563,133	\$ 559,174
	-----	-----	-----
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	285,528	285,527	285,526
Changes in assets and liabilities:			
Accounts receivable	(7,368)	(33,454)	(58,237)
Accounts payable	(1,120)	1,001	(1,550)
Due to affiliate	444	2,007	3,527
	-----	-----	-----
Total adjustments	277,484	255,081	229,266
	-----	-----	-----
Net cash provided by operating activities	840,377	818,214	788,440
Cash flows from financing activities:			
Distributions to partners	(729,191)	(914,662)	(791,940)
	-----	-----	-----
Net increase (decrease) in cash and cash equivalents	111,186	(96,448)	(3,500)
Cash and cash equivalents, beginning of year	92,564	189,012	192,512
	-----	-----	-----
Cash and cash equivalents, end of year	\$ 203,750	\$ 92,564	\$ 189,012
	=====	=====	=====

Fund XI, XII, and REIT Joint Venture

On May 1, 1999, the Operating Partnership entered into a joint venture with Fund XI and Wells Real Estate Fund XII, L.P. ("Fund XII"). On May 18, 1999, the joint venture purchased a 169,510-square foot, two-story manufacturing and office building, known as EYBL CarTex Building, in Fountain Inn, South Carolina. On July 21, 1999, the joint venture purchased a 68,900-square foot,

three-story-office building, known as the Sprint Building, in Leawood, Kansas. On August 17, 1999, the joint venture purchased a 130,000-square foot office and warehouse building, known as the Johnson Matthey Building, in Chester County, Pennsylvania. On September 20, 1999, the joint venture purchased a 62,400-square foot, two-story office building, known as the Gartner Building, in Fort Myers, Florida.

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Following are the financial statements for the Fund XI, XII, and REIT Joint Venture:

The Fund XI, XII, and REIT Joint Venture  
(A Georgia Joint Venture)  
Balance Sheets  
December 31, 2001 and 2000

	2001 -----	2000 -----
Assets		
Real estate assets, at cost:		
Land	\$ 5,048,797	\$ 5,048,797
Building and improvements, less accumulated depreciation of \$2,692,116 in 2001 and \$1,599,263 in 2000	24,626,336	25,719,189
	-----	-----
Total real estate assets	29,675,133	30,767,986
Cash and cash equivalents	775,805	541,089
Accounts receivable	675,022	394,314
Prepaid assets and other expenses	26,486	26,486
	-----	-----
Total assets	\$31,152,446	\$31,729,875
	=====	=====
Liabilities and Partners' Capital		
Liabilities:		
Accounts payable	\$ 114,612	\$ 114,180
Partnership distributions payable	757,500	453,395
	-----	-----
Total liabilities	872,112	567,575
Partners' capital:		
Wells Real Estate Fund XI	7,917,646	8,148,261
Wells Real Estate Fund XII	5,174,703	5,325,424
Wells Operating Partnership, L.P.	17,187,985	17,688,615
	-----	-----
Total partners' capital	30,280,334	31,162,300
	-----	-----
Total liabilities and partners' capital	\$31,152,446	\$31,729,875
	=====	=====

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The Fund XI, XII, and REIT Joint Venture  
(A Georgia Joint Venture)  
Statements of Income  
for the Years Ended December 31, 2001, 2000, and 1999

	2001 -----	2000 -----	1999 -----
Revenues:			
Rental income	\$3,346,227	\$3,345,932	\$1,443,446
Interest income	24,480	2,814	0
Other income	360	440	57
	-----	-----	-----
	3,371,067	3,349,186	1,443,503

Expenses:			
Depreciation	1,092,853	1,092,680	506,582
Management and leasing fees	156,987	157,236	59,230
Operating costs, net of reimbursements	(27,449)	(30,718)	4,639
Property administration	65,765	36,707	15,979
Legal and accounting	18,000	14,725	4,000
	-----	-----	-----
	1,306,156	1,270,630	590,430
	-----	-----	-----
Net income	\$2,064,911	\$2,078,556	\$ 853,073
	=====	=====	=====
Net income allocated to Wells Real Estate Fund XI	\$ 539,930	\$ 543,497	\$ 240,031
	=====	=====	=====
Net income allocated to Wells Real Estate Fund XII	\$ 352,878	\$ 355,211	\$ 124,542
	=====	=====	=====
Net income allocated to Wells Operating Partnership, L.P.	\$1,172,103	\$1,179,848	\$ 488,500
	=====	=====	=====

The Fund XI, XII, and REIT Joint Venture  
(A Georgia Joint Venture)  
Statements of Partners' Capital  
for the Years Ended December 31, 2001, 2000, and 1999

	Wells Real Estate Fund XI	Wells Real Estate Fund XII	Wells Operating Partnership, L.P.	Total Partners' Capital
	-----	-----	-----	-----
Balance, December 31, 1998	\$ 0	\$ 0	\$ 0	\$ 0
Net income	240,031	124,542	488,500	853,073
Partnership contributions	8,470,160	5,520,835	18,376,267	32,367,262
Partnership distributions	(344,339)	(177,743)	(703,797)	(1,225,879)
	-----	-----	-----	-----
Balance, December 31, 1999	8,365,852	5,467,634	18,160,970	31,994,456
Net income	543,497	355,211	1,179,848	2,078,556
Partnership distributions	(761,088)	(497,421)	(1,652,203)	(2,910,712)
	-----	-----	-----	-----
Balance, December 31, 2000	8,148,261	5,325,424	17,688,615	31,162,300
Net income	539,930	352,878	1,172,103	2,064,911
Partnership distributions	(770,545)	(503,599)	(1,672,733)	(2,946,877)
	-----	-----	-----	-----
Balance, December 31, 2001	\$7,917,646	\$5,174,703	\$17,187,985	\$30,280,334
	=====	=====	=====	=====

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The Fund XI, XII, and REIT Joint Venture  
(A Georgia Joint Venture)  
Statements of Cash Flows  
for the Years Ended December 31, 2001, 2000, and 1999

	2001	2000	1999
	-----	-----	-----
Cash flows from operating activities:			
Net income	\$ 2,064,911	\$ 2,078,556	\$ 853,073
	-----	-----	-----
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	1,092,853	1,092,680	506,582
Changes in assets and liabilities:			
Accounts receivable	(280,708)	(260,537)	(133,777)
Prepaid expenses and other assets	0	0	(26,486)
Accounts payable	432	1,723	112,457
	-----	-----	-----
Total adjustments	812,577	833,866	458,776

Net cash provided by operating activities	2,877,488	2,912,422	1,311,849
Cash flows from financing activities:			
Distributions to joint venture partners	(2,642,772)	(3,137,611)	(545,571)
Net increase (decrease) in cash and cash equivalents	234,716	(225,189)	766,278
Cash and cash equivalents, beginning of year	541,089	766,278	0
Cash and cash equivalents, end of year	\$ 775,805	\$ 541,089	\$ 766,278

Supplemental disclosure of noncash activities:

Deferred project costs contributed to joint venture	\$ 0	\$ 0	\$ 1,294,686
Contribution of real estate assets to joint venture	\$ 0	\$ 0	\$31,072,562

Fund XII and REIT Joint Venture

On May 10, 2000, the Operating Partnership entered into a joint venture with Fund XII. The joint venture, Fund XII and REIT Joint Venture, was formed to acquire, develop, operate, and sell real property. On May 20, 2000, the joint venture purchased a 77,054-square foot, three-story office building known as the Siemens Building in Troy, Oakland County, Michigan. On December 28, 2000, the joint venture purchased a 50,000-square foot, one-story office building and a 78,500-square foot two-story office building collectively known as the AT&T Call Center Buildings in Oklahoma City, Oklahoma County, Oklahoma. On May 15, 2001, the joint venture purchased a 201,237-square foot, three-story office building known as the Comdata Building located in Brentwood, Williamson County, Tennessee.

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Following are the financial statements for Fund XII and REIT Joint Venture:

Fund XII and REIT Joint Venture  
(A Georgia Joint Venture)  
Balance Sheets  
December 31, 2001 and 2000

Assets

	2001	2000
	-----	-----
Real estate assets, at cost:		
Land	\$ 8,899,574	\$ 4,420,405
Building and improvements, less accumulated depreciation of \$2,131,838 in 2001 and \$324,732 in 2000	45,814,781	26,004,918
Total real estate assets	54,714,355	30,425,323
Cash and cash equivalents	1,345,562	207,475
Accounts receivable	442,023	130,490
Total assets	\$56,501,940	\$30,763,288

Liabilities and Partners' Capital

Liabilities:		
Accounts payable	\$ 134,969	\$ 0
Partnership distributions payable	1,238,205	208,261
Total liabilities	1,373,174	208,261
Partners' capital:		
Wells Real Estate Fund XII	24,828,894	16,242,127
Wells Operating Partnership, L.P.	30,299,872	14,312,900

Total partners' capital	55,128,766	30,555,027
Total liabilities and partners' capital	\$56,501,940	\$30,763,288

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Fund XII and REIT Joint Venture  
(A Georgia Joint Venture)  
Statements of Income  
for the Year Ended December 31, 2001 and  
the Period From May 10, 2000 (Inception) Through  
December 31, 2000

	2001	2000
	-----	-----
Revenues:		
Rental income	\$4,683,323	\$974,796
Interest income	25,144	2,069
	-----	-----
	4,708,467	976,865
	-----	-----
Expenses:		
Depreciation	1,807,106	324,732
Management and leasing fees	224,033	32,756
Partnership administration	38,928	3,917
Legal and accounting	16,425	0
Operating costs, net of reimbursements	10,453	1,210
	-----	-----
	2,096,945	362,615
	-----	-----
Net income	\$2,611,522	\$614,250
	=====	=====
Net income allocated to Wells Real Estate Fund XII	\$1,224,645	\$309,190
	=====	=====
Net income allocated to Wells Operating Partnership, L.P.	\$1,386,877	\$305,060
	=====	=====

Fund XII and REIT Joint Venture  
(A Georgia Joint Venture)  
Statements of Partners' Capital  
for the Year Ended December 31, 2001 and  
the Period From May 10, 2000 (Inception) Through  
December 31, 2000

	Wells Real Estate Fund XII	Wells Operating Partnership, L.P.	Total Partners' Capital
	-----	-----	-----
Balance, May 10, 2000 (inception)	\$ 0	\$ 0	\$ 0
Net income	309,190	305,060	614,250
Partnership contributions	16,340,884	14,409,171	30,750,055
Partnership distributions	(407,948)	(401,330)	(809,278)
	-----	-----	-----

Balance, December 31, 2000	16,242,126	14,312,901	30,555,027
Net income	1,224,645	1,386,877	2,611,522
Partnership contributions	9,298,084	16,795,441	26,093,525
Partnership distributions	(1,935,961)	(2,195,347)	(4,131,308)
	-----	-----	-----
Balance, December 31, 2001	\$ 24,828,894	\$ 30,299,872	\$ 55,128,766
	=====	=====	=====

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Fund XII and REIT Joint Venture  
(A Georgia Joint Venture)  
Statements of Cash Flows  
for the Year Ended December 31, 2001 and  
the Period From May 10, 2000 (Inception) Through  
December 31, 2000

	2001	2000
	-----	-----
Cash flows from operating activities:		
Net income	\$ 2,611,522	\$ 614,250
	-----	-----
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,807,106	324,732
Changes in assets and liabilities:		
Accounts receivable	(311,533)	(130,490)
Accounts payable	134,969	0
	-----	-----
Total adjustments	1,630,542	194,242
	-----	-----
Net cash provided by operating activities	4,242,064	808,492
	-----	-----
Cash flows from investing activities:		
Investment in real estate	(26,096,138)	(29,520,043)
Cash flows from financing activities:		
Distributions to joint venture partners	(3,101,364)	(601,017)
Contributions received from partners	26,093,525	29,520,043
	-----	-----
Net cash provided by financing activities	22,992,161	28,919,026
	-----	-----
Net increase in cash and cash equivalents	1,138,087	207,475
Cash and cash equivalents, beginning of period	207,475	0
	-----	-----
Cash and cash equivalents, end of year	\$ 1,345,562	\$ 207,475
	=====	=====
Supplemental disclosure of noncash activities:		
Deferred project costs contributed to joint venture	\$ 0	\$ 1,230,012
	=====	=====

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Fund XIII and REIT Joint Venture

On June 27, 2001, Wells Real Estate Fund XIII, L.P. ("Fund XIII") entered into a joint venture with the Operating Partnership to form the Fund XIII and REIT Joint Venture. On July 16, 2001, the Fund XIII and REIT Joint Venture purchased an 85,000-square foot, two-story office building known as the AmeriCredit Building in Clay County, Florida. On December 21, 2001, the Fund XIII and REIT Joint Venture purchased two connected one-story office and assembly buildings consisting of 148,200 square feet known as the ADIC Buildings in Douglas County, Colorado.

Following are the financial statements for the Fund XIII and REIT Joint Venture:

The Fund XIII and REIT Joint Venture

(A Georgia Joint Venture)  
Balance Sheet  
December 31, 2001

Assets

Real estate assets, at cost:	
Land	\$ 3,724,819
Building and improvements, less accumulated depreciation of \$266,605 in 2001	22,783,948
Total real estate assets	26,508,767
Cash and cash equivalents	460,380
Accounts receivable	71,236
Prepaid assets and other expenses	773
Total assets	\$27,041,156

Liabilities and Partners' Capital

Liabilities:	
Accounts payable	\$ 145,331
Partnership distributions payable	315,049
Total liabilities	460,380
Partners' capital:	
Wells Real Estate Fund XIII	8,453,438
Wells Operating Partnership, L.P.	18,127,338
Total partners' capital	26,580,776
Total liabilities and partners' capital	\$27,041,156

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The Fund XIII and REIT Joint Venture  
(A Georgia Joint Venture)  
Statement of Income  
for the Period From June 27, 2001 (Inception) Through  
December 31, 2001

Revenues:	
Rental income	\$706,373
Expenses:	
Depreciation	266,605
Management and leasing fees	26,954
Operating costs, net of reimbursements	53,659
Legal and accounting	2,800
	350,018
Net income	\$356,355
Net income allocated to Wells Real Estate Fund XIII	\$ 58,610
Net income allocated to Wells Operating Partnership, L.P.	\$297,745

The Fund XIII and REIT Joint Venture  
(A Georgia Joint Venture)  
Statement of Partners' Capital  
for the Period From June 27, 2001 (Inception) Through

December 31, 2001

	Wells Real Estate Fund XIII -----	Wells Operating Partnership, L.P. -----	Partners' Capital -----
Balance, June 27, 2001 (inception)	\$ 0	\$ 0	\$ 0
Net income	58,610	297,745	356,355
Partnership contributions	8,491,069	18,285,076	26,776,145
Partnership distributions	(96,241)	(455,483)	(551,724)
	-----	-----	-----
Balance, December 31, 2001	\$ 8,453,438 =====	\$ 18,127,338 =====	\$ 26,580,776 =====

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The Fund XIII and REIT Joint Venture  
(A Georgia Joint Venture)  
Statement of Cash Flows  
for the Period From June 27, 2001 (Inception) Through  
December 31, 2001

Cash flows from operating activities:	
Net income	\$ 356,355 -----
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	266,605
Changes in assets and liabilities:	
Accounts receivable	(71,236)
Prepaid expenses and other assets	(773)
Accounts payable	145,331
	-----
Total adjustments	339,927
	-----
Net cash provided by operating activities	696,282 -----
Cash flows from investing activities:	
Investment in real estate	(25,779,337) -----
Cash flows from financing activities:	
Contributions from joint venture partners	25,780,110
Distributions to joint venture partners	(236,675)
	-----
Net cash provided by financing activities	25,543,435 -----
Net increase in cash and cash equivalents	460,380
Cash and cash equivalents, beginning of period	0
	-----
Cash and cash equivalents, end of year	\$ 460,380 =====
Supplemental disclosure of noncash activities:	
Deferred project costs contributed to Joint Venture	\$ 996,035 =====

6. INCOME TAX BASIS NET INCOME AND PARTNERS' CAPITAL

The Operating Partnership's income tax basis net income for the years ended December 31, 2001 and 2000 are calculated as follows:

	2001 -----	2000 -----
Financial statement net income	\$ 21,723,967	\$ 8,552,967
Increase (decrease) in net income resulting from:		
Depreciation expense for financial reporting purposes in excess of		



amounts for income tax purposes	7,347,459	3,511,353
Rental income accrued for financial reporting purposes in excess of amounts for income tax purposes	(2,735,237)	(1,822,220)
Expenses deductible when paid for income tax purposes, accrued for financial reporting purposes	25,658	37,675
	-----	-----
Income tax basis net income	\$ 26,361,847	\$ 10,279,775
	=====	=====

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The Operating Partnership's income tax basis partners' capital at December 31, 2001 and 2000 is computed as follows:

	2001	2000
	-----	-----
Financial statement partners' capital	\$ 710,285,758	\$ 265,341,612
Increase (decrease) in partners' capital resulting from:		
Depreciation expense for financial reporting purposes in excess of amounts for income tax purposes	11,891,061	4,543,602
Capitalization of syndication costs for income tax purposes, which are accounted for as cost of capital for financial reporting purposes	12,896,312	12,896,312
Accumulated rental income accrued for financial reporting purposes in excess of amounts for income tax purposes	(5,382,483)	(2,647,246)
Accumulated expenses deductible when paid for income tax purposes, accrued for financial reporting purposes	114,873	89,215
Dividends payable	1,059,026	1,025,010
Other	(222,378)	(222,378)
	-----	-----
Income tax basis partners' capital	\$ 730,642,169	\$ 281,026,127
	=====	=====

#### 7. RENTAL INCOME

The future minimum rental income due from the Operating Partnership's direct investment in real estate or its respective ownership interest in the joint ventures under noncancelable operating leases at December 31, 2001 is as follows:

Year ended December 31:	
2002	\$ 69,364,229
2003	70,380,691
2004	71,184,787
2005	70,715,556
2006	71,008,821
Thereafter	270,840,299
	-----
	\$ 623,494,383
	=====

One tenant contributed 10% of rental income for the year ended December 31, 2001. In addition, one tenant will contribute 12% of future minimum rental income.

Future minimum rental income due from Fund VIII, IX, and REIT Joint Venture under noncancelable operating leases at December 31, 2001 is as follows:

Year ended December 31:	
2002	\$1,287,119
2003	1,287,119
2004	107,260
2005	0
2006	0
Thereafter	0
	-----
	\$2,681,498

=====

One tenant contributed 100% of rental income for the year ended December 31, 2001. In addition, one tenant will contribute 100% of future minimum rental income.

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The future minimum rental income due from Fund IX, X, XI, and REIT Joint Venture under noncancelable operating leases at December 31, 2001 is as follows:

Year ended December 31:	
2002	\$ 3,648,769
2003	3,617,432
2004	3,498,472
2005	2,482,815
2006	2,383,190
Thereafter	3,053,321
	-----
	\$ 18,683,999
	=====

Four tenants contributed 26%, 23%, 13%, and 13% of rental income for the year ended December 31, 2001. In addition, four tenants will contribute 38%, 21%, 20%, and 17% of future minimum rental income.

The future minimum rental income due Wells/Orange County Associates under noncancelable operating leases at December 31, 2001 is as follows:

Year ended December 31:	
2002	\$ 834,888
2003	695,740
	-----
	\$ 1,530,628
	=====

One tenant contributed 100% of rental income for the year ended December 31, 2001 and will contribute 100% of future minimum rental income.

The future minimum rental income due Wells/Fremont Associates under noncancelable operating leases at December 31, 2001 is as follows:

Year ended December 31:	
2002	\$ 922,444
2003	950,118
2004	894,832
	-----
	\$ 2,767,394
	=====

One tenant contributed 100% of rental income for the year ended December 31, 2001 and will contribute 100% of future minimum rental income.

The future minimum rental income due from Fund XI, XII, and REIT Joint Venture under noncancelable operating leases at December 31, 2001 is as follows:

Year ended December 31:	
2002	\$ 3,277,512
2003	3,367,510
2004	3,445,193
2005	3,495,155
2006	3,552,724
Thereafter	2,616,855
	-----

\$ 19,754,949  
=====

Four tenants contributed approximately 30%, 28%, 24%, and 18% of rental income for the year ended December 31, 2001. In addition, four tenants will contribute approximately 30%, 27%, 25%, and 18% of future minimum rental income.

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The future minimum rental income due from Fund XII and REIT Joint Venture under noncancelable operating leases at December 31, 2001 is as follows:

Year ended December 31:	
2002	\$ 5,352,097
2003	5,399,451
2004	5,483,564
2005	5,515,926
2006	5,548,289
Thereafter	34,677,467
	-----
	\$ 61,976,794
	=====

Three tenants contributed approximately 31%, 29%, and 27% of rental income for the year ended December 31, 2001. In addition, three tenants will contribute approximately 58%, 21%, and 18% of future minimum rental income.

The future minimum rental income due Fund XIII and REIT Joint Venture under noncancelable operating leases at December 31, 2001 is as follows:

Year ended December 31:	
2002	\$ 2,545,038
2003	2,602,641
2004	2,661,228
2005	2,721,105
2006	2,782,957
Thereafter	13,915,835
	-----
	\$ 27,228,804
	=====

One tenant contributed approximately 95% of rental income for the year ended December 31, 2001. In addition, two tenants will contribute approximately 51% and 49% of future minimum rental income.

#### 8. INVESTMENT IN BONDS AND OBLIGATION UNDER CAPITAL LEASE

On September 27, 2001, the Operating Partnership acquired a ground leasehold interest in the Ingram Micro Distribution Facility pursuant to a Bond Real Property Lease dated December 20, 1995 (the "Bond Lease"). The ground leasehold interest under the Bond Lease, along with the Bond and Bond Deed of Trust described below, were purchased from Ingram Micro, L.P. ("Ingram") in a sale lease-back transaction for a purchase price of \$21,050,000. The Bond Lease expires on December 31, 2026. At closing, the Operating Partnership also entered into a new lease with Ingram pursuant to which Ingram agreed to lease the entire Ingram Micro Distribution Facility for a lease term of 10 years with two successive 10-year renewal options.

In connection with the original development of the Ingram Micro Distribution Facility, the Industrial Development Board of the City of Milington, Tennessee (the "Industrial Development Board") issued an Industrial Development Revenue Note dated December 20, 1995 in the principal amount of \$22,000,000 (the "Bond") to Lease Plan North America, Inc. (the "Original Bond Holder"). The proceeds from the issuance of the Bond were utilized to finance the construction of the Ingram Micro

Distribution Facility. The Bond is secured by a Fee Construction Mortgage Deed of Trust Assignment of Rents and Leases also dated December 20, 1995 (the "Bond Deed of Trust") executed by the Industrial Development Board for the benefit of the Original Bond Holder. Beginning in 2006, the holder of the Bond Lease has the option to purchase the land underlying the Ingram Micro Distribution Facility for \$100.00 plus satisfaction of the indebtedness evidenced by the Bond which, as set forth below, was acquired and is currently held by the Operating Partnership.

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On December 20, 2000, Ingram purchased the Bond and the Bond Deed of Trust from the Original Bond Holder. On September 27, 2001, along with purchasing the Ingram Micro Distribution Facility through its acquisition of the ground leasehold interest under the Bond Lease, the Operating Partnership also acquired the Bond and the Bond Deed of Trust from Ingram. Because the Operating Partnership is technically subject to the obligation to pay the \$22,000,000 indebtedness evidenced by the Bond, the obligation to pay the Bond is carried on the Company's books as a liability; however, since Operating Partnership is also the owner of the Bond, the Bond is also carried on the Company's books as an asset.

9. NOTES PAYABLE

As of December 31, 2001, the Operating Partnership's notes payable included the following:

Note payable to Bank of America, interest at 5.9%, interest payable monthly, due July 30, 2003, collateralized by the Nissan property	\$ 468,844
Note payable to SouthTrust Bank, interest at LIBOR plus 175 basis points, principal and interest payable monthly, due June 10, 2002; collateralized by the Operating Partnership's interests in the Cinemark Building, the Dial Building, the ASML Building, the Motorola Tempe Building, the Avnet Building, the Matsushita Building, and the PwC Building	7,655,600
Total	<u>\$8,124,444</u> =====

The contractual maturities of the Operating Partnership's notes payable are as follows as of December 31, 2001:

2002	\$7,655,600
2003	468,844
	-----
Total	\$8,124,444 =====

10. COMMITMENTS AND CONTINGENCIES

Take Out Purchase and Escrow Agreement

An affiliate of the Advisor ("Wells Exchange") has developed a program (the "Wells Section 1031 Program") involving the acquisition by Wells Exchange of income-producing commercial properties and the formation of a series of single member limited liability companies for the purpose of facilitating the resale of co-tenancy interests in such real estate properties to be owned in co-tenancy arrangements with persons ("1031 Participants") who are looking to invest the proceeds from a sale of real estate held for investment in another real estate investment for purposes of qualifying for like-kind exchange treatment under Section 1031 of the Code. Each of these properties will be financed by a combination of permanent first mortgage financing and interim loan financing obtained from institutional lenders.

Following the acquisition of each property, Wells Exchange will attempt to sell co-tenancy interests to 1031 Participants, the proceeds of which will be used to pay off the interim financing. In consideration for the payment of a take out fee to the Company, and following approval of the potential property acquisition by the Company's board of directors, it is anticipated that Wells OP will enter into a take out purchase and escrow agreement or similar contract providing that, in the event that Wells Exchange is unable to sell all of the co-tenancy interest in that particular property to 1031 Participants, the Operating Partnership will purchase, at Wells Exchange's cost, any co-tenancy interests remaining unsold at the end of the offering period.

As a part of the initial transaction in the Wells Section 1031 Program, and in consideration for the payment of a take out fee in the amount of \$137,500 to the Company, Wells OP entered into a take out

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purchase and escrow agreement dated April 16, 2001 providing that, among other things, Wells OP is obligated to acquire, at Wells Exchange's cost (\$839,694 in cash plus \$832,060 of assumed debt for each 7.63358% interest of co-tenancy interest unsold), any co-tenancy interest in the building known as the Ford Motor Credit Complex which remains unsold at the expiration of the offering of Wells Exchange, which has been extended to April 15, 2002, which is also the maturity date of the interim loan relating to such property. The Ford Motor Credit Complex consists of two connecting office buildings containing 167,438 rentable square feet located in Colorado Springs, Colorado, currently under a triple-net lease with Ford Motor Credit Company, a wholly owned subsidiary of Ford Motor Company.

The obligations of Wells OP under the take out purchase and escrow agreement are secured by reserving against a portion of Wells OP's existing line of credit with Bank of America, N.A. (the "Interim Lender"). If, for any reason, Wells OP fails to acquire any of the co-tenancy interest in the Ford Motor Credit Complex which remains unsold as of April 15, 2002, or there is otherwise an uncured default under the interim loan or the line of credit documents, the Interim Lender is authorized to draw down Wells OP's line of credit in the amount necessary to pay the outstanding balance of the interim loan in full, in which event the appropriate amount of co-tenancy interest in the Ford Motor Credit Complex would be deeded to Wells OP. Wells OP's maximum economic exposure in the transaction is \$21,900,000, in which event Wells OP would acquire the Ford Motor Credit Complex for \$11,000,000 in cash plus assumption of the first mortgage financing in the amount of \$10,900,000. If some, but not all, of the co-tenancy interests are sold, Wells OP's exposure would be less, and it would own an interest in the property in co-tenancy with the 1031 Participants who had previously acquired co-tenancy interests in the Ford Motor Credit Complex from Wells Exchange.

#### Development of the Nissan Property

The Operating Partnership has entered into an agreement with an independent third-party general contractor for the purpose of designing and constructing a three-story office building containing 268,290 rentable square feet on the Nissan Property. The construction agreement provides that the Operating Partnership will pay the contractor a maximum of \$25,326,017 for the design and construction of the building. Construction commenced on January 25, 2002 and is scheduled to be completed within 20 months.

#### General

Management, after consultation with legal counsel, is not aware of any significant litigation or claims against the Company, the Operating Partnership, or the Advisor. In the normal course of business, the Company, the Operating Partnership, or the Advisor may become subject to such

litigation or claims.

11. SHAREHOLDERS' EQUITY

Common Stock Option Plan

The Wells Real Estate Investment Trust, Inc. Independent Director Stock Option Plan ("the Plan") provides for grants of stock to be made to independent nonemployee directors of the Company. Options to purchase 2,500 shares of common stock at \$12 per share are granted upon initially becoming an independent director of the Company. Of these shares, 20% are exercisable immediately on the date of grant. An additional 20% of these shares become exercisable on each anniversary following the date of grant for a period of four years. Effective on the date of each annual meeting of shareholders of the Company, beginning in 2000, each independent director will be granted an option to purchase 1,000 additional shares of common stock. These options vest at the rate of 500 shares per full year of service thereafter. All options granted under the Plan expire no later than the date immediately following the tenth anniversary of the date of grant and may expire sooner in the event of the disability or death of the optionee or if the optionee ceases to serve as a director.

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The Company has adopted the disclosure provisions in Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation." As permitted by the provisions of SFAS No. 123, the Company applies Accounting Principles Board Opinion No. 25 and the related interpretations in accounting for its stock option plans and, accordingly, does not recognize compensation cost.

A summary of the Company's stock option activity during 2001 and 2000 is as follows:

	Number	Exercise Price
	-----	-----
Outstanding at December 31, 1999	17,500	\$12
Granted	7,000	12
	-----	
Outstanding at December 31, 2000	24,500	12
Granted	7,000	12
	-----	
Outstanding at December 31, 2001	31,500	12
	=====	
Outstanding options exercisable as of December 31, 2001	10,500	12
	=====	

For SFAS No. 123 purposes, the fair value of each stock option for 2001 and 2000 has been estimated as of the date of the grant using the minimum value method. The weighted average risk-free interest rates assumed for 2001 and 2000 were 5.05% and 6.45%, respectively. Dividend yields of 7.8% and 7.3% were assumed for 2001 and 2000, respectively. The expected life of an option was assumed to be six years and four years for 2001 and 2000, respectively. Based on these assumptions, the fair value of the options granted during 2001 and 2000 is \$0.

Treasury Stock

During 1999, the Company's board of directors authorized a dividend reinvestment program (the "DRP"), through which common shareholders may elect to reinvest an amount equal to the dividends declared on their common shares into additional shares of the Company's common stock in lieu of receiving cash dividends. During 2000, the Company's board of directors

authorized a common stock repurchase plan subject to the amount reinvested in the Company's common shares through the DRP, less shares already redeemed, and a limitation in the amount of 3% of the average common shares outstanding during the preceding year. During 2001 and 2000, the Company repurchased 413,743 and 141,297 of its own common shares at an aggregate cost of \$4,137,427 and \$1,412,969, respectively. These transactions were funded with cash on hand and did not exceed either of the foregoing limitations.

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## 12. QUARTERLY RESULTS (UNAUDITED)

Presented below is a summary of the unaudited quarterly financial information for the years ended December 31, 2001 and 2000:

	2001 Quarters Ended			
	March 31	June 30	September 30	December 31
Revenues	\$10,669,713	\$10,891,240	\$12,507,904	\$15,239,945
Net income	3,275,345	5,038,898	6,109,137	7,300,587
Basic and diluted earnings per share (a)	\$ 0.10	\$ 0.12	\$ 0.11	\$ 0.10
Dividends per share (a)	0.19	0.19	0.19	0.19

(a) The totals of the four quarterly amounts for the year ended December 31, 2001 do not equal the totals for the year. This difference results from rounding differences between quarters.

	2000 Quarters Ended			
	March 31	June 30	September 30	December 31
Revenues	\$3,710,409	\$5,537,618	\$6,586,611	\$7,538,568
Net income	1,691,288	1,521,021	2,525,228	2,815,430
Basic and diluted earnings per share	\$ 0.11	\$ 0.08	\$ 0.11	\$ 0.10
Dividends per share	0.18	0.18	0.18	0.19

## 13. SUBSEQUENT EVENT

On January 11, 2002, the Operating Partnership purchased a three-story office building on a 9.8-acre tract of land located in Sarasota County, Florida known as the Arthur Andersen Building, from an unaffiliated third party for \$21,400,000. The Operating Partnership incurred additional related acquisition expenses, including attorneys' fees, recording fees, structural report and environmental report fees, and other closing costs, of approximately \$30,000.

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## EXHIBIT INDEX

(Wells Real Estate Investment Trust, Inc.)

The following documents are filed as exhibits to this report. Those

exhibits previously filed and incorporated herein by reference are identified below by an asterisk. For each such asterisked exhibit, there is shown below the description of the previous filing. Exhibits which are not required for this report are omitted.

Exhibit Number -----	Description of Document -----
*3.1	Amended and Restated Articles of Incorporation of Wells Real Estate Investment Trust, Inc. (Exhibit 3.1 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-83933)
*3.2	Bylaws of Wells Real Estate Investment Trust, Inc. (Exhibit 3.2 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
*3.3	Amendment No. 1 to Bylaws of Wells Real Estate Investment Trust, Inc. (Exhibit 3.3 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
*10.1	Agreement of Limited Partnership of Wells Operating Partnership, L.P. (Exhibit 10.1 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
*10.2	Advisory Agreement dated January 30, 1999 (Exhibit 10.3 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
*10.3	Management Agreement (Exhibit 10.4 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
*10.4	Leasing and Tenant Coordinating Agreement (Exhibit 10.5 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
*10.5	Amended and Restated Joint Venture Agreement of The Fund IX, Fund X, Fund XI and REIT Joint Venture dated June 11, 1998 (Exhibit 10.4 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
*10.6	Lease Agreement for the ABB Building dated December 10, 1996 (Exhibit 10(kk) to Form S-11 Registration Statement of Wells Real Estate Fund VIII, L.P. and Wells Real Estate Fund IX, L.P., as amended to date, Commission File No. 33-83852)
	1
*10.7	Agreement for the Purchase and Sale of Real Property relating to the Ohmeda Building dated November 14, 1997 (Exhibit 10.6 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
*10.8	Agreement for the Purchase and Sale of Property relating to the 360 Interlocken Building dated February 11, 1998 (Exhibit 10.7 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
*10.9	Agreement for the Purchase and Sale of Real Property relating to the Lucent Technologies Building dated May 30, 1997 (Exhibit 10(k) to Form S-11 Registration Statement of Wells Real Estate Fund X, L.P. and Wells Real Estate Fund XI, L.P., as amended to date, Commission File No. 333-7979)



- \*10.10 First Amendment to the Agreement for the Purchase and Sale of Real Property relating to the Lucent Technologies Building dated April 21, 1998 (Exhibit 10.8(a) to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
- \*10.11 Development Agreement relating to the Lucent Technologies Building dated May 30, 1997 (Exhibit 10(m) to Form S-11 Registration Statement of Wells Real Estate Fund X, L.P. and Wells Real Estate Fund XI, L.P., as amended to date, Commission File No. 333-7979)
- \*10.12 Net Lease Agreement for the Lucent Technologies Building dated May 30, 1997 (Exhibit 10(l) to Form S-11 Registration Statement on Form S-11 of Wells Real Estate Fund X, L.P. and Wells Real Estate Fund XI, L.P., as amended to date, Commission File No. 333-7979)
- \*10.13 First Amendment to Net Lease Agreement for the Lucent Technologies Building dated March 30, 1998 (Exhibit 10.10(a) to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
- \*10.14 Purchase and Sale Agreement relating to the Iomega Building dated February 4, 1998 (Exhibit 10.11 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
- \*10.15 Lease Agreement for the Iomega Building dated April 9, 1996 (Exhibit 10.12 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
- \*10.16 Agreement for the Purchase and Sale of Property relating to the Fairchild Building dated June 8, 1998 (Exhibit 10.13 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)

- \*10.17 Restatement of and First Amendment to Agreement for the Purchase and Sale of Property relating to the Fairchild Building dated July 1, 1998 (Exhibit 10.14 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
- \*10.18 Promissory Note for \$5,960,000 from the Fremont Joint Venture to NationsBank, N.A. relating to the Fairchild Building dated July 16, 1998 (Exhibit 10.15 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
- \*10.19 Deed of Trust securing the Fairchild Building dated July 16, 1998 between the Fremont Joint Venture and NationsBank, N.A. (Exhibit 10.16 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
- \*10.20 Joint Venture Agreement of Wells/Fremont Associates (the "Fremont Joint Venture") dated July 15, 1998 between Wells Development Corporation and Wells Operating Partnership, L.P. (Exhibit 10.17 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
- \*10.21 Joint Venture Agreement of Fund X and Fund XI Associates (the "Fund X-XI Joint Venture") dated July 15, 1998 (Exhibit 10.18 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)

- \*10.22 Agreement for the Purchase and Sale of Joint Venture Interest relating to the Fremont Joint Venture dated July 17, 1998 between Wells Development Corporation and the Fund X-XI Joint Venture (Exhibit 10.19 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
- \*10.23 Lease Agreement for the Fairchild Building dated September 19, 1997 with Fairchild Technologies USA, Inc. (Exhibit 10.20 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
- \*10.24 Purchase and Sale Agreement and Joint Escrow Instructions relating to the Cort Furniture Building dated June 12, 1998 (Exhibit 10.21 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
- \*10.25 First Amendment to Purchase and Sale Agreement and Joint Escrow Instructions relating to the Cort Furniture Building dated July 16, 1998 (Exhibit 10.22 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
- \*10.26 Promissory Note for \$4,875,000 from the Cort Joint Venture to NationsBank, N.A. relating to the Cort Furniture Building dated July 30, 1998 (Exhibit 10.23 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)

- \*10.27 Deed of Trust securing the Cort Furniture Building dated July 30, 1998 between the Fremont Joint Venture and NationsBank, N.A. (Exhibit 10.24 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
- \*10.28 Joint Venture Agreement of Wells/Orange County Associates (the "Cort Joint Venture") dated July 27, 1998 between Wells Development Corporation and Wells Operating Partnership, L.P. (Exhibit 10.25 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
- \*10.29 Agreement for the Purchase and Sale of Joint Venture Interest relating to the Cort Joint Venture dated July 30, 1998 between Wells Development Corporation and the Fund X-XI Joint Venture (Exhibit 10.26 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
- \*10.30 Temporary Lease Agreement for remainder of the ABB Building dated September 10, 1998 between the IX-X-XI-REIT Joint Venture and Associates Housing Finance, LLC (Exhibit 10.35 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
- \*10.31 Amended and Restated Purchase Agreement relating to the PWC Building dated December 4, 1998 (Exhibit 10.37 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
- \*10.32 Assignment and Assumption Agreement relating to the PWC Building dated December 4, 1998 (Exhibit 10.38 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
- \*10.33 Amended and Restated Loan Agreement dated December 31, 1998 between Wells Operating Partnership, L.P. and SouthTrust Bank, National

Association (Exhibit 10.39 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)

- \*10.34 Amended and Restated Promissory Note for \$15,500,000 from Carter Sunforest, L.P. to SouthTrust Bank, National Association dated December 31, 1998 (Exhibit 10.40 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
  - \*10.35 Amendment No. 1 to Mortgage and Security Agreement and other Loan Documents securing the PWC Building dated December 31, 1998 between Carter Sunforest, L.P. and SouthTrust Bank, National Association (Exhibit 10.41 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
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- \*10.36 Lease for the PWC Building dated March 30, 1998 with Price Waterhouse LLP (Exhibit 10.42 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
  - \*10.37 Promissory Note for \$6,425,000 to Bank of America, N.A. relating to the AT&T Building (formerly the Vanguard Cellular Building) (Exhibit 10.45 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
  - \*10.38 Open-End Mortgage, Assignment of Leases and Rents, Security Agreement and Financing Statement securing the AT&T Building (formerly the Vanguard Cellular Building) (Exhibit 10.46 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
  - \*10.39 Build-to-Suit Office Lease Agreement for the AT&T Building (formerly the Vanguard Cellular Building) (Exhibit 10.47 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
  - \*10.40 Amendment No. 1 to Built-To-Suite Office Lease Agreement for the AT&T Building (formerly the Vanguard Cellular Building) (Exhibit 10.47(a) to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
  - \*10.41 Amendment No. 2 to Build-To-Suit Office Lease Agreement for the AT&T Building (formerly the Vanguard Cellular Building) (Exhibit 10.47(b) to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
  - \*10.42 Build-To-Suit Office Lease Agreement Guaranty Payment and Performance for the AT&T Building (formerly the Vanguard Cellular Building) (Exhibit 10.48 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
  - \*10.43 Development Agreement for the Matsushita Project (Exhibit 10.50 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
  - \*10.44 Office Lease for the Matsushita Project (Exhibit 10.51 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)
  - \*10.45 Guaranty of Lease for the Matsushita Project (Exhibit 10.52 to Form

S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)

\*10.46 Rental Income Guaranty Agreement from Wells Operating Partnership, L.P. to Fund VIII and Fund IX Associates relating to the Bake Parkway Building (Exhibit 10.53 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)

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\*10.47 Amended and Restated Joint Venture Partnership Agreement of The Wells Fund XI - Fund XII - REIT Joint Venture (Exhibit 10.28 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-83933)

\*10.48 Agreement of Sale and Purchase relating to the EYBL CarTex Building (Exhibit 10.54 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)

\*10.49 Agreement of Purchase and Sale relating to the Sprint Building (Exhibit 10.5 to Form S-11 Registration Statement of Wells Real Estate Fund XII, L.P., as amended to date, Commission File No. 33-66657)

\*10.50 Agreement of Sale and Purchase relating to the Johnson Matthey Building (Exhibit 10.6 to Form S-11 Registration Statement of Wells Real Estate Fund XII, L.P., as amended to date, Commission File No. 33-66657)

\*10.51 Fifth Amendment to Lease for the Johnson Matthey Building (Exhibit 10.7 to Form S-11 Registration Statement of Wells Real Estate Fund XII, L.P., as amended to date, Commission File No. 33-66657)

\*10.52 Agreement of Purchase and Sale relating to the Gartner Building (Exhibit 10.63 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)

\*10.53 Lease Agreement for the Gartner Building (Exhibit 10.64 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)

\*10.54 Agreement for the Purchase and Sale of Real Property relating to the ABB Richmond Property (Exhibit 10.58 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)

\*10.55 Development Agreement for the ABB Richmond Project (Exhibit 10.59 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)

\*10.56 Owner-Contractor Agreement for the ABB Richmond Project (Exhibit 10.60 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)

\*10.57 Lease Agreement for the ABB Richmond Project (Exhibit 10.61 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32099)

\*10.58 Second Amendment to Lease Agreement for the ABB Richmond Project (Exhibit 10.34 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-83933)

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- \*10.59 Agreement for Purchase and Sale relating to the Marconi Building (formerly the Videojet Building) (Exhibit 10.62 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-32009)
- \*10.60 Agreement for the Purchase and Sale of Property relating to the Cinemark Building (Exhibit 10.38 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-83933)
- \*10.61 Lease Agreement with Cinemark USA, Inc. for a portion of the Cinemark Building (Exhibit 10.39 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-83933)
- \*10.62 Lease Agreement with The Coca-Cola Company for a portion of the Cinemark Building (Exhibit 10.40 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-83933)
- \*10.63 Amended and Restated Articles of Incorporation of Wells Real Estate Investment Trust, Inc. (Exhibit 3.1 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
- \*10.64 Agreement of Limited Partnership of Wells Operating Partnership, L.P. as Amended and Restated as of January 1, 2000 (Exhibit 10.64 to Form 10-K of Wells Real Estate Investment Trust, Inc. for the fiscal year ended December 31, 2000, Commission File No. 0-25739)
- \*10.65 Advisory Agreement dated January 30, 2000 (Exhibit 10.37 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-83933)
- \*10.66 Amended and Restated Property Management and Leasing Agreement (Exhibit 10.3 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
- \*10.67 Lease Agreement for the Metris Building (Exhibit 10.43 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-83933)
- \*10.68 Promissory Note for \$26,725,000 for the Bank of America Loan (Exhibit 10.44 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-83933)
- \*10.69 Mortgage, Assignment and Security Agreement for the Marconi Building and the AT&T Building securing the Bank of America Loan (Exhibit 10.45 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-83933)
- \*10.70 Assumption and Modification Agreement for the Metris Loan (Exhibit 10.42 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-83933)
- \*10.71 Joint Venture Partnership Agreement of Wells Fund XII-REIT Joint Venture Partnership (Exhibit 10.11 to Form S-11 Registration Statement of Wells Real Estate Fund XII, L.P., as amended to date, Commission

File No. 33-66657)

- \*10.72 Office Lease for the Siemens Building (Exhibit 10.13 to Form S-11 Registration Statement of Wells Real Estate Fund XII, L.P., as amended to date, Commission File No. 33-66657)
  - \*10.73 Lease Agreement for the Dial Building (Exhibit 10.47 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-83933)
  - \*10.74 First Amendment to Lease Agreement for the Dial Building (Exhibit 10.48 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-83933)
  - \*10.75 Lease Agreement for the ASML Building (Exhibit 10.51 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-83933)
  - \*10.76 First Amendment to Lease Agreement for the ASML Building (Exhibit 10.52 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-83933)
  - \*10.77 Ground Lease Agreement for the ASML Building (Exhibit 10.53 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-83933)
  - \*10.78 First Amendment to Ground Lease Agreement for the ASML Building (Exhibit 10.54 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-83933)
  - \*10.79 Lease Agreement for the Motorola Tempe Building (Exhibit 10.56 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-83933)
  - \*10.80 First Amendment to Lease Agreement for the Motorola Tempe Building (Exhibit 10.57 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-83933)
  - \*10.81 Ground Lease Agreement for the Motorola Tempe Building (Exhibit 10.58 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-83933)
  - \*10.82 Joint Venture Partnership Agreement of Fund VIII-IX-REIT Joint Venture (Exhibit 10.47 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
  - \*10.83 Lease Agreement for the Quest Building (Exhibit 10.51 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
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- \*10.84 Lease Agreement for the Avnet Building (Exhibit 10.48 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
  - \*10.85 Ground Lease Agreement for the Avnet Building (Exhibit 10.49 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
  - \*10.86 Lease Agreement for the Delphi Building (Exhibit 10.50 to Form S-11

Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)

- \*10.87 Loan Agreement with SouthTrust Bank, N.A. for \$35,000,000 revolving line of credit dated May 3, 2000 (Exhibit 10.70 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-83933)
- \*10.88 Promissory Note for \$35,000,000 to SouthTrust Bank, N.A. (Exhibit 10.71 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-83933)
- \*10.89 Deed of Trust and Security Agreement with SouthTrust, N.A. relating to the Cinemark Building (Exhibit 10.72 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-83933)
- \*10.90 Deed of Trust and Security Agreement with SouthTrust, N.A. relating to the Dial Building (Exhibit 10.73 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-83933)
- \*10.91 Leasehold Deed of Trust and Security Agreement with SouthTrust, N.A. relating to the ASML Building (Exhibit 10.74 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-83933)
- \*10.92 Lease Agreement for the Motorola Building in Plainfield, New Jersey (Exhibit 10.56 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-83933)
- \*10.93 First Amendment to Lease Agreement for the Motorola Building in Plainfield, New Jersey (Exhibit 10.57 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-83933)
- \*10.94 Ground Lease Agreement for the Motorola Building in Plainfield, New Jersey (Exhibit 10.58 to Form S-11 Registration Statement, as amended to date, Commission File No. 333-83933)
- \*10.95 Allonge to Revolving Note relating to the SouthTrust Bank N.A. \$32,393,000 revolving line of credit (Exhibit 10.55 to Form S-11 Registration Statement of

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Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)

- \*10.96 First Amendment to Revolving Loan Agreement and Other Loan Documents relating to the SouthTrust Bank N.A. \$32,393,000 revolving line of credit (Exhibit 10.56 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
- \*10.97 Second Note Modification Agreement relating to the SouthTrust Bank N.A. \$12,844,000 revolving line of credit (Exhibit 10.57 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
- \*10.98 Second Amendment to Amended and Restated Loan Agreement and Other Loan Documents relating to the SouthTrust Bank N.A. \$12,844,000 revolving line of credit (Exhibit 10.58 to Form S-11 Registration Statement of

Wells Real Estate Investment Trust, Inc., as amended to date,  
Commission File No. 333-44900)

- \*10.99 Revolving Note relating to the SouthTrust N.A. \$19,003,000 revolving line of credit (Exhibit 10.59 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
  - \*10.100 Revolving Loan Agreement relating to the SouthTrust Bank N.A. \$19,003,000 revolving line of credit (Exhibit 10.60 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
  - \*10.101 Leasehold Deed of Trust and Security Agreement with SouthTrust Bank N.A. relating to the Motorola Tempe Building and the Avnet Building (Exhibit 10.61 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
  - \*10.102 Amended and Restated Revolving Note relating to the SouthTrust Bank N.A. \$7,900,000 revolving line of credit (Exhibit 10.62 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
  - \*10.103 Amended and Restated Loan Agreement relating to the SouthTrust Bank N.A. \$7,900,000 revolving line of credit (Exhibit 10.63 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
  - \*10.104 Credit Line Deed of Trust and Security Agreement to SouthTrust Bank N.A. relating to the Alstom Power Richmond Building (Exhibit 10.64 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
  - \*10.105 First Amendment to Credit Line Deed of Trust and Security Agreement to SouthTrust Bank N.A. relating to the Alstom Power Richmond Building (Exhibit 10.65 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
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- \*10.106 Agreement for Purchase and Sale of Property for the Stone & Webster Building (Exhibit 10.66 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
  - \*10.107 First Amendment to Agreement for Purchase and Sale of Property for the Stone & Webster Building (Exhibit 10.67 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
  - \*10.108 Promissory Note for \$35,900,000 for the Guaranty Federal Bank Loan (Exhibit 10.68 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
  - \*10.109 Deed of Trust, Mortgage and Security Agreement with Guaranty Federal Bank, F.S.B., relating to the Stone & Webster Building (Exhibit 10.69 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
  - \*10.110 Promissory Note for \$3,000,000 for the Cardinal Paragon Loan (Exhibit 10.70 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)



- \*10.111 Deed of Trust with Cardinal Paragon, Inc. relating to the Stone & Webster Building (Exhibit 10.71 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
- \*10.112 Lease Agreement with Stone & Webster, Inc. for a portion of the Stone & Webster Building (Exhibit 10.72 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
- \*10.113 Lease Agreement with Sysco Corporation for a portion of the Stone & Webster Building (Exhibit 10.73 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
- \*10.114 Purchase Agreement for Metris Minnetonka Building (Exhibit 10.74 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
- \*10.115 Lease Agreement for the Metris Minnetonka Building (Exhibit 10.75 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
- \*10.116 Fourth Amendment to Lease Agreement for the Metris Minnetonka Building (Exhibit 10.76 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
- \*10.117 Guaranty of Lease for the Metris Minnetonka Building (Exhibit 10.77 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)

- \*10.118 Agreement for the Purchase and Sale of Property for the AT&T Call Center Buildings in Oklahoma City, Oklahoma (Exhibit 10.14 to Form S-11 Registration Statement of Wells Real Estate Fund XII, L.P., as amended to date, Commission File No. 333-66657)
- \*10.119 First Amendment to Agreement for the Purchase and Sale of Property for the AT&T Call Center Buildings in Oklahoma City, Oklahoma (Exhibit 10.15 to Form S-11 Registration Statement of Wells Real Estate Fund XII, L.P., as amended to date, Commission File No. 333-66657)
- \*10.120 Lease Agreement with AT&T Corp. for a portion of the AT&T Call Center Buildings in Oklahoma City, Oklahoma (Exhibit 10.16 to Form S-11 Registration Statement of Wells Real Estate Fund XII, L.P., as amended to date, Commission File No. 333-66657)
- \*10.121 Lease Agreement with Jordan Associates, Inc. for a portion of the AT&T Call Center Buildings in Oklahoma City, Oklahoma (Exhibit 10.17 to Form S-11 Registration Statement of Wells Real Estate Fund XII, L.P., as amended to date, Commission File No. 333-66657)
- \*10.122 Advisor Agreement dated January 30, 2001 (Exhibit 10.2 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
- \*10.123 Agreement for the Purchase and Sale of Property for the Comdata Building (Exhibit 10.82 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
- \*10.124 Lease Agreement for the Comdata Building (Exhibit 10.83 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as

amended to date, Commission File No. 333-44900)

- \*10.125 First Amendment to Lease Agreement for the Comdata Building (Exhibit 10.84 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
  - \*10.126 Joint Venture Partnership Agreement of Wells Fund XIII-REIT Joint Venture Partnership (Exhibit 10.85 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
  - \*10.127 Agreement for the Purchase and Sale of Property for the AmeriCredit Building (Exhibit 10.86 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
  - \*10.128 Lease Agreement for the AmeriCredit Building (Exhibit 10.87 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
  - \*10.129 Agreement for the Purchase and Sale of Property for the State Street Building (Exhibit 10.88 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
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- \*10.130 Lease Agreement for the State Street Building (Exhibit 10.89 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
  - \*10.131 Agreement for the Purchase and Sale of Property for the IKON Buildings (Exhibit 10.90 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
  - \*10.132 Lease Agreement for the IKON Buildings (Exhibit 10.91 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
  - \*10.133 First Amendment to Lease Agreement for the IKON Buildings (Exhibit 10.92 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
  - \*10.134 Reinstatement of and Second Amendment to Lease Agreement for the IKON Buildings (Exhibit 10.93 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
  - \*10.135 Agreement of Sale for the Nissan Property (Exhibit 10.94 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
  - \*10.136 Lease Agreement for the Nissan Property (Exhibit 10.95 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
  - \*10.137 Guaranty of Lease for the Nissan Property (Exhibit 10.96 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
  - \*10.138 Development Agreement for the Nissan Property (Exhibit 10.97 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)

- \*10.139 Architect Agreement for the Nissan Property (Exhibit 10.98 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
- \*10.140 Design and Build Construction Agreement for the Nissan Property (Exhibit 10.99 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
- \*10.141 Agreement for the Purchase and Sale of Property for the Ingram Micro Distribution Facility (Exhibit 10.100 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
- \*10.142 Indenture of Lease Agreement for Ingram Micro Distribution Facility (Exhibit 10.101 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
- \*10.143 Guaranty of Lease Agreement for Ingram Micro Distribution Facility (Exhibit 10.102 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)

- \*10.144 Absolute Assignment of Lease and Assumption Agreement for Ingram Micro Distribution Facility (Exhibit 10.103 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
- \*10.145 Bond Real Property Lease Agreement for the Ingram Micro Distribution Facility (Exhibit 10.104 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
- \*10.146 Agreement for the Purchase and Sale of Property for the Lucent Building (Exhibit 10.105 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
- \*10.147 Lease Agreement for the Lucent Building (Exhibit 10.106 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
- \*10.148 Second Amendment to Lease Agreement for Matsushita Building (Exhibit 10.107 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
- \*10.149 Agreement for the Purchase and Sale of Property for the Convergys Building (Exhibit 10.109 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
- \*10.150 Lease Agreement for the Convergys Building (Exhibit 10.110 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
- \*10.151 Purchase Agreement for the ADIC Buildings (Exhibit 10.6 to Form S-11 Registration Statement of Wells Real Estate Fund XIII, L.P., as amended to date, Commission File No. 333-48984)
- \*10.152 Purchase Agreement for the land immediately adjacent to the ADIC Buildings (Exhibit 10.7 to the Form S-11 Registration Statement of

Wells Real Estate Fund XIII, L.P., as amended to date, Commission File No. 333-48984)

- \*10.153 Lease Agreement for the ADIC Buildings (Exhibit 10.8 to the Form S-11 Registration Statement of Wells Real Estate Fund XIII, L.P., as amended to date, Commission File No. 333-48984)
- \*10.154 Agreement for Purchase and Sale of the Windy Point Buildings (Exhibit 10.114 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
- \*10.155 Lease Agreement with TCI Great Lakes, Inc. for a portion of the Windy Point I Building (Exhibit 10.115 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
- \*10.156 First Amendment to Office Lease with TCI Great Lakes, Inc. (Exhibit 10.116 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
- \*10.157 Lease Agreement with The Apollo Group, Inc. for a portion of the Windy Point I Building (Exhibit 10.117 to Form S-11 Registration Statement of Wells Real

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Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)

- \*10.158 Lease Agreement with Global Knowledge Network, Inc. for a portion of the Windy Point I Building (Exhibit 10.118 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
- \*10.159 Lease Agreement with Zurich American Insurance Company for the Windy Point II Building (Exhibit 10.119 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
- \*10.160 Third Amendment to Office Lease with Zurich American Insurance Company (Exhibit 10.120 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
- \*10.161 Agreement for Purchase and Sale of the Arthur Andersen Building (Exhibit 10.121 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)
- \*10.162 Lease Agreement for the Arthur Andersen Building (Exhibit 10.122 to Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc., as amended to date, Commission File No. 333-44900)

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WELLS REAL ESTATE INVESTMENT TRUST, INC. AND SUBSIDIARY

(A Georgia Public Limited Partnership)

SCHEDULE III--REAL ESTATE INVESTMENTS AND ACCUMULATED DEPRECIATION

DECEMBER 31, 2001

Description	Ownership Percentage	Encumbrances	Initial Cost		Costs of Capitalized Improvements
			Land	Buildings and Improvements	
ALSTOM POWER--KNOXVILLE PROPERTY (a)	4%	None	\$ 582,897	\$ 744,164	\$ 6,744,547
AVAYA BUILDING	4	None	1,002,723	4,386,374	242,241
360 INTERLOCKEN (c)	4	None	1,570,000	6,733,500	437,266
IOMEGA PROPERTY (d)	4	None	597,000	4,674,624	876,459
OHMEDA PROPERTY (e)	4	None	2,613,600	7,762,481	528,415
FAIRCHILD PROPERTY (f)	78	None	2,130,480	6,852,630	374,300
ORANGE COUNTY PROPERTY (g)	44	None	2,100,000	4,463,700	287,916
PRICewaterhouseCOOPERS PROPERTY (h)	100	None	1,460,000	19,839,071	825,560
EYBL CARTEX PROPERTY (i)	57	None	330,000	4,791,828	213,411
SPRINT BUILDING (j)	57	None	1,696,000	7,850,726	397,783
JOHNSON MATTHEY (k)	57	None	1,925,000	6,131,392	335,685
GARTNER PROPERTY (l)	57	None	895,844	7,451,760	347,820
AT&T--PA PROPERTY (m)	100	None	662,000	11,836,368	265,740
MARCONI PROPERTY (n)	100	None	5,000,000	28,161,665	1,381,747

Description	Gross Amount of Which Carried at December 31, 2001			
	Land	Buildings and Improvements	Construction In Progress	Total
ALSTOM POWER--KNOXVILLE PROPERTY (a)	607,930	\$ 7,463,678	\$ 0	8,071,608
AVAYA BUILDING	1,051,138	4,580,200	0	5,631,338
360 INTERLOCKEN (c)	1,650,070	7,090,696	0	8,740,766
IOMEGA PROPERTY (d)	641,988	5,506,095	0	6,148,083
OHMEDA PROPERTY (e)	2,746,894	8,157,602	0	10,904,496
FAIRCHILD PROPERTY (f)	2,219,251	7,138,159	0	9,357,410
ORANGE COUNTY PROPERTY (g)	2,187,501	4,664,115	0	6,851,616
PRICewaterhouseCOOPERS PROPERTY (h)	1,520,834	20,603,797	0	22,124,631
EYBL CARTEX PROPERTY (i)	343,750	4,991,489	0	5,335,239
SPRINT BUILDING (j)	1,766,667	8,177,842	0	9,944,509
JOHNSON MATTHEY (k)	2,005,209	6,386,868	0	8,392,077
GARTNER PROPERTY (l)	933,171	7,762,253	0	8,695,424
AT&T--PA PROPERTY (m)	689,583	12,074,525	0	12,764,108
MARCONI PROPERTY (n)	5,208,335	29,335,077	0	34,543,412

Description	Accumulated Depreciation	Date of Construction	Date Acquired	Life on Which Depreciation is Computed (dd)
ALSTOM POWER--KNOXVILLE PROPERTY (a)	\$1,844,482	1997	12/10/96	20 to 25 years
AVAYA BUILDING	656,495	1998	6/24/98	20 to 25 years
360 INTERLOCKEN (c)	1,098,339	1996	3/20/98	20 to 25 years
IOMEGA PROPERTY (d)	742,404	1998	7/01/98	20 to 25 years
OHMEDA PROPERTY (e)	1,278,024	1998	2/13/98	20 to 25 years

FAIRCHILD PROPERTY (f)	999,301	1998	7/21/98	20 to 25 years
ORANGE COUNTY PROPERTY (g)	651,780	1988	7/31/98	20 to 25 years
PRICWATERHOUSECOOPERS PROPERTY (h)	2,469,792	1998	12/31/98	20 to 25 years
EYBL CARTEX PROPERTY (i)	532,416	1998	5/18/99	20 to 25 years
SPRINT BUILDING (j)	817,785	1998	7/2/99	20 to 25 years
JOHNSON MATTHEY (k)	617,438	1973	8/17/99	20 to 25 years
GARTNER PROPERTY (l)	724,477	1998	9/20/99	20 to 25 years
AT&T--PA PROPERTY (m)	1,408,686	1998	2/4/99	20 to 25 years
MARCONI PROPERTY (n)	2,737,941	1991	9/10/99	20 to 25 years

SCHEDULE I  
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Description	Ownership Percentage	Encumbrances	Initial Cost		Costs of Capitalized Improvements
			Land	Buildings and Improvements	
CINEMARK PROPERTY (o)	100	None	1,456,000	20,376,881	908,217
MATSUSHITA PROPERTY (p)	100	None	4,577,485	0	13,860,142
ALSTOM POWER--RICHMOND PROPERTY (q)	100	None	948,401	0	9,938,308
METRIS--OK PROPERTY (r)	100	None	1,150,000	11,569,583	541,489
DIAL PROPERTY (s)	100	None	3,500,000	10,785,309	601,264
ASML PROPERTY (t)	100	None	0	17,392,633	731,685
MOTOROLA--AZ PROPERTY (u)	100	None	0	16,036,219	669,639
AVNET PROPERTY (v)	100	None	0	13,271,502	551,156
DELPHI PROPERTY (w)	100	None	2,160,000	16,775,971	1,676,956
SIEMENS PROPERTY (x)	47	None	2,143,588	12,048,902	591,358
QUEST PROPERTY (y)	16	None	2,220,993	5,545,498	51,285
MOTOROLA--NJ PROPERTY (z)	100	None	9,652,500	20,495,243	0
METRIS--MN PROPERTY (aa)	100	None	7,700,000	45,151,969	2,181
STONE & WEBSTER PROPERTY (bb)	100	None	7,100,000	37,914,954	0

Description	Gross Amount of Which Carried at December 31, 2001			
	Land	Buildings and Improvements	Construction In Progress	Total
CINEMARK PROPERTY (o)	1,516,667	21,224,431	0	22,741,098
MATSUSHITA PROPERTY (p)	4,768,215	13,773,660	0	18,541,875
ALSTOM POWER--RICHMOND PROPERTY (q)	987,918	9,923,454	0	10,911,372
METRIS--OK PROPERTY (r)	1,197,917	12,063,155	0	13,261,072
DIAL PROPERTY (s)	3,645,835	11,240,738	83,125	14,969,698
ASML PROPERTY (t)	0	18,124,318	0	18,124,318
MOTOROLA--AZ PROPERTY (u)	0	16,705,858	0	16,705,858
AVNET PROPERTY (v)	0	13,822,658	0	13,822,658
DELPHI PROPERTY (w)	2,250,008	18,469,408	14,877	20,734,293
SIEMENS PROPERTY (x)	2,232,905	12,550,943	43,757	14,827,605
QUEST PROPERTY (y)	2,220,993	5,602,160	0	7,823,153
MOTOROLA--NJ PROPERTY (z)	10,054,720	25,540,919	392,104	35,987,743
METRIS--MN PROPERTY (aa)	8,020,859	47,042,309	0	55,063,168
STONE & WEBSTER PROPERTY (bb)	7,395,857	39,498,469	0	46,894,326

Description	Accumulated Depreciation	Date of Construction	Date Acquired	Life on Which Depreciation is Computed (dd)
CINEMARK PROPERTY (o)	1,768,692	1999	12/21/99	20 to 25 years
MATSUSHITA PROPERTY (p)	2,032,803	1999	3/15/99	20 to 25 years
ALSTOM POWER--RICHMOND PROPERTY (q)	921,980	1999	7/22/99	20 to 25 years
METRIS--OK PROPERTY (r)	881,413	2000	2/11/00	20 to 25 years
DIAL PROPERTY (s)	821,315	1997	3/29/00	20 to 25 years
ASML PROPERTY (t)	1,314,573	1995	3/29/00	20 to 25 years
MOTOROLA--AZ PROPERTY (u)	1,218,400	1998	3/29/00	20 to 25 years
AVNET PROPERTY (v)	868,060	2000	6/12/00	20 to 25 years
DELPHI PROPERTY (w)	1,286,705	2000	6/29/00	20 to 25 years
SIEMENS PROPERTY (x)	959,465	2000	5/10/00	20 to 25 years
QUEST PROPERTY (y)	649,436	1997	9/10/97	20 to 25 years
MOTOROLA--NJ PROPERTY (z)	1,541,768	2000	11/1/00	20 to 25 years
METRIS--MN PROPERTY (aa)	2,000,737	2000	12/21/00	20 to 25 years
STONE & WEBSTER PROPERTY (bb)	1,679,981	1994	12/21/00	20 to 25 years

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Description	Ownership Percentage	Encumbrances	Initial Cost		Costs of Capitalized Improvements
			Land	Buildings and Improvements	
AT&T--OK PROPERTY (cc)	47	None	2,100,000	13,227,555	638,651
COMDATA PROPERTY	64	None	4,300,000	20,650,000	572,944
AMERICREDIT PROPERTY	87	None	1,610,000	10,890,000	563,257
STATE STREET PROPERTY	100	None	10,600,000	38,962,988	4,344,837
IKON PROPERTY	100	None	2,735,000	17,915,000	985,856
NISSAN PROPERTY	100	\$8,124,444	5,545,700	0	21,353
INGRAM MICRO PROPERTY	100	\$22,000,000	333,049	20,666,951	922,657
LUCENT PROPERTY	100	None	7,000,000	10,650,000	1,106,240
CONVERGYS PROPERTY	100	None	3,500,000	9,755,000	791,672
ADIC PROPERTY	51	None	1,954,213	11,000,000	757,902
WINDY POINT I PROPERTY	100	None	4,360,000	29,298,642	1,440,568
WINDY POINT II PROPERTY	100	None	3,600,000	52,016,358	2,385,402
Total		\$30,124,444	\$112,812,473	\$584,077,441	\$57,913,909

Gross Amount of Which Carried at December 31, 2001

Description	Land	Buildings and Improvements	Construction In Progress	Total
AT&T--OK PROPERTY (cc)	2,187,500	13,785,631	0	15,973,131
COMDATA PROPERTY	4,479,168	21,566,287	0	26,045,455
AMERICREDIT PROPERTY	1,677,084	11,386,174	0	13,063,258
STATE STREET PROPERTY	11,041,670	40,666,305	2,201,913	53,909,888
IKON PROPERTY	2,847,300	18,792,672	0	21,639,972
NISSAN PROPERTY	5,567,053	0	2,653,777	8,220,830
INGRAM MICRO PROPERTY	333,049	21,590,010	0	21,923,059
LUCENT PROPERTY	7,275,830	11,484,562	0	18,760,392

CONVERGYS PROPERTY	3,642,442	10,404,230	0	14,046,672
ADIC PROPERTY	2,047,735	11,664,380	0	13,712,115
WINDY POINT I PROPERTY	4,536,862	30,562,349	0	35,099,211
WINDY POINT II PROPERTY	3,746,033	54,255,727	0	58,001,760
Total	\$117,245,941	\$645,673,203	\$5,389,553	\$768,308,697

Description	Accumulated Depreciation	Date of Construction	Date Acquired	Life on Which Depreciation is Computed (dd)
AT&T--OK PROPERTY (cc)	597,317	1999	12/28/00	20 to 25 years
COMDATA PROPERTY	575,056	1986	5/15/2001	20 to 25 years
AMERICREDIT PROPERTY	227,724	2001	7/16/2001	20 to 25 years
STATE STREET PROPERTY	807,903	1998	7/30/2001	20 to 25 years
IKON PROPERTY	250,689	2000	9/7/2001	20 to 25 years
NISSAN PROPERTY	0	2002	9/19/2001	20 to 25 years
INGRAM MICRO PROPERTY	292,307	1997	9/27/2001	20 to 25 years
LUCENT PROPERTY	153,093	2000	9/28/2001	20 to 25 years
CONVERGYS PROPERTY	34,681	2001	12/21/2001	20 to 25 years
ADIC PROPERTY	38,881	2001	12/21/2001	20 to 25 years
WINDY POINT I PROPERTY	101,875	1999	12/31/2001	20 to 25 years
WINDY POINT II PROPERTY	180,852	2001	12/31/2001	20 to 25 years
Total	\$37,785,066			

- (a) The Alstom Power Knoxville Property consists of a three-story office building located in Knoxville, Tennessee. It is owned by Fund IX-X-XI-REIT Joint Venture.
- (b) The Avaya Building consists of a one-story office building located in Oklahoma City, Oklahoma. It is owned by Fund IX-X-XI-REIT Joint Venture.
- (c) The 360 Interlocken Property consists of a three-story multi-tenant office building located in Broomfield, Colorado. It is owned by Fund IX-X-XI-REIT Joint Venture.
- (d) The Iomega Property consists of a one-story warehouse and office building located in Ogden, Utah. It is owned by Fund IX-X-XI-REIT Joint Venture.
- (e) The Ohmeda Property consists of a two-story office building located in Louisville, Colorado. It is owned by Fund IX-X-XI-REIT Joint Venture.
- (f) The Fairchild Property consists of a two-story warehouse and office building located in Fremont, California. It is owned by Wells/Fremont Associates.
- (g) The Orange County Property consists of a one-story warehouse and office building located in Fountain Valley, California. It is owned by Wells/Orange County Associates.
- (h) The PriceWaterhouseCoopers Property consists of a four-story office building located in Tampa, Florida. It is 100% owned by the Company.
- (i) The EYBL CarTex Property consists of a one-story manufacturing and office building located in Fountain Inn, South Carolina. It is owned by Fund XI-XII-REIT Joint Venture.
- (j) The Sprint Building consists of a three-story office building located in Leawood, Kansas. It is owned by Fund XI-XII-REIT Joint Venture.
- (k) The Johnson Matthey Property consists of a one-story research and development office and warehouse building located in Chester County, Pennsylvania. It is owned by Fund XI-XII-REIT Joint Venture.
- (l) The Gartner Property consists of a two-story office building located in Ft. Myers, Florida. It is owned by Fund XI-XII-REIT Joint Venture.
- (m) The AT&T--PA Property consists of a four-story office building located in



- Harrisburg, Pennsylvania. It is 100% owned by the Company.
- (n) The Marconi Property consists of a two-story office building located in Wood Dale, Illinois. It is 100% owned by the Company.
  - (o) The Cinemark Property consists of a five-story office building located in Plano, Texas. It is 100% owned by the Company.
  - (p) The Matsushita Property consists of a two-story office building located in Lake Forest, California. It is 100% owned by the Company.
  - (q) The Alstom Property consists of a four-story office building located in Midlothian, Chesterfield County, Virginia. It is 100% owned by the Company.
  - (r) The Metris--OK Property consists of a three-story office building located in Tulsa, Oklahoma. It is 100% owned by the Company.
  - (s) The Dial Property consists of a two-story office building located in Scottsdale, Arizona. It is 100% owned by the Company.
  - (t) The ASML Property consists of a two-story office building located in Tempe, Arizona. It is 100% owned by the Company.
  - (u) The Motorola--AZ Property consists of a two-story office building located in Tempe, Arizona. It is 100% owned by the Company.
  - (v) The Avnet Property consists of a two-story office building located in Tempe, Arizona. It is 100% owned by the Company.
  - (w) The Delphi Property consists of a three-story office building located in Troy, Michigan. It is 100% owned by the Company.
  - (x) The Siemens Property consists of a three-story office building located in Troy, Michigan. It is owned by Fund XII-REIT Joint Venture.
  - (y) The Quest Property consists of a two-story office building located in Orange County, California. It is owned by Fund VIII-IX-REIT Joint Venture.
  - (z) The Motorola--NJ Property consists of a three-story office building located in South Plainfield, New Jersey. It is 100% owned by the Company.
  - (aa) The Metris--MN Property consists of a nine-story office building located in Minnetonka, Minnesota. It is 100% owned by the Company.
  - (bb) The Stone & Webster Property consists of a six-story office building located in Houston, Texas. It is 100% owned by the Company.
  - (cc) The AT&T--OK Property consists of a two-story office building located in Oklahoma City, Oklahoma. It is owned by the Fund XII-REIT Joint Venture.
  - (dd) Depreciation lives used for buildings are 25 years. Depreciation lives used for land improvements are 20 years.

WELLS REAL ESTATE INVESTMENT TRUST, INC. AND SUBSIDIARY

(A Georgia Public Limited Partnership)

SCHEDULE III--REAL ESTATE INVESTMENTS AND ACCUMULATED DEPRECIATION

	DECEMBER 31, 2000	
	Cost	Accumulated Depreciation
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BALANCE AT DECEMBER 31, 1998	\$ 76,201,910	\$ 1,487,963
1999 ADDITIONS	103,916,288	4,243,688
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BALANCE AT DECEMBER 31, 1999	180,118,198	5,731,651
2000 ADDITIONS	293,450,036	11,232,378
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BALANCE AT DECEMBER 31, 2000	473,568,234	16,964,029
	=====	=====
2001 ADDITIONS	294,740,403	20,821,037
	=====	=====
BALANCE AT DECEMBER 31, 2001	\$768,308,697	\$37,785,066
	=====	=====