As filed with the Securities and Exchange Commission on April 8, 2002

Registration No. 333-_____

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

_____

FORM S-11
REGISTRATION STATEMENT
Under
The Securities Act of 1933

WELLS REAL ESTATE INVESTMENT TRUST, INC.
(Exact name of registrant as specified in governing instruments)

6200 The Corners Parkway, Suite 250
Norcross, Georgia 30092
(770) 449-7800

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Donald Kennicott, Esq.
Michael K. Rafter, Esq.
Holland & Knight LLP
One Atlantic Center, Suite 2000
1201 West Peachtree Street, N.W.
Atlanta, Georgia 30309-3400
(404) 817-8500
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Agent for Service)

_____

Maryland	58-2328421
(State or other Jurisdiction of Incorporation)	(I.R.S. Employer Identification Number)

_____

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. _____

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. _____

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. _____

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. _____

Approximate date of commencement of proposed sale to the public: As soon as practicable following effectiveness of this Registration Statement.

_____

CALCULATION OF REGISTRATION FEE

Title of Securities Being Registered	Amount Being Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, $.01 par value	330,000,000	$ 10.00	$ 3,300,000,000	
Common Stock, $.01 par value/(1)/	13,200,000	$ 12.00	$ 158,400,000	$ 318,174
Soliciting Dealer Warrants/(2)/	13,200,000	$ 0.0008	$ 10,560	

(1) Represents shares which are issuable upon exercise of warrants issuable to Wells Investment Securities, Inc. (the Dealer Manager) or its assignees pursuant to that certain Warrant Purchase Agreement between the Registrant and the Dealer Manager.

(2) Represents warrants issuable to the Dealer Manager to purchase 13,200,000 shares pursuant to the Warrant Purchase Agreement.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

Up to 300,000,000 shares offered to the public

_____

Wells Real Estate Investment Trust, Inc. (Wells REIT) is a real estate investment trust. We invest in commercial real estate properties primarily consisting of high grade office buildings which are leased to large corporate tenants. We currently own interests in ___ real estate properties located in ____ states.

We are offering and selling to the public up to 300,000,000 shares for $10 per share and up to 30,000,000 shares to be issued pursuant to our dividend reinvestment plan at a purchase price of $10 per share. An additional 13,200,000 shares are being registered which are reserved for issuance at $12 per share to participating broker-dealers upon their exercise of warrants.

You must purchase at least 100 shares for $1,000.

The most significant risks relating to your investment include the following:

- lack of a public trading market for the shares;
- reliance on Wells Capital, Inc., our advisor, to select properties and

conduct our operations;

- authorization of substantial fees to the advisor and its affiliates;
- borrowing - which increases the risk of loss of our investments; and
- conflicts of interest facing the advisor and its affiliates.

You should see the complete discussion of the risk factors beginning on page ___.

The Offering:

- The shares will be offered on a best efforts basis to investors at $10 per share.
- We will pay selling commissions to broker-dealers of 7% and a dealer manager fee for reimbursement of marketing expenses of 2.5% out of the offering proceeds raised.
- We will invest approximately 84% of the offering proceeds raised in real estate properties, and the balance will be used to pay fees and expenses.
- This offering will terminate on or before _____, 2004.

Neither the Securities and Exchange Commission, the Attorney General of the State of New York nor any other state securities regulator has approved or disapproved of these securities or determined if this prospectus is truthful or complete. It is a criminal offense if someone tells you otherwise.

The use of projections or forecasts in this offering is prohibited. No one is permitted to make any oral or written predictions about the cash benefits or tax consequences you will receive from your investment.

WELLS INVESTMENT SECURITIES, INC.
_____, 2002

TABLE OF CONTENTS

Questions and Answers About this Offering

Below we have provided some of the more frequently asked questions and answers relating to an offering of this type. Please see the "Prospectus Summary" and the remainder of this prospectus for more detailed information about this offering.

Q: What is a REIT?

A: In general, a REIT is a company that:

- pays dividends to investors of at least 90% of its taxable income;
- avoids the "double taxation" treatment of income that generally results from investments in a corporation because a REIT is not generally subject to federal corporate income taxes on its net income, provided certain income tax requirements are satisfied;
- combines the capital of many investors to acquire or provide financing for real estate properties; and
- offers the benefit of a diversified real estate portfolio under professional management.

Q: What is Wells Real Estate Investment Trust, Inc.?

A: Our REIT was formed in 1997 as a Maryland corporation to acquire commercial real estate properties such as high grade office and industrial buildings and lease them on a triple-net basis to companies that typically have a net worth in excess of $100,000,000.

Q: Who will choose which real estate properties to invest in?

A: Wells Capital, Inc. (Wells Capital) is our advisor and, as such, manages our daily affairs and makes recommendations on all property acquisitions to our board of directors. Our board of directors must approve all of our property acquisitions.

Q: Who is Wells Capital?

A: Wells Capital is a Georgia corporation formed in 1984. As of _____, 2002, Wells Capital had sponsored public real estate programs which have raised in excess of $_____ from approximately _____ investors and which own and operate a total of ____ commercial real estate properties.

Q: Does Wells Capital use any specific criteria when selecting a potential property acquisition?

A: Yes. Wells Capital generally seeks to acquire office and industrial buildings located in densely populated suburban markets leased to large corporations on a triple-net basis. Typically, each of our corporate tenants has a net worth in excess of $100,000,000. Current tenants of public real

estate programs sponsored by Wells Capital include The Coca-Cola Company, Motorola, AT&T, Siemens Automotive, PricewaterhouseCoopers, IBM, and Dial Corporation.

Q. Do you currently own any real estate properties?

A. Yes. As of the date of this prospectus, our REIT has acquired and owns interests in ____ real estate properties.

We own the following properties directly:

Property Name	Tenant	Building Type	Location	Occupancy
Transocean Houston	Transocean Deepwater Offshore Drilling, Inc. and Newpark Drilling Fluids, Inc.	Office Building	Houston, Texas	100%
Arthur Andersen	Arthur Andersen L.P.	Office Building	Sarasota, FL	100%
Windy Point I	TCI Great Lakes, Inc., The Apollo Group, Inc., and Global Knowledge Network, Inc.	Office Building	Schaumburg, IL	100%
Windy Point II	Zurich American Insurance Company, Inc.	Office Building	Schaumburg, IL	100%
Convergys	Convergys Customer Management Group, Inc.	Office Building	Tamarac, FL	100%
Lucent	Lucent Technologies, Inc.	Office Building	Cary, NC	100%
Ingram Micro	Ingram Micro L.P.	Office and Distribution Facility	Millington, TN	100%
Nissan	Nissan Motor Acceptance Corporation	Office Building	Irving, TX	100%
IKON	IKON Office Solutions, Inc.	Office Building	Houston, TX	100%
State Street	SSB Realty LLC	Office Building	Quincy, MA	100%
Metris Minnesota	Metris Direct, Inc.	Office Building	Minnetonka, MN	100%
Stone & Webster	Stone & Webster, Inc. and SYSCO	Office Building	Houston, TX	100%

	Corporation			
Motorola Plainfield	Motorola, Inc.	Office Building	S. Plainfield, NJ	100%
Delphi	Delphi Automotive Systems, Inc.	Office Building	Troy, MI	100%
Avnet	Avnet, Inc.	Office Building	Tempe, AZ	100%
Motorola Tempe	Motorola, Inc.	Office Building	Tempe, AZ	100%
ASML	ASM Lithography, Inc.	Office and Warehouse Building	Tempe, AZ	100%
Dial	Dial Corporation	Office Building	Scottsdale, AZ	100%
Metris Tulsa	Metris Direct, Inc.	Office Building	Tulsa, OK	100%
Cinemark	Cinemark USA, Inc. and The Coca-Cola Company	Office Building	Plano, TX	100%
Marconi	Marconi Data Systems, Inc.	Office, Assembly and Manufacturing Building	Wood Dale, IL	100%
Alstom Power Richmond	Alstom Power, Inc.	Office Building	Midlothian, VA	100%
Matsushita	Matsushita Avionics Systems Corporation	Office Building	Lake Forest, CA	100%
AT&T Pennsylvania	Pennsylvania Cellular Telephone Corp.	Office Building	Harrisburg, PA	100%
PwC	PricewaterhouseCoopers	Office Building	Tampa, FL	100%

We own interests in the following real estate properties through joint ventures with affiliates:

Property Name	Tenant	Building Type	Location	Occupancy
ADIC	Advanced Digital Information Corporation	Office Building	Parker, CO	100%
AmeriCredit	AmeriCredit Financial Services Corporation	Office Building	Orange Park, FL	100%
Comdata	Comdata Network, Inc.	Office Building	Brentwood, TN	100%
AT&T Oklahoma	AT&T Corp. and Jordan Associates	Office Building	Oklahoma City, OK	100%
Quest	Quest Software, Inc.	Office Building	Irvine, CA	100%
Siemens	Siemens Automotive Corporation	Office Building	Troy, MI	100%
Gartner	Gartner Group, Inc.	Office Building	Fort Myers, FL	100%
Johnson Matthey	Johnson Matthey, Inc.	Research and Development, Office and Warehouse Building	Wayne, PA	100%
Sprint	Sprint Communications Company L.P.	Office Building	Leawood, KS	100%
EYBL CarTex	EYBL CarTex, Inc.	Manufacturing and Office Building	Fountain Inn, SC	100%
Fairchild	Fairchild Technologies U.S.A., Inc.	Manufacturing and Office Building	Fremont, CA	100%
Cort Furniture	Cort Furniture Rental Corporation	Office and Warehouse Building	Fountain Valley, CA	100%
Iomega	Iomega Corporation	Office and Warehouse Building	Ogden, UT	100%
Interlocken	ODS Technologies, L.P. and GAIAM, Inc.	Office Building	Broomfield, CO	100%
Ohmeda	Ohmeda, Inc.	Office Building	Louisville, CO	100%
Alstom Power Knoxville	Alstom Power, Inc.	Office Building	Knoxville, TN	100%
Avaya	Avaya, Inc.	Office Building	Oklahoma City, OK	100%

If you want to read more detailed information about each of these

properties, see the "Description of Real Estate Investments" section of this prospectus.

Q: Why do you acquire properties in joint ventures?

A: We acquire some of our properties in joint ventures in order to diversify our portfolio of properties in terms of geographic region, property type and industry group of our tenants.

Q: What steps do you take to make sure you purchase environmentally compliant property?

A: We always obtain a Phase I environmental assessment of each property purchased. In addition, we generally obtain a representation from the seller that, to its knowledge, the property is not contaminated with hazardous materials.

Q: What are the terms of your leases?

A: Our leases are economically "triple-net" leases, generally having terms of seven to ten years, many of which have renewal options for an additional five to ten years. "Triple-net" means that the tenant is responsible for the cost of repairs, maintenance, property taxes, utilities, insurance and other operating costs. We often enter into leases with respect which we have responsibility for replacement of specific structural components of a property such as the roof of the building or the parking lot.

Q: How does the Wells REIT own its real estate properties?

A: We own all of our real estate properties through an "UPREIT" called Wells Operating Partnership, L.P. (Wells OP). Wells OP was organized to own, operate and manage real properties on our behalf. The Wells REIT is the sole general partner of Wells OP.

Q: What is an "UPREIT"?

A: UPREIT stands for "Umbrella Partnership Real Estate Investment Trust." We use this structure because a sale of property directly to the REIT is generally a taxable transaction to the selling property owner. In an UPREIT structure, a seller of a property who desires to defer taxable gain on the sale of his property may transfer the property to the UPREIT in exchange for limited partnership units in the UPREIT and defer taxation of gain until the seller later exchanges his UPREIT units on a one-for-one basis for REIT shares. If the REIT shares are publicly traded, the former property owner will achieve liquidity for his investment. Using an UPREIT structure gives us an advantage in acquiring desired properties from persons who may not otherwise sell their properties because of unfavorable tax results.

Q: If I buy shares, will I receive dividends and how often?

A: We have been making and intend to continue to make dividend distributions

on a quarterly basis to our stockholders. The amount of each dividend distribution is determined by the board of directors and typically depends on the amount of distributable funds, current and projected cash requirements, tax considerations and other factors. However, in order to remain qualified as a REIT, we must make distributions of at least 90% of our REIT taxable income.

Q: How do you calculate the payment of dividends to stockholders?

A: We calculate our quarterly dividends using daily record and declaration dates so your dividend benefits will begin to accrue immediately upon becoming a stockholder.

Q: What have your dividend payments been since you began operations on June 5, 1998?

A: We have paid the following dividends since we began operations:

Quarter	Approximate Amount (Rounded)	Annualized Percentage Return on an Investment of $10 per Share
3/rd/ Qtr. 1998	$0.150 per share	6.00%
4/th/ Qtr. 1998	$0.163 per share	6.50%
1/st/ Qtr. 1999	$0.175 per share	7.00%
2/nd/ Qtr. 1999	$0.175 per share	7.00%
3/rd/ Qtr. 1999	$0.175 per share	7.00%
4/th/ Qtr. 1999	$0.175 per share	7.00%
1/st/ Qtr. 2000	$0.175 per share	7.00%
2/nd/ Qtr. 2000	$0.181 per share	7.25%
3/rd/ Qtr. 2000	$0.188 per share	7.50%
4/th/ Qtr. 2000	$0.188 per share	7.50%
1/st/ Qtr. 2001	$0.188 per share	7.50%
2/nd/ Qtr. 2001	$0.188 per share	7.50%
3/rd/ Qtr. 2001	$0.188 per share	7.50%
4/th/ Qtr. 2001	$0.194 per share	7.75%
1/st/ Qtr. 2002	$0.194 per share	7.75%
2/nd/ Qtr. 2002	$0.194 per share	7.75%

Q: May I reinvest my dividends in shares of the Wells REIT?

A: Yes. You may participate in our dividend reinvestment plan by checking the appropriate box on the Subscription Agreement or by filling out an enrollment form we will provide to you at your request. The purchase price for shares purchased under the dividend reinvestment plan is currently $10 per share.

Q: Will the dividends I receive be taxable as ordinary income?

A: Yes and No. Generally, dividends that you receive, including dividends that

are reinvested pursuant to our dividend reinvestment plan, will be taxed as ordinary income to the extent they are from current or accumulated earnings and profits. We expect that some portion of your dividends will not be subject to tax in the year received due to the fact that depreciation expenses reduce taxable income but do not reduce cash available for distribution. Amounts not subject to tax immediately will reduce the tax basis of your investment. This, in effect, defers a portion of your tax until your investment is sold or the Wells REIT is liquidated, at which time you will be

taxed at capital gains rates. However, because each investor's tax considerations are different, we suggest that you consult with your tax advisor. You should also review the section of the prospectus entitled "Federal Income Tax Considerations."

Q: What will you do with the money raised in this offering?

A: We will use your investment proceeds to purchase commercial real estate such as high grade office and industrial buildings. We intend to invest a minimum of 84% of the proceeds from this offering to acquire real estate properties, and the remaining proceeds will be used to pay fees and expenses of this offering and acquisition-related expenses. The payment of these fees and expenses will not reduce your invested capital. Your initial invested capital amount will remain $10 per share, and your dividend yield will be based on your $10 per share investment.

Until we invest the proceeds of this offering in real estate, we may invest in short-term, highly liquid or other authorized investments. Such short-term investments will not earn as high of a return as we expect to earn on our real estate investments, and we cannot guarantee how long it will take to fully invest the proceeds in real estate.

We received approximately $132,181,919 in gross offering proceeds from the sale of 13,218,192 shares of common stock in our initial public offering, which commenced on January 30, 1998 and was terminated on December 19, 1999. Of the $132,181,919 raised in the initial offering, we invested a total of $111,032,812 in real estate properties. We received approximately $175,229,193 in gross offering proceeds from the sale of 17,522,920 shares of common stock in our second public offering, which commenced on December 20, 1999 and was terminated on December 19, 2000. Of the $175,229,193 raised in the second offering, we invested a total of $147,192,522 in real estate properties. As of _____, 2002, we had received approximately $_____ in gross offering proceeds from the sale of _____ shares of common stock in our third offering, which commenced on December 20, 2000. Of this additional $_____ raised in the third offering, we invested or expect to invest approximately $_____ in real estate properties.

Q: What kind of offering is this?

A: We are offering the public up to 300,000,000 shares of common stock on a "best efforts" basis.

Q: How does a "best efforts" offering work?

A: When shares are offered to the public on a "best efforts" basis, the

brokers participating in the offering are only required to use their best efforts to sell the shares and have no firm commitment or obligation to purchase any of the shares.

Q: How long will this offering last?

A: The offering will not last beyond _____, 2004.

Q: Who can buy shares?

A: You can buy shares pursuant to this prospectus provided that you have either (1) a net worth of at least $45,000 and an annual gross income of at least $45,000, or (2) a net worth of at least $150,000. For this purpose, net worth does not include your home, home furnishings and personal automobiles. These minimum levels may be higher in certain states, so you should carefully read the more detailed description in the "Suitability Standards" section of this prospectus.

Q: Is there any minimum investment required?

A: Yes. Generally, you must invest at least $1,000. Except in Maine, Minnesota, Nebraska and Washington, investors who already own our shares or who have purchased units from an affiliated Wells public real estate program can make purchases for less than the minimum investment. These minimum investment levels may be higher in certain states, so you should carefully read the more detailed description of the minimum investment requirements appearing later in the "Suitability Standards" section of this prospectus.

Q: How do I subscribe for shares?

A: If you choose to purchase shares in this offering, you will need to fill out a Subscription Agreement, like the one contained in this prospectus as Exhibit A, for a specific number of shares and pay for the shares at the time you subscribe.

Q: If I buy shares in this offering, how may I later sell them?

A: At the time you purchase the shares, they will not be listed for trading on any national securities exchange or over-the-counter market. In fact, we expect that there will not be any public market for the shares when you purchase them, and we cannot be sure if one will ever develop. As a result, you may find it difficult to find a buyer for your shares and realize a return on your investment. You may sell your shares to any buyer unless such sale would cause the buyer to own more than 9.8% of the outstanding stock. See "Description of Shares - Restriction on Ownership of Shares."

In addition, after you have held your shares for at least one year, you may be able to have your shares repurchased by the Wells REIT pursuant to our share redemption program. See the "Description of Shares - Share Redemption Program" section of the prospectus.

If we have not listed the shares on a national securities exchange or

over-the-counter market by January 30, 2008, our articles of incorporation require us to begin selling our properties and other assets and return the net proceeds from these sales to our stockholders through distributions.

Q: What is the experience of your officers and directors?

A: Our management team has extensive previous experience investing in and managing commercial real estate. Below is a short description of the background of each of our directors. See the "Management - Executive Officers and Directors" section on page ___ of this prospectus for a more detailed description of the background and experience of each of our directors.

- Leo F. Wells, III - President of the Wells REIT and founder of Wells Real Estate Funds in 1985 and has been involved in real estate sales, management and brokerage services for over 28 years;
- Douglas P. Williams - Executive Vice President, Secretary and Treasurer of the Wells REIT and former accounting executive at OneSource, Inc., a supplier of janitorial and landscape services;
- John L. Bell - Former owner and Chairman of Bell-Mann, Inc., the largest flooring contractor in the Southeast;
- Richard W. Carpenter - President and a director of Realmark Holdings Corp., a residential and commercial real estate developer;
- Bud Carter - Former broadcast news director and anchorman and current Senior Vice President for The Executive Committee, an organization established to aid corporate presidents and CEOs;
- William H. Keogler, Jr. - Founder and former executive officer and director of Keogler, Morgan & Company, Inc., a full service brokerage firm;
- Donald S. Moss - Former executive officer of Avon Products, Inc.;
- Walter W. Sessoms - Former executive officer of BellSouth Telecommunications, Inc.; and
- Neil H. Strickland - Founder of Strickland General Agency, Inc., a property and casualty general insurance agency concentrating on commercial customers.

Q: Will I be notified of how my investment is doing?

A: Yes, you will receive periodic updates on the performance of your investment with us, including:

- Four detailed quarterly dividend reports;
- Three quarterly financial reports;
- An annual report; and

. An annual IRS Form 1099.

Q: When will I get my detailed tax information?

A: Your Form 1099 tax information will be placed in the mail by January 31 of each year.

Q: Who can help answer my questions?

A: If you have more questions about the offering or if you would like additional copies of this prospectus, you should contact your registered representative or contact:

Client Services Department
Wells Capital, Inc.
Suite 250
6200 The Corners Parkway
Norcross, Georgia 30092
(800) 557-4830 or (770) 243-8282
www.wellsref.com

Prospectus Summary

This prospectus summary highlights selected information contained elsewhere in this prospectus. It is not complete and does not contain all of the information that is important to your decision whether to invest in the Wells REIT. To understand this offering fully, you should read the entire prospectus carefully, including the "Risk Factors" section and the financial statements.

Wells Real Estate Investment Trust, Inc.

Wells Real Estate Investment Trust, Inc. is a REIT that owns net leased commercial real estate properties. We currently own interests in ___ commercial real estate properties located in ___ states. Our office is located at 6200 The Corners Parkway, Suite 250, Norcross, Georgia 30092. Our telephone number outside the State of Georgia is 800-557-4830 (770-243-8282 in Georgia). We refer to Wells Real Estate Investment Trust, Inc. as the Wells REIT in this prospectus.

Our Advisor

Our advisor is Wells Capital, Inc., which is responsible for managing our affairs on a day-to-day basis and for identifying and making acquisitions on our behalf. We refer to Wells Capital, Inc. as Wells Capital in this prospectus.

Our Management

Our board of directors must approve each real property acquisition proposed by Wells Capital, as well as certain other matters set forth in our articles of incorporation. We have nine members on our board of directors. Seven of the directors are independent of Wells Capital and have responsibility for reviewing its performance. Our directors are elected annually by the stockholders.

Our REIT Status

As a REIT, we generally are not subject to federal income tax on income that we distribute to our stockholders. Under the Internal Revenue Code, REITs are subject to numerous organizational and operational requirements, including a requirement that they distribute at least 90% of their taxable income to their stockholders. If we fail to qualify for taxation as a REIT in any year, our income will be taxed at regular corporate rates, and we may be precluded from qualifying for treatment as a REIT for the four-year period following our failure to qualify. Even if we qualify as a REIT for federal income tax purposes, we may still be subject to state and local taxes on our income and property and to federal income and excise taxes on our undistributed income.

Summary Risk Factors

Following are the most significant risks relating to your investment:

. There is no public trading market for the shares, and we cannot assure you that one will ever develop. Until the shares are publicly traded, you will have a difficult time trying to sell your shares.

. You must rely on Wells Capital, our advisor, for the day-to-day management of our business and the selection of our real estate properties.

. To ensure that we continue to qualify as a REIT, our articles of incorporation prohibit any stockholder from owning more than 9.8% of our outstanding shares.

. We may not remain qualified as a REIT for federal income tax purposes, which would subject us to the payment of tax on our income at corporate rates and reduce the amount of funds available for payment of dividends to our stockholders.

. You will not have preemptive rights as a stockholder so any shares we issue in the future may dilute your interest in the Wells REIT.

. We will pay significant fees to Wells Capital and its affiliates.

. Real estate investments are subject to cyclical trends that are out of our control.

. You will not have an opportunity to evaluate all of the properties that will be in our portfolio prior to investing.

. Loans we obtain will be secured by some of our properties, which will put those properties at risk of forfeiture if we are unable to pay our debts.

. Our investment in vacant land to be developed may create risks relating to the builder's ability to control construction costs, failure to perform or failure to build in conformity with plans, specifications and timetables.

. The vote of stockholders owning at least a majority of the shares will bind all of the stockholders as to certain matters such as the election of directors and amendment of our articles of incorporation.

. If we do not obtain listing of the shares on a national exchange by January 30, 2008, our articles of incorporation provide that we must begin to sell all of our properties and distribute the net proceeds to

our stockholders.

- Our advisor will face various conflicts of interest resulting from its activities with affiliated entities.

Before you invest in the Wells REIT, you should see the complete discussion of the "Risk Factors" beginning on page ___ of this prospectus.

Description of Real Estate Investments

Please refer to the "Description of Real Estate Investments" section of this prospectus for a description of the real estate properties we have purchased to date and the various real estate loans we have outstanding. Wells Capital is currently evaluating additional potential property acquisitions. When we either acquire a property or believe that there is a reasonable probability that we will acquire a particular property, we will provide a supplement to this prospectus to describe the property. You should not assume that we will actually acquire any property that we describe in a supplement as a reasonable probability acquisition because one or more contingencies to the purchase may prevent the acquisition.

Estimated Use of Proceeds of Offering

We anticipate that we will invest at least 84% of the proceeds of this offering in real estate properties. We will use the remainder of the offering proceeds to pay selling commissions, fees and expenses relating to the selection and acquisition of properties and the costs of the offering.

Investment Objectives

Our investment objectives are:

- to maximize cash dividends paid to you;
- to preserve, protect and return your capital contribution;
- to realize growth in the value of our properties upon our ultimate sale of such properties; and
- to provide you with liquidity of your investment by listing the shares on a national exchange or, if we do not obtain listing of the shares by January 30, 2008, by selling our properties and distributing the cash to you.

We may only change these investment objectives upon a majority vote of the stockholders. See the "Investment Objectives and Criteria" section of this prospectus for a more complete description of our business and objectives.

Conflicts of Interest

Wells Capital, as our advisor, will experience conflicts of interest in connection with the management of our business affairs, including the following:

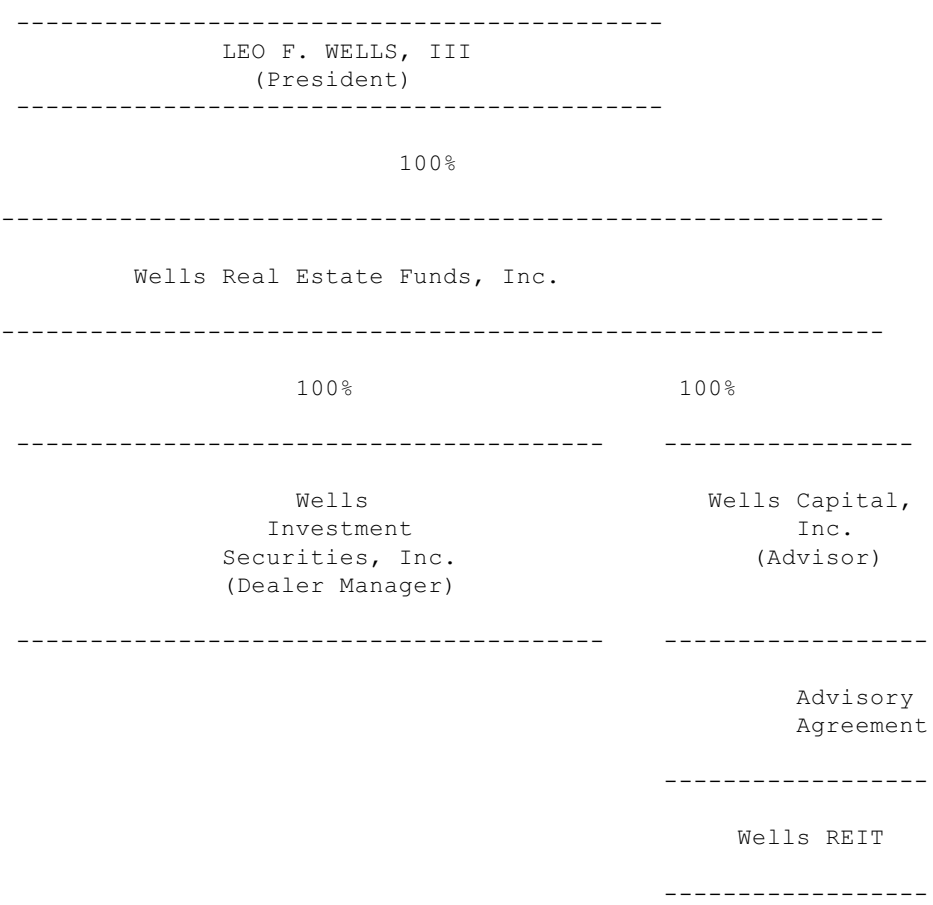
- Wells Capital will have to allocate its time between the Wells REIT and other real estate programs and activities in which it is involved;
- Wells Capital must determine which properties should be acquired by the Wells REIT or another Wells program or joint venture and which Wells program or other entity should enter into a joint venture with the Wells REIT for the acquisition and operation of specific properties;
- Wells Capital may compete with other Wells programs for the same tenants in negotiating leases or in selling similar properties at the

same time; and

. Wells Capital and its affiliates will receive fees in connection with transactions involving the purchase, management and sale of our properties regardless of the quality of the property acquired or the services provided to us.

See the "Conflicts of Interest" section of this prospectus on page ___ for a detailed discussion of the various conflicts of interest relating to your investment, as well as the procedures that we have established to resolve a number of these potential conflicts.

The following chart shows the ownership structure of the various Wells entities that are affiliated with Wells Capital.



Prior Offering Summary

Wells Capital and its affiliates have previously sponsored 14 publicly offered real estate limited partnerships and the Wells REIT on an unspecified property or "blind pool" basis. As of _____, 2002, they have raised approximately $_____ from approximately _____ investors in these 15 public real estate programs. The "Prior Performance Summary" on page ____ of this prospectus contains a discussion of the Wells programs sponsored to date. Certain statistical data relating to the Wells programs with investment objectives similar to ours is also provided in the "Prior Performance Tables" included at the end of this prospectus.

The Offering

We are offering up to 300,000,000 shares to the public at $10 per share and up to 30,000,000 shares pursuant to our dividend reinvestment plan at $10 per

share. We reserve the right in the future to reallocate additional dividend reinvestment shares out of the shares we are offering to the public, if necessary. We are also offering up to 13,200,000 shares to broker-dealers pursuant to warrants whereby participating broker-dealers will have the right to purchase one share for every 25 shares they sell in this offering. The exercise price for shares purchased pursuant to the warrants is $12 per share.

Terms of the Offering

We will begin selling shares in this offering upon the effective date of this prospectus, and this offering will terminate on or before _____, 2004. However, we may terminate this offering at any time prior to such termination date. We will hold your investment proceeds in our account until we withdraw funds for the acquisition of real estate properties or the payment of fees and expenses. We generally admit stockholders to the Wells REIT on a daily basis.

Compensation to Wells Capital

Wells Capital and its affiliates will receive compensation and fees for services relating to this offering and the investment and management of our assets. The most significant items of compensation are included in the following table:

Type of Compensation	Form of Compensation	Estimated $$ Amount for Maximum Offering (330,000,000 shares)
	Offering Stage	
Sales Commissions	7.0% of gross offering proceeds	$231,000,000
Dealer Manager Fee	2.5% of gross offering proceeds	$ 82,500,000
Offering Expenses	3.0% of gross offering proceeds	$ 49,500,000 (estimated)
	Acquisition and Development Stage	
Acquisition and Advisory Fees	3.0% of gross offering proceeds	$ 99,000,000
Acquisition Expenses	0.5% of gross offering proceeds	$ 16,500,000
	Operational Stage	
Property Management and Leasing Fees	4.5% of gross revenues	N/A
Initial Lease-Up Fee for Newly Constructed Property	Competitive fee for geographic location of property based on a survey of brokers and agents (customarily equal to the first month's rent)	N/A
Real Estate Commission	3.0% of contract price for properties sold after investors receive a return of capital plus an 8.0% return on capital	N/A
Subordinated Participation in Net Sale Proceeds (Payable Only if the Wells REIT is not Listed on an Exchange)	10.0% of remaining amounts of net sale proceeds after return of capital plus payment to investors of an 8.0% cumulative non-compounded return on the capital contributed by investors	N/A
Subordinated Incentive Listing Fee (Payable only if the Wells REIT is listed on an exchange)	10.0% of the amount by which the adjusted market value of the Wells REIT exceeds the aggregate capital contributions contributed by investors	N/A

There are many additional conditions and restrictions on the amount of compensation Wells Capital and its affiliates may receive. There are also some

smaller items of compensation and expense reimbursements that Wells Capital may receive. For a more detailed explanation of these fees and expenses payable to Wells Capital and its affiliates, please see the "Management Compensation" section of this prospectus on page ____.

Dividend Policy

In order to remain qualified as a REIT, we are required to distribute 90% of our annual taxable income to our stockholders. We have paid dividends to our stockholders at least quarterly since the first quarter after we commenced operations on June 5, 1998. We calculate our quarterly dividends based upon daily record and dividend declaration dates so investors will be entitled to dividends immediately upon purchasing shares. We expect to pay dividends to you on a quarterly basis.

Listing

Our articles of incorporation allow us to list our shares on a national securities exchange on or before January 30, 2008. In the event we do not obtain listing prior to that date, our articles of incorporation require us to begin the sale of our properties and liquidation of our assets.

Dividend Reinvestment Plan

You may participate in our dividend reinvestment plan pursuant to which you may have the dividends you receive reinvested in shares of the Wells REIT. If you participate, you will be taxed on your share of our taxable income even though you will not receive the cash from your dividends. As a result, you may have a tax liability without receiving cash dividends to pay such liability. We may terminate the dividend reinvestment plan at our discretion at any time upon 10 days notice to you. (See "Description of Shares -- Dividend Reinvestment Plan.")

Share Redemption Program

We may use proceeds received from the sale of shares pursuant to our dividend reinvestment plan to redeem your shares. After you have held your shares for a minimum of one year, our share redemption program provides an opportunity for you to redeem your shares, subject to certain restrictions and limitations, for the lesser of $10 per share or the price you actually paid for your shares. The board of directors reserves the right to amend or terminate the share redemption program at any time. The board of directors has delegated to our officers the right to (1) waive the one-year holding period in the event of the death or bankruptcy of a stockholder or other exigent circumstances, or (2) reject any request for redemption at any time and for any reason. You will have no right to request redemption of your shares after should the shares become listed on a national exchange. (See "Description of Shares -- Share Redemption Program.")

Wells Operating Partnership, L.P.

We own all of our real estate properties through Wells Operating Partnership, L.P. (Wells OP), our operating partnership. We are the sole general partner of Wells OP. Wells Capital is currently the only limited partner based on its initial contribution of $200,000. Our ownership of properties in Wells OP is referred to as an "UPREIT." The UPREIT structure allows us to acquire real estate properties in exchange for limited partnership units in Wells OP. This structure will also allow sellers of properties to transfer their properties to Wells OP in exchange for units of Wells OP

and defer gain recognition for tax purposes with respect to such transfers of properties. At present, we have no plans to acquire any specific properties in exchange for units of Wells OP. The holders of units in Wells OP may have their units redeemed for cash under certain circumstances. (See "The Operating

Partnership Agreement.")

ERISA Considerations

The section of this prospectus entitled "ERISA Considerations" describes the effect the purchase of shares will have on individual retirement accounts (IRAs) and retirement plans subject to the Employee Retirement Income Security Act of 1974, as amended (ERISA), and/or the Internal Revenue Code. ERISA is a federal law that regulates the operation of certain tax-advantaged retirement plans. Any retirement plan trustee or individual considering purchasing shares for a retirement plan or an IRA should read this section of the prospectus very carefully.

Description of Shares

General

Your investment will be recorded on our books only. We will not issue stock certificates. If you wish to transfer your shares, you will be required to send an executed transfer form to us. We will provide the required form to you upon request.

Stockholder Voting Rights and Limitations

We hold annual meetings of our stockholders for the purpose of electing our directors or conducting other business matters that may be presented at such meetings. We may also call a special meeting of stockholders from time to time for the purpose of conducting certain matters. You are entitled to one vote for each share you own at any of these meetings.

Restriction on Share Ownership

Our articles of incorporation contain a restriction on ownership of the shares that prevents one person from owning more than 9.8% of the outstanding shares. (See "Description of Shares -- Restriction on Ownership of Shares.") These restrictions are designed to enable us to comply with share accumulation restrictions imposed on REITs by the Internal Revenue Code.

For a more complete description of the shares, including restrictions on the ownership of shares, please see the "Description of Shares" section of this prospectus on page ____.

Risk Factors

Your purchase of shares involves a number of risks. In addition to other risks discussed in this prospectus, you should specifically consider the following:

Investment Risks

Marketability Risk

There is no public trading market for your shares.

There is no current public market for the shares and, therefore, it will be difficult for you to sell your shares promptly. In addition, the price received for any shares sold is likely to be less than the proportionate value of the real estate we own. Therefore, you should purchase the shares only as a long-term investment. See "Description of Shares - Share Redemption Program" for a description of our share redemption program.

Management Risks

You must rely on Wells Capital for selection of properties.

Our ability to achieve our investment objectives and to pay dividends is dependent upon the performance of Wells Capital, our advisor, in the quality and timeliness of our acquisitions of real estate properties, the selection of tenants and the determination of any financing arrangements. Except for the investments described in this prospectus, you will have no opportunity to evaluate the terms of transactions or other economic or financial data concerning our investments. You must rely entirely on the management ability of Wells Capital and the oversight of the board of directors.

We depend on key personnel.

Our success depends to a significant degree upon the continued contributions of certain key personnel, including Leo F. Wells, III, Douglas P. Williams, M. Scott Meadows, David H. Steinwedell, and John G. Oliver, each of whom would be difficult to replace. If any of our key personnel were to cease employment with us, our operating results could suffer. We also believe that our future success depends, in large part, upon our ability to hire and retain highly skilled managerial, operational and marketing personnel. Competition for such personnel is intense, and we cannot assure you that we will be successful in attracting and retaining such skilled personnel.

Conflicts of Interest Risks

Wells Capital will face conflicts of interest relating to time management.

Wells Capital and its affiliates are general partners and sponsors of other real estate programs having investment objectives and legal and financial obligations similar to the Wells REIT. Because Wells Capital and its affiliates have interests in other real estate programs and also engage in other business activities, they may have conflicts of interest in allocating their time between our business and these other activities. During times of intense activity in other programs and ventures, they may devote less time and resources to our business than is necessary or appropriate. (See "Conflicts of Interest.") If Wells Capital, for any reason, is not able to provide investment opportunities to us consistent with our investment objectives in a timely manner, we may have lower returns on our investments.

Wells Capital will face conflicts of interest relating to the purchase and leasing of properties.

We may be buying properties at the same time as one or more of the other Wells programs are buying properties. There is a risk that Wells Capital will choose a property that provides lower returns to us than a property purchased by another Wells program. We may acquire properties in geographic areas where other Wells programs own properties. If one of the Wells programs attracts a tenant that we are competing for, we could suffer a loss of revenue due to delays in locating another suitable tenant. (See "Conflicts of Interest.")

Certain of our officers and directors face conflicts of interest relating to the positions they hold with other entities.

Certain of our executive officers and directors are also officers and directors of Wells Capital, our advisor and the general partner of various other Wells programs, Wells Management Company, Inc., our Property Manager, and Wells Investment Securities, Inc., our Dealer Manager, and, as such, owe fiduciary duties to these various entities and their stockholders and limited partners. Such fiduciary duties may from time to time conflict with the fiduciary duties owed to the Wells REIT and its stockholders. (See "Conflicts of Interest.")

We will be subject to additional risks as a result of our joint ventures with affiliates.

We have entered in the past and are likely to continue in the future to enter into joint ventures with other Wells programs for the acquisition, development or improvement of properties. We may also purchase and develop properties in joint ventures or in partnerships, co-tenancies or other co-ownership arrangements with sellers of properties, affiliates of sellers, developers or other persons. Such investments may involve risks not otherwise present with an investment in real estate, including, for example:

- the possibility that our co-venturer, co-tenant or partner in an investment might become bankrupt;
- that such co-venturer, co-tenant or partner may at any time have economic or business interests or goals which are or which become inconsistent with our business interests or goals; or
- that such co-venturer, co-tenant or partner may be in a position to take action contrary to our instructions or requests or contrary to our policies or objectives.

Actions by such a co-venturer, co-tenant or partner might have the result of subjecting the property to liabilities in excess of those contemplated and may have the effect of reducing your returns.

Wells Capital will face conflicts of interest relating to joint ventures with affiliates.

Wells Capital, our advisor, is currently sponsoring a public offering on behalf of Wells Real Estate Fund XIII, L.P. (Wells Fund XIII), which is an unspecified property real estate program. (See "Prior Performance Summary.") In the event that we enter into a joint venture with Wells Fund XIII or any other Wells program or joint venture, we may face certain additional risks and potential conflicts of interest. For example, Wells Fund XIII and the other Wells public limited partnerships will never have an active trading market. Therefore, if we become listed on a national exchange, we may no longer have similar goals and objectives with respect to the resale of properties in the future. In addition, in the event that the Wells REIT is not listed on a securities exchange by January 30, 2008, our organizational

documents provide for an orderly liquidation of our assets. In the event of such liquidation, any joint venture between the Wells REIT and another Wells program may be required to sell its properties at such time. Our joint venture partners may not desire to sell the properties at that time. Although the terms of any joint venture agreement between the Wells REIT and another Wells program would grant the other Wells program a right of first refusal to buy such properties, it is unlikely that they would have sufficient funds to exercise the right of first refusal under these circumstances.

Agreements and transactions between the parties with respect to joint ventures between the Wells REIT and other Wells programs will not have the benefit of arm's length negotiation of the type normally conducted between unrelated co-venturers. Under these joint venture agreements, none of the co-venturers may have the power to control the venture, and an impasse could be reached regarding matters pertaining to the joint venture, which might have a negative impact on the joint venture and decrease potential returns to you. In the event that a co-venturer has a right of first refusal to buy out the other co-venturer, it may be unable to finance such buy-out at that time. It may also be difficult for us to sell our interest in any such joint venture or partnership or as a co-tenant in property. In addition, to the extent that our co-venturer, partner or co-tenant is an affiliate of Wells Capital, certain

conflicts of interest will exist. (See "Conflicts of Interest - Joint Ventures with Affiliates of Wells Capital.")

General Investment Risks

A limit on the number of shares a person may own may discourage a takeover.

Our articles of incorporation restrict ownership by one person to no more than 9.8% of the outstanding shares. This restriction may discourage a change of control of the Wells REIT and may deter individuals or entities from making tender offers for shares, which offers might be financially attractive to stockholders or which may cause a change in the management of the Wells REIT. (See "Description of Shares - Restriction on Ownership of Shares.")

We will not be afforded the protection of Maryland Corporation Law relating to business combinations.

Provisions of Maryland Corporation Law prohibit business combinations, unless prior approval of the board of directors is obtained before the person became an interested stockholder, with:

- any person who beneficially owns 10% or more of the voting power of our outstanding shares;
- any of our affiliates who, at any time within the two year period prior to the date in question, was the beneficial owner of 10% or more of the voting power of our outstanding shares (interested stockholder); or
- an affiliate of an interested stockholder.

These prohibitions are intended to prevent a change of control by interested stockholders who do not have the support of the board of directors. Since our articles of incorporation contain limitations on ownership of 9.8% or more of our common stock, we opted out of the business combinations statute in our articles of incorporation. Therefore, we will not be afforded the protections of this statute and, accordingly, there is no guarantee that the ownership limitations in our articles of incorporation would provide the same measure of protection as the business combinations statute and prevent an undesired change of control by an interested stockholder. (See "Description of Shares - Restriction on Ownership of Shares" and "Description of Shares - Business Combinations.")

You are bound by the majority vote on matters on which you are entitled to vote.

You may vote on certain matters at any annual or special meeting of stockholders, including the election of our directors. However, you will be bound by the majority vote on matters requiring approval of a majority of the stockholders even if you do not vote with the majority on any such matter.

You are limited in your ability to sell your shares pursuant to the share redemption program.

Even though our share redemption program provides you with the opportunity to redeem your shares for $10 per share (or the price you paid for the shares, if lower than $10) after you have held them for a period of one year, you should be fully aware that our share redemption program contains certain restrictions and limitations. Shares will be redeemed on a first-come, first-served basis and will be limited to the lesser of (1) during any calendar year, three percent (3%) of the weighted average number of shares outstanding during the prior calendar year, or (2) the proceeds we receive from the sale of shares under our dividend reinvestment plan such that in no event shall the

aggregate amount of redemptions under our share redemption program exceed aggregate proceeds received from the sale of shares pursuant to our dividend reinvestment plan. The board of directors reserves the right to amend or terminate the share redemption program at any time. In addition, the board of directors has delegated authority to our officers to reject any request for redemption for any reason at any time. Therefore, in making a decision to purchase shares of the Wells REIT, you should not assume that you will be able to sell any of your shares back to us pursuant to our share redemption program. (See "Description of Shares - Share Redemption Program.")

We established the offering price on an arbitrary basis.

Our board of directors has arbitrarily determined the selling price of the shares and such price bears no relationship to any established criteria for valuing issued or outstanding shares.

Your interest in the Wells REIT may be diluted if we issue additional shares.

Existing stockholders and potential investors in this offering do not have preemptive rights to any shares issued by the Wells REIT in the future. Therefore, existing stockholders and investors purchasing shares in this offering may experience dilution of their equity investment in the Wells REIT in the event that we:

- sell shares in this offering or sell additional shares in the future, including those issued pursuant to the dividend reinvestment plan;
- sell securities that are convertible into shares;
- issue shares in a private offering of securities to institutional investors;
- issue shares of common stock upon the exercise of the options granted to our independent directors or employees of Wells Capital and Wells Management Company, Inc. (Wells Management) or the warrants issued and to be issued to participating broker-dealers or our independent directors; or
- issue shares to sellers of properties acquired by us in connection with an exchange of limited partnership units from Wells OP.

Payment of fees to Wells Capital and its affiliates will reduce cash available for investment and distribution.

Wells Capital and its affiliates will perform services for us in connection with the offer and sale of the shares, the selection and acquisition of our properties, and the management and leasing of our properties. They will be paid substantial fees for these services, which will reduce the amount of cash available for investment in properties or distribution to stockholders. (See "Management Compensation.")

The availability and timing of cash dividends is uncertain.

We bear all expenses incurred in our operations, which are deducted from cash funds generated by operations prior to computing the amount of cash dividends to be distributed to the stockholders. In addition, our board of directors, in its discretion, may retain any portion of such funds for working capital. We cannot assure you that sufficient cash will be available to pay dividends to you.

We are uncertain of our sources for funding of future capital needs.

Substantially all of the gross proceeds of the offering will be used for investment in properties and for payment of various fees and expenses. (See "Estimated Use of Proceeds.") In addition, we do not anticipate that we will maintain any permanent working capital reserves. Accordingly, in the event that we develop a need for additional capital in the future for the improvement of our properties or for any other reason, we have not identified any sources for such funding, and we cannot assure you that such sources of funding will be available to us for potential capital needs in the future.

Real Estate Risks

General Real Estate Risks

Your investment will be affected by adverse economic and regulatory changes.

We will be subject to risks generally incident to the ownership of real estate, including:

- changes in general economic or local conditions;
- changes in supply of or demand for similar or competing properties in an area;
- changes in interest rates and availability of permanent mortgage funds which may render the sale of a property difficult or unattractive;
- changes in tax, real estate, environmental and zoning laws; and
- periods of high interest rates and tight money supply.

For these and other reasons, we cannot assure you that we will be profitable or that we will realize growth in the value of our real estate properties.

A property that incurs a vacancy could be difficult to sell or re-lease.

A property may incur a vacancy either by the continued default of a tenant under its lease or the expiration of one of our leases. Most of our properties are specifically suited to the particular needs of our tenants. Therefore, we may have difficulty obtaining a new tenant for any vacant space we have in

our properties. If the vacancy continues for a long period of time, we may suffer reduced revenues resulting in less cash dividends to be distributed to stockholders. In addition, the resale value of the property could be diminished because the market value of a particular property will depend principally upon the value of the leases of such property.

We are dependent on tenants for our revenue.

Most of our properties are occupied by a single tenant and, therefore, the success of our investments are materially dependant on the financial stability of our tenants. Lease payment defaults by tenants would most likely cause us to reduce the amount of distributions to stockholders. A default of a tenant on its lease payments to us would cause us to lose the revenue from the property and cause us to have to find additional tenants. If there are a substantial number of tenants that are in default at any one time, we could have difficulty making mortgage payments that could result in foreclosures of properties subject to a mortgage. In the event of a default, we may experience delays in enforcing our rights as landlord and may incur substantial costs in protecting our investment and re-letting our property. If a lease is terminated,

we cannot assure you that we will be able to lease the property for the rent previously received or sell the property without incurring a loss.

We rely on certain tenants.

A substantial amount of our annual rental income is reliant upon SSB Realty, LLC (_____%), Metris Direct, Inc. (_____%), Motorola, Inc. (_____%), and Zurich American Insurance Company, Inc. (_____%). The revenues generated by the properties these tenants occupy are substantially reliant upon the financial condition of these tenants and, accordingly, any event of bankruptcy, insolvency or a general downturn in the business of any of these tenants may result in the failure or delay of such tenant's rental payments which may have a substantial adverse effect on our financial performance. (See "Description of Real Estate Investments " and "Management's Discussion and Analysis of Financial Condition and Results of Operations.")

We may not have funding for future tenant improvements.

When a tenant at one of our properties does not renew its lease or otherwise vacates its space in one of our buildings, it is likely that, in order to attract one or more new tenants, we will be required to expend substantial funds for tenant improvements and tenant refurbishments to the vacated space. Substantially all of our net offering proceeds will be invested in real estate properties, and we do not anticipate that we will maintain permanent working capital reserves. We also have no identified funding source to provide funds which may be required in the future for tenant improvements and tenant refurbishments in order to attract new tenants. We cannot assure you that we will have any sources of funding available to us for such purposes in the future.

Uninsured losses relating to real property may adversely affect your returns.

Wells Capital will attempt to ensure that all of our properties are adequately insured to cover casualty losses. However, in the event that any of our properties incurs a casualty loss that is not fully covered by insurance, the value of our assets will be reduced by any such uninsured loss. In addition, we have no source of funding to repair or reconstruct the damaged property, and we cannot assure you that any such sources of funding will be available to us for such purposes in the future.

Development and construction of properties may result in delays and increased costs and risks.

We may invest some or all of the proceeds available for investment in the acquisition and development of properties upon which we will develop and construct improvements at a fixed contract price. We will be subject to risks relating to the builder's ability to control construction costs or to build in conformity with plans, specifications and timetables. The builder's failure to perform may necessitate legal action by us to rescind the purchase or the construction contract or to compel performance. Performance may also be affected or delayed by conditions beyond the builder's control. Delays in completion of construction could also give tenants the right to terminate preconstruction leases for space at a newly developed project. We may incur additional risks when we make periodic progress payments or other advances to such builders prior to completion of construction. Factors such as those discussed above can result in increased costs of a project or loss of our investment. In addition, we will be subject to normal lease-up risks relating to newly constructed projects. Furthermore, we must rely upon projections of rental income and expenses and estimates of the fair market value of property upon completion of construction when agreeing upon a price to be paid for the property at the time of acquisition of the property. If our projections are inaccurate, we may pay too much for a property.

Competition for investments may increase costs and reduce returns.

We will experience competition for real property investments from individuals, corporations and bank and insurance company investment accounts, as well as other real estate investment trusts, real estate limited partnerships, and other entities engaged in real estate investment activities. Competition for investments may have the effect of increasing costs and reducing your returns.

Delays in acquisitions of properties may have adverse effects on your investment.

Delays we encounter in the selection, acquisition and development of properties could adversely affect your returns. Where properties are acquired prior to the start of construction or during the early stages of construction, it will typically take several months to complete construction and rent available space. Therefore, you could suffer delays in the distribution of cash dividends attributable to those particular properties. In addition, if we are unable to invest our offering proceeds in income producing real properties in a timely manner, we may not be able to continue to pay the dividend rates we are currently paying to our stockholders.

Uncertain market conditions and the broad discretion of Wells Capital relating to the future disposition of properties could adversely affect the return on your investment.

We generally will hold the various real properties in which we invest until such time as Wells Capital determines that a sale or other disposition appears to be advantageous to achieve our investment objectives or until it appears that such objectives will not be met. Otherwise, Wells Capital, subject to approval of the board, may exercise its discretion as to whether and when to sell a property, and we will have no obligation to sell properties at any particular time, except upon a liquidation of the Wells REIT if we do not list the shares by January 30, 2008. We cannot predict with any certainty the various market conditions affecting real estate investments that will exist at any particular time in the future. Due to the uncertainty of market conditions that may affect the future disposition of our properties, we cannot assure you that we will be able to sell our properties at a profit in the future. Accordingly, the extent to which you will receive cash distributions and realize potential appreciation on our real estate investments will be dependent upon fluctuating market conditions.

Discovery of previously undetected environmentally hazardous conditions may adversely affect our operating results.

Under various federal, state and local environmental laws, ordinances and regulations, a current or previous owner or operator of real property may be liable for the cost of removal or remediation of hazardous or toxic substances on such property. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. Environmental laws also may impose restrictions on the manner in which properties may be used or businesses may be operated, and these restrictions may require expenditures. Environmental laws provide for sanctions in the event of noncompliance and may be enforced by governmental agencies or, in certain circumstances, by private parties. In connection with the acquisition and ownership of our properties, we may be potentially liable for such costs. The cost of defending against claims of liability, of compliance with environmental regulatory requirements or of remediating any contaminated property could materially adversely affect the business, assets or results of operations of the Wells REIT and, consequently, amounts available for distribution to you.

Financing Risks

If we fail to make our debt payments, we could lose our investment in a

property.

Loans obtained to fund property acquisitions will generally be secured by first priority mortgages on some of our properties. If we are unable to make our debt payments as required, a lender could foreclose on the property or properties securing its debt. This could cause us to lose part or all of our investment which in turn could cause the value of the shares and the dividends payable to stockholders to be reduced. (See "Description of Real Estate Investments - Real Estate Loans.")

Lenders may require us to enter into restrictive covenants relating to our operations.

In connection with obtaining certain financing, a lender could impose restrictions on us which would affect our ability to incur additional debt and our distribution and operating policies. Loan documents we enter into may contain customary negative covenants which may limit our ability to further mortgage the property, to discontinue insurance coverage, replace Wells Capital as our advisor or impose other limitations.

If we enter into financing arrangements involving balloon payment obligations, it may adversely affect our ability to pay dividends.

Some of our financing arrangements may require us to make a lump-sum or "balloon" payment at maturity. We may finance more properties in this manner. Our ability to make a balloon payment at maturity is uncertain and may depend upon our ability to obtain additional financing or our ability to sell the property. At the time the balloon payment is due, we may or may not be able to refinance the balloon payment on terms as favorable as the original loan or sell the property at a price sufficient to make the balloon payment. A refinancing or sale under these circumstances could affect the rate of return to stockholders and the projected time of disposition of our assets. In addition, payments of principal and interest made to service our debts may leave us with insufficient cash to pay the distributions that we are required to pay to maintain our qualification as a REIT.

Section 1031 Exchange Program Risks

We may have increased exposure to liabilities from litigation as a result of our participation in the Section 1031 Exchange Program.

Wells Development Corporation, an affiliate of Wells Capital, our advisor, is forming a series of single member limited liability companies (Wells Exchange) for the purpose of facilitating the acquisition of real estate properties to be owned in co-tenancy arrangements with persons (1031 Participants) who are looking to invest proceeds from a sale of real estate to qualify for like-kind exchange treatment under Section 1031 of the Internal Revenue Code (Section 1031 Exchange Program). There will be significant tax and securities disclosure risks associated with the private placement offerings of co-tenancy interests by Wells Exchange to 1031 Participants. For example, in the event that the Internal Revenue Service conducts an audit of the purchasers of co-tenancy interests and successfully challenges the qualification of the transaction as a like-kind exchange under Section 1031 of the Internal Revenue Code, even though it is anticipated that this tax risk will be fully disclosed to investors, purchasers of co-tenancy interests may file a lawsuit against Wells Exchange and its sponsors. In such event, even though Wells OP is not acting as a sponsor of the offering, is not commonly controlled with Wells Exchange, and is not recommending that 1031 Participants buy co-tenancy interests from Wells Exchange, as a result of our participation in the Section 1031 Exchange Program, and since Wells OP will be receiving fees in connection with the Section 1031 Exchange Program, we may be named in or otherwise required to defend against lawsuits brought by 1031 Participants. Any amounts we are required to expend for any such litigation claims may reduce the amount of funds available for distribution to stockholders of the Wells REIT. In addition,

disclosure of any such litigation may adversely affect our ability to raise additional capital in the future through the sale of stock. (See "Investment Objectives and Criteria - Section 1031 Exchange Program.")

We will be subject to risks associated with co-tenancy arrangements that are not otherwise present in a real estate investment.

At the closing of each property to be acquired by Wells Exchange pursuant to the Section 1031 Exchange Program, Wells OP will enter into a contractual arrangement providing that, in the event that Wells Exchange is unable to sell all of the co-tenancy interests in that particular property by the completion of its private placement offering, Wells OP will purchase, at Wells Exchange's cost, any co-tenancy interests remaining unsold. Accordingly, in the event that Wells Exchange is unable to sell all co-tenancy interests in one or more of its properties, Wells OP will be required to purchase the unsold co-tenancy interests in such property or properties and, thus, will be subject to the risks of ownership of properties in a co-tenancy arrangement with unrelated third parties. (See "Investment Objectives and Criteria - Section 1031 Exchange Program.")

Ownership of co-tenancy interests involves risks not otherwise present with an investment in real estate such as the following:

- the risk that a co-tenant may at any time have economic or business interests or goals which are or which become inconsistent with our business interests or goals;

- the risk that a co-tenant may be in a position to take action contrary to our instructions or requests or contrary to our policies or objectives; or

- the possibility that a co-tenant might become insolvent or bankrupt, which may be an event of default under mortgage loan financing documents or allow the bankruptcy court to reject the tenants in common agreement or management agreement entered into by the co-tenants owning interests in the property.

Actions by a co-tenant might have the result of subjecting the property to liabilities in excess of those contemplated and may have the effect of reducing your returns.

In the event that our interests become adverse to those of the other co-tenants, we will not have the contractual right to purchase the co-tenancy interests from the other co-tenants. Even if we are given the opportunity to purchase such co-tenancy interests in the future, we cannot guarantee that we will have sufficient funds available at the time to purchase co-tenancy interests from the 1031 Participants.

We might want to sell our co-tenancy interests in a given property at a time when the other co-tenants in such property do not desire to sell their interests. Therefore, we may not be able to sell our interest in a property at the time we would like to sell. In addition, it is anticipated that it will be much more difficult to find a willing buyer for our co-tenancy interests in a property than it would be to find a buyer for a property we owned outright.

Our participation in the Section 1031 Exchange Program may limit our ability to borrow funds in the future.

Institutional lenders may view our obligations under agreements to acquire unsold co-tenancy interests in properties as a contingent liability against our cash or other assets, which may limit our ability to borrow funds in the future. Further, such obligations may be viewed by our lenders in such a manner as to limit our ability to borrow funds based on regulatory restrictions on lenders limiting the amount of loans they can make to any one borrower. (See

"Investment Objectives and Criteria - Section 1031 Exchange Program.")

Federal Income Tax Risks

Failure to qualify as a REIT could adversely affect our operations and our ability to make distributions.

In order for us to qualify as a REIT, we are subject to the satisfaction of requirements set forth in the Internal Revenue Code and Treasury Regulations and various factual matters and circumstances which are not entirely within our control. We have and will continue to structure our activities in a manner designed to satisfy all of these requirements, however, if certain of our operations were to be recharacterized by the Internal Revenue Service, such recharacterization could jeopardize our ability to satisfy all of the requirements for qualification as a REIT. In addition, new legislation, regulations, administrative interpretations or court decisions could change the tax laws relating to our qualification as a REIT or the federal income tax consequences of our being a REIT.

If we fail to qualify as a REIT for any taxable year, we will be subject to federal income tax on our taxable income at corporate rates with no offsetting deductions for distributions made to stockholders. Further, in such event, we would generally be disqualified from treatment as a REIT for the four taxable years following the year in which we lose our REIT status. Accordingly, the loss of our REIT status would reduce our net earnings available for investment or distribution to stockholders because of the substantial tax liabilities which would be imposed on us. We might also be required to borrow funds or liquidate some investments in order to pay the applicable tax.

Certain fees paid to Wells OP may affect our REIT status.

In connection with the Section 1031 Exchange Program, Wells OP will enter into a number of contractual arrangements with Wells Exchange which will, in effect, guarantee the sale of the co-tenancy interests being offered by Wells Exchange. (See "Investment Objectives and Criteria - Section 1031

Exchange Program.") In consideration for entering into these agreements, Wells OP will be paid fees which could be characterized by the IRS as non-qualifying income for purposes of satisfying the "income tests" required for REIT qualification. (See "Federal Income Tax Consequences - Operational Requirements - Gross Income Tests.") If this fee income were, in fact, treated as non-qualifying, and if the aggregate of such fee income and any other non-qualifying income in any taxable year ever exceeded 5.0% of our gross revenues for such year, we could lose our REIT status for that taxable year and the four ensuing taxable years. As set forth above, we will use all reasonable efforts to structure our activities in a manner intended to satisfy the requirements for our continued qualification as a REIT.

Recharacterization of the Section 1031 Exchange Program may result in taxation of income from a prohibited transaction.

In the event that the Internal Revenue Service were to recharacterize the Section 1031 Exchange Program such that Wells OP, rather than Wells Exchange, is treated as the bona fide owner, for tax purposes, of properties acquired and resold by Wells Exchange in connection with the Section 1031 Exchange Program, such characterization could result in the fees paid to Wells OP by Wells Exchange as being deemed income from a prohibited transaction, in which event all such fee income paid to us in connection with the Section 1031 Exchange Program would be subject to a 100% tax. (See "Investment Objectives and Criteria - Section 1031 Exchange Program.")

Legislative or regulatory action could adversely affect investors.

In recent years, numerous legislative, judicial and administrative

changes have been made in the provisions of the federal income tax laws applicable to investments similar to an investment in shares of the Wells REIT. Additional changes to tax laws are likely to continue to occur in the future, and we cannot assure you that any such changes will not adversely affect the taxation of our stockholders. Any such changes could have an adverse effect on an investment in shares or on the market value or the resale potential of our properties. You are urged to consult with your own tax advisor with respect to the impact of recent legislation on your investment in shares and the status of legislative, regulatory or administrative developments and proposals and their potential effect on an investment in shares.

Retirement Plan Risks

There are special considerations that apply to pension or profit sharing trusts or IRAs investing in shares.

If you are investing the assets of a pension, profit sharing, 401(k), Keogh or other qualified retirement plan or the assets of an IRA in the Wells REIT, you should satisfy yourself that:

- your investment is consistent with your fiduciary obligations under ERISA and the Internal Revenue Code;
- your investment is made in accordance with the documents and instruments governing your plan or IRA, including your plan's investment policy;
- your investment satisfies the prudence and diversification requirements of Sections 404(a)(1)(B) and 404(a)(1)(C) of ERISA;
- your investment will not impair the liquidity of the plan or IRA;
- your investment will not produce "unrelated business taxable income" for the plan or IRA;

- you will be able to value the assets of the plan annually in accordance with ERISA requirements; and
- your investment will not constitute a prohibited transaction under Section 406 of ERISA or Section 4975 of the Internal Revenue Code.

For a more complete discussion of the foregoing issues and other risks associated with an investment in shares by retirement plans, please see the "ERISA Considerations" section of this prospectus on page ___.

Suitability Standards

The shares we are offering are suitable only as a long-term investment for persons of adequate financial means. Initially, we do not expect to have a public market for the shares, which means that it may be difficult for you to sell your shares. You should not buy these shares if you need to sell them immediately or will need to sell them quickly in the future.

In consideration of these factors, we have established suitability standards for initial stockholders and subsequent transferees. These suitability standards require that a purchaser of shares have either:

- a net worth of at least $150,000; or
- gross annual income of at least $45,000 and a net worth of at least $45,000.

The minimum purchase is 100 shares ($1,000), except in certain states as described below. You may not transfer less shares than the minimum purchase requirement. In addition, you may not transfer, fractionalize or subdivide your shares so as to retain less than the number of shares required for the minimum purchase. In order to satisfy the minimum purchase requirements for retirement plans, unless otherwise prohibited by state law, a husband and wife may jointly contribute funds from their separate IRAs, provided that each such contribution is made in increments of $100. You should note that an investment in shares of the Wells REIT will not, in itself, create a retirement plan and that, in order to create a retirement plan, you must comply with all applicable provisions of the Internal Revenue Code.

The minimum purchase for Maine, New York and North Carolina residents is 250 shares ($2,500), except for IRAs which must purchase a minimum of 100 shares ($1,000). The minimum purchase for Minnesota residents is 250 shares ($2,500), except for IRAs and other qualified retirement plans which must purchase a minimum of 200 shares ($2,000).

Except in the states of Maine, Minnesota, Nebraska and Washington, if you have satisfied the minimum purchase requirements and have purchased units in other Wells programs or units or shares in other public real estate programs, you may purchase less than the minimum number of shares set forth above, but in no event less than 2.5 shares ($25). After you have purchased the minimum investment, any additional purchase must be in increments of at least 2.5 shares ($25), except for (1) purchases made by residents of Maine and Minnesota, who must still meet the minimum investment requirements set forth above, and (2) purchases of shares pursuant to the dividend reinvestment plan of the Wells REIT or reinvestment plans of other public real estate programs, which may be in lesser amounts.

Several states have established suitability standards different from those we have established. Shares will be sold only to investors in these states who meet the special suitability standards set forth below.

Iowa, Massachusetts, Michigan, Missouri and Tennessee - Investors must have either (1) a net worth of at least $225,000, or (2) gross annual income of $60,000 and a net worth of at least $60,000.

Maine - Investors must have either (1) a net worth of at least $200,000, or (2) gross annual income of $50,000 and a net worth of at least $50,000.

Ohio and Pennsylvania - In addition to our suitability requirements, investors must have a net worth of at least 10 times their investment in the Wells REIT.

For purposes of determining suitability of an investor, net worth shall be calculated excluding the value of an investor's home, furnishings and automobiles.

In the case of sales to fiduciary accounts, these suitability standards must be met by the fiduciary account, by the person who directly or indirectly supplied the funds for the purchase of the shares or by the beneficiary of the account. These suitability standards are intended to help ensure that, given the long-term nature of an investment in our shares, our investment objectives and the relative illiquidity of our shares, shares of the Wells REIT are an appropriate investment for those of you who become stockholders. Each participating broker-dealer must make every reasonable effort to determine that the purchase of shares is a suitable and appropriate investment for each stockholder based on information provided by the stockholder in the Subscription Agreement or otherwise. Each participating broker-dealer is required to maintain records of the information used to determine that an investment in shares is suitable and appropriate for each stockholder for a period of six years.

Estimated Use of Proceeds

The following tables set forth information about how we intend to use the proceeds raised in this offering assuming that we sell 100,000,000 shares and 330,000,000 shares, respectively, pursuant to this offering. Many of the figures set forth below represent management's best estimate since they cannot be precisely calculated at this time. We expect that at least 84.0% of the money you invest will be used to buy real estate, while the remaining up to 16.0% will be used for working capital and to pay expenses and fees, including the payment of fees to Wells Capital, our advisor, and Wells Investment Securities, our Dealer Manager.

	100,000,000 Shares		330,000,000 Shares	
	Amount(1)	Percent	Amount(2)	Percent
Gross Offering Proceeds	$1,000,000,000	100%	$3,300,000,000	100.0%
Less Public Offering Expenses:				
Selling Commissions and Dealer Manager Fee (3)	95,000,000	9.5%	313,500,000	9.5%
Organization and Offering Expenses (4)	30,000,000	3.0%	49,500,000	1.5%
Amount Available for Investment (5)	$ 875,000,000	87.5%	$2,937,000,000	89.0%
Acquisition and Development:				
Acquisition and Advisory Fees (6)	30,000,000	3.0%	99,000,000	3.0%
Acquisition Expenses (7)	5,000,000	0.5%	16,500,000	0.5%
Initial Working Capital Reserve (8)	(8)	--	(8)	--
Amount Invested in Properties (5)(9)	$ 840,000,000	84.0%	$2,821,500,000	85.5%

(Footnotes to "Estimated Use of Proceeds")

1. Assumes that an aggregate of $1,000,000,000 will be raised in this offering for purposes of illustrating the percentage of estimated organization and offering expenses at two different sales levels. See Note 4 below.

2. Assumes the maximum offering is sold which includes 300,000,000 shares offered to the public at $10 per share and 30,000,000 shares offered pursuant to our dividend reinvestment plan at $10 per share. Excludes 13,200,000 shares to be issued upon exercise of the soliciting dealer warrants.

3. Includes selling commissions equal to 7.0% of aggregate gross offering proceeds which commissions may be reduced under certain circumstances and a dealer manager fee equal to 2.5% of aggregate gross offering proceeds, both of which are payable to the Dealer Manager, an affiliate of our advisor. The Dealer Manager, in its sole discretion, may reallow selling commissions of up to 7.0% of gross offering proceeds to other broker-dealers participating in this offering attributable to the amount of shares sold by them. In addition, the Dealer Manager, in its sole discretion, may reallow up to 1.5% of gross offering proceeds in the aggregate out of its dealer manager fee to broker-dealers participating in this offering as marketing fees or as reimbursements to broker-dealers or their representatives of their costs and expenses of attending our educational conferences and seminars. The amount of selling commissions may often be reduced under certain circumstances for volume discounts. See the "Plan of Distribution" section of this prospectus for a description of such provisions.

4. Organization and offering expenses consist of reimbursement of actual legal, accounting, printing and other accountable offering expenses, other than selling commissions and the dealer manager fee, including amounts to reimburse Wells Capital, our advisor, for all marketing related costs and expenses, including, but not limited to, salaries and

direct expenses of our advisor's employees while engaged in registering and marketing the shares and other marketing and organization costs, technology costs and expenses attributable to the offering, costs and expenses of conducting our educational conferences and seminars, payment or reimbursement of bona fide due diligence expenses, and costs and expenses we incur for attending retail seminars conducted by broker-dealers. Wells Capital and its affiliates will be responsible for the payment of organization and offering expenses, other than selling commissions and the dealer manager fee, to the extent they exceed 3.0% of aggregate gross offering proceeds from all of our offerings without recourse against or reimbursement by the Wells REIT. We currently estimate that approximately $49,500,000 of organization and offering costs will be incurred if the maximum offering of 330,000,000 shares is sold.

5. Until required in connection with the acquisition and development of properties, substantially all of the net proceeds of the offering and, thereafter, the working capital reserves of the Wells REIT, may be invested in short-term, highly-liquid investments including government obligations, bank certificates of deposit, short-term debt obligations and interest-bearing accounts or other authorized investments as determined by our board of directors.

6. Acquisition and advisory fees are defined generally as fees and commissions paid by any party to any person in connection with the purchase, development or construction of properties. We will pay Wells Capital, as our advisor, acquisition and advisory fees up to a maximum amount of 3.0% of gross offering proceeds in connection with the acquisition of the real estate properties. Acquisition and advisory fees do not include acquisition expenses.

7. Acquisition expenses include legal fees and expenses, travel expenses, costs of appraisals, nonrefundable option payments on property not acquired, accounting fees and expenses, title insurance premiums and other closing costs and miscellaneous expenses relating to the selection,

acquisition and development of real estate properties. We will pay Wells Capital, our advisor, acquisition expenses up to a maximum of 0.5% of gross offering proceeds as reimbursement for the payment of such expenses.

8. Because the vast majority of leases for the properties acquired by the Wells REIT will provide for tenant reimbursement of operating expenses, we do not anticipate that a permanent reserve for maintenance and repairs of real estate properties will be established. However, to the extent that we have insufficient funds for such purposes, we may apply an amount of up to 1.0% of gross offering proceeds for maintenance and repairs of real estate properties. We also may, but are not required to, establish reserves from gross offering proceeds, out of cash flow generated by operating properties or out of nonliquidating net sale proceeds, defined generally to mean the net cash proceeds received by the Wells REIT from any sale or exchange of properties.

9. Includes amounts anticipated to be invested in properties net of fees and expenses. We estimate that at least approximately 84.0% of the proceeds received from the sale of shares will be used to acquire properties.

Management

General

We operate under the direction of our board of directors, the members

of which are accountable to us and our stockholders as fiduciaries. The board is responsible for the management and control of our affairs. The board has retained Wells Capital to manage our day-to-day affairs and the acquisition and disposition of our investments, subject to the board's supervision. Our articles of incorporation were reviewed and ratified by our board of directors, including the independent directors, at their initial meeting. This ratification by our board of directors was required by the NASAA Guidelines.

Our articles of incorporation and bylaws provide that the number of directors of the Wells REIT may be established by a majority of the entire board of directors but may not be fewer than three nor more than 15. We currently have a total of nine directors. Our articles of incorporation also provide that a majority of the directors must be independent directors. An "independent director" is a person who is not an officer or employee of the Wells REIT, Wells Capital or their affiliates and has not otherwise been affiliated with such entities for the previous two years. Of the nine current directors, seven of our directors are considered independent directors.

Proposed transactions are often discussed before being brought to a final board vote. During these discussions, independent directors often offer ideas for ways in which deals can be changed to make them acceptable and these suggestions are taken into consideration when structuring transactions. Each director will serve until the next annual meeting of stockholders or until his successor has been duly elected and qualified. Although the number of directors may be increased or decreased, a decrease shall not have the effect of shortening the term of any incumbent director.

Any director may resign at any time and may be removed with or without cause by the stockholders upon the affirmative vote of at least a majority of all the votes entitled to be cast at a meeting called for the purpose of the proposed removal. The notice of the meeting shall indicate that the purpose, or one of the purposes, of the meeting is to determine if the director shall be removed. The term "cause" as used in this context is a term used in the Maryland Corporation Law. Since the Maryland Corporation Law does not define the term "cause," stockholders may not know exactly what actions by a director may be grounds for removal.

Unless filled by a vote of the stockholders as permitted by Maryland Corporation Law, a vacancy created by an increase in the number of directors or the death, resignation, removal, adjudicated incompetence or other incapacity of a director shall be filled by a vote of a majority of the remaining directors and,

- in the case of a director who is not an independent director (affiliated director), by a vote of a majority of the remaining affiliated directors, or

- in the case of an independent director, by a vote of a majority of the remaining independent directors,

unless there are no remaining affiliated directors or independent directors, as the case may be. In such case a majority vote of the remaining directors shall be sufficient. If at any time there are no independent or affiliated directors in office, successor directors shall be elected by the stockholders. Each director will be bound by our articles of incorporation and bylaws.

The directors are not required to devote all of their time to our business and are only required to devote the time to our affairs as their duties require. Our directors will meet quarterly or more frequently if necessary. We do not expect that our directors will be required to devote a substantial portion of their time to discharge their duties as our directors. Consequently, in the exercise of their fiduciary responsibilities, our directors will be relying heavily on Wells Capital. The board is empowered to fix the compensation of all officers that it selects and may pay compensation to directors for

services rendered to us in any other capacity.

Our general investment and borrowing policies are set forth in this prospectus. Our directors may establish further written policies on investments and borrowings and shall monitor our administrative procedures, investment operations and performance to ensure that the policies are fulfilled and are in the best interest of the stockholders. We will follow the policies on investments and borrowings set forth in this prospectus unless and until they are modified by our directors.

The board is responsible for reviewing our fees and expenses on at least an annual basis and with sufficient frequency to determine that the expenses incurred are in the best interest of the stockholders. In addition, a majority of the independent directors and a majority of directors not otherwise interested in the transaction must approve all transactions with Wells Capital or its affiliates. The independent directors will also be responsible for reviewing the performance of Wells Capital and Wells Management and determining that the compensation to be paid to Wells Capital and Wells Management is reasonable in relation to the nature and quality of services to be performed and that the provisions of the advisory agreement and the property management agreement are being carried out. Specifically, the independent directors will consider factors such as:

- the amount of the fee paid to Wells Capital and Wells Management in relation to the size, composition and performance of our investments;
- the success of Wells Capital in generating appropriate investment opportunities;
- rates charged to other REITs and other investors by advisors performing similar services;
- additional revenues realized by Wells Capital and Wells Management through their relationship with us, whether we pay them or they are paid by others with whom we do business;

- the quality and extent of service and advice furnished by Wells Capital and Wells Management and the performance of our investment portfolio; and
- the quality of our portfolio relative to the investments generated by Wells Capital and managed by Wells Management for their other clients.

Neither our directors nor their affiliates will vote or consent to the voting of shares they now own or hereafter acquire on matters submitted to the stockholders regarding either (1) the removal of Wells Capital, any director or any affiliate, or (2) any transaction between us and Wells Capital, any director or any affiliate.

Committees of the Board of Directors

Our entire board of directors considers all major decisions concerning our business, including all property acquisitions. However, our board has established an Audit Committee, a Compensation Committee and various advisory committees so that important items within the purview of these committees can be addressed in more depth than may be possible at a full board meeting.

Audit Committee

Under our Audit Committee Charter, our Audit Committee's primary function is to assist the board of directors in fulfilling its oversight responsibilities by reviewing the financial information to be provided to the

stockholders and others, the system of internal controls which management has established, and the audit and financial reporting process. The members of our Audit Committee are Messrs. Bell, Carpenter, Carter, Keogler, Moss, Sessoms and Strickland.

Compensation Committee

Our board of directors has established a Compensation Committee to administer the 2000 Employee Stock Option Plan, as described below, which was approved by the stockholders at our annual stockholders meeting held June 28, 2000. The Compensation Committee is comprised of Messrs. Bell, Carpenter, Carter, Keogler, Moss, Sessoms and Strickland. The primary function of the Compensation Committee is to administer the granting of stock options to selected employees of Wells Capital and Wells Management based upon recommendations from Wells Capital, and to set the terms and conditions of such options in accordance with the 2000 Employee Stock Option Plan. To date, we have not issued any stock options under our 2000 Employee Stock Option Plan.

Advisory Committees

The board of directors has established various advisory committees in which certain members of the board sit on these advisory committees to assist Wells Capital and its affiliates in the following areas which have a direct impact on the operations of the Wells REIT: asset management; new business development; personnel supervision; and budgeting.

Executive Officers and Directors

We have provided below certain information about our executive officers and directors.

Name	Position(s)	Age
Leo F. Wells, III	President and Director	58
Douglas P. Williams	Executive Vice President, Secretary, Treasurer and Director	51
John L. Bell	Director	61
Richard W. Carpenter	Director	65
Bud Carter	Director	63
William H. Keogler, Jr.	Director	56
Donald S. Moss	Director	66
Walter W. Sessoms	Director	68
Neil H. Strickland	Director	66

Leo F. Wells, III is the President and a director of the Wells REIT and the President, Treasurer and sole director of Wells Capital, our advisor. He is also the sole stockholder and sole director of Wells Real Estate Funds, Inc., the parent corporation of Wells Capital. Mr. Wells is President of Wells & Associates, Inc., a real estate brokerage and investment company formed in 1976 and incorporated in 1978, for which he serves as principal broker. He is also the President, Treasurer and sole director of:

- Wells Management Company, Inc., our Property Manager;
- Wells Investment Securities, Inc., our Dealer Manager;
- Wells Advisors, Inc., a company he organized in 1991 to act as a non-bank custodian for IRAs; and
- Wells Development Corporation, a company he organized in 1997 to develop real properties. (See "Conflicts of Interest.")

Mr. Wells was a real estate salesman and property manager from 1970 to 1973 for Roy D. Warren & Company, an Atlanta-based real estate company, and he was associated from 1973 to 1976 with Sax Gaskin Real Estate Company, during which time he became a Life Member of the Atlanta Board of Realtors Million Dollar Club. From 1980 to February 1985 he served as Vice President of

Hill-Johnson, Inc., a Georgia corporation engaged in the construction business. Mr. Wells holds a Bachelor of Business Administration degree in economics from the University of Georgia. Mr. Wells is a member of the International Association for Financial Planning (IAFP) and a registered NASD principal.

Mr. Wells has over 28 years of experience in real estate sales, management and brokerage services. In addition to being the President and a director of the Wells REIT, he is currently a co-general partner in a total of 27 real estate limited partnerships formed for the purpose of acquiring, developing and operating office buildings and other commercial properties. As of _____, 2002, these 27 real estate limited partnerships represented investments totaling approximately $_____ from approximately _____ investors.

Douglas P. Williams is the Executive Vice President, Secretary, Treasurer and a director of the Wells REIT. He is also a Senior Vice President of Wells Capital, our advisor, and is also a Vice President of:

- Wells Investment Securities, Inc., our Dealer Manager;
- Wells Real Estate Funds, Inc.; and
- Wells Advisors, Inc. (See "Conflicts of Interest.")

Mr. Williams previously served as Vice President, Controller of OneSource, Inc., a leading supplier of janitorial and landscape services, from 1996 to 1999 where he was responsible for corporate-wide accounting activities and financial analysis. Mr. Williams was employed by ECC International Inc. (ECC), a supplier to the paper industry and to the paint, rubber and plastic industries, from 1982 to 1995. While at ECC, Mr. Williams served in a number of key accounting positions, including: Corporate Accounting Manager, U.S. Operations; Division Controller, Americas Region; and Corporate Controller, America/Pacific Division. Prior to joining ECC and for one year after leaving ECC, Mr. Williams was employed by Lithonia Lighting, a manufacturer of lighting fixtures, as a Cost and General Accounting Manager and Director of Planning and Control. Mr. Williams started his professional career as an auditor for KPMG Peat Marwick LLP.

Mr. Williams is a member of the American Institute of Certified Public Accountants and the Georgia Society of Certified Public Accountants and is NASD licensed as a Financial and Operations Principal. Mr. Williams received a Bachelor of Arts degree from Dartmouth College and a Masters of Business Administration degree from the Amos Tuck School of Graduate Business Administration at Dartmouth College.

John L. Bell was the owner and Chairman of Bell-Mann, Inc., the largest commercial flooring contractor in the Southeast from February 1971 to February 1996. Mr. Bell also served on the Board of Directors of Realty South Investors, a REIT traded on the American Stock Exchange, and was the founder and served as a director of both the Chattahoochee Bank and the Buckhead Bank. In 1997, Mr. Bell initiated and implemented a "Dealer Acquisition Plan" for Shaw Industries, Inc., a floor covering manufacturer and distributor, which plan included the acquisition of Bell-Mann.

Mr. Bell currently serves on the Board of Directors of Electronic Commerce Systems, Inc. and the Cullasaja Club of Highlands, North Carolina. Mr. Bell is also extensively involved in buying and selling real estate both individually and in partnership with others. Mr. Bell graduated from Florida State University majoring in accounting and marketing.

Richard W. Carpenter served as General Vice President of Real Estate Finance of The Citizens and Southern National Bank from 1975 to 1979, during which time his duties included the establishment and supervision of the United Kingdom Pension Fund, U.K.-American Properties, Inc. which was established primarily for investment in commercial real estate within the United States.

Mr. Carpenter is a managing partner of Carpenter Properties, L.P., a real estate limited partnership. He is also President and director of Commonwealth Oil Refining Company, Inc., a position he has held since 1984.

Mr. Carpenter previously served as Vice Chairman of the Board of Directors of both First Liberty Financial Corp. and Liberty Savings Bank, F.S.B. and Chairman of the Audit Committee of First Liberty Financial Corp. He has been a member of The National Association of Real Estate Investment Trusts and served as President and Chairman of the Board of Southmark Properties, an Atlanta-based REIT investing in commercial properties. Mr. Carpenter is a past Chairman of the American Bankers Association Housing and Real Estate Finance Division Executive Committee. Mr. Carpenter holds a Bachelor of Science degree from Florida State University, where he was named the outstanding alumnus of the School of Business in 1973.

Bud Carter was an award-winning broadcast news director and anchorman for several radio and television stations in the Midwest for over 20 years. From 1975 to 1980, Mr. Carter served as General Manager of WTAZ-FM, a radio station in Peoria, Illinois and served as editor and publisher of The Peoria

Press, a weekly business and political journal in Peoria, Illinois. From 1981 until 1989, Mr. Carter was also an owner and General Manager of Transitions, Inc., a corporate outplacement company in Atlanta, Georgia.

Mr. Carter currently serves as Senior Vice President for The Executive Committee, an international organization established to aid presidents and CEOs to share ideas on ways to improve the management and profitability of their respective companies. The Executive Committee operates in numerous large cities throughout the United States, Canada, Australia, France, Italy, Malaysia, Brazil, the United Kingdom and Japan. The Executive Committee has more than 7,000 presidents and CEOs who are members. In addition, Mr. Carter was the first Chairman of the organization recruited in Atlanta and still serves as Chairman of the first two groups formed in Atlanta, each comprised of 16 noncompeting CEOs and presidents. Mr. Carter serves on the Board of Directors of Creative Storage Systems, Inc., DiversiTech Corporation and Wavebase9. He is a graduate of the University of Missouri where he earned degrees in journalism and social psychology.

William H. Keogler, Jr. was employed by Brooke Bond Foods, Inc. as a Sales Manager from June 1965 to September 1968. From July 1968 to December 1974, Mr. Keogler was employed by Kidder Peabody & Company, Inc. and Dupont, Glore, Forgan as a corporate bond salesman responsible for managing the industrial corporate bond desk and the utility bond area. From December 1974 to July 1982, Mr. Keogler was employed by Robinson-Humphrey, Inc. as the Director of Fixed Income Trading Departments responsible for all municipal bond trading and municipal research, corporate and government bond trading, unit trusts and SBA/FHA loans, as well as the oversight of the publishing of the Robinson-Humphrey Southeast Unit Trust, a quarterly newsletter. Mr. Keogler was elected to the Board of Directors of Robinson-Humphrey, Inc. in 1982. From July 1982 to October 1984, Mr. Keogler was Executive Vice President, Chief Operating Officer, Chairman of the Executive Investment Committee and member of the Board of Directors and Chairman of the MFA Advisory Board for the Financial Service Corporation. He was responsible for the creation of a full service trading department specializing in general securities with emphasis on municipal bonds and municipal trusts. Under his leadership, Financial Service Corporation grew to over 1,000 registered representatives and over 650 branch offices. In March 1985, Mr. Keogler founded Keogler, Morgan & Company, Inc., a full service brokerage firm, and Keogler Investment Advisory, Inc., in which he served as Chairman of the Board of Directors, President and Chief Executive Officer. In January 1997, both companies were sold to SunAmerica, Inc., a publicly traded New York Stock Exchange company. Mr. Keogler continued to serve as President and Chief Executive Officer of these companies until his retirement in January 1998.

Mr. Keogler serves on the Board of Trustees of Senior Citizens Services

of Atlanta. He graduated from Adelphi University in New York where he earned a degree in psychology.

Donald S. Moss was employed by Avon Products, Inc. from 1957 until his retirement in 1986. While at Avon, Mr. Moss served in a number of key positions, including Vice President and Controller from 1973 to 1976, Group Vice President of Operations-Worldwide from 1976 to 1979, Group Vice President of Sales-Worldwide from 1979 to 1980, Senior Vice President-International from 1980 to 1983 and Group Vice President-Human Resources and Administration from 1983 until his retirement in 1986. Mr. Moss was also a member of the board of directors of Avon Canada, Avon Japan, Avon Thailand, and Avon Malaysia from 1980-1983.

Mr. Moss is currently a director of The Atlanta Athletic Club. He formerly was the National Treasurer and a director of the Girls Clubs of America from 1973 to 1976. Mr. Moss graduated from the University of Illinois where he received a degree in business.

Walter W. Sessoms was employed by Southern Bell and its successor company, BellSouth, from 1956 until his retirement in June 1997. While at BellSouth, Mr. Sessoms served in a number of key positions, including Vice President-Residence for the State of Georgia from June 1979 to July 1981, Vice President-Transitional Planning Officer from July 1981 to February 1982, Vice President-Georgia from February 1982 to June 1989, Senior Vice President-Regulatory and External Affairs from June 1989 to November 1991, and Group President-Services from December 1991 until his retirement on June 30, 1997.

Mr. Sessoms currently serves as a director of the Georgia Chamber of Commerce for which he is a past Chairman of the Board, the Atlanta Civic Enterprises and the Salvation Army's Board of Visitors of the Southeast Region. Mr. Sessoms is also a past executive advisory council member for the University of Georgia College of Business Administration and past member of the executive committee of the Atlanta Chamber of Commerce. Mr. Sessoms is a graduate of Wofford College where he earned a degree in economics and business administration, and is currently a member of the Wofford College Board of Trustees. He is a member of the Governor's Education Reform Commission. In addition, Mr. Sessoms is a member of the Board of Trustees of the Southern Center for International Studies and is currently President of the Atlanta Rotary Club.

Neil H. Strickland was employed by Loyalty Group Insurance (which subsequently merged with America Fore Loyalty Group and is now known as The Continental Group) as an automobile insurance underwriter. From 1957 to 1961, Mr. Strickland served as Assistant Supervisor of the Casualty Large Lines Retrospective Rating Department. From 1961 to 1964, Mr. Strickland served as Branch Manager of Wolverine Insurance Company, a full service property and casualty service company, where he had full responsibility for underwriting of insurance and office administration in the State of Georgia. In 1964, Mr. Strickland and a non-active partner started Superior Insurance Service, Inc., a property and casualty wholesale general insurance agency. Mr. Strickland served as President and was responsible for the underwriting and all other operations of the agency. In 1967, Mr. Strickland sold his interest in Superior Insurance Service, Inc. and started Strickland General Agency, Inc., a property and casualty general insurance agency concentrating on commercial customers. Mr. Strickland is currently the Senior Operation Executive of Strickland General Agency, Inc. and devotes most of his time to long-term planning, policy development and senior administration.

Mr. Strickland is a past President of the Norcross Kiwanis Club and served as both Vice President and President of the Georgia Surplus Lines Association. He also served as President and a director of the National Association of Professional Surplus Lines Offices. Mr. Strickland currently serves as a director of First Capital Bank, a community bank located in the

State of Georgia. Mr. Strickland attended Georgia State University where he majored in business administration. He received his L.L.B. degree from Atlanta Law School.

Compensation of Directors

We pay each of our independent directors $3,000 per regularly scheduled quarterly board meeting attended, $1,000 per regularly scheduled advisory committee meeting attended and $250 per special board meeting attended whether held in person or by telephone conference. In addition, we have reserved 100,000 shares of common stock for future issuance upon the exercise of stock options granted to the independent directors pursuant to our Independent Director Stock Option Plan and 500,000 shares for future issuance upon the exercise of warrants to be granted to the independent directors pursuant to our Independent Director Warrant Plan. All directors receive reimbursement of reasonable out-of-pocket expenses incurred in connection with attendance at meetings of the board of directors. If a director also is an officer of the Wells REIT, we do not pay separate compensation for services rendered as a director.

Independent Director Stock Option Plan

Our Independent Director Stock Option Plan (Director Option Plan) was approved by our stockholders at the annual stockholders meeting held June 16, 1999. We issued non-qualified stock options to purchase 2,500 shares (Initial Options) to each independent director pursuant to our Director Option Plan. In addition, we issued options to purchase 1,000 shares to each independent director in connection with both the 2000 and 2001 annual meeting of stockholders and will continue to issue options to purchase 1,000 shares (Subsequent Options) to each independent director then in office on the date of each annual stockholder's meeting. The Initial Options and the Subsequent Options are collectively referred to as the "Director Options." Director Options may not be granted at any time when the grant, along with grants to other independent directors, would exceed 10% of our issued and outstanding shares. As of December 31, 2001, each independent director had been granted options to purchase a total of 4,500 shares under the Director Option Plan, of which 1,500 of those options were exercisable.

The exercise price for the Initial Options is $12.00 per share. The exercise price for the Subsequent Options is the greater of (1) $12.00 per share or (2) the fair market value of the shares on the date they are granted. Fair market value is defined generally to mean:

- the average closing price for the five consecutive trading days ending on such date if the shares are traded on a national exchange;
- the average of the high bid and low asked prices if the shares are quoted on NASDAQ;
- the average of the last 10 sales made pursuant to a public offering if there is a current public offering and no market maker for the shares;
- the average of the last 10 purchases (or fewer if less than 10 purchases) under our share redemption program if there is no current public offering; or
- the price per share under the dividend reinvestment plan if there are no purchases under the share redemption program.

One-fifth of the Initial Options were exercisable beginning on the date we granted them, one-fifth of the Initial Options became exercisable beginning in July 2000, one-fifth of the Initial Options became exercisable beginning in July 2001 and an additional one-fifth of the Initial Options will become

exercisable on each anniversary of the date we granted them for a period of two years until 100% of the shares become exercisable. The Subsequent Options granted under the Director Option Plan will become exercisable on the second anniversary of the date we grant them.

A total of 100,000 shares have been authorized and reserved for issuance under the Director Option Plan. If the number of outstanding shares is changed into a different number or kind of shares or securities through a reorganization or merger in which the Wells REIT is the surviving entity, or through a combination, recapitalization or otherwise, an appropriate adjustment will be made in the number and kind of shares that may be issued pursuant to exercise of the Director Options. A corresponding adjustment to the exercise price of the Director Options granted prior to any change will also be made. Any such adjustment, however, will not change the total payment, if any, applicable to the portion of the Director Options not exercised, but will change only the exercise price for each share.

Options granted under the Director Option Plan shall lapse on the first to occur of (1) the tenth anniversary of the date we grant them, (2) the removal for cause of the independent director as a member

of the board of directors, or (3) three months following the date the independent director ceases to be a director for any reason other than death or disability, and may be exercised by payment of cash or through the delivery of common stock. Director Options granted under the Director Option Plan are generally exercisable in the case of death or disability for a period of one year after death or the disabling event. No Director Option issued may be exercised if such exercise would jeopardize our status as a REIT under the Internal Revenue Code.

The independent directors may not sell pledge, assign or transfer their options other than by will or the laws of descent or distribution.

Upon the dissolution or liquidation of the Wells REIT, upon our reorganization, merger or consolidation with one or more corporations as a result of which we are not the surviving corporation or upon sale of all or substantially all of our properties, the Director Option Plan will terminate, and any outstanding Director Options will terminate and be forfeited. The board of directors may provide in writing in connection with any such transaction for any or all of the following alternatives:

- for the assumption by the successor corporation of the Director Options granted or the replacement of the Director Options with options covering the stock of the successor corporation, or a parent or subsidiary of such corporation, with appropriate adjustments as to the number and kind of shares and exercise prices;

- for the continuance of the Director Option Plan and the Director Options by such successor corporation under the original terms; or

- for the payment in cash or shares of common stock in lieu of and in complete satisfaction of such options.

Independent Director Warrant Plan

Our Independent Director Warrant Plan (Director Warrant Plan) was approved by our stockholders at the annual stockholders meeting held June 28, 2000. Our Director Warrant Plan provides for the issuance of warrants to purchase shares of our common stock (Warrants) to independent directors based on the number of shares of common stock that they purchase. The purpose of the Director Warrant Plan is to encourage our independent directors to purchase shares of our common stock. Beginning on the effective date of the Director

Warrant Plan and continuing until the earlier to occur of (1) the termination of the Director Warrant Plan by action of the board of directors or otherwise, or (2) 5:00 p.m. EST on the date of listing of our shares on a national securities exchange, each independent director will receive one Warrant for every 25 shares of common stock he purchases. The exercise price of the Warrants will be $12.00 per share.

A total of 500,000 Warrants have been authorized and reserved for issuance under the Director Warrant Plan, each of which will be redeemable for one share of our common stock. Upon our dissolution or liquidation, or upon a reorganization, merger or consolidation, where we are not the surviving corporation, or upon our sale of all or substantially all of our properties, the Director Warrant Plan shall terminate, and any outstanding Warrants shall terminate and be forfeited; provided, however, that holders of Warrants may exercise any Warrants that are otherwise exercisable immediately prior to the effective date of the dissolution, liquidation, consolidation or merger. Notwithstanding the above, the board of directors may provide in writing in connection with any such transaction for any or all of the following alternatives: (1) for the assumption by the successor corporation of the Warrants theretofore granted or the substitution by such corporation for such Warrants of awards covering the stock of the successor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number

and kind of shares and prices; (2) for the continuance of the Director Warrant Plan by such successor corporation in which event the Director Warrant Plan and the Warrants shall continue in the manner and under the terms so provided; or (3) for the payment in cash or shares in lieu of and in complete satisfaction of such Warrants.

No Warrant may be sold, pledged, assigned or transferred by an independent director in any manner other than by will or the laws of descent or distribution. All Warrants exercised during the independent director's lifetime shall be exercised only by the independent director or his legal representative. Any transfer contrary to the Director Warrant Plan will nullify and render void the Warrant. Notwithstanding any other provisions of the Director Warrant Plan, Warrants granted under the Director Warrant Plan shall continue to be exercisable in the case of death or disability of the independent director for a period of one year after the death or disabling event, provided that the death or disabling event occurs while the person is an independent director. No Warrant issued may be exercised if such exercise would jeopardize our status as a REIT under the Internal Revenue Code.

Employee Stock Option Plan

Our 2000 Employee Stock Option Plan (Employee Option Plan) was approved by our stockholders at the annual stockholders meeting held June 28, 2000. Our Employee Option Plan is designed to enable Wells Capital and Wells Management to obtain or retain the services of employees considered essential to our long range success and the success of Wells Capital and Wells Management by offering such employees an opportunity to participate in the growth of the Wells REIT through ownership of our common stock.

Our Employee Option Plan provides for the formation of a Compensation Committee consisting of two or more of our independent directors. (See "Committees of the Board of Directors. ") The Compensation Committee shall conduct the general administration of the Employee Option Plan. The Compensation Committee is authorized to grant "non-qualified" stock options (Employee Options) to selected employees of Wells Capital and Wells Management based upon the recommendation of Wells Capital and subject to the absolute discretion of the Compensation Committee and applicable limitations of the Employee Option Plan. The exercise price for the Employee Options shall be the greater of (1) $11.00 per share, or (2) the fair market value of the shares on the date the option is granted. A total of 750,000 shares have been authorized and reserved for issuance under our Employee Option Plan. To date, we have not issued any

stock options under our Employee Option Plan.

The Compensation Committee shall set the term of the Employee Options in its discretion, although no Employee Option shall have a term greater than five years from the later of (1) the date our shares become listed on a national securities exchange, or (2) the date the Employee Option is granted. The employee receiving Employee Options shall agree to remain in employment with his employer for a period of one year after the Employee Option is granted. The Compensation Committee shall set the period during which the right to exercise an option vests in the holder of the option. No Employee Option issued may be exercised, however, if such exercise would jeopardize our status as a REIT under the Internal Revenue Code. In addition, no option may be sold, pledged, assigned or transferred by an employee in any manner other than by will or the laws of descent or distribution.

In the event that the Compensation Committee determines that any dividend or other distribution, recapitalization, stock split, reorganization, merger, liquidation, dissolution, or sale, transfer, exchange or other disposition of all or substantially all of our assets, or other similar corporate transaction or event, affects the shares such that an adjustment is determined by the Compensation Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Employee Option Plan or with respect to an Employee Option, then the

Compensation Committee shall, in such manner as it may deem equitable, adjust the number and kind of shares or the exercise price with respect to any option.

Limited Liability and Indemnification of Directors, Officers, Employees and Other Agents

Our organizational documents limit the personal liability of our stockholders, directors and officers for monetary damages to the fullest extent permitted under current Maryland Corporation Law. We also maintain a directors and officers liability insurance policy. Maryland Corporation Law allows directors and officers to be indemnified against judgments, penalties, fines, settlements and expenses actually incurred in a proceeding unless the following can be established:

- an act or omission of the director or officer was material to the cause of action adjudicated in the proceeding, and was committed in bad faith or was the result of active and deliberate dishonesty;
- the director or officer actually received an improper personal benefit in money, property or services; or
- with respect to any criminal proceeding, the director or officer had reasonable cause to believe his act or omission was unlawful.

Any indemnification or any agreement to hold harmless is recoverable only out of our assets and not from the stockholders. Indemnification could reduce the legal remedies available to us and the stockholders against the indemnified individuals, however.

This provision does not reduce the exposure of directors and officers to liability under federal or state securities laws, nor does it limit the stockholder's ability to obtain injunctive relief or other equitable remedies for a violation of a director's or an officer's duties to us or our stockholders, although the equitable remedies may not be an effective remedy in some circumstances.

In spite of the above provisions of Maryland Corporation Law, our

articles of incorporation provide that our directors, Wells Capital and its affiliates will be indemnified by us for losses arising from our operation only if all of the following conditions are met:

- our directors, Wells Capital or its affiliates have determined, in good faith, that the course of conduct which caused the loss or liability was in our best interests;
- our directors, Wells Capital or its affiliates were acting on our behalf or performing services for us;
- in the case of affiliated directors, Wells Capital or its affiliates, the liability or loss was not the result of negligence or misconduct by the party seeking indemnification;
- in the case of independent directors, the liability or loss was not the result of gross negligence or willful misconduct by the party seeking indemnification; and
- the indemnification or agreement to hold harmless is recoverable only out of our net assets and not from the stockholders.

We have agreed to indemnify and hold harmless Wells Capital and its affiliates performing services for us from specific claims and liabilities arising out of the performance of its obligations under the advisory agreement. As a result, we and our stockholders may be entitled to a more limited right of

action than they would otherwise have if these indemnification rights were not included in the advisory agreement.

The general effect to investors of any arrangement under which any of our controlling persons, directors or officers are insured or indemnified against liability is a potential reduction in distributions resulting from our payment of premiums associated with insurance. In addition, indemnification could reduce the legal remedies available to the Wells REIT and our stockholders against the officers and directors.

The Securities and Exchange Commission takes the position that indemnification against liabilities arising under the Securities Act of 1933 is against public policy and unenforceable. Indemnification of our directors, officers, Wells Capital or its affiliates will not be allowed for liabilities arising from or out of a violation of state or federal securities laws, unless one or more of the following conditions are met:

- there has been a successful adjudication on the merits of each count involving alleged securities law violations;
- such claims have been dismissed with prejudice on the merits by a court of competent jurisdiction; or
- a court of competent jurisdiction approves a settlement of the claims against the indemnitee and finds that indemnification of the settlement and the related costs should be made, and the court considering the request for indemnification has been advised of the position of the Securities and Exchange Commission and of the published position of any state securities regulatory authority in which the securities were offered as to indemnification for violations of securities laws.

Indemnification will be allowed for settlements and related expenses of lawsuits alleging securities laws violations and for expenses incurred in successfully defending any lawsuits, provided that a court either:

- approves the settlement and finds that indemnification of the

settlement and related costs should be made; or

. dismisses with prejudice or there is a successful adjudication on the merits of each count involving alleged securities law violations as to the particular indemnitee and a court approves the indemnification.

The Advisor

The advisor of the Wells REIT is Wells Capital. Some of our officers and directors are also officers and directors of Wells Capital. Wells Capital has contractual responsibility to the Wells REIT and its stockholders pursuant to the advisory agreement.

(See "Conflicts of Interest.")

The directors and executive officers of Wells Capital are as follows:

Name	Age	Position
Leo F. Wells, III	58	President, Treasurer and sole director
Douglas P. Williams	51	Senior Vice President and Assistant Secretary
Stephen G. Franklin	54	Senior Vice President
Kim R. Comer	48	Vice President
Claire C. Janssen	39	Vice President

The backgrounds of Messrs. Wells and Williams are described in the "Management - Executive Officers and Directors" section of this prospectus. Below is a brief description of the other executive officers of Wells Capital.

Stephen G. Franklin, Ph.D. is a Senior Vice President of Wells Capital. Mr. Franklin is responsible for marketing, sales and coordination of broker-dealer relations. Mr. Franklin also serves as Vice President of Wells Real Estate Funds, Inc. Prior to joining Wells Capital in 1999, Mr. Franklin served as President of Global Access Learning, an international executive education and management development firm. From 1997 to 1999, Mr. Franklin served as President, Chief Academic Officer and Director of EduTrek International, a publicly traded provider of international post-secondary education that owns the American InterContinental University, with campuses in Atlanta, Ft. Lauderdale, Los Angeles, Washington, D.C., London and Dubai. While at EduTrek, he was instrumental in developing the Masters and Bachelors of Information Technology, International MBA and Adult Evening BBA programs. Prior to joining EduTrek, Mr. Franklin was Associate Dean of the Goizueta Business School at Emory University and a former tenured Associate Professor of Business Administration. He served on the founding Executive MBA faculty, and has taught graduate, undergraduate and executive courses in Management and Organizational Behavior, Human Resources Management and Entrepreneurship. He is also co-founder and Director of the Center for Healthcare Leadership in the Emory University School of Medicine. Mr. Franklin was a frequent guest lecturer at universities throughout North America, Europe and South Africa.

In 1984, Mr. Franklin took a sabbatical from Emory University and became Executive Vice President and a principal stockholder of Financial Service Corporation (FSC), an independent financial planning broker-dealer. Mr. Franklin and the other stockholders of FSC later sold their interests in FSC to Mutual of New York Life Insurance Company.

Kim R. Comer is a Vice President of Wells Capital. He rejoined Wells Capital as National Vice President of Marketing in April 1997 after working for Wells Capital in similar capacities from January 1992 through September 1995. In prior positions with Wells Capital, he served as both Vice President and Director of Customer Care Services and Vice President of Marketing for the southeast and northeast regions. Mr. Comer has over 10 years experience in the

securities industry and is a registered representative and financial principal with the NASD. Additionally, he has substantial financial experience including experience as controller and chief financial officer of two regional broker-dealers. In 1976, Mr. Comer graduated with honors from Georgia State University with a BBA degree in accounting.

Claire C. Janssen is a Vice President of Wells Capital. She is primarily responsible for managing the corporate, real estate, investment and investor accounting areas of the company. Ms. Janssen also serves as a Vice President of Wells Management Company, Inc., our Property Manager. Prior to joining Wells Capital in 2001, Ms. Janssen served as a Vice President of Lend Lease Real Estate (formerly, Equitable Real Estate). From 1990 to 2000, she held various management positions, including Vice President of Institutional Accounting, Vice President of Business/Credit Analysis and Director of Tax/Corporate Accounting. From 1985 to 1990, Ms. Janssen served in management positions for Beers and Cutler, a Washington, D.C. based accounting firm, where she provided both audit and tax services for clients.

Ms. Janssen received a B.S. in business administration with a major in accounting from George Mason University. She is a Certified Public Accountant and a member of American Institute of Certified Public Accountants, Georgia Society of Certified Public Accountants and National Association of Real Estate Companies.

Wells Capital employs personnel, in addition to the directors and executive officers listed above, who have extensive experience in selecting and managing commercial properties similar to the properties sought to be acquired by the Wells REIT.

The Advisory Agreement

Many of the services to be performed by Wells Capital in managing our day-to-day activities are summarized below. This summary is provided to illustrate the material functions which Wells Capital will perform for us as our advisor and it is not intended to include all of the services which may be provided to us by third parties. Under the terms of the advisory agreement, Wells Capital undertakes to use its best efforts to present to us investment opportunities consistent with our investment policies and objectives as adopted by our board of directors. In its performance of this undertaking, Wells Capital, either directly or indirectly by engaging an affiliate, shall, subject to the authority of the board:

- find, present and recommend to us real estate investment opportunities consistent with our investment policies and objectives;
- structure the terms and conditions of transactions pursuant to which acquisitions of properties will be made;
- acquire properties on our behalf in compliance with our investment objectives and policies;
- arrange for financing and refinancing of properties; and
- enter into leases and service contracts for the properties acquired.

The term of the current advisory agreement ends on January 30, 2003 and may be renewed for an unlimited number of successive one-year periods. Additionally, the advisory agreement may be terminated:

- immediately by us for "cause" or upon the bankruptcy of Wells Capital or a material breach of the advisory agreement by Wells Capital;

- without cause by a majority of the independent directors of the Wells REIT or a majority of the directors of Wells Capital upon 60 days' written notice; or

- immediately with "good reason" by Wells Capital.

"Good reason" is defined in the advisory agreement to mean either:

- any failure by us to obtain a satisfactory agreement from our successor to assume and agree to perform our obligations under the advisory agreement; or

- any material breach of the advisory agreement of any nature whatsoever by us.

"Cause" is defined in the advisory agreement to mean fraud, criminal conduct, willful misconduct or willful or negligent breach of fiduciary duty by Wells Capital or a breach of the advisory agreement by Wells Capital.

Wells Capital and its affiliates expect to engage in other business ventures and, as a result, their resources will not be dedicated exclusively to our business. However, pursuant to the advisory

agreement, Wells Capital must devote sufficient resources to the administration of the Wells REIT to discharge its obligations. Wells Capital may assign the advisory agreement to an affiliate upon approval of a majority of the independent directors. We may assign or transfer the advisory agreement to a successor entity.

Wells Capital may not make any acquisition of property or financing of such acquisition on our behalf without the prior approval of a majority of our board of directors. The actual terms and conditions of transactions involving investments in properties shall be determined in the sole discretion of Wells Capital, subject at all times to such board approval.

We will reimburse Wells Capital for all of the costs it incurs in connection with the services it provides to us, including, but not limited to:

- organization and offering expenses in an amount up to 3.0% of gross offering proceeds, which include actual legal, accounting, printing and expenses attributable to preparing the SEC registration statement, qualification of the shares for sale in the states and filing fees incurred by Wells Capital, as well as reimbursements for marketing, salaries and direct expenses of its employees while engaged in registering and marketing the shares and other marketing and organization costs, other than selling commissions and the dealer manager fee;

- the annual cost of goods and materials used by us and obtained from entities not affiliated with Wells Capital, including brokerage fees paid in connection with the purchase and sale of securities;

- administrative services including personnel costs, provided, however, that no reimbursement shall be made for costs of personnel to the extent that personnel are used in transactions for which Wells Capital receives a separate fee; and

- acquisition expenses, which are defined to include expenses related to the selection and acquisition of properties.

Wells Capital must reimburse us at least annually for amounts paid to Wells Capital in any year to the extent that such payments cause our operating

expenses to exceed the greater of (1) 2% of our average invested assets, which generally consists of the average book value of our real estate properties before reserves for depreciation or bad debts, or (2) 25% of our net income, which is defined as our total revenues less total expenses for any given period excluding reserves for depreciation and bad debt. Such operating expenses do not include amounts payable out of capital contributions which are capitalized for tax and accounting purposes such as the acquisition and advisory fees payable to Wells Capital. To the extent that operating expenses payable or reimbursable by us exceed this limit and the independent directors determine that the excess expenses were justified based on unusual and nonrecurring factors which they deem sufficient, Wells Capital may be reimbursed in future years for the full amount of the excess expenses, or any portion thereof, but only to the extent the reimbursement would not cause our operating expenses to exceed the limitation in any year. Within 60 days after the end of any of our fiscal quarters for which total operating expenses for the 12 months then ended exceed the limitation, there shall be sent to the stockholders a written disclosure, together with an explanation of the factors the independent directors considered in arriving at the conclusion that the excess expenses were justified.

Wells Capital and its affiliates will be paid fees in connection with services provided to us. (See "Management Compensation.") In the event the advisory agreement is terminated, Wells Capital will be paid all accrued and unpaid fees and expense reimbursements, and any subordinated acquisition fees

earned prior to the termination. We will not reimburse Wells Capital or its affiliates for services for which Wells Capital or its affiliates are entitled to compensation in the form of a separate fee.

Shareholdings

Wells Capital currently owns 20,000 limited partnership units of Wells OP, our operating partnership, for which it contributed $200,000 and which constitutes 100% of the limited partner units outstanding at this time. Wells Capital may not sell any of these units during the period it serves as our advisor. Any resale of shares that Wells Capital or its affiliates may acquire in the future will be subject to the provisions of Rule 144 promulgated under the Securities Act of 1933, which rule limits the number of shares that may be sold at any one time and the manner of such resale. Although Wells Capital and its affiliates are not prohibited from acquiring shares of the Wells REIT, Wells Capital currently has no options or warrants to acquire any shares and has no current plans to acquire shares. Wells Capital has agreed to abstain from voting any shares it acquires in any vote for the election of directors or any vote regarding the approval or termination of any contract with Wells Capital or any of its affiliates.

Affiliated Companies

Property Manager

Our properties will be managed and leased initially by Wells Management Company, Inc. (Wells Management), our Property Manager. Wells Management is a wholly owned subsidiary of Wells Real Estate Funds, Inc., and Mr. Wells is the sole director of Wells Management. (See "Conflicts of Interest.") The principal officers of Wells Management are as follows:

Name	Age	Positions
Leo F. Wells, III	58	President and Treasurer
M. Scott Meadows	38	Senior Vice President and Secretary
John G. Oliver	53	Vice President
Michael L. Watson	59	Vice President
Claire C. Janssen	39	Vice President

The background of Mr. Wells is described in the "Management - Executive Officers and Directors" section of this prospectus. The background of Ms. Janssen is described in the "Management - The Advisor" section of this prospectus. Below is a brief description of the other executive officers of Wells Management.

M. Scott Meadows is a Senior Vice President and Secretary of Wells Management. He is primarily responsible for the acquisition, operation, management and disposition of real estate investments. Prior to joining Wells Management in 1996, Mr. Meadows served as Senior Property Manager for The Griffin Company, a full-service commercial real estate firm in Atlanta, where he was responsible for managing a 500,000 square foot office and retail portfolio. Mr. Meadows previously managed real estate as a Property Manager for Sea Pines Plantation Company. He graduated from University of Georgia with a B.B.A. in management. Mr. Meadows is a Georgia real estate broker and holds a Real Property Administrator (RPA) designation from the Building Owners and Managers Institute International and a Certified Property Manager (CPM) designation from the Institute of Real Estate Management.

John G. Oliver is a Vice President of Wells Management. He is primarily responsible for operation and management of real estate properties. Prior to joining Wells Management in July 2000, Mr. Oliver served as Vice President with C.B. Richard Ellis where he was responsible for the management of properties occupied by Delta Airlines. Mr. Oliver previously was the Vice President of Property Management for Grubb and Ellis for their southeast region and served on their Executive Property Management Council. He graduated from Georgia State University with a B.S. in real estate. Mr. Oliver is a past President of the Atlanta chapter of BOMA (Building Owners and Managers Association) and holds a Certified Property Manager (CPM) designation from the Institute of Real Estate Management.

Michael L. Watson is a Vice President of Wells Management. He is primarily responsible for performing due diligence investigations on our properties and overseeing construction and tenant improvement projects including design, engineering, and progress-monitoring functions. Prior to joining Wells Management in 1995, Mr. Watson was Senior Project Manager with Abrams Construction in Atlanta from 1982 to 1995. His primary responsibilities included supervising a variety of projects consisting of high-rise office buildings, military bases, state projects and neighborhood shopping centers. He graduated from the University of Miami with a B.S. in civil engineering.

Wells Management is engaged in the business of real estate management. It was organized and commenced active operations in 1983 to lease and manage real estate projects which Wells Capital and its affiliates operate or in which they own an interest. As of _____, 2002, Wells Management was managing in excess of _____ square feet of office buildings and shopping centers. We will pay Wells Management property management and leasing fees not exceeding the lesser of: (A) 4.5% of gross revenues, or (B) 0.6% of the net asset value of the properties (excluding vacant properties) owned by the Wells REIT, calculated on an annual basis. For purposes of this calculation, net asset value shall be defined as the excess of (1) the aggregate of the fair market value of all properties owned by the Wells REIT (excluding vacant properties), over (2) the aggregate outstanding debt of the Wells REIT (excluding debts having maturities of one year or less). In addition, we may pay Wells Management a separate fee for the one-time initial rent-up or leasing-up of newly constructed properties in an amount not to exceed the fee customarily charged in arm's length transactions by others rendering similar services in the same geographic area for similar properties as determined by a survey of brokers and agents in such area (customarily equal to the first month's rent). Wells Management will also retain third-party property managers or subcontract manager services to third-party property managers as it deems appropriate for certain of our properties.

In the event that Wells Management assists a tenant with tenant

improvements, a separate fee may be charged to the tenant and paid by the tenant. This fee will not exceed 5.0% of the cost of the tenant improvements.

Wells Management will hire, direct and establish policies for employees who will have direct responsibility for each property's operations, including resident managers and assistant managers, as well as building and maintenance personnel. Some or all of the other employees may be employed on a part-time basis and may also be employed by one or more of the following:

- Wells Capital;
- Wells Management;
- partnerships organized by Wells Management and its affiliates; and
- other persons or entities owning properties managed by Wells Management.

Wells Management will direct the purchase of equipment and supplies and will supervise all maintenance activity.

The management fees to be paid to Wells Management will cover, without additional expense to the Wells REIT, the property manager's general overhead costs such as its expenses for rent and utilities.

The principal office of Wells Management is located at 6200 The Corners Parkway, Suite 250, Norcross, Georgia 30092.

Dealer Manager

Wells Investment Securities, Inc. (Wells Investment Securities), our Dealer Manager, is a member firm of the National Association of Securities Dealers, Inc. (NASD). Wells Investment Securities was organized in May 1984 for the purpose of participating in and facilitating the distribution of securities of Wells programs.

Wells Investment Securities will provide certain wholesaling, sales promotional and marketing assistance services to the Wells REIT in connection with the distribution of the shares offered pursuant to this prospectus. It may also sell shares at the retail level. (See "Plan of Distribution" and "Management Compensation.")

Wells Real Estate Funds, Inc. is the sole stockholder and Mr. Wells is the President, Treasurer and sole director of Wells Investment Securities. (See "Conflicts of Interest.")

IRA Custodian

Wells Advisors, Inc. (Wells Advisors) was organized in 1991 for the purpose of acting as a non-bank custodian for IRAs investing in the securities of Wells real estate programs. Wells Advisors currently charges no fees for such services. Wells Advisors was approved by the Internal Revenue Service to act as a qualified non-bank custodian for IRAs on March 20, 1992. In circumstances where Wells Advisors acts as an IRA custodian, the authority of Wells Advisors is limited to holding limited partnership units or REIT shares on behalf of the beneficiary of the IRA and making distributions or reinvestments in such units or shares solely at the direction of the beneficiary of the IRA. Well Advisors is not authorized to vote any of such units or shares held in any IRA except in accordance with the written instructions of the beneficiary of the IRA. Mr. Wells is the President and sole director and owns 50% of the common stock and all of the preferred stock of Wells Advisors. As of _____, 2002, Wells Advisors was acting as the IRA custodian for in excess of $_____ in Wells real estate program investments.

Management Decisions

The primary responsibility for the management decisions of Wells Capital and its affiliates, including the selection of investment properties to be recommended to our board of directors, the negotiation for these investments, and the property management and leasing of these investment properties will reside in Leo F. Wells, III, Douglas P. Williams, M. Scott Meadows, David H. Steinwedell and John G. Oliver. Wells Capital seeks to invest in commercial properties that satisfy our investment objectives, typically office buildings located in densely populated suburban markets in which the major tenant is a company with a net worth of in excess of $100,000,000. Our board of directors must approve all acquisitions of real estate properties.

Management Compensation

The following table summarizes and discloses all of the compensation and fees, including reimbursement of expenses, to be paid by the Wells REIT to Wells Capital and its affiliates.

Form of Compensation and Entity Receiving	Determination of Amount	Estimated Maximum Dollar Amount(1)
	Organizational and Offering Stage	
Selling Commissions -Wells Investment Securities	Up to 7.0% of gross offering proceeds before reallowance of commissions earned by participating broker-dealers. Wells Investment Securities, our Dealer Manager, intends to reallow 100% of commissions earned for those transactions that involve participating broker-dealers.	$231,000,000
Dealer Manager Fee - Wells Investment Securities	Up to 2.5% of gross offering proceeds before reallowance to participating broker-dealers. Wells Investment Securities, in its sole discretion, may reallow a portion of its dealer manager fee of up to 1.5% of the gross offering proceeds to be paid to such participating broker-dealers as marketing fees.	$ 82,500,000
Reimbursement of Organization and Offering Expenses - Wells Capital or its Affiliates (2)	Up to 3.0% of gross offering proceeds. All organization and offering expenses (excluding selling commissions and the dealer manager fee) will be advanced by Wells Capital or its affiliates and reimbursed by the Wells REIT up to 3.0% of aggregate gross offering proceeds. We currently estimate that approximately $49,500,000 of organization and offering costs will be incurred if the maximum offering of 330,000,000 shares is sold.	$ 49,500,000 (estimated)
	Acquisition and Development Stage	
Acquisition and Advisory Fees - Wells Capital or its Affiliates (3)	Up to 3.0% of gross offering proceeds for the review and evaluation of potential real property acquisitions.	$ 99,000,000
Reimbursement of Acquisition Expenses - Wells Capital or its Affiliates (3)	Up to 0.5% of gross offering proceeds for reimbursement of expenses related to real property acquisitions, such as legal fees, travel expenses, property appraisals, title insurance premium expenses and other closing costs.	$ 16,500,000

	Operational Stage	
Property Management and	For the management and leasing of our properties, we will pay Wells Management, our Property Manager, property management and	Actual amounts are dependent upon

Leasing Fees - Wells Management	leasing fees equal to 4.5% of gross revenues; provided, however, that aggregate property management and leasing fees payable to Wells Management may not exceed the lesser of: (A) 4.5% of gross revenues; or (B) 0.6% of the net asset value of the properties (excluding vacant properties) owned by the Wells REIT, calculated on an annual basis. For purposes of this calculation, net asset value shall be defined as the excess of (1) the aggregate of the fair market value of all properties owned by the Wells REIT (excluding vacant properties), over (2) the aggregate outstanding debt of the Wells REIT (excluding debts having maturities of one year or less). In addition, we may pay Wells Management a separate fee for the one-time initial rent-up or leasing-up of newly constructed properties in an amount not to exceed the fee customarily charged in arm's length transactions by others rendering similar services in the same geographic area for similar properties as determined by a survey of brokers and agents in such area (customarily equal to the first month's rent).	results of operations and therefore cannot be determined at the present time.
Real Estate Commissions - Wells Capital or its Affiliates	In connection with the sale of properties, an amount not exceeding the lesser of: (A) 50% of the reasonable, customary and competitive real estate brokerage commissions customarily paid for the sale of a comparable property in light of the size, type and location of the property; or (B) 3.0% of the contract price of each property sold, subordinated to distributions to investors from sale proceeds of an amount which, together with prior distributions to the investors, will equal (1) 100% of their capital contributions, plus (2) an 8.0% annual cumulative, noncompounded return on their net capital contributions.	Actual amounts are dependent upon results of operations and therefore cannot be determined at the present time.
Subordinated Participation in Net Sale Proceeds - Wells Capital (4)	After investors have received a return of their net capital contributions and an 8.0% per year cumulative, noncompounded return, then Wells Capital is entitled to receive 10.0% of remaining net sale proceeds.	Actual amounts are dependent upon results of operations and therefore cannot be determined at the present time.
Subordinated Incentive Listing Fee - Wells Capital (5)(6)	Upon listing, a fee equal to 10.0% of the amount by which (1) the market value of the outstanding stock of the Wells REIT plus distributions paid by the Wells REIT prior to listing, exceeds (2) the sum of the total amount of capital raised from investors and the amount of cash flow necessary to generate an 8.0% per year cumulative, noncompounded return to investors.	Actual amounts are dependent upon results of operations and therefore cannot be determined at the present time.
	The Wells REIT may not reimburse any entity for operating expenses in excess of the greater of 2% of our average invested assets or 25% of our net income for the year.	

_____

(Footnotes to "Management Compensation")

1. The estimated maximum dollar amounts are based on the sale of a maximum of 300,000,000 shares to the public at $10 per share and the sale of 30,000,000 shares at $10 per share pursuant to our dividend reinvestment plan.

2. These reimbursements will include organization and offering expenses previously advanced by Wells Capital with regards to prior offerings of our shares, to the extent not reimbursed out of proceeds from prior offerings, and subject for the 3.0% of gross offering proceeds overall limitation.

3. Notwithstanding the method by which we calculate the payment of acquisition fees and expenses, as described in the table, the total of all such acquisition fees and acquisition expenses shall not exceed, in the aggregate, an amount equal to 6.0% of the contract price of all of the properties which we will purchase, as required by the NASAA Guidelines.

4. The subordinated participation in net sale proceeds and the subordinated incentive listing fee to be received by Wells Capital are mutually exclusive of each other. In the event that the Wells REIT becomes listed and Wells Capital receives the subordinated incentive listing fee prior to its receipt of the subordinated participation in net sale proceeds, Wells Capital shall not be entitled to any such participation in net sale proceeds.

5. If at any time the shares become listed on a national securities

exchange or included for quotation on Nasdaq, we will negotiate in good faith with Wells Capital a fee structure appropriate for an entity with a perpetual life. A majority of the independent directors must approve the new fee structure negotiated with Wells Capital. In negotiating a new fee structure, the independent directors shall consider all of the factors they deem relevant, including but not limited to:

- the size of the advisory fee in relation to the size, composition and profitability of our portfolio;
- the success of Wells Capital in generating opportunities that meet our investment objectives;
- the rates charged to other REITs and to investors other than REITs by advisors performing similar services;
- additional revenues realized by Wells Capital through their relationship with us;
- the quality and extent of service and advice furnished by Wells Capital;
- the performance of our investment portfolio, including income, conservation or appreciation of capital, frequency of problem investments and competence in dealing with distress situations; and
- the quality of our portfolio in relationship to the investments generated by Wells Capital for the account of other clients.

Our board of directors, including a majority of the independent directors, may not approve a new fee structure that is, in its judgment, more favorable to Wells Capital than the current fee structure.

6. The market value of the outstanding stock of the Wells REIT will be calculated based on the average market value of the shares issued and outstanding at listing over the 30 trading days beginning 180 days after the shares are first listed on a stock exchange.

We have the option to pay the listing fee in the form of stock, cash, a promissory note or any combination thereof. In the event the subordinated incentive listing fee is paid to Wells Capital as a result of the listing of the shares, we will not be required to pay Wells Capital any further subordinated participation in net sale proceeds.

In addition, Wells Capital and its affiliates will be reimbursed only for the actual cost of goods, services and materials used for or by the Wells REIT. Wells Capital may be reimbursed for the administrative services necessary to the prudent operation of the Wells REIT provided that the reimbursement shall not be for services for which it is entitled to compensation by way of a separate fee.

Since Wells Capital and its affiliates are entitled to differing levels of compensation for undertaking different transactions on behalf of the Wells REIT such as the property management fees for operating the properties and the subordinated participation in net sale proceeds, Wells Capital has the ability to affect the nature of the compensation it receives by undertaking different transactions. However, Wells Capital is obligated to exercise good faith and integrity in all its dealings with respect to our affairs pursuant to the advisory agreement. (See "Management - The Advisory Agreement.") Because these fees or expenses are payable only with respect to certain transactions or services, they may not be recovered by Wells Capital or its affiliates by

reclassifying them under a different category.

Stock Ownership

The following table shows, as of December 31, 2001, the amount of our common stock beneficially owned (unless otherwise indicated) by (1) any person who is known by us to be the beneficial owner of more than 5% of the outstanding shares of our common stock, (2) our directors, (3) our executive officers, and (4) all of our directors and executive officers as a group.

	Shares Beneficially Owned	
	Shares	Percentage
Name and Address of Beneficial Owner		
Leo F. Wells, III 6200 The Corners Parkway, Suite 250 Norcross, GA 30092	698	*
Douglas P. Williams 6200 The Corners Parkway, Suite 250 Norcross, GA 30092	None	N/A
John L. Bell (1) 800 Mt. Vernon Highway, Suite 230 Atlanta, GA 30328	1,500	*
Richard W. Carpenter (1) Realmark Holdings Corporation P.O. Box 421669 (30342) 5570 Glenridge Drive Atlanta, GA 30342	1,500	*
Bud Carter (1) The Executive Committee 100 Mount Shasta Lane Alpharetta, GA 30022-5440	6,873	*

	Shares Beneficially Owned	
	Shares	Percentage
William H. Keogler, Jr. (1) 469 Atlanta Country Club Drive Marietta, GA 30067	1,500	*
Donald S. Moss (1) 114 Summerour Vale Duluth, GA 30097	79,217	*
Walter W. Sessoms (1) 5995 River Chase Circle NW Atlanta, GA 30328	38,743	*
Neil H. Strickland (1) Strickland General Agency, Inc. 3109 Crossing Park P.O. Box 129 Norcross, GA 30091	1,785	*

All directors and executive officers as a group/(2)/	131,816	*

* Less than 1% of the outstanding common stock.

(1) Includes options to purchase up to 1,500 shares of common stock, which are exercisable within 60 days of December 31, 2001.

(2) Includes options to purchase an aggregate of up to 10,500 shares of common stock, which are exercisable within 60 days of December 31, 2001.

Conflicts of Interest

We are subject to various conflicts of interest arising out of our relationship with Wells Capital, our advisor, and its affiliates, including conflicts related to the arrangements pursuant to which Wells Capital and its affiliates will be compensated by the Wells REIT. (See "Management Compensation.")

The independent directors have an obligation to function on our behalf in all situations in which a conflict of interest may arise and have a statutory obligation to act in the best interest of the stockholders. (See "Management - Limited Liability and Indemnification of Directors, Officers, Employees and Other Agents.") These conflicts include, but are not limited to, the following:

Interests in Other Real Estate Programs

Wells Capital and its affiliates are general partners of other Wells programs, including partnerships which have investment objectives similar to those of the Wells REIT, and we expect that they will organize other such partnerships and programs in the future. Wells Capital and such affiliates have legal and financial obligations with respect to these partnerships which are similar to their obligations to the Wells REIT. As general partners, they may have contingent liability for the obligations of such partnerships as well as those of the Wells REIT which, if such obligations were enforced against them, could result in substantial reduction of their net worth.

Wells Capital and its affiliates are currently sponsoring a real estate program known as Wells Real Estate Fund XIII, L.P. (Wells Fund XIII). The registration statement of Wells Fund XIII was declared effective by the Securities and Exchange Commission (SEC) on March 29, 2001 for the offer and sale to the public of up to 4,500,000 units of limited partnership interest at a price of $10.00 per unit.

As described in the "Prior Performance Summary," Wells Capital and its affiliates have sponsored the following 14 public real estate programs with substantially identical investment objectives as those of the Wells REIT:

1. Wells Real Estate Fund I (Wells Fund I),
2. Wells Real Estate Fund II (Wells Fund II),
3. Wells Real Estate Fund II-OW (Wells Fund II-OW),
4. Wells Real Estate Fund III, L.P. (Wells Fund III),
5. Wells Real Estate Fund IV, L.P. (Wells Fund IV),
6. Wells Real Estate Fund V, L.P. (Wells Fund V),
7. Wells Real Estate Fund VI, L.P. (Wells Fund VI),
8. Wells Real Estate Fund VII, L.P. (Wells Fund VII),
9. Wells Real Estate Fund VIII, L.P. (Wells Fund VIII),
10. Wells Real Estate Fund IX, L.P. (Wells Fund IX),
11. Wells Real Estate Fund X, L.P. (Wells Fund X),
12. Wells Real Estate Fund XI, L.P. (Wells Fund XI),
13. Wells Real Estate Fund XII, L.P. (Wells Fund XII), and
14. Wells Real Estate Fund XIII, L.P. (Wells Fund XIII).

In the event that the Wells REIT, or any other Wells program or other entity formed or managed by Wells Capital or its affiliates is in the market for similar properties, Wells Capital will review the investment portfolio of each such affiliated entity prior to making a decision as to which Wells program will purchase such properties. (See "Certain Conflict Resolution Procedures.")

Wells Capital may acquire, for its own account or for private placement, properties which it deems not suitable for purchase by the Wells REIT, whether because of the greater degree of risk, the complexity of structuring inherent in such transactions, financing considerations or for other reasons, including properties with potential for attractive investment returns.

Other Activities of Wells Capital and its Affiliates

We rely on Wells Capital for the day-to-day operation of our business. As a result of its interests in other Wells programs and the fact that it has also engaged and will continue to engage in other business activities, Wells Capital and its affiliates will have conflicts of interest in allocating their time between the Wells REIT and other Wells programs and activities in which they are involved. (See "Risk Factors - Investment Risks.") However, Wells Capital believes that it and its affiliates have sufficient personnel to discharge fully their responsibilities to all of the Wells programs and ventures in which they are involved.

In addition, certain of our executive officers and directors are also officers and directors of Wells Capital, our advisor and the general partner of the various real estate programs sponsored by Wells Capital and its affiliates described above, Wells Management Company, our Property Manager, and Wells Investment Securities, our Dealer Manager, and as such, owe fiduciary duties to these various entities and their stockholders and limited partners. Such fiduciary duties may from time to time conflict with the fiduciary duties owed to the Wells REIT and its stockholders. (See "Risk Factors - Investment Risks.")

In addition to the real estate programs sponsored by Wells Capital and its affiliates described above, Wells Capital and its affiliates are also sponsoring an index mutual fund that invests in various REIT stocks known as the Wells S&P REIT Index Fund (REIT Fund). The REIT Fund is a mutual fund which seeks to provide investment results corresponding to the performance of the S&P REIT Index by investing in the REIT stocks included in the S&P REIT Index.

We may purchase or lease a property from Wells Capital or its affiliates upon a finding by a majority of our board of directors, including a majority of our independent directors, not otherwise interested in the transaction, that such transaction is competitive and commercially reasonable to the Wells REIT and at a price no greater than the cost of the property; provided, however, if the price is in excess of the cost of such property, that substantial justification for such excess exists and such excess is reasonable and the acquisition is disclosed. In no event may the Wells REIT:

- loan funds to Wells Capital or any of its affiliates; or
- enter into agreements with Wells Capital or its affiliates for the provision of insurance covering the Wells REIT or any of our properties.

Competition

Conflicts of interest will exist to the extent that we may acquire properties in the same geographic areas where other Wells programs own properties. In such a case, a conflict could arise in the leasing of properties in the event that the Wells REIT and another Wells program were to compete for the same tenants in negotiating leases, or a conflict could arise in connection with the resale of properties in the event that the Wells REIT and another Wells

program were to attempt to sell similar properties at the same time. (See "Risk Factors - Investment Risks"). Conflicts of interest may also exist at such time as the Wells REIT or our affiliates managing property on our behalf seek to employ developers, contractors or building managers as well as under other circumstances. Wells Capital will seek to reduce conflicts relating to the employment of developers, contractors or building managers by making prospective employees aware of all such properties seeking to employ such persons. In addition, Wells Capital will seek to reduce conflicts which may arise with respect to properties available for sale or rent by making prospective purchasers or tenants aware of all such properties. However, these conflicts cannot be fully avoided in that Wells Capital may establish differing compensation arrangements for employees at different properties or differing terms for resales or leasing of the various properties.

Affiliated Dealer Manager

Since Wells Investment Securities, our Dealer Manager, is an affiliate of Wells Capital, we will not have the benefit of an independent due diligence review and investigation of the type normally performed by an unaffiliated, independent underwriter in connection with the offering of securities. (See "Plan of Distribution.")

Affiliated Property Manager

Since we anticipate that properties we acquire will be managed and leased by Wells Management, our Property Manager, we will not have the benefit of independent property management. (See "Management - Affiliated Companies.")

Lack of Separate Representation

Holland & Knight LLP is counsel to the Wells REIT, Wells Capital, Wells Investment Securities and their affiliates in connection with this offering and may in the future act as counsel to the Wells REIT, Wells Capital, Wells Investment Securities and their affiliates. There is a possibility that in the future the interests of the various parties may become adverse. In the event that a dispute were to arise between the Wells REIT and Wells Capital, Wells Investment Securities or any of their affiliates, separate counsel for such matters will be retained as and when appropriate.

Joint Ventures with Affiliates of Wells Capital

We have entered into joint ventures with other Wells programs to acquire and own properties and are likely to enter into one or more joint venture agreements with other Wells programs for the acquisition, development or improvement of properties. (See "Investment Objectives and Criteria - Joint Venture Investments.") Wells Capital and its affiliates may have conflicts of interest in determining which Wells program should enter into any particular joint venture agreement. The co-venturer may have economic or business interests or goals which are or which may become inconsistent with our business interests or goals. In addition, should any such joint venture be consummated, Wells Capital may face a conflict in structuring the terms of the relationship between our interests and the interest of the affiliated co-venturer and in managing the joint venture. Since Wells Capital and its affiliates will control both the affiliated co-venturer and, to a certain extent, the Wells REIT, agreements and transactions between the co-venturers with respect to any such joint venture will not have the benefit of arm's-length negotiation of the type normally conducted between unrelated co-venturers. (See "Risk Factors - Investment Risks.")

Receipt of Fees and Other Compensation by Wells Capital and its Affiliates

A transaction involving the purchase and sale of properties may result in the receipt of commissions, fees and other compensation by Wells Capital and its affiliates, including acquisition and advisory fees, the dealer manager fee,

property management and leasing fees, real estate brokerage commissions, and participation in nonliquidating net sale proceeds. However, the fees and compensation payable to Wells Capital and its affiliates relating to the sale of properties are subordinated to the return to the stockholders of their capital contributions plus cumulative returns on such capital. Subject to oversight by our board of directors, Wells Capital has considerable discretion with respect to all decisions relating to the terms and timing of all transactions. Therefore, Wells Capital may have conflicts of interest concerning certain actions taken on our behalf, particularly due to the fact that such fees will generally be payable to Wells Capital and its affiliates regardless of the quality of the properties acquired or the services provided to the Wells REIT. (See "Management Compensation.")

Every transaction we enter into with Wells Capital or its affiliates is subject to an inherent conflict of interest. The board may encounter conflicts of interest in enforcing our rights against any affiliate in the event of a default by or disagreement with an affiliate or in invoking powers, rights or options pursuant to any agreement between us and any affiliate. A majority of the independent directors who are otherwise disinterested in the transaction must approve each transaction between us and Wells Capital or any of its affiliates as being fair and reasonable to us and on terms and conditions no less favorable to us than those available from unaffiliated third parties.

Certain Conflict Resolution Procedures

In order to reduce or eliminate certain potential conflicts of interest, our articles of incorporation contain a number of restrictions relating to (1) transactions we enter into with Wells Capital and its affiliates, (2) certain future offerings, and (3) allocation of properties among affiliated entities. These restrictions include, among others, the following:

- Except as otherwise described in this prospectus, we will not accept goods or services from Wells Capital or its affiliates unless a majority of our directors, including a majority of the independent directors, not otherwise interested in the transactions, approve such transactions as fair and reasonable to the Wells REIT and on terms and conditions not less favorable to the Wells REIT than those available from unaffiliated third parties.

- We will not purchase or lease properties in which Wells Capital or its affiliates has an interest without a determination by a majority of our directors, including a majority of the independent directors, not otherwise interested in such transaction, that such transaction is competitive and commercially reasonable to the Wells REIT and at a price to the Wells REIT no greater than the cost of the property to Wells Capital or its affiliates, unless there is substantial justification for any amount that exceeds such cost and such excess amount is determined to be reasonable. In no event will we acquire any such property at an amount in excess of its appraised value. We will not sell or lease properties to Wells Capital or its affiliates or to our directors unless a majority of our directors, including a majority of the independent directors, not otherwise interested in the transaction, determine the transaction is fair and reasonable to the Wells REIT.

- We will not make any loans to Wells Capital or its affiliates or to our directors. In addition, Wells Capital and its affiliates will not make loans to us or to joint ventures in which we are a joint venture partner for the purpose of acquiring properties. Any loans made to us by Wells Capital or its affiliates or our directors for other purposes must be approved by a majority of our directors, including a majority of the independent directors,

not otherwise interested in the transaction, as fair, competitive and commercially reasonable, and no less favorable to the Wells REIT than comparable loans between unaffiliated parties. Wells Capital and its affiliates shall be entitled to reimbursement, at cost, for actual expenses incurred by them on behalf of the Wells REIT or joint ventures in which we are a joint venture partner, subject to the limitation on reimbursement of operating expenses to the extent that they exceed the greater of 2% of our average invested assets or 25% of our net income, as described in the "Management - The Advisory Agreement" section of this prospectus.

- In the event that an investment opportunity becomes available which is suitable, under all of the factors considered by Wells Capital, for the Wells REIT and one or more other public or private entities affiliated with Wells Capital and its affiliates, then the entity which has had the longest period of time elapse since it was offered an investment opportunity will first be offered such investment opportunity. In determining whether or not an investment opportunity is suitable for more than one program, Wells Capital, subject to approval by our board of directors, shall examine, among others, the following factors:

  - the cash requirements of each program;

  - the effect of the acquisition both on diversification of each program's investments by type of commercial property and geographic area, and on diversification of the tenants of its properties;

  - the policy of each program relating to leverage of properties;

  - the anticipated cash flow of each program;

  - the income tax effects of the purchase of each program;

  - the size of the investment; and

  - the amount of funds available to each program and the length of time such funds have been available for investment.

If a subsequent event or development, such as a delay in the closing of a property or a delay in the construction of a property, causes any such investment, in the opinion of our board of directors and Wells Capital, to be more appropriate for a program other than the program that committed to make the investment, Wells Capital may determine that another program affiliated with Wells Capital or its affiliates will make the investment. Our board of directors has a duty to ensure that the method used by Wells Capital for the allocation of the acquisition of properties by two or more affiliated programs seeking to acquire similar types of properties shall be reasonable.

Investment Objectives and Criteria

General

We invest in commercial real estate properties, including properties that are under development or construction, are newly constructed or have been constructed and have operating histories. Our investment objectives are:

- to maximize cash dividends paid to you;

- to preserve, protect and return your capital contributions;

- to realize growth in the value of our properties upon our

ultimate sale of such properties; and

. to provide you with liquidity of your investment by listing the shares on a national exchange or, if we do not obtain listing of the shares by January 30, 2008, our articles of incorporation require us to begin the process of selling our properties and distributing the net proceeds from such sales to you.

We cannot assure you that we will attain these objectives or that our capital will not decrease. We may not change our investment objectives, except upon approval of stockholders holding a majority of our outstanding shares. (See "Description of Shares.")

Decisions relating to the purchase or sale of properties will be made by Wells Capital, as our advisor, subject to approval by our board of directors. See "Management" for a description of the background and experience of our directors and executive officers.

Acquisition and Investment Policies

We will seek to invest substantially all of the offering proceeds available for investment after the payment of fees and expenses in the acquisition of high grade commercial office and industrial buildings, which are newly constructed, under construction, or which have been previously constructed and have operating histories. We are not limited to such investments, however. We may invest in other real estate investments, including, but not limited to, warehouse and distribution facilities, shopping centers, business and industrial parks, manufacturing facilities and other types of real estate properties. We will primarily attempt to acquire commercial properties that are less than five years old, the space in which has been leased or preleased to one or more large corporate tenants who satisfy our standards of creditworthiness. (See "Terms of Leases and Tenant Creditworthiness.") The trend of Wells Capital and its affiliates in the most recently sponsored Wells programs, including the Wells REIT, has been to invest primarily in office buildings located in densely populated suburban markets. (See "Description of Real Estate Investments" and "Prior Performance Summary.")

We will seek to invest in properties that will satisfy the primary objective of providing cash dividends to stockholders. However, because a significant factor in the valuation of income-producing real properties is their potential for future income, we anticipate that the majority of properties we acquire will have both the potential for growth in value and providing cash dividends to stockholders. To the extent feasible, we will strive to invest in a diversified portfolio of properties in terms of geography, type of property and industry group of our tenants, that will satisfy our investment objectives of maximizing cash available for payment of dividends, preserving our capital and realizing growth in value upon the ultimate sale of our properties.

We anticipate that a minimum of 84% of the proceeds from the sale of shares will be used to acquire real estate properties and the balance will be used to pay various fees and expenses. (See "Estimated Use of Proceeds.")

We anticipate purchasing land for the purpose of developing the types of commercial buildings described above. We will not invest more than 10% of the net offering proceeds available for investment in properties in unimproved or non-income producing properties. A property that is expected to produce income within two years of its acquisition will not be considered a non-income producing property for purposes of this limitation.

Although we are not limited as to the form our investments may take, our investments in real estate will generally take the form of holding fee title or a long-term leasehold estate in the properties we acquire. We will acquire such interests either directly in Wells OP (See "The Operating Partnership Agreement") or indirectly by acquiring membership interests in or acquisitions

of property through limited liability companies or through investments in joint ventures, general partnerships, co-tenancies or other co-ownership arrangements with developers of properties, affiliates of Wells Capital or other persons. (See "Joint Venture Investments" below.) We may invest in or make mortgage loans, junior debt or subordinated mortgage loans or combinations of debt and equity, subject to the limitations contained in our articles of incorporation. In addition, we may purchase properties and lease them back to the sellers of such properties. While we will use our best efforts to structure any such sale-leaseback transaction such that the lease will be characterized as a "true lease" so that we will be treated as the owner of the property for federal income tax purposes, we cannot assure you that the IRS will not challenge such characterization. In the event that any such sale-leaseback transaction is recharacterized as a financing transaction for federal income tax purposes, deductions for depreciation and cost recovery relating to such property would be disallowed. (See "Federal Income Tax Considerations - Sale-Leaseback Transactions.")

Although we are not limited as to the geographic area where we may conduct our operations, we currently intend to invest in properties located in the United States.

We are not specifically limited in the number or size of properties we may acquire or on the percentage of net proceeds of this offering which we may invest in a single property. The number and mix of properties we acquire will depend upon real estate and market conditions and other circumstances existing at the time we are acquiring our properties and the amount of proceeds we raise in this offering.

In making investment decisions for us, Wells Capital will consider relevant real estate property and financial factors, including the creditworthiness of major tenants, the location of the property, its suitability for any development contemplated or in progress, its income-producing capacity, the prospects for long-range appreciation, its liquidity and income tax considerations. In this regard, Wells Capital will have substantial discretion with respect to the selection of specific investments.

Our obligation to close the purchase of any investment will generally be conditioned upon the delivery and verification of certain documents from the seller or developer, including, where appropriate:

- plans and specifications;
- environmental reports;
- surveys;
- evidence of marketable title subject to such liens and encumbrances as are acceptable to Wells Capital;
- title and liability insurance policies; and
- audited financial statements covering recent operations of properties having operating histories unless such statements are not required to be filed with the Securities and Exchange Commission.

We will not close the purchase of any property unless and until we obtain an environmental assessment, a minimum of a Phase I review, for each property purchased and are generally satisfied with the environmental status of the property.

We may also enter into arrangements with the seller or developer of a property whereby the seller or developer agrees that if during a stated period the property does not generate a specified cash flow, the seller or developer

will pay in cash to the Wells REIT a sum necessary to reach the specified cash flow level, subject in some cases to negotiated dollar limitations.

In determining whether to purchase a particular property, we may, in accordance with customary practices, obtain an option on such property. The amount paid for an option, if any, is normally surrendered if the property is not purchased and is normally credited against the purchase price if the property is purchased.

In purchasing, leasing and developing real estate properties, we will be subject to risks generally incident to the ownership of real estate, including:

- changes in general economic or local conditions;
- changes in supply of or demand for similar or competing properties in an area;
- changes in interest rates and availability of permanent mortgage funds which may render the sale of a property difficult or unattractive;
- changes in tax, real estate, environmental and zoning laws;
- periods of high interest rates and tight money supply which may make the sale of properties more difficult;
- tenant turnover; and
- general overbuilding or excess supply in the market area.

Development and Construction of Properties

We may invest substantially all of the proceeds available for investment in properties on which improvements are to be constructed or completed although we may not invest in excess of 10% of the offering proceeds available for investment in properties that are not expected to produce income within two years from the date of their acquisition. To help ensure performance by the builders of properties that are under construction, completion of properties under construction may be guaranteed at the price contracted either by an adequate completion bond or performance bond. We may rely, however, upon the substantial net worth of the contractor or developer or a personal guarantee accompanied by financial statements showing a substantial net worth provided by an affiliate of the person entering into the construction or development contract as an alternative to a completion bond or performance bond. Development of real estate properties is subject to risks relating to a builder's ability to control construction costs or to build in conformity with plans, specifications and timetables. (See "Risk Factors -- Real Estate Risks.")

We may directly employ one or more project managers to plan, supervise and implement the development of any unimproved properties that we may acquire. In such event, such persons would be compensated directly by the Wells REIT.

Terms of Leases and Tenant Creditworthiness

The terms and conditions of any lease we enter into with our tenants may vary substantially from those we describe in this prospectus. However, we expect that a majority of our leases will be what is generally referred to as "triple net" leases. A "triple net" lease provides that the tenant will be required to pay or reimburse the Wells REIT for all real estate taxes, sales and use taxes, special assessments, utilities, insurance and building repairs, and other building operation and management costs, in addition to making its lease payments.

Wells Capital has developed specific standards for determining the creditworthiness of potential tenants of our properties. While authorized to enter into leases with any type of tenant, we anticipate that a majority of our tenants will be large corporations or other entities which have a net worth in excess of $100,000,000 or whose lease obligations are guaranteed by another corporation or entity with a net worth in excess of $100,000,000. As of _____, 2002, approximately ___% of the aggregate gross rental income of the Wells REIT was derived from tenants which are corporations, each of which at the time of lease execution had a net worth of at least $100,000,000 or whose lease obligations were guaranteed by another corporation having a net worth of at least $100,000,000.

In an attempt to limit or avoid speculative purchases, to the extent possible, Wells Capital will seek to secure, on our behalf, leases with tenants at or prior to the closing of our acquisitions of properties.

We anticipate that tenant improvements required to be funded by the landlord in connection with newly acquired properties will be funded from our offering proceeds. However, at such time as a tenant at one of our properties does not renew its lease or otherwise vacates its space in one of our buildings, it is likely that, in order to attract new tenants, we will be required to expend substantial funds for tenant improvements and tenant refurbishments to the vacated space. Since we do not anticipate maintaining permanent working capital reserves, we may not have access to funds required in the future for tenant improvements and tenant refurbishments in order to attract new tenants to lease vacated space. (See "Risk Factors - Real Estate Risks.")

Joint Venture Investments

We have entered into joint ventures in the past, and are likely to enter into joint ventures in the future with affiliated entities for the acquisition, development or improvement of properties for the purpose of diversifying our portfolio of assets. (See "Description of Real Estate Investments - Joint Ventures with Affiliates.") In this connection, we will likely enter into joint ventures with Wells Fund XIII or other Wells programs. Wells Capital also has the authority to cause us to enter into joint ventures, general partnerships, co-tenancies and other participations with real estate developers, owners and others for the purpose of developing, owning and operating real properties. (See "Conflicts of Interest.") In determining whether to invest in a particular joint venture, Wells Capital will evaluate the real property that such joint venture owns or is being formed to own under the same criteria described elsewhere in this prospectus for the selection of real estate property investments of the Wells REIT. (See generally "Investment Objectives and Criteria.")

At such time as Wells Capital believes that a reasonable probability exists that we will enter into a joint venture with another Wells program for the acquisition or development of a specific property, this prospectus will be supplemented to disclose the terms of such proposed investment transaction. Based upon Wells Capital's experience, in connection with the development of a property which is currently owned by a Wells program, this would normally occur upon the signing of legally binding purchase agreement for the acquisition of a specific property or leases with one or more major tenants for occupancy at a particular property and the satisfaction of all major contingencies contained in such purchase agreement, but may occur before or after any such time, depending upon the particular circumstances surrounding each potential investment. You should not rely upon such initial disclosure of any proposed transaction as an assurance that we will ultimately consummate the proposed transaction or that the information we provide in any supplement to this prospectus concerning any proposed transaction will not change after the date of the supplement.

We intend to enter into joint ventures with other Wells programs for the acquisition of properties, but we may only do so provided that:

- a majority of our directors, including a majority of the independent directors, approve the transaction as being fair and reasonable to the Wells REIT;

- the investment by the Wells REIT and such affiliate are on substantially the same terms and conditions; and

- we will have a right of first refusal to buy if such co-venturer elects to sell its interest in the property held by the joint venture.

In the event that the co-venturer were to elect to sell property held in any such joint venture, however, we may not have sufficient funds to exercise our right of first refusal to buy the other co-venturer's interest in the property held by the joint venture. In the event that any joint venture with an affiliated entity holds interests in more than one property, the interest in each such property may be specially allocated based upon the respective proportion of funds invested by each co-venturer in each such property. Our entering into joint ventures with other Wells programs will result in certain conflicts of interest. (See "Conflicts of Interest - Joint Ventures with Affiliates of Wells Capital.")

Section 1031 Exchange Program

Wells Development Corporation (Wells Development), an affiliate of Wells Capital, our advisor, formed Wells Exchange - Federal Drive, Colorado Springs, LLC (Wells Exchange - Federal Drive) for the purpose of offering interests in single member limited liability companies (LLCs) which will own co-tenancy interests in two connected office buildings in Colorado Springs, Colorado currently under a lease agreement with Ford Motor Credit Company. (See "Description of Real Estate Investments - Ford Motor Credit Complex.") Wells Development formed Wells Exchange - Federal Drive and intends to form a series of other single member limited liability companies (each of which is referred to in this prospectus as Wells Exchange) for the purpose of facilitating the acquisition of 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 Internal Revenue Code. We anticipate that Wells Development will sponsor a series of private placement offerings of interests in LLCs owning co-tenancy interests in various properties to 1031 Participants.

Wells Development anticipates that properties acquired in connection with the Section 1031 Exchange Program will be financed by obtaining a new first mortgage secured by the property acquired. In order to finance the remainder of the purchase price for properties to be acquired by Wells Exchange, it is anticipated that Wells Exchange will obtain a short-term loan from an institutional lender for each property. Following its acquisition of a property, Wells Exchange will attempt to sell co-tenancy interests to 1031 Participants, the proceeds of which will be used to pay off the short-term loan. At the closing of each property to be acquired by Wells Exchange, Wells OP, our operating partnership, will enter into a contractual arrangement, providing that, in the event that Wells Exchange is unable to sell all of the co-tenancy interests in that particular property to 1031 Participants, Wells OP will purchase, at Wells Exchange's cost, any co-tenancy interests remaining unsold. (See "Risk Factors - Section 1031 Exchange Program.") In addition, Wells OP may enter into one or more additional contractual arrangements obligating it to purchase co-tenancy interests in a particular property directly from the 1031 Participants. In consideration for such obligations, Wells Exchange will pay Wells OP a fee (Take Out Fee) in an amount currently anticipated to range between 1.0% and 1.5% of the amount of the short-term loan being obtained by Wells Exchange. (See "Risk Factors - Federal Income Tax Risks.")

Our board of directors, including a majority of our independent

directors, will be required to approve each property acquired pursuant to the Section 1031 Exchange Program in the event that Wells OP has any obligation to potentially acquire any interest in the property. Accordingly, Wells Exchange intends to purchase only real estate properties which otherwise meet the investment objectives of the Wells REIT. Wells OP may execute an agreement providing for the potential purchase of the unsold co-tenancy interests from Wells Exchange or directly from the 1031 Participants only after a majority of our directors, including a majority of our independent directors, not otherwise interested in the transaction, approve of the transaction as being fair, competitive and commercially reasonable to Wells OP and at a price to Wells OP no greater than the cost of the co-tenancy interests to Wells Exchange. If the price to Wells OP is in excess of such cost, our directors must find substantial justification for such excess and that such excess is reasonable. In addition, a fair market value appraisal for each property must be obtained from an independent expert selected by our independent directors, and in no event may Wells OP purchase co-tenancy interests at a price that exceeds the current appraised value for the property interests.

As set forth above, pursuant to the terms of these contractual arrangements, Wells OP will be obligated to purchase co-tenancy interests in certain properties offered to 1031 Participants to the extent co-tenancy interests remain unsold at the end of the offering. All purchasers of co-tenancy interests,

including Wells OP in the event that it is required to purchase co-tenancy interests, will be required to execute a tenants in common agreement with the other purchasers of co-tenancy interests in that particular property and a property management agreement providing for the property management and leasing of the property by Wells Management and the payment of property management and leasing fees to Wells Management equal to 4.5% of gross revenues. Accordingly, in the event that Wells OP is required to purchase co-tenancy interests pursuant to one or more of these contractual arrangements, we will be subject to various risks associated with co-tenancy arrangements which are not otherwise present in real estate investments such as the risk that the interests of the 1031 Participants will become adverse to our interests. (See "Risk Factors - Section 1031 Exchange Program.")

Borrowing Policies

While we strive for diversification, the number of different properties we can acquire will be affected by the amount of funds available to us. See "Description of Real Estate Investments - Real Estate Loans" for a description of our existing loans and the outstanding loan balances.

Our ability to increase our diversification through borrowing could be adversely impacted by banks and other lending institutions reducing the amount of funds available for loans secured by real estate. When interest rates on mortgage loans are high or financing is otherwise unavailable on a timely basis, we may purchase certain properties for cash with the intention of obtaining a mortgage loan for a portion of the purchase price at a later time.

There is no limitation on the amount we may invest in any single improved property or on the amount we can borrow for the purchase of any property. The NASAA Guidelines only limit our borrowing to 75% of the value of all properties unless any excess borrowing is approved by a majority of the independent directors and is disclosed to stockholders in our next quarterly report. However, under our articles of incorporation, we have a self-imposed limitation on borrowing which precludes us from borrowing in the aggregate in excess of 50% of the value of all of our properties. As of _____, 2002, we had an aggregate debt leverage ratio of _____% of the value of our properties.

By operating on a leveraged basis, we will have more funds available for investment in properties. This will allow us to make more investments than

would otherwise be possible, resulting in a more diversified portfolio. Although our liability for the repayment of indebtedness is expected to be limited to the value of the property securing the liability and the rents or profits derived therefrom, our use of leveraging increases the risk of default on the mortgage payments and a resulting foreclosure of a particular property. (See "Risk Factors - Real Estate Risks.") To the extent that we do not obtain mortgage loans on our properties, our ability to acquire additional properties will be restricted. Wells Capital will use its best efforts to obtain financing on our behalf on the most favorable terms available. Lenders may have recourse to assets not securing the repayment of the indebtedness.

Wells Capital will refinance properties during the term of a loan only in limited circumstances, such as when a decline in interest rates makes it beneficial to prepay an existing mortgage, when an existing mortgage matures or if an attractive investment becomes available and the proceeds from the refinancing can be used to purchase such investment. The benefits of the refinancing may include an increased cash flow resulting from reduced debt service requirements, an increase in dividend distributions from proceeds of the refinancing, if any, and/or an increase in property ownership if some refinancing proceeds are reinvested in real estate.

We may not borrow money from any of our directors or from Wells Capital and its affiliates for the purpose of acquiring real properties. Any loans by such parties for other purposes must be approved by a majority of our directors, including a majority of the independent directors, not otherwise interested

in the transaction, as fair, competitive and commercially reasonable and no less favorable to the Wells REIT than comparable loans between unaffiliated parties.

Disposition Policies

We intend to hold each property we acquire for an extended period. However, circumstances might arise which could result in the early sale of some properties. We may sell a property before the end of the expected holding period if, among other reasons:

- the tenant has involuntarily liquidated;
- in the judgment of Wells Capital, the value of a property might decline substantially;
- an opportunity has arisen to improve other properties;
- we can increase cash flow through the disposition of the property;
- the tenant is in default under the lease; or
- in our judgment, the sale of the property is in our best interests.

The determination of whether a particular property should be sold or otherwise disposed of will be made after consideration of relevant factors, including prevailing economic conditions, with a view to achieving maximum capital appreciation. We cannot assure you that this objective will be realized. The selling price of a property that is net leased will be determined in large part by the amount of rent payable under the lease. If a tenant has a repurchase option at a formula price, we may be limited in realizing any appreciation. In connection with our sales of properties we may lend the purchaser all or a portion of the purchase price. In these instances, our taxable income may exceed the cash received in the sale. (See "Federal Income Considerations - Failure to Qualify as a REIT.") The terms of payment will be affected by custom in the area in which the property being sold is located and the then-prevailing economic

conditions.

If our shares are not listed for trading on a national securities exchange or included for quotation on Nasdaq by January 30, 2008, our articles of incorporation require us to begin the process of selling our properties and distributing the net sale proceeds to you in liquidation of the Wells REIT. In making the decision to apply for listing of our shares, our directors will try to determine whether listing our shares or liquidating our assets will result in greater value for the stockholders. We cannot determine at this time the circumstances, if any, under which our directors will agree to list our shares. Even if our shares are not listed or included for quotation, we are under no obligation to actually sell our portfolio within this time period since the precise timing will depend on real estate and financial markets, economic conditions of the areas in which the properties are located and federal income tax effects on stockholders which may prevail in the future. Furthermore, we cannot assure you that we will be able to liquidate our assets, and it should be noted that we will continue in existence until all properties are sold and our other assets are liquidated. In addition, we may consider other business strategies such as reorganizations or mergers with other entities if our board of directors determines such strategies would be in the best interest of our stockholders.

Investment Limitations

Our articles of incorporation place numerous limitations on us with respect to the manner in which we may invest our funds in accordance with various NASAA Guideline provisions. These limitations cannot be changed unless our articles of incorporation are amended, which requires approval of the stockholders. Unless our articles are amended, we will not:

- borrow in excess of 50% of the aggregate value of all properties owned by us, provided that we may borrow in excess of 50% of the value of an individual property;

- make or invest in mortgage loans, including construction loans, on any one property if the aggregate amount of all mortgage loans on such property would exceed an amount equal to 85% of the appraised value of such property as determined by appraisal unless substantial justification exists because of the presence of other underwriting criteria;

- invest in commodities or commodity futures contracts, except for futures contracts when used solely for the purpose of hedging in connection with our ordinary business of investing in real estate assets and mortgages;

- invest in real estate contracts of sale, otherwise known as land sale contracts, unless the contract is in recordable form and is appropriately recorded in the chain of title;

- make or invest in mortgage loans unless an appraisal is obtained concerning the underlying property except for those mortgage loans insured or guaranteed by a government or government agency. Mortgage debt on any property shall not exceed such property's appraised value. In cases where our board of directors determines, and in all cases in which the transaction is with any of our directors or Wells Capital and its affiliates, such appraisal shall be obtained from an independent appraiser. We will maintain such appraisal in our records for at least five years and it will be available for your inspection and duplication. We will also obtain a mortgagee's or owner's title insurance policy as to the priority of the mortgage;

- make or invest in mortgage loans that are subordinate to any

mortgage or equity interest of any of our directors, Wells Capital or its affiliates;

- invest in junior debt secured by a mortgage on real property which is subordinate to the lien or other senior debt except where the amount of such junior debt plus any senior debt exceeds 90% of the appraised value of such property, if after giving effect thereto, the value of all such mortgage loans of the Wells REIT would not then exceed 25% of our net assets, which shall mean our total assets less our total liabilities;

- engage in any short sale or borrow on an unsecured basis, if the borrowing will result in asset coverage of less than 300%. "Asset coverage," for the purpose of this clause, means the ratio which the value of our total assets, less all liabilities and indebtedness for unsecured borrowings, bears to the aggregate amount of all of our unsecured borrowings;

- make investments in unimproved property or indebtedness secured by a deed of trust or mortgage loans on unimproved property in excess of 10% of our total assets;

- issue equity securities on a deferred payment basis or other similar arrangement;

- issue debt securities in the absence of adequate cash flow to cover debt service;

- issue equity securities which are non-voting or assessable;

- issue "redeemable securities," as defined in Section 2(a)(32) of the Investment Company Act of 1940, except pursuant to our share redemption program;

- grant warrants or options to purchase shares to officers or affiliated directors or to Wells Capital or its affiliates except on the same terms as the options or warrants are sold to the general public and the amount of the options or warrants does not exceed an amount equal to 10% of the outstanding shares on the date of grant of the warrants and options;

- engage in trading, as compared with investment activities, or engage in the business of underwriting or the agency distribution of securities issued by other persons;

- invest more than 5% of the value of our assets in the securities of any one issuer if the investment would cause us to fail to qualify as a REIT;

- invest in securities representing more than 10% of the outstanding voting securities of any one issuer if the investment would cause us to fail to qualify as a REIT; or

- lend money to our directors or to Wells Capital or its affiliates.

Wells Capital will continually review our investment activity to attempt to ensure that we do not come within the application of the Investment Company Act of 1940. Among other things, Wells Capital will attempt to monitor the proportion of our portfolio that is placed in various investments so that we do not come within the definition of an "investment company" under the Act. If at any time the character of our investments could cause us to be deemed an investment company for purposes of the Investment Company Act of 1940, we will take the necessary action to attempt to ensure that we are not deemed to be an

"investment company."

Change in Investment Objectives and Limitations

Our articles of incorporation require that the independent directors review our investment policies at least annually to determine that the policies we are following are in the best interest of the stockholders. Each determination and the basis therefore is required to be set forth in our minutes. The methods of implementing our investment policies also may vary as new investment techniques are developed. The methods of implementing our investment objectives and policies, except as otherwise provided in the organizational documents, may be altered by a majority of our directors, including a majority of the independent directors, without the approval of the stockholders.

Description of Real Estate Investments

General

As of _____, 2002, we had purchased interests in ___ real estate properties located in ____ states, all of which are leased to tenants on a triple-net basis. The cost of each of the properties will be depreciated for tax purposes over a 40-year period on a straight-line basis. We believe all of the properties are adequately covered by insurance and are suitable for their intended purposes. The following table provides certain additional information about these properties.

Property Name	Tenant	Property Location	% Owned	Purchase Price	Square Feet	Annual Rent
Transocean Houston	Transocean Deepwater Offshore Drilling, Inc. Newpark Drilling Fluids, Inc.	Houston, TX	100%	$22,350,000	103,260 51,780	$1,288,564 $ 795,859
Arthur Andersen	Arthur Andersen LLP	Sarasota, FL	100%	$21,400,000	157,700	$1,988,454
Windy Point I	TCI Great Lakes, Inc. The Apollo Group, Inc. Global Knowledge Network Various other tenants	Schaumburg, IL	100%	$89,275,000 (1)	129,157 28,322 22,028 8,884	$2,067,204 $ 477,226 $ 382,307 $ 160,000
Windy Point II	Zurich American Insurance	Schaumburg, IL	100%	(see above) (1)	300,034	$5,091,577
Convergys	Convergys Customer Management Group, Inc.	Tamarac, FL	100%	$13,255,000	100,000	$1,248,192
ADIC	Advanced Digital Information Corporation	Parker, CO	68.2%	$12,954,213	148,204	$1,222,683
Lucent	Lucent Technologies, Inc.	Cary, NC	100%	$17,650,000	120,000	$1,800,000
Ingram Micro	Ingram Micro, L.P.	Millington, TN	100%	$21,050,000	701,819	$2,035,275
Nissan (2)	Nissan Motor Acceptance Corporation	Irving, TX	100%	$ 5,545,700	268,290	$4,225,860 (3)
IKON	IKON Office Solutions, Inc.	Houston, TX	100%	$20,650,000	157,790	$2,015,767
State Street	SSB Realty, LLC	Quincy, MA	100%	$49,563,000	234,668	$6,922,706
AmeriCredit	AmeriCredit Financial Services Corporation	Orange Park, FL	68.2%	$12,500,000	85,000	$1,303,050
Comdata	Comdata Network, Inc.	Brentwood, TN	55.0%	$24,950,000	201,237	$2,398,672
AT&T Oklahoma	AT&T Corp. Jordan Associates, Inc.	Oklahoma City, OK	55.0%	$15,300,000	103,500 25,000	$1,242,000 $ 294,500
Metris Minnesota	Metris Direct, Inc.	Minnetonka, MN	100%	$52,800,000	300,633	$4,960,445
Stone & Webster	Stone & Webster, Inc. SYSCO Corporation	Houston, TX	100%	$44,970,000	206,048 106,516	$4,533,056 $2,130,320
Motorola Plainfield	Motorola, Inc.	S. Plainfield, NJ	100%	$33,648,156	236,710	$3,324,428
Quest	Quest Software, Inc.	Irvine, CA	15.8%	$ 7,193,000	65,006	$1,287,119

Delphi	Delphi Automotive Systems, LLC	Troy, MI	100%	$19,800,000	107,193	$1,901,952
Avnet	Avnet, Inc.	Tempe, AZ	100%	$13,250,000	132,070	$1,516,164
Siemens	Siemens Automotive Corp.	Troy, MI	56.8%	$14,265,000	77,054	$1,374,643
Motorola Tempe	Motorola, Inc.	Tempe, AZ	100%	$16,000,000	133,225	$1,843,834
ASML	ASM Lithography, Inc.	Tempe, AZ	100%	$17,355,000	95,133	$1,927,788
Dial	Dial Corporation	Scottsdale, AZ	100%	$14,250,000	129,689	$1,387,672
Metris Tulsa	Metris Direct, Inc.	Tulsa, OK	100%	$12,700,000	101,100	$1,187,925
Cinemark	Cinemark USA, Inc. The Coca Cola Co.	Plano, TX	100%	$21,800,000	65,521 52,587	$1,366,491 $1,354,184
Gartner	The Gartner Group, Inc.	Ft. Myers, FL	56.8%	$ 8,320,000	62,400	$ 830,656
Marconi	Marconi Data Systems, Inc.	Wood Dale, IL	100%	$32,630,940	250,354	$3,376,746
Johnson Matthey	Johnson Matthey, Inc.	Wayne, PA	56.8%	$ 8,000,000	130,000	$ 828,750
Alstom Power Richmond (2)	Alstom Power, Inc.	Midlothian, VA	100%	$11,400,000	99,057	$1,213,324
Sprint	Sprint Communications Company, L.P.	Leawood, KS	56.8%	$ 9,500,000	68,900	$ 999,048
EYBL CarTex	EYBL CarTex, Inc.	Fountain Inn, SC	56.8%	$ 5,085,000	169,510	$ 550,908
Matsushita (2)	Matsushita Avionics Systems Corporation	Lake Forest, CA	100%	$18,431,206	144,906	$2,005,464
AT&T Pennsylvania	Pennsylvania Cellular Telephone Corp.	Harrisburg, PA	100%	$12,291,200	81,859	$1,442,116
PwC	PricewaterhouseCoopers, LLP	Tampa, FL	100%	$21,127,854	130,091	$2,093,382
Fairchild	Fairchild Technologies U.S.A., Inc.	Fremont, CA	77.5%	$ 8,900,000	50,756	$ 849,744
Cort Furniture	Cort Furniture Rental Corporation	Fountain Valley, CA	44.0%	$ 6,400,000	52,000	$ 834,888
Iomega	Iomega Corporation	Ogden, UT	3.7%	$ 5,025,000	108,250	$ 659,868
Interlocken	ODS Technologies, L.P. and GAIAM, Inc.	Broomfield, CO	3.7%	$ 8,275,000	51,975	$ 845,810
Ohmeda	Ohmeda, Inc.	Louisville, CO	3.7%	$10,325,000	106,750	$1,004,520
Alstom Power Knoxville	Alstom Power, Inc.	Knoxville, TN	3.7%	$ 7,900,000	84,404	$1,106,520

Property Name	Tenant	Property Location	% Owned	Purchase Price	Square Feet	Annual Rent
Avaya	Avaya, Inc.	Oklahoma City, OK	3.7%	$ 5,504,276	57,186	$ 536,977
TOTALS				$773,589,545	6,403,556	$82,008,778(3)

(1) Windy Point I and Windy Point II were purchased for an aggregate purchase price of $89,275,000.
(2) 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.
(3) Total annual rent does not include $4,225,860 annual rent for Nissan Property, which does not take effect until construction of the building is completed and the tenant is occupying the building.

As of _____, 2002, no tenant leasing our properties accounted for more than 10% of our aggregate annual rental income. As of _____, 2002, our most substantial tenants, based on annual rental income, were SSB Realty, LLC (approximately ___%), Metris Direct, Inc. (approximately ___%), Motorola, Inc. (approximately ____%) and Zurich American Insurance Company, Inc. (approximately ___%).

Geographic Diversification Table

The following table shows a list of our real estate investments as of March 25, 2002, grouped by the state where each of our investments are located.

State	No. of Properties	Aggregate Purchase Price	%	Aggregate Square Feet	%	Aggregate Annual Rent	%
Arizona	4	$ 60,855,000	7.9	490,117	7.7	$ 6,675,458	8.1
California	4	$ 40,924,206	5.2	312,668	4.9	$ 4,977,215	6.1
Colorado	3	$ 31,554,213	4.1	306,929	4.8	$ 3,073,013	3.8
Florida	5	$ 76,602,854	9.9	535,191	8.4	$ 7,463,734	9.1
Illinois	2	$ 121,905,940	15.8	738,779	11.5	$ 11,555,060	14.1
Kansas	1	$ 9,500,000	1.2	68,900	1.1	$ 999,048	1.2
Massachusetts	1	$ 49,563,000	6.4	234,668	3.7	$ 6,922,706	8.4
Michigan	2	$ 34,065,000	4.4	184,247	2.9	$ 3,276,595	4.0
Minnesota	1	$ 52,800,000	6.8	300,633	4.7	$ 4,960,445	6.1
New Jersey	1	$ 33,648,156	4.4	236,710	3.7	$ 3,324,428	4.1
North Carolina	1	$ 17,650,000	2.3	120,000	1.9	$ 1,800,000	2.2
Oklahoma	3	$ 33,504,276	4.3	286,786	4.5	$ 3,261,402	4.0
Pennsylvania	2	$ 20,291,200	2.6	211,859	3.3	$ 2,270,866	2.8
South Carolina	1	$ 5,085,000	0.7	169,510	2.7	$ 550,908	0.7
Tennessee	3	$ 53,900,000	7.0	987,460	15.4	$ 5,540,467	6.8
Texas	5	$ 115,315,700	14.9	1,011,792	15.8	$ 13,484,241*	16.4
Utah	1	$ 5,025,000	0.7	108,250	1.7	$ 659,868	0.8
Virginia	1	$ 11,400,000	1.5	99,057	1.6	$ 1,213,324	1.5
Total	41	$ 773,589,545	100.0	6,403,556	100.0	$ 82,008,778	100.0

_____
* - Does not include $4,225,860 annual rent from the uncompleted Nissan Project, located in Irving, Texas.

Lease Expiration Table

The following table shows lease expirations during each of the next ten years for all leases as of December 31, 2001, assuming no exercise of renewal options or termination rights:

Year of Lease Expiration	Number 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	5	33,610	$ 563,072	$ 20,898	0.6%	0.7%
2003	2	69,146	1,123,570	375,310	1.3	1.5
2004	2	123,430	2,235,143	937,964	2.2	2.9
2005	6	248,859	3,172,944	2,156,713	4.5	4.1
2006	2	197,493	3,522,375	3,522,375	4.0	4.6
2007	5	489,554	6,449,078	4,470,526	8.9	8.4
2008	8	762,251	9,584,884	8,271,448	13.4	12.5
2009	4	331,250	4,006,172	3,486,255	5.5	5.2
2010	8	1,036,300	16,415,964	15,152,732	18.8	21.4
2011	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.

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 for accounting purposes 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 (AmeriCredit Building) Two connected one-story office and light assembly buildings in Parker, CO (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 (Siemens Building) A one-story and a two-story office building in Oklahoma City, OK (AT&T Oklahoma Buildings) A three-story office building in Brentwood, TN (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 (EYBL CarTex Building) A three-story office building in Leawood, KS (Sprint Building) A one-story office and warehouse building in Wayne, PA (Johnson Matthey Building) A two-story office building in Fort Myers, FL (Gartner Building)
Fund IX-X-XI-REIT Joint	Wells Operating Partnership, L.P. Wells Real Estate Fund IX, L.P. Wells Real Estate Fund X, L.P. Wells Real Estate Fund XI, L.P.	A three-story office building in Knoxville, TN (Alstom Power Knoxville Building) A two-story office building in Louisville, CO (Onmeda Building) A three-story office building in Broomfield, CO (Interlocken Building) A one-story office building in Oklahoma City, OK (Avaya Building) A one-story office and warehouse building in Ogden, UT (Iomega Building)

Wells/Freemont Associates Joint Venture (Freemont Joint Venture)	Wells Operating Partnership, L.P. Fund X-XI Joint Venture	A two-story office and manufacturing building in Freemont, CA (Fairchild Building)
Wells/Orange County Associates Joint Venture (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 (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 (Quest Building)

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 our investment objectives. 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 our investment objectives. 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 our investment objectives. 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 our investment objectives. 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 our investment objectives. 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%

General Provisions of Joint Venture Agreements

Wells OP is acting as the initial Administrative Venturer of each of the joint ventures described above and, as such, is responsible for establishing policies and operating procedures with respect to the business and affairs of each of these joint ventures. However, approval of the other joint venture partners will be required for any major decision or any action that materially affects these joint ventures or their real property investments.

The XIII-REIT Joint Venture Agreement, the XII-REIT Joint Venture Agreement, the XI-XII-REIT Joint Venture Agreement and the IX-X-XI-REIT Joint Venture Agreement each allow any joint venture partner to make a buy/sell election upon receipt by any other joint venture partner of a bona fide third-party offer to purchase all or substantially all of the properties or the last remaining property of the respective joint venture. Upon receipt of notice of such third-party offer, each joint venture partner must elect within 30 days after receipt of the notice to either (1) purchase the entire interest of each venture partner that wishes to accept the offer on the same terms and conditions as the third-party offer to purchase, or (2) consent to the sale of the properties or last remaining property pursuant to such third-party offer.

Description of Properties

Transocean Houston Building

Wells OP purchased the Transocean Houston Building on March 15, 2002 for a purchase price of $22,350,000. The Transocean Houston Building, which was built in 1999, is a six-story office building containing 155,040 rentable square feet located in Houston, Texas.

Transocean Deepwater Offshore Drilling, Inc. (Transocean) leases 103,260 rentable square feet (67%) of the Transocean Houston Building. Transocean is an offshore drilling company specializing in technically demanding segments of the offshore drilling industry. The Transocean lease is guaranteed by Transocean Sedco Forex, Inc., one of the world's largest offshore drilling companies whose shares are traded on the NASDAQ. Transocean Sedco Forex, Inc. reported a net worth, as of September 30, 2001, of approximately $10.86 billion.

The Transocean lease commenced in December 2001 and expires in March 2011. Transocean, at its option, has the right to extend the initial term of its lease for either (1) two additional five-year periods, or (2) one additional ten-year period, at the then-current market rental rate. In addition, Transocean has an expansion option and a right of first refusal for up to an additional 51,780 rentable square feet. The current annual base rent payable under the Transocean lease is $1,288,564.

Newpark Drilling Fluids, Inc. (Newpark) leases the remaining 51,780 rentable square feet (33%) of the Transocean Houston Building. Newpark is a full service drilling fluids processing, management and waste disposal company. The Newpark lease is guaranteed by Newpark Resourses, Inc., provides drilling fluids services to the oil and gas industry, primarily in North America. Newpark Resources, Inc. reported a net worth, as of December 31, 2001, of approximately $294 million.

The Newpark lease commenced in August 1999 and expires in August 2009. The current annual base rent payable for the Newpark lease is $795,859.

The average effective annual rental per square foot at the Transocean Houston Building is $20.82 for 2002, our first year of ownership.

Arthur Andersen Building

Wells OP purchased the Arthur Andersen Building on January 11, 2002 for a purchase price of $21,400,000. The Arthur Andersen Building, which was built in 1999, is a three-story office building containing 157,700 rentable square

feet located in Sarasota, Florida.

The Arthur Andersen Building is leased to Arthur Andersen LLP (Andersen). Andersen, with its corporate headquarters in Chicago, Illinois, is a global professional services organization.

The Andersen lease commenced in November 1998 and expires in October 2009. Andersen has the right to extend the initial 10-year term of this lease for two additional five-year periods at 90% of the then-current market rental rate. The current annual base rent payable under the Andersen lease is $1,988,454. The average effective annual rental per square foot at the Arthur Andersen Building is $12.72 for 2002, our first year of ownership.

Andersen has the option to purchase the Arthur Andersen Building for a purchase price of $23,250,000 prior to the end of the fifth lease year. In addition, Andersen has the option to purchase the Arthur Andersen Building for a purchase price of $25,148,000 after the fifth lease year and prior to the expiration of the current lease term.

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 188,391 rentable square feet (Windy Point I) and an eleven-story office building containing 300,034 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 that 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 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	300,034	100%

TCI Great Lakes, Inc. (TCI) occupies 129,157 rentable square feet (69%) of the Windy Point I building. The TCI lease commenced in December 1999 and expires in November 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 in April 2002 and expires in June 2008. 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 $477,226.

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. Apollo reported a net worth as of August 31, 2001 of approximately $482 million.

Global Knowledge Network, Inc. (Global) leases 22,028 rentable square feet (12%) of the Windy Point I building. The Global lease commenced in May 2000 and expires in April 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 300,034 rentable square feet of the Windy Point II building. The Zurich lease commenced in September 2001 and expires in August

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 reported a net worth, as of June 30, 2001 of approximately $19 billion.

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 containing 100,000 rentable square feet 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. Convergys reported a net worth, as of September 30, 2001, of approximately $1.2 billion.

The Convergys lease commenced in September 2001 and expires in September 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 (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 148,204 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. ADIC reported a net worth, as of October 31, 2001, of approximately $330 million.

The ADIC lease commenced in December 2001 and expires in December 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, whose shares are 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. Lucent reported a net worth, as of December 31, 2001, of approximately $10.6 billion.

The Lucent lease commenced in September 2001 and expires in September 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. The current annual base rent payable under the Lucent lease is $1,800,000. The average effective annual rental 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 in December 2026. Construction of 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, whose shares are traded on the New York Stock Exchange, 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. Micro reported a net worth, as of September 29, 2001, of approximately $1.86 billion.

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 that 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 (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 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 that 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

Corporation (Nissan), a California corporation with its corporate headquarters in Torrance, California. Nissan is a wholly-owned subsidiary of Nissan North America, Inc. (NNA), a guarantor of Nissan's lease. NNA is a California corporation, with headquarters in Gardenia, 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. Nissan Motor Company, Ltd. reported a net worth, as of March 31, 2002 of approximately $7.7 billion.

The Nissan lease commenced in September 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. IKON reported a net worth, as of September 30, 2001, of approximately $1.4 billion.

The IKON lease commenced in May 2000 and expires in April 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. State Street reported a net worth, as of December 31, 2001, of approximately $3.8 billion.

The SSB Realty lease commenced in February 2001 and expires in March

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.

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. AmeriCredit reported a net worth, as of December 31, 2001 of approximately $1.2 billion.

The AmeriCredit lease 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 that 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 $1,303,050. 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. Ceridian Corporation reported a net worth, as of September 30, 2001, of approximately $1.1 billion.

The Comdata lease commenced in April 1997 and expires in May 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.

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 located 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. AT&T reported a net worth, as of December 31, 2001, of approximately $51.7 billion.

The AT&T lease commenced in April 2000 and expires in August 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 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 in December 1998 and expires in December 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 containing 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 whose shares are 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. Metris Companies reported a net worth, as of September 30, 2001, of approximately $1.1 billion.

The Metris lease commenced in September 2000 and expires in December 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 $87,948 through December 2006 and $114,062 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 Shaw Group reported a net worth, as of November 30, 2001, of approximately $607 million.

The Stone & Webster lease commenced in December 2000 and expires in December 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) the last year's rent, or (2) the then-current market rental rate. 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. SYSCO reported a net worth, as of December 29, 2001, of approximately $2.2 billion.

The SYSCO lease commenced in October 1998 and expires in September 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 South 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. Motorola reported a net worth, as of December 31, 2001, of approximately $13.7 billion.

The Motorola lease commenced in November 2000 and expires in October 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. (See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources.") 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. Quest reported a net worth, as of September 30, 2001, of approximately $449 million.

The Quest lease commenced in June 2000 and expires in January 2004. 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. Delphi reported a net worth as of September 30, 2001 of approximately $3.3 billion.

The Delphi lease commenced in May 2000 and expires in April 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 $1,901,952. 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.

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, which is more particularly described in the "Real Estate Loans" section of this prospectus.

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. Avnet reported a net worth, as of June 29, 2001, of approximately $2.4 billion.

The Avnet lease commenced in May 2000 and expires in April 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 then-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 in April 1999 and expires in September 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 Avenet 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. Siemens AG reported a net worth, as of September 30, 2001, of approximately $23.8 billion euros (or approximately US $21 billion).

The Siemens lease commenced in January 2000 and expires in August 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.

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, which is more particularly described in the "Real Estate Loans" section of this prospectus.

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 Motorola lease commenced in August 1998 and expires in August 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 $1,843,834. 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 that commenced in November 1997 and expires in December 2082. Wells OP has the right to terminate the Motorola ground lease prior to the

expiration of the 30/th/ 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 subject to a first priority mortgage in favor of SouthTrust securing a SouthTrust line of credit, which is more particularly described in the "Real Estate Loans" section of this prospectus.

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. ASML Holdings reported a net worth, as of December 31, 2001, of approximately $1.1 billion.

The ASML lease commenced in June 1998 and expires in June 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 that commenced in August 1997 and expires in December 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.

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, which is more particularly described in the "Real Estate Loans" section of this prospectus.

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. Dial reported a net worth, as of December 31, 2001, of approximately $74.5 million.

The Dial lease commenced in August 1997 and expires in August 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 Metris lease commenced in February 2000 and expires in January 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 Cinemark Building is subject to a first priority mortgage in favor of SouthTrust securing a SouthTrust line of credit, which is more particularly described in the "Real Estate Loans" section of this prospectus.

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. Cinemark reported a net worth, as of December 31, 2001, of approximately $25.3 million.

The Cinemark lease commenced in December 1999 and expires in December 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 has a right of first refusal to lease any of the remaining rentable area of the Cinemark Building that 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. Coca-Cola reported a net worth, as of December 31, 2001, of approximately $11.4 billion.

The Coca-Cola lease commenced in December 1999 and expires in November 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 Gartner lease commenced in February 1998 and expires in January 2008. Gartner has the right to extend the lease for two additional five-year periods of time at a rate equal to the lesser of (1) the prior rate increased by 2.5%, or (2) 95% of the then-current market rate. The current annual base rent payable for the Gartner lease is $830,656. 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.

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 subject to a first priority mortgage in favor of Bank of America, N.A. (BOA) securing the BOA loan, which is more particularly described in the "Real Estate Loans" section of this prospectus.

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 Marconi lease 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.

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 Wayne, 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. Johnson Matthey reported a net worth, as of March 31, 2001, of approximately $1.2 billion.

The Johnson Matthey lease 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 at the then-current 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. Alstom Power reported a net worth, as of March 31, 2001, of approximately $2.1 billion euros (or approximately US $1.85 billion).

The Alstom Power Richmond lease commenced in July 2000 and expires in July 2007. Alstom Power has the right to extend the lease for two additional five-year periods of time at the then-current market rental rate. The current annual base rent payable for the Alstom Power lease is $1,213,324. 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%.

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 containing 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. Sprint reported a net worth, as of December 31, 2001, of approximately $12.6 billion.

The Sprint lease 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 rental 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 Fountain Inn, 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. EYBL International reported a net worth, as of September 30, 2001, of approximately $47.1 billion euros (or approximately US $41.5 billion).

The EYBL CarTex lease 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 $18,431,206, including the cost of the land. The Matsushita Building, which was built in 2000, is a two-story office building containing 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. Matsushita Industrial reported a net worth, as of September 30, 2001, of approximately $30 billion.

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

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 AT&T Corp. (AT&T), and the obligations of Pennsylvania Telephone under the Pennsylvania Telephone lease are guaranteed by AT&T. 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. AT&T reported a net worth, as of December 31, 2001, of approximately $51.7 billion.

The Pennsylvania Telephone lease commenced in November 1998 and expires in November 2008. Pennsylvania Telephone has the option to extend the initial term of the Pennsylvania Telephone 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 Pennsylvania Telephone 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 Pennsylvania Telephone 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 Pennsylvania Telephone lease.

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 130,091 rentable square feet located in Tampa, Florida. Wells OP purchased the PwC Building subject to

a loan from SouthTrust. The SouthTrust loan, which is more particularly described in the "Real Estate Loans" section of this prospectus, is secured by a first priority mortgage against the PwC Building.

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 PwC lease 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 then-current 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 containing 50,756 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. Fairchild Corp. reported a net worth, as of December 30, 2001, of approximately $403 million.

The Fairchild lease 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 $920,144. The average effective annual

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 containing 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 company whose shares are traded on the NYSE (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 Cort lease 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 at 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, Utah.

The Iomega Building is leased to Iomega Corporation (Iomega). Iomega, a company whose shares are traded on the NYSE, 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. Iomega reported a net worth, as of December 31, 2001, of approximately $378.9 million.

The Iomega lease commenced in August 1996 and expires in April 2009. 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 containing 51,974 rentable square feet located in Broomfield, Colorado. The aggregate current annual base rent payable for all tenants of the Interlocken Building is $849,744. 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.

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 containing 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 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. Alstom Power reported a net worth, as of March 31, 2001, of approximately $2.1 billion euros (or approximately US $1.85 billion).

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 Alstom Power Knoxville lease 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 that is 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.

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. Avaya reported a net worth, as of December 31, 2001, of approximately $452 million. Lucent reported a net worth, as of September 29, 2001, of approximately $1.86 billion.

The Avaya lease commenced in January 1998 and expires in January 2008. The current annual base rent payable under the Avaya lease is $536,977. 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.

Property Management Fees

Wells Management, our Property Manager, has been retained to manage and lease all of our properties. Except as set forth below, we pay management and leasing fees to Wells Management in an amount equal to the lesser of: (A) 4.5% of gross revenues, or (B) 0.6% of the net asset value of the properties (excluding vacant properties) owned by the Wells REIT, calculated on an annual basis. For purposes of this calculation, net asset value shall be defined as the excess of (1) the aggregate of the fair market value of all properties owned by the Wells REIT (excluding vacant properties), over (2) the aggregate outstanding debt of the Wells REIT (excluding debts having maturities of one year or less). In addition, we may pay Wells Management a separate fee for the one-time initial rent-up or leasing-up of newly constructed properties in an amount not to exceed the fee customarily charged in arm's length transactions by others rendering similar services in the same geographic area for similar properties as determined by a survey of brokers and agents in such area (customarily equal to the first month's rent).

Wells Management has also been retained to manage and lease all of the properties currently owned by the IX-X-XI-REIT Joint Venture and the VIII-IX-REIT Joint Venture. While both Wells Fund XI and the Wells REIT are authorized to pay management and leasing fees to Wells Management in the amount of 4.5% of gross revenues, Wells Fund VIII, Wells Fund IX and Wells Fund X are authorized to pay aggregate management and leasing fees to Wells Management in the amount of 6% of gross revenues. Accordingly, a portion of the gross revenues of these joint ventures will be subject to a

6% management and leasing fee and a portion of gross revenues will be subject to a 4.5% management and leasing fee based upon the respective ownership percentages of the joint venture partners in each of these two joint ventures.

Wells Management also received or will receive a one-time initial lease-up fee equal to the first month's rent for the leasing of the Alstom Power Knoxville Building, the Avaya Building, the Matsushita Building, the Alstom Power Richmond Building, and the Nissan Project.

Real Estate Loans

SouthTrust Loans

Wells OP has established various secured lines of credit with SouthTrust Bank, N.A. (SouthTrust) whereby SouthTrust has agreed to lend an aggregate amount of up to $72,140,000 in connection with its purchase of real properties. The interest rate on each of these separate lines of credit is an annual variable rate equal to the London InterBank Offered Rate (LIBOR) for a 30-day period plus 175 basis points. Wells OP will be charged an advance fee of 0.125% of the amount of each advance. As of _____, 2002, the interest rate on each of the SouthTrust lines of credit was _____% per annum.

The $32,393,000 SouthTrust Line of Credit

The $32,393,000 SouthTrust line of credit requires monthly payments of interest only and matures on June 10, 2002. This SouthTrust line of credit is secured by first priority mortgages against the Cinemark Building, the Dial Building and the ASML Building. As of _____, 2002, the outstanding principal balance on the $32,393,000 SouthTrust line of credit was _____.

The $12,844,000 SouthTrust Line of Credit

The $12,844,000 SouthTrust line of credit requires monthly payments of interest only and matures on June 10, 2002. This SouthTrust line of credit is secured by a first priority mortgage against the PwC Building. As of _____, 2002, the outstanding principal balance on the $12,844,000 SouthTrust line of credit was _____.

The $19,003,000 SouthTrust Line of Credit

The $19,003,000 SouthTrust line of credit requires monthly payments of interest only and matures on June 10, 2002. This SouthTrust line of credit is secured by first priority mortgages against the Avnet Building and the Motorola Tempe Building. As of _____, 2002, the outstanding principal balance on the $19,003,000 SouthTrust line of credit was _____.

The $7,900,000 SouthTrust Line of Credit

Wells LLC - VA originally obtained a loan from SouthTrust Bank, N.A. in connection with the acquisition, development and construction of the Alstom Power Richmond Building. After completion of construction, SouthTrust converted the construction loan into a separate line of credit in the maximum principal amount of up to $7,900,000. This SouthTrust line of credit requires payments of interest only and matures on June 10, 2002. The $7,900,000 SouthTrust line of credit is secured by a first priority mortgage against the Alstom Power Richmond Building, the Alstom Power Richmond lease and a $4,000,000 letter of credit issued by Unibank. As of _____, 2002, the outstanding principal balance on the $7,900,000 SouthTrust line of credit was $_____.

BOA Line of Credit

Wells OP established a secured line of credit in the amount of $85,000,000 with Bank of America, N.A. (BOA Line of Credit) in connection with its purchase of real properties. The interest rate on the BOA Line of Credit as an annual variable rate equal to LIBOR for a 30-day period plus 180 basis points. The BOA Line of Credit requires monthly payments of interest only and matures on May 11, 2002. As of _____, 2002, the interest rate on the BOA Line of Credit was ___% per annum. The BOA Line of Credit is secured by first priority mortgages against the Marconi Building, the AT&T Pennsylvania Building, the Motorola Tempe Building, the Matsushita Building, the Metris Tulsa Building and the Delphi Building. As of _____, 2002, the outstanding principal balance on the BOA Line of Credit was _____.

BOA Construction Loan

Wells OP obtained a construction loan in the amount of $34,200,000 from Bank of America, N.A. (BOA Loan), to fund the construction of a building on the Nissan Property located in Irving, Texas. The loan requires monthly payments of interest only and matures on July 30, 2003. The interest rate on the loan is fixed at 5.91%. As of _____, 2002, the outstanding principal balance on the BOA Loan was $_____. The BOA Loan is secured by a first priority mortgage on the Nissan Property.

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. 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 Stockholders	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

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with our accompanying financial statements and the notes thereto.

Forward Looking Statements

This section and other sections in the prospectus contain 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 Wells REIT, anticipated capital expenditures required to complete certain projects, amounts of anticipated cash distributions to stockholders in the future and certain other matters. Readers of this prospectus should be aware that there are various factors that could cause actual results to differ materially from any forward-looking statements made in this prospectus, 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. (See generally "Risk Factors.")

We have made an election under Section 856 (c) of the Internal Revenue Code (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, we generally will not be subject to Federal income tax on income that we distribute to our stockholders. If we fail to qualify as a REIT in any taxable year, we will be subject to federal income tax on our 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 our qualification is lost. Such an event could materially, adversely affect our net income. However, we believe that we are organized and operate in a manner, which has enabled us to qualify for treatment as a REIT for federal income tax purposes during the year ended December 31, 2001. In addition, we intend to continue to operate the Wells REIT 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, we received aggregate gross offering proceeds of $522,516,620 from the sale of 52,251,662 shares of our common stock. After payment of $18,143,307 in acquisition and advisory fees and acquisition expenses, payment of $58,387,809 in selling commissions and organization and offering expenses, and common stock redemptions of $4,137,427 pursuant to our share redemption program, we raised net offering proceeds available for investment in properties of $441,848,077 during 2001.

As of December 31, 2001, we had received aggregate gross offering proceeds of approximately $837,614,690 from the sale of 83,761,469 shares of our 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

our share redemption program, we held net offering proceeds of $62,711,000 available for investment in properties, as of December 31, 2001. As of March 25, 2002, we had received aggregate gross offering proceeds of approximately $1,079,159,524 from the sale of 107,915,952 shares of our common stock to 27,809 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, we owned interests in 39 real estate properties either directly or through interests in joint ventures. These properties are generating operating cash flow sufficient to cover our operating expenses and pay dividends to our stockholders. We pay dividends on a quarterly basis regardless of the frequency with which such distributions are declared. Dividends will be paid to investors who are stockholders as of the record dates selected by our board of directors. We currently calculate quarterly dividends based on the daily record and dividend declaration dates; thus, stockholders 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 we can make no

assurance, we anticipate that dividend distributions to stockholders will continue in 2002 at a level at least comparable with 2001 dividend distributions.

Dividends to be distributed to the stockholders are determined by our board of directors and are dependent on a number of factors, including funds available for payment of dividends, financial condition, capital expenditure requirements and annual distribution requirements in order to maintain our status as a REIT under the Internal Revenue Code. Operating cash flows are expected to increase as additional properties are added to our investment portfolio.

Cash Flows From Operating Activities

Our 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 From Investing Activities

Our 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.

Cash Flows From Financing Activities

Our 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. We 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, we 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, our 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 we held 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. Our 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 we 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			Well REIT's Share of Net Income For Years Ended December 31		
	2001	2000	1999	2001	2000	1999	2001	2000	1999
Fund IX-X-XI-REIT Joint 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	$10,975,78	$7,195,036	$8,977,529	$6,803,936	$4,135,443	$ 3,720,96	$2,293,873	$1,243,969

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. We believe that FFO is helpful to investors as a measure of the perforance of an equity REIT. However, our 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 our 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

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 us 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

Our accounting policies have been established and conform with generally accepted accounting principles 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.

Straight-Lined Rental Revenues

We recognize rental income generated from all leases on real estate assets in which we have 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

We generally bill 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

We continually monitor events and changes in circumstances indicating that the carrying amounts of the real estate assets in which we have an ownership interest, either directly or through investments in joint ventures, may not be recoverable. When such events or changes in circumstances are present, we assess 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 the asset. In the event that the carrying amount exceeds the estimated fair market value, we would recognize an impairment loss in the amount required to adjust the carrying amount of the asset to its estimated fair market value. Neither the Wells REIT nor our joint ventures have recognized impairment losses on real estate assets in 2001, 2000 or 1999.

Deferred Project Costs

Wells Capital, Inc., our advisor, 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 this prospectus) on our behalf. We record acquisition and advisory fees and acquisition expenses by capitalizing deferred project costs and reimbursing our advisor in an amount equal to 3.5% of cumulative capital raised to date. As we invest our 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

Our advisor 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 our behalf. 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. We record 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 our advisor. As the actual equity is raised, we reverse the deferred offering costs accrual and recognize a charge to stockholders' equity upon reimbursing our advisor.

Prior Performance Summary

The information presented in this section represents the historical experience of real estate programs managed by Wells Capital, our advisor, and its affiliates. Investors in the Wells REIT should not assume that they will experience returns, if any, comparable to those experienced by investors in such

prior Wells real estate programs.

Of the 14 publicly offered real estate limited partnerships in which Leo F. Wells, III has served as a general partner, 13 of such limited partnerships have completed their respective offerings. These 13 limited partnerships and the year in which each of their offerings was completed are:

1. Wells Real Estate Fund I (1986),
2. Wells Real Estate Fund II (1988),
3. Wells Real Estate Fund II-OW (1988),
4. Wells Real Estate Fund III, L.P. (1990),
5. Wells Real Estate Fund IV, L.P. (1992),
6. Wells Real Estate Fund V, L.P. (1993),
7. Wells Real Estate Fund VI, L.P. (1994),
8. Wells Real Estate Fund VII, L.P. (1995),
9. Wells Real Estate Fund VIII, L.P. (1996),
10. Wells Real Estate Fund IX, L.P. (1996),
11. Wells Real Estate Fund X, L.P. (1997),
12. Wells Real Estate Fund XI, L.P. (1998), and
13. Wells Real Estate Fund XII, L.P. (2001).

In addition to the foregoing real estate limited partnerships, Wells Capital and its affiliates sponsored the initial public offering of shares of common stock of the Wells REIT. The initial public offering of the Wells REIT began on January 30, 1998 and was terminated on December 19, 1999. We received gross proceeds of approximately $132,181,919 from the sale of approximately 13,218,192 shares in our initial public offering.

We commenced our second public offering of shares of common stock of the Wells REIT on December 20, 1999 and terminated the second offering on December 19, 2000. We received gross proceeds of approximately $175,229,193 from the sale of approximately 17,522,919 shares in our second public offering.

We commenced our third public offering of shares of common stock of the Wells REIT on December 20, 2000. As of _____, 2002, we had received gross proceeds of approximately $_____ from the sale of approximately _____ shares in our third public offering.

Wells Capital and its affiliates are also currently sponsoring a public offering of 4,500,000 units on behalf of Wells Real Estate Fund XIII, L.P. (Wells Fund XIII), a public limited partnership. Wells Fund XIII began its offering on March 29, 2001 and, as of _____, 2002, Wells Fund XIII had raised $_____ from _____ investors.

The Prior Performance Tables included in the back of this prospectus set forth information as of the dates indicated regarding certain of these Wells programs as to (1) experience in raising and investing funds (Table I); (2) compensation to sponsor (Table II); (3) annual operating results of prior programs (Table III); and (4) sales or disposals of properties (Table V).

In addition to the real estate programs sponsored by Wells Capital and its affiliates discussed above, they are also sponsoring an index mutual fund that invests in various REIT stocks known as the Wells S&P REIT Index Fund (REIT Fund). The REIT Fund is a mutual fund that seeks to provide investment results corresponding to the performance of the S&P REIT Index by investing in the REIT stocks included in the S&P REIT Index. The REIT Fund began its offering on January 12, 1998 and, as of _____, 2002, the REIT Fund had raised $_____ from _____ investors.

Publicly Offered Unspecified Real Estate Programs

Wells Capital and its affiliates have previously sponsored the above listed 13 publicly offered real estate limited partnerships and are currently sponsoring Wells Fund XIII offered on an unspecified property or "blind pool"

basis. The total amount of funds raised from investors in the offerings of these 14 publicly offered limited partnerships, as of _____, 2002, was approximately $_____, and the total number of investors in such programs was approximately _____.

The investment objectives of each of the other Wells programs are substantially identical to the investment objectives of the Wells REIT. Substantially all of the proceeds of the offerings of Wells Fund I, Wells Fund II, Wells Fund II-OW, Wells Fund III, Wells Fund IV, Wells Fund V, Wells Fund VI, Wells Fund VII, Wells Fund VIII, Wells Fund IX, Wells Fund X, Wells Fund XI and Wells Fund XII available for investment in real properties have been invested in properties. As of _____, 2002, approximately ____% of the aggregate gross rental income of the 13 publicly offered programs listed above was derived from tenants which are corporations, each of which at the time of lease execution had a net worth of at least $100,000,000 or whose lease obligations were guaranteed by another corporation with a net worth of at least $100,000,000.

Because of the cyclical nature of the real estate market, decreases in net income of the public partnerships could occur at any time in the future when economic conditions decline. No assurance can be made that the Wells programs will ultimately be successful in meeting their investment objectives. (See "Risk Factors.")

The aggregate dollar amount of the acquisition and development costs of the properties purchased by the previously sponsored Wells programs, as of December 31, 2001, was $_____ of which $_____ (or approximately ____%) had not yet been expended on the development of certain of the projects which are still under construction. Of the aggregate amount, approximately ___% was or will be spent on acquiring or developing office buildings, and approximately ___% was or will be spent on acquiring or developing shopping centers. Of the aggregate amount, approximately ____% was or will be spent on new properties, ___% on existing or used properties and ___% on construction properties. Following is a table showing a breakdown of the aggregate amount of the acquisition and development costs of the properties purchased by the Wells REIT, Wells Fund XIII and the 13 Wells programs listed above as of _____, 2002:

Type of Property	New	Used	Construction
Office Buildings	___%	____%	____%
Shopping Centers	___%	___%	____%

Wells Fund I terminated its offering on September 5, 1986, and received gross proceeds of $35,321,000 representing subscriptions from 4,895 limited partners. $24,679,000 of the gross proceeds were attributable to sales of Class A Units, and $10,642,000 of the gross proceeds were attributable to sales of Class B Units. Limited partners in Wells Fund I have no right to change the status of their units from Class A to Class B or vice versa. Wells Fund I owns interests in the following properties:

- a three-story medical office building in Atlanta, Georgia;
- a commercial office building in Atlanta, Georgia;
- a shopping center in Knoxville, Tennessee; and
- a project consisting of seven office buildings and a shopping center in Tucker, Georgia.

The prospectus of Wells Fund I provided that the properties purchased by Wells Fund I would typically be held for a period of eight to 12 years, but that the general partners may exercise their discretion as to whether and when to

sell the properties owned by Wells Fund I and that the general partners were under no obligation to sell the properties at any particular time.

Wells Fund I has sold the following properties from its portfolio:

Date of Sale	Property Name	% Ownership	Net Sale Proceeds	Taxable Gain
Aug. 31, 2000	Peachtree Place	90%	$ 633,694	$205,019
Jan. 11, 2001	Crowe's Crossing	100%	$6,569,000	$ 11,496
Oct. 1, 2001	Cherokee Commons	24%	$2,037,315	$ 52,461

Wells Fund I is in the process of marketing its remaining properties for sale.

Wells Fund II and Wells Fund II-OW terminated their offerings on September 7, 1988, and received aggregate gross proceeds of $36,870,250 representing subscriptions from 4,659 limited partners. $28,829,000 of the gross proceeds were attributable to sales of Class A Units, and $8,041,250 of the gross proceeds were attributable to sales of Class B Units. Limited partners in Wells Fund II and Wells Fund II-OW have no right to change the status of their units from Class A to Class B or vice versa. Wells Fund II and Wells Fund II-OW own all of their properties through a joint venture, which owns interests in the following properties:

- a project consisting of seven office buildings and a shopping center in Tucker, Georgia;
- a two-story office building in Charlotte, North Carolina which is currently unoccupied;
- a four-story office building in Houston, Texas, three floors of which are leased to Boeing;
- a restaurant property in Roswell, Georgia leased to Brookwood Grill of Roswell, Inc.; and
- a combined retail and office development in Roswell, Georgia.

The prospectus of Wells Fund II and Wells Fund II-OW provided that the properties purchased by Wells Fund II and Wells Fund II-OW would typically be held for a period of eight to 12 years, but that the general partners may exercise their discretion as to whether and when to sell the properties owned by Wells Fund II and Wells Fund II-OW and that the partnerships were under no obligation to sell their properties at any particular time.

Wells Fund II and Wells Fund II - OW sold the following property from its portfolio in 2001:

Date of Sale	Property Name	% Ownership	Net Sale Proceeds	Taxable Gain
Oct. 1, 2001	Cherokee Commons	54%	$4,601,723	$111,419

Wells Fund II and Wells Fund II - OW are in the process of marketing their remaining properties for sale.

Wells Fund III terminated its offering on October 23, 1990, and

received gross proceeds of $22,206,310 representing subscriptions from 2,700 limited partners. $19,661,770 of the gross proceeds were attributable to sales of Class A Units, and $2,544,540 of the gross proceeds were attributable to sales of Class B Units. Limited partners in Wells Fund III have no right to change the status of their units from Class A to Class B or vice versa. Wells Fund III owns interests in the following properties:

- a four-story office building in Houston, Texas, three floors of which are leased to Boeing;
- a restaurant property in Roswell, Georgia leased to Brookwood Grill of Roswell, Inc.;
- a combined retail and office development in Roswell, Georgia;
- a two-story office building in Greenville, North Carolina;
- a shopping center in Stockbridge, Georgia having Kroger as the anchor tenant; and
- a two-story office building in Richmond, Virginia leased to Reciprocal Group.

The prospectus of Wells Fund III provided that the properties purchased by Wells Fund III would typically be held for a period of eight to 12 years, but that the general partners may exercise their discretion as to whether and when to sell the properties owned by Wells Fund III and that they were under no obligation to sell the properties at any particular time. The general partners of Wells Fund III have decided to begin the process of positioning the properties for sale over the next several years.

Wells Fund IV terminated its offering on February 29, 1992, and received gross proceeds of $13,614,655 representing subscriptions from 1,286 limited partners. $13,229,150 of the gross proceeds were attributable to sales of Class A Units, and $385,505 of the gross proceeds were attributable to sales of Class B Units. Limited partners in Wells Fund IV have no right to change the status of their units from Class A to Class B or vice versa. Wells Fund IV owns interests in the following properties:

- a shopping center in Stockbridge, Georgia having Kroger as the anchor tenant;
- a four-story office building in Jacksonville, Florida leased to IBM and Customized Transportation Inc. (CTI);
- a two-story office building in Richmond, Virginia leased to Reciprocal Group; and
- two two-story office buildings in Stockbridge, Georgia.

Wells Fund V terminated its offering on March 3, 1993, and received gross proceeds of $17,006,020 representing subscriptions from 1,667 limited partners. $15,209,666 of the gross proceeds were attributable to sales of Class A Units, and $1,796,354 of the gross proceeds were attributable to sales of Class B Units. Limited partners in Wells Fund V who purchased Class B Units are entitled to change

the status of their units to Class A, but limited partners who purchased Class A Units are not entitled to change the status of their units to Class B. After taking into effect conversion elections made by limited partners subsequent to their subscription for units, as of December 31, 2001, $15,664,160 of units of Wells Fund V were treated as Class A Units, and $1,341,860 of units were treated as Class B Units. Wells Fund V owns interests in the following properties:

- a four-story office building in Jacksonville, Florida leased to IBM and CTI;
- two two-story office buildings in Stockbridge, Georgia;
- a four-story office building in Hartford, Connecticut leased to Hartford Fire Insurance Company;
- restaurant properties in Stockbridge, Georgia leased to Apple Restaurants, Inc., Taco Mac, Dependable Ins and Tokyo Japanese Steak; and
- a three-story office building in Appleton, Wisconsin leased to Jaako Poyry Fluor Daniel.

Wells Fund VI terminated its offering on April 4, 1994, and received gross proceeds of $25,000,000 representing subscriptions from 1,793 limited partners. $19,332,176 of the gross proceeds were attributable to sales of Class A Units, and $5,667,824 of the gross proceeds were attributable to sales of Class B Units. Limited partners in Wells Fund VI are entitled to change the status of their units from Class A to Class B and vice versa. After taking into effect conversion elections made by limited partners subsequent to their subscription for units, as of December 31, 2001, $22,363,610 of units of Wells Fund VI were treated as Class A Units, and $2,636,390 of units were treated as Class B Units. Wells Fund VI owns interests in the following properties:

- a four-story office building in Hartford, Connecticut leased to Hartford Fire Insurance Company;
- restaurant properties in Stockbridge, Georgia leased to Apple Restaurants, Inc., Taco Mac, Dependable Ins and Tokyo Japanese Steak;
- a restaurant and retail building in Stockbridge, Georgia;
- a shopping center in Stockbridge, Georgia;
- a three-story office building in Appleton, Wisconsin leased to Jaako Poyry Fluor Daniel;
- a combined retail and office development in Roswell, Georgia;
- a four-story office building in Jacksonville, Florida leased to Bellsouth Advertising and Publishing Corporation and American Express Travel Related Services Company, Inc.; and
- a shopping center in Clemmons, North Carolina having Harris Teeter, Inc. as the anchor tenant.

The prospectus of Wells Fund VI provided that the properties purchased by Wells Fund VI would typically be held for a period of eight to 12 years, but that the general partners may exercise their discretion as to whether and when to sell the properties owned by Wells Fund VI and that the general partners were under no obligation to sell the properties at any particular time.

Wells Fund VI sold its interest in the following property in 2001:

Date of Sale	Property Name	% Ownership	Net Sale Proceeds	Taxable Gain
Oct. 1, 2001	Cherokee Commons	11%	$903,122	$21,867

Wells Fund VII terminated its offering on January 5, 1995, and received gross proceeds of $24,180,174 representing subscriptions from 1,910 limited partners. $16,788,095 of the gross proceeds were attributable to sales of Class A Units, and $7,392,079 of the gross proceeds were attributable to sales of Class B Units. Limited partners in Wells Fund VII are entitled to change the status of their units from Class A to Class B and vice versa. After taking into effect conversion elections made by limited partners subsequent to their subscriptions for units, as of December 31, 2001, $20,670,201 of units in Wells Fund VII were treated as Class A Units, and $3,509,973 of units were treated as Class B Units. Wells Fund VII owns interests in the following properties:

- a three-story office building in Appleton, Wisconsin leased to Jaako Poyry Fluor Daniel;
- a restaurant and retail building in Stockbridge, Georgia;
- a shopping center in Stockbridge, Georgia;
- a combined retail and office development in Roswell, Georgia;
- a two-story office building in Alachua County, Florida near Gainesville leased to CH2M Hill, Engineers, Planners, Economists, Scientists;
- a four-story office building in Jacksonville, Florida leased to Bellsouth Advertising and Publishing Corporation and American Express Travel Related Services Company, Inc.;
- a shopping center in Clemmons, North Carolina having Harris Teeter, Inc. as the anchor tenant; and
- a retail development in Clayton County, Georgia.

Wells Fund VII sold its interest in the following property in 2001:

Date of Sale	Property Name	% Ownership	Net Sale Proceeds	Taxable Gain
Oct. 1, 2001	Cherokee Commons	11%	$903,122	$21,867

Wells Fund VIII terminated its offering on January 4, 1996, and received gross proceeds of $32,042,689 representing subscriptions from 2,241 limited partners. $26,135,339 of the gross proceeds were attributable to sales of Class A Units, and $5,907,350 were attributable to sales of Class B Units. Limited partners in Wells Fund VIII are entitled to change the status of their units from Class A to Class B and vice versa. After taking into effect conversion elections made by limited partners subsequent to their subscriptions for units and certain repurchases made by Wells Fund VIII, as of December 31, 2001, $28,065,187 of units in Wells Fund VIII were treated as Class A Units, and $3,967,502 of units were treated as Class B Units. Wells Fund VIII owns interests in the following properties:

- a two-story office building in Alachua County, Florida near Gainsville leased to CH2M Hill, Engineers, Planners, Economists, Scientists;

- a four-story office building in Jacksonville, Florida leased to Bellsouth Advertising and Publishing Corporation and American Express Travel Related Services Company, Inc.;
- a shopping center in Clemmons, North Carolina having Harris

Teeter, Inc. as the anchor tenant;

- a retail development in Clayton County, Georgia;
- a four-story office building in Madison, Wisconsin leased to US Cellular, a subsidiary of Bellsouth Corporation;
- a one-story office building in Farmers Branch, Texas leased to TCI Valwood Limited Partnership I;
- a two-story office building in Orange County, California leased to Quest Software, Inc.; and
- a two-story office building in Boulder County, Colorado leased to Cirrus Logic, Inc.

Wells Fund IX terminated its offering on December 30, 1996, and received gross proceeds of $35,000,000 representing subscriptions from 2,098 limited partners. $29,359,310 of the gross proceeds were attributable to sales of Class A Units, and $5,640,690 were attributable to sales of Class B Units. After taking into effect conversion elections made by limited partners subsequent to their subscriptions for units, as of December 31, 2001, $31,364,290 of units in Wells Fund IX were treated as Class A Units, and $3,635,710 of units were treated as Class B Units. Wells Fund IX owns interests in the following properties:

- a one-story office building in Farmers Branch, Texas leased to TCI Valwood Limited Partnership I;
- a four-story office building in Madison, Wisconsin leased to US Cellular, a subsidiary of Bellsouth Corporation;
- a two-story office building in Orange County, California leased to Quest Software, Inc.;
- a two-story office building in Boulder County, Colorado leased to Cirrus Logic, Inc.;
- a two-story office building in Boulder County, Colorado leased to Ohmeda, Inc.;
- a three-story office building in Knox County, Tennessee leased to Alstom Power, Inc.;
- a one-story office and warehouse building in Weber County, Utah leased to Iomega Corporation;
- a three-story office building in Boulder County, Colorado; and
- one-story office building in Oklahoma City, Oklahoma leased to Avaya, Inc.

Certain financial information for Wells Fund IX is summarized below:

	2001	2000	1999	1998	1997
Gross Revenues	$1,874,290	$1,836,768	$1,593,734	$1,561,456	$1,199,300
Net Income	$1,768,474	$1,758,676	$1,490,331	$1,449,955	$1,091,766

Wells Fund X terminated its offering on December 30, 1997, and received gross proceeds of $27,128,912 representing subscriptions from 1,806 limited partners. $21,160,992 of the gross proceeds were contributable to sales of Class A Units, and $5,967,920 were attributable to sales of Class B Units. After taking into effect conversion elections made by limited partners subsequent to their subscriptions for units, as of December 31, 2001, $23,166,181 of units in Wells Fund X were treated as Class A Units and $3,962,731 of units were treated as Class B Units. Wells Fund X owns interests in the following properties:

- a three-story office building in Knox County, Tennessee leased to Alstom Power, Inc.;
- a two-story office building in Boulder County, Colorado leased to Ohmeda, Inc.;
- a one-story office and warehouse building in Weber County, Utah leased to Iomega Corporation;
- a three-story office building in Boulder County, Colorado;
- , a one-story office building in Oklahoma City, Oklahoma leased to Avaya, Inc.;
- a one-story office and warehouse building in Orange County, California leased to Cort Furniture Rental Corporation; and
- a two-story office and manufacturing building in Alameda County, California leased to Fairchild Technologies U.S.A., Inc.

Certain financial information for Wells Fund X is summarized below:

	2001	2000	1999	1998	1997
Gross Revenues	$1,559,026	$1,557,518	$1,309,281	$1,204,597	$372,507
Net Income	$1,449,849	$1,476,180	$1,192,318	$1,050,329	$278,025

Wells Fund XI terminated its offering on December 30, 1998, and received gross proceeds of $16,532,802 representing subscriptions from 1,345 limited partners. $13,029,424 of the gross proceeds were attributable to sales of Class A Units and $3,503,378 were attributable to sales of Class B Units. After taking into effect conversion elections made by limited partners subsequent to their subscriptions for units, as of December 31, 2001, $13,462,560 of units in Wells Fund XI were treated as Class A Units and $3,070,242 of units were treated as Class B Units. Wells Fund XI owns interests in the following properties:

- a three-story office building in Knox County, Tennessee leased to Alstom Power, Inc.;
- a one-story office building in Oklahoma City, Oklahoma leased to Avaya, Inc.;
- a two-story office building in Boulder County, Colorado leased to Ohmeda, Inc.;
- a three-story office building in Boulder County, Colorado;
- a one-story office and warehouse building in Weber County, Utah leased to Iomega Corporation;
- a one-story office and warehouse building in Orange County, California leased to Cort Furniture Rental Corporation;

- a two-story office and manufacturing building in Alameda County, California leased to Fairchild Technologies U.S.A., Inc.;
- a two-story manufacturing and office building in Greenville County, South Carolina leased to EYBL CarTex, Inc.;
- a three-story office building in Johnson County, Kansas leased to Sprint Communications Company L.P.;
- a two-story research and development office and warehouse building in Chester County, Pennsylvania leased to Johnson Matthey, Inc.; and
- a two-story office building in Fort Myers, Florida leased to Gartner Group, Inc.

Certain financial information for Wells Fund XI is summarized below:

	2001	2000	1999	1998
Gross Revenues	$960,676	$975,850	$766,586	$262,729
Net Income	$870,350	$895,989	$630,528	$143,295

Wells Fund XII terminated its offering on March 21, 2001, and received gross proceeds of $35,611,192 representing subscriptions from 1,333 limited partners. $26,888,609 of the gross proceeds were attributable to sales of cash preferred units and $8,722,583 were attributable to sales of tax preferred. After taking into effect conversion elections made by limited partners subsequent to their subscriptions for units, as of December 31, 2001, $27,786,067 of units in Wells Fund XII were treated as cash preferred units and $7,825,125 of units were treated as tax preferred units. Wells Fund XII owns interests in the following properties:

- a two-story manufacturing and office building in Greenville County, South Carolina leased to EYBL CarTex, Inc.;
- a three-story office building in Johnson County, Kansas leased to Sprint Communications Company L.P.;
- a two-story research and development office and warehouse building in Chester County, Pennsylvania leased to Johnson Matthey, Inc.;
- a two-story office building in Fort Myers, Florida leased to Gartner Group, Inc.;
- a three-story office building in Troy, Michigan leased to Siemens Automotive Corporation;
- a one-story office building and a connecting two-story office building in Oklahoma City, Oklahoma leased to AT&T Corp. and Jordan Associates, Inc.; and
- a three-story office building in Brentwood, Tennessee leased to Comdata Network, Inc.

Certain financial information for Wells Fund XII is summarized below:

	2001	2000	1999

Gross Revenues	$1,661,194	$929,868	$160,379
Net Income	$1,555,418	$856,228	$122,817

Wells Fund XIII began its offering on March 29, 2001. As of _____, 2002, Wells Fund XIII had received gross proceeds of $_____ representing subscriptions from _____ limited partners. $_____ of the gross proceeds were attributable to sales of cash preferred units and $_____ were attributable to sales of tax preferred units. Wells Fund XIII owns interests in the following properties:

- a two-story office building in Orange Park, Florida leased to AmeriCredit Financial Services Corporation; and
- two connected one-story office and assembly buildings in Parker, Colorado leased to Advanced Digital Information Corporation.

The information set forth above should not be considered indicative of results to be expected from the Wells REIT.

The foregoing properties in which the above 14 limited partnerships have invested have all been acquired on an all cash basis.

Leo F. Wells, III and Wells Partners, L.P. are the general partners of Wells Fund IV, Wells Fund V, Wells Fund VI, Wells Fund VII, Wells Fund VIII, Wells Fund IX, Wells Fund X, Wells Fund XI and Wells Fund XII. Wells Capital, which is the general partner of Wells Partners, L.P., and Leo F. Wells, III are the general partners of Wells Fund I, Wells Fund II, Wells Fund II-OW, Wells Fund III and Wells Fund XIII.

Potential investors are encouraged to examine the Prior Performance Tables included in the back of the prospectus for more detailed information regarding the prior experience of the sponsors. In addition, upon request, prospective investors may obtain from us without charge copies of offering materials and any reports prepared in connection with any of the Wells programs, including a copy of the most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission. For a reasonable fee, we will also furnish upon request copies of the exhibits to any such Form 10-K. Any such request should be directed to our secretary. Additionally, Table VI contained in Part II of the registration statement, which is not part of this prospectus, gives certain additional information relating to properties acquired by the Wells programs. We will furnish, without charge, copies of such table upon request.

Federal Income Tax Considerations

General

The following is a summary of material federal income tax considerations associated with an investment in the shares. This summary does not address all possible tax considerations that may be material to an investor and does not constitute tax advice. Moreover, this summary does not deal with all tax aspects that might be relevant to you, as a prospective stockholder, in light of your personal circumstances; nor does it deal with particular types of stockholders that are subject to special treatment under the Internal Revenue Code, such as insurance companies, tax-exempt organizations, financial institutions or broker-dealers, or foreign corporations or persons who are not citizens or residents of the United States (Non-US Stockholders). The Internal Revenue Code provisions governing the federal income tax treatment of REITs are highly technical and complex, and this summary is qualified in its entirety by the express language of applicable Internal Revenue Code provisions, Treasury Regulations promulgated thereunder and administrative and judicial interpretations thereof.

We urge you, as a prospective investor, to consult your own tax advisor regarding the specific tax consequences to you of a purchase of shares, ownership and sale of the shares and of our election to be taxed as a REIT, including the federal, state, local, foreign and other tax consequences of such purchase, ownership, sale and election.

Opinion of Counsel

Holland & Knight LLP has acted as our counsel, has reviewed this summary and is of the opinion that it fairly summarizes the federal income tax considerations addressed that are material to stockholders. It is also the opinion of our counsel that it is more likely than not that we qualified to be taxed as a REIT under the Internal Revenue Code for our taxable year ended December 31, 2001, provided that we have operated and will continue to operate in accordance with various assumptions and the factual representations we made to counsel concerning our business, properties and operations. It must be emphasized that Holland & Knight LLP's opinion is based on various assumptions and is conditioned upon the assumptions and representations we made concerning our business and properties. Moreover, our qualification for taxation as a REIT depends on our ability to meet the various qualification tests imposed under the Internal Revenue Code discussed below, the results of which will not be reviewed by Holland & Knight LLP. Accordingly, we cannot assure you that the actual results of our operations for any one taxable year will satisfy these requirements. (See "Risk Factors - Failure to Qualify as a REIT.")

The statements made in this section of the prospectus and in the opinion of Holland & Knight LLP are based upon existing law and Treasury Regulations, as currently applicable, currently published administrative positions of the Internal Revenue Service and judicial decisions, all of which are subject to change, either prospectively or retroactively. We cannot assure you that any changes will not modify the conclusions expressed in our counsel's opinion. Moreover, an opinion of counsel is not binding on the Internal Revenue Service and we cannot assure you that the Internal Revenue Service will not successfully challenge our status as a REIT.

Taxation of the Company

If we qualify for taxation as a REIT, we generally will not be subject to federal corporate income taxes on that portion of our ordinary income or capital gain that we distribute currently to our stockholders, because the REIT provisions of the Internal Revenue Code generally allow a REIT to deduct distributions paid to its stockholders. This substantially eliminates the federal "double taxation" on earnings (taxation at both the corporate level and stockholder level) that usually results from an investment in a corporation.

Even if we qualify for taxation as a REIT, however, we will be subject to federal income taxation as follows:

- we will be taxed at regular corporate rates on our undistributed REIT taxable income, including undistributed net capital gains;
- under some circumstances, we will be subject to "alternative minimum tax";
- if we have net income from the sale or other disposition of "foreclosure property" that is held primarily for sale to customers in the ordinary course of business or other non-qualifying income from foreclosure property, we will be subject to tax at the highest corporate rate on that income;

- if we have net income from prohibited transactions (which are, in general, sales or other dispositions of property other than foreclosure property held primarily for sale to customers in the ordinary course of business), the income will be subject to a 100% tax;

- if we fail to satisfy either of the 75% or 95% gross income tests (discussed below) but have nonetheless maintained our qualification as a REIT because certain conditions have been met, we will be subject to a 100% tax on an amount equal to the greater of the amount by which we fail the 75% or 95% test multiplied by a fraction calculated to reflect our profitability;

- if we fail to distribute during each year at least the sum of (1) 85% of our REIT ordinary income for the year, (2) 95% of our REIT capital gain net income for such year, and (3) any undistributed taxable income from prior periods, we will be subject to a 4% excise tax on the excess of the required distribution over the amounts actually distributed; and

- if we acquire any asset from a C corporation (i.e., a corporation generally subject to corporate-level tax) in a carryover-basis transaction and we subsequently recognize gain on the disposition of the asset during the 10-year period beginning on the date on which we acquired the asset, then a portion of the gains may be subject to tax at the highest regular corporate rate, pursuant to guidelines issued by the Internal Revenue Service (Built-In-Gain Rules).

Requirements for Qualification as a REIT

We elected to be taxable as a REIT for our taxable year ended December 31, 1998. In order for us to qualify as a REIT, however, we had to meet and we must continue to meet the requirements discussed below relating to our organization, sources of income, nature of assets and distributions of income to our stockholders.

Organizational Requirements

In order to qualify for taxation as a REIT under the Internal Revenue Code, we must:

- be a domestic corporation;

- elect to be taxed as a REIT and satisfy relevant filing and other administrative requirements;

- be managed by one or more trustees or directors;

- have transferable shares;

- not be a financial institution or an insurance company;

- use a calendar year for federal income tax purposes;

- have at least 100 stockholders for at least 335 days of each taxable year of 12 months; and

- not be closely held.

As a Maryland corporation, we satisfy the first requirement, and we have filed an election to be taxed as a REIT with the IRS. In addition, we are

managed by a board of directors, we have transferable shares and we do not intend to operate as a financial institution or insurance company. We utilize the calendar year for federal income tax purposes, and we have more than 100 stockholders. We would be treated as closely held only if five or fewer individuals or certain tax-exempt entities own, directly or indirectly, more than 50% (by value) of our shares at any time during the last half of our taxable year. For purposes of the closely-held test, the Internal Revenue Code generally permits a look-through for pension funds and certain other tax-exempt entities to the beneficiaries of the entity to determine if the REIT is closely held. Five or fewer individuals or tax-exempt entities have never owned more than 50% of our outstanding shares during the last half of any taxable year.

We are authorized to refuse to transfer our shares to any person if the sale or transfer would jeopardize our ability to satisfy the REIT ownership requirements. There can be no assurance that a refusal to transfer will be effective. However, based on the foregoing, we should currently satisfy the organizational requirements, including the share ownership requirements. Notwithstanding compliance with the share ownership requirements outlined above, tax-exempt stockholders may be required to treat all or a portion of their distributions from us as "unrelated business taxable income" if tax-exempt stockholders, in the aggregate, exceed certain ownership thresholds set forth in the Internal Revenue Code. (See "Taxation of Tax-Exempt Stockholders.")

Ownership of Interests in Partnerships and Qualified REIT Subsidiaries

In the case of a REIT that is a partner in a partnership, Treasury Regulations provide that the REIT is deemed to own its proportionate share, based on its interest in partnership capital, of the assets of the partnership and is deemed to have earned its allocable share of partnership income. Also, if a REIT owns a qualified REIT subsidiary, which is defined as a corporation wholly-owned by a REIT, the REIT will be deemed to own all of the subsidiary's assets and liabilities and it will be deemed to be entitled to treat the income of that subsidiary as its own. In addition, the character of the assets and gross income of the partnership or qualified REIT subsidiary shall retain the same character in the hands of the REIT for purposes of satisfying the gross income tests and asset tests set forth in the Internal Revenue Code.

Operational Requirements - Gross Income Tests

To maintain our qualification as a REIT, we must satisfy annually two gross income requirements.

- At least 75% of our gross income, excluding gross income from prohibited transactions, for each taxable year must be derived directly or indirectly from investments relating to real property or mortgages on real property. Gross income includes "rents from real property" and, in some circumstances, interest, but excludes gross income from dispositions of property held primarily for sale to customers in the ordinary course of a trade or business. Such dispositions are referred to as "prohibited transactions." This is the 75% Income Test.

- At least 95% of our gross income, excluding gross income from prohibited transactions, for each taxable year must be derived from the real property investments described above and from distributions, interest and gains from the sale or disposition of stock or securities or from any combination of the foregoing. This is the 95% Income Test.

- The rents we receive or that we are deemed to receive qualify as "rents from real property" for purposes of satisfying the gross income requirements for a REIT only if the following conditions are met:

- the amount of rent received from a tenant generally must not be based in whole or in part on the income or profits of any person, however, an amount received or accrued generally will not be excluded from the term "rents from real property" solely by reason of being based on a fixed percentage or percentages of gross receipts or sales;

- rents received from a tenant will not qualify as "rents from real property" if an owner of 10% or more of the REIT directly or constructively owns 10% or more of the tenant (a "Related Party Tenant") or a subtenant of the tenant (in which case only rent attributable to the subtenant is disqualified);

- if rent attributable to personal property leased in connection with a lease of real property is greater than 15% of the total rent received under the lease, then the portion of rent attributable to the personal property will not qualify as "rents from real property"; and

- the REIT must not operate or manage the property or furnish or render services to tenants, other than through an "independent contractor" who is adequately compensated and from whom the REIT does not derive any income. However, a REIT may provide services with respect to its properties, and the income derived therefrom will qualify as "rents from real property," if the services are "usually or customarily rendered" in connection with the rental of space only and are not otherwise considered "rendered to the occupant." Even if the services with respect to a property are impermissible tenant services, the income derived therefrom will qualify as "rents from real property" if such income does not exceed one percent of all amounts received or accrued with respect to that property.

Prior to the making of investments in properties, we may satisfy the 75% Income Test and the 95% Income Test by investing in liquid assets such as government securities or certificates of deposit, but earnings from those types of assets are qualifying income under the 75% Income Test only for one year from the receipt of proceeds. Accordingly, to the extent that offering proceeds have not been invested in properties prior to the expiration of this one year period, in order to satisfy the 75% Income Test, we may invest the offering proceeds in less liquid investments such as mortgage-backed securities, maturing mortgage loans purchased from mortgage lenders or shares in other REITs. We expect to receive proceeds from the offering in a series of closings and to trace those proceeds for purposes of determining the one year period for "new capital investments." No rulings or regulations have been issued under the provisions of the Internal Revenue Code governing "new capital investments," however, so that there can be no assurance that the Internal Revenue Service will agree with this method of calculation.

Except for amounts received with respect to certain investments of cash reserves, we anticipate that substantially all of our gross income will be from sources that will allow us to satisfy the income tests described above; however, we can make no assurance in this regard.

Notwithstanding our failure to satisfy one or both of the 75% Income and the 95% Income Tests for any taxable year, we may still qualify as a REIT for that year if we are eligible for relief under specific provisions of the Internal Revenue Code. These relief provisions generally will be available if:

- our failure to meet these tests was due to reasonable cause and not due to willful neglect;

- we attach a schedule of our income sources to our federal income tax return; and

- any incorrect information on the schedule is not due to fraud with intent to evade tax.

It is not possible, however, to state whether, in all circumstances, we would be entitled to the benefit of these relief provisions. For example, if we fail to satisfy the gross income tests because nonqualifying income that we intentionally earn exceeds the limits on this income, the Internal Revenue Service could conclude that our failure to satisfy the tests was not due to reasonable cause. As discussed above in "Taxation of the Company," even if these relief provisions apply, a tax would be imposed with respect to the excess net income.

Operational Requirements - Asset Tests

At the close of each quarter of our taxable year, we also must satisfy three tests (Asset Tests) relating to the nature and diversification of our assets.

- First, at least 75% of the value of our total assets must be represented by real estate assets, cash, cash items and government securities. The term "real estate assets" includes real property, mortgages on real property, shares in other qualified REITs and a proportionate share of any real estate assets owned by a partnership in which we are a partner or of any qualified REIT subsidiary of ours.

- Second, no more than 25% of our total assets may be represented by securities other than those in the 75% asset class.

- Third, of the investments included in the 25% asset class, the value of any one issuer's securities that we own may not exceed 5% of the value of our total assets. Additionally, we may not own more than 10% of any one issuer's outstanding voting securities, or securities having a value of more than 10% of the total value of the outstanding securities of any one issuer.

These tests must generally be met for any quarter in which we acquire securities. Further, if we meet the Asset Tests at the close of any quarter, we will not lose our REIT status for a failure to satisfy the Asset Tests at the end of a later quarter if such failure occurs solely because of changes in asset values. If our failure to satisfy the Asset Tests results from an acquisition of securities or other property during a quarter, we can cure the failure by disposing of a sufficient amount of nonqualifying assets within 30 days after the close of that quarter. We maintain, and will continue to maintain, adequate records of the value of our assets to ensure compliance with the Asset Tests and will take other action within 30 days after the close of any quarter as may be required to cure any noncompliance.

Operational Requirements - Annual Distribution Requirement

In order to be taxed as a REIT, we are required to make dividend distributions, other than capital gain distributions, to our stockholders each year in the amount of at least 90% of our REIT taxable income (computed without regard to the dividends paid deduction and our capital gain and subject to certain other potential adjustments).

While we must generally pay dividends in the taxable year to which they relate, we may also pay dividends in the following taxable year if (1) they are declared before we timely file our federal income

tax return for the taxable year in question, and if (2) they are paid on or before the first regular dividend payment date after the declaration.

Even if we satisfy the foregoing dividend distribution requirement and, accordingly, continue to qualify as a REIT for tax purposes, we will still be subject to tax on the excess of our net capital gain and our REIT taxable income, as adjusted, over the amount of dividends distributed to stockholders.

In addition, if we fail to distribute during each calendar year at least the sum of:

- 85% of our ordinary income for that year;
- 95% of our capital gain net income other than the capital gain net income which we elect to retain and pay tax on for that year; and
- any undistributed taxable income from prior periods;

we will be subject to a 4% excise tax on the excess of the amount of such required distributions over amounts actually distributed during such year.

We intend to make timely distributions sufficient to satisfy this requirement; however, we may possibly experience timing differences between (1) the actual receipt of income and payment of deductible expenses, and (2) the inclusion of that income. We may also possibly be allocated a share of net capital gain attributable to the sale of depreciated property that exceeds our allocable share of cash attributable to that sale.

In such circumstances, we may have less cash than is necessary to meet our annual distribution requirement or to avoid income or excise taxation on certain undistributed income. We may find it necessary in such circumstances to arrange for financing or raise funds through the issuance of additional shares in order to meet our distribution requirements, or we may make taxable stock distributions to meet the distribution requirement.

If we fail to satisfy the distribution requirement for any taxable year by reason of a later adjustment to our taxable income made by the Internal Revenue Service, we may be able to pay "deficiency dividends" in a later year and include such distributions in our deductions for dividends paid for the earlier year. In such event, we may be able to avoid being taxed on amounts distributed as deficiency dividends, but we would be required in such circumstances to pay interest to the Internal Revenue Service based upon the amount of any deduction taken for deficiency dividends for the earlier year.

As noted above, we may also elect to retain, rather than distribute, our net long-term capital gains. The effect of such an election would be as follows:

- we would be required to pay the tax on these gains;
- stockholders, while required to include their proportionate share of the undistributed long-term capital gains in income, would receive a credit or refund for their share of the tax paid by the REIT; and
- the basis of a stockholder's shares would be increased by the amount of our undistributed long-term capital gains (minus the amount of capital gains tax we pay) included in the stockholder's long-term capital gains.

In computing our REIT taxable income, we will use the accrual method of accounting and depreciate depreciable property under the alternative depreciation system. We are required to file an annual federal income tax return, which, like other corporate returns, is subject to examination by the Internal Revenue Service. Because the tax law requires us to make many judgments regarding the proper treatment of a transaction or an item of income or deduction, it is possible that the Internal Revenue Service will challenge positions we take in computing our REIT taxable income and our distributions. Issues could arise, for example, with respect to the allocation of the purchase price of properties between depreciable or amortizable assets and nondepreciable or non-amortizable assets such as land and the current deductibility of fees paid to Wells Capital or its affiliates. Were the Internal Revenue Service to successfully challenge our characterization of a transaction or determination of our REIT taxable income, we could be found to have failed to satisfy a requirement for qualification as a REIT. If, as a result of a challenge, we are determined to have failed to satisfy the distribution requirements for a taxable year, we would be disqualified as a REIT, unless we were permitted to pay a deficiency distribution to our stockholders and pay interest thereon to the Internal Revenue Service, as provided by the Internal Revenue Code. A deficiency distribution cannot be used to satisfy the distribution requirement, however, if the failure to meet the requirement is not due to a later adjustment to our income by the Internal Revenue Service.

Operational Requirements - Recordkeeping

In order to continue to qualify as a REIT, we must maintain certain records as set forth in applicable Treasury Regulations. Further, we must request, on an annual basis, certain information designed to disclose the ownership of our outstanding shares. We intend to comply with such requirements.

Failure to Qualify as a REIT

If we fail to qualify as a REIT for any reason in a taxable year and applicable relief provisions do not apply, we will be subject to tax (including any applicable alternative minimum tax) on our taxable income at regular corporate rates. We will not be able to deduct dividends paid to our stockholders in any year in which we fail to qualify as a REIT. We also will be disqualified for the four taxable years following the year during which qualification was lost unless we are entitled to relief under specific statutory provisions. (See "Risk Factors - Federal Income Tax Risks.")

Sale-Leaseback Transactions

Some of our investments may be in the form of sale-leaseback transactions. In most instances, depending on the economic terms of the transaction, we will be treated for federal income tax purposes as either the owner of the property or the holder of a debt secured by the property. We do not expect to request an opinion of counsel concerning the status of any leases of properties as true leases for federal income tax purposes.

The Internal Revenue Service may take the position that a specific sale-leaseback transaction, which we treat as a true lease, is not a true lease for federal income tax purposes but is, instead, a financing arrangement or loan. We may also structure some sale-leaseback transactions as loans. In this event, for purposes of the Asset Tests and the 75% Income Test, each such loan likely would be viewed as secured by real property to the extent of the fair market value of the underlying property. We expect that, for this purpose, the fair market value of the underlying property would be determined without taking into account our lease. If a sale-leaseback transaction were so recharacterized, we might fail to satisfy the Asset Tests or the Income Tests and, consequently, lose our REIT status effective with the year

of recharacterization. Alternatively, the amount of our REIT taxable income

could be recalculated which might also cause us to fail to meet the distribution requirement for a taxable year.

Taxation of U.S. Stockholders

Definition

In this section, the phrase "U.S. stockholder" means a holder of shares that for federal income tax purposes:

- is a citizen or resident of the United States;
- is a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof;
- is an estate or trust, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust.

For any taxable year for which we qualify for taxation as a REIT, amounts distributed to taxable U.S. stockholders will be taxed as described below.

Distributions Generally

Distributions to U.S. stockholders, other than capital gain distributions discussed below, will constitute dividends up to the amount of our current or accumulated earnings and profits and will be taxable to the stockholders as ordinary income. These distributions are not eligible for the dividends received deduction generally available to corporations. To the extent that we make a distribution in excess of our current or accumulated earnings and profits, the distribution will be treated first as a tax-free return of capital, reducing the tax basis in each U.S. stockholder's shares, and the amount of each distribution in excess of a U.S. stockholder's tax basis in its shares will be taxable as gain realized from the sale of its shares. Distributions that we declare in October, November or December of any year payable to a stockholder of record on a specified date in any of these months will be treated as both paid by us and received by the stockholder on December 31 of the year, provided that we actually pay the distribution no later than January 31 of the following calendar year. U.S. stockholders may not include any of our losses on their own federal income tax returns.

We will be treated as having sufficient earnings and profits to treat as a dividend any distribution by us up to the amount required to be distributed in order to avoid imposition of the 4% excise tax discussed above. Moreover, any "deficiency distribution" will be treated as an ordinary or capital gain distribution, as the case may be, regardless of our earnings and profits. As a result, stockholders may be required to treat as taxable some distributions that would otherwise result in a tax-free return of capital.

Capital Gain Distributions

Distributions to U.S. stockholders that we properly designate as capital gain distributions will be treated as long-term capital gains to the extent they do not exceed our actual net capital gain, for the taxable year without regard to the period for which the U.S. stockholder has held his stock.

Passive Activity Loss and Investment Interest Limitations

Our distributions and any gain you realize from a disposition of shares

will not be treated as passive activity income, and stockholders may not be able to utilize any of their "passive losses" to offset this income in their personal tax returns. Our distributions (to the extent they do not constitute a return of capital) will generally be treated as investment income for purposes of the limitations on the deduction of investment interest. Net capital gain from a disposition of shares and capital gain distributions generally will be included in investment income for purposes of the investment interest deduction limitations only if, and to the extent, you so elect, in which case any such capital gains will be taxed as ordinary income.

Certain Dispositions of the Shares

In general, any gain or loss realized upon a taxable disposition of shares by a U.S. stockholder who is not a dealer in securities will be treated as long-term capital gain or loss if the shares have been held for more than 12 months and as short-term capital gain or loss if the shares have been held for 12 months or less. If, however, a U.S. stockholder has received any capital gains distributions with respect to his shares, any loss realized upon a taxable disposition of shares held for six months or less, to the extent of the capital gains distributions received with respect to his shares, will be treated as long-term capital loss. Also, the Internal Revenue Service is authorized to issue Treasury Regulations that would subject a portion of the capital gain a U.S. stockholder recognizes from selling his shares or from a capital gain distribution to a tax at a 25% rate, to the extent the capital gain is attributable to depreciation previously deducted.

Information Reporting Requirements and Backup Withholding for U.S. Stockholders

Under some circumstances, U.S. stockholders may be subject to backup withholding at a rate of 31% on payments made with respect to, or cash proceeds of a sale or exchange of, our shares. Backup withholding will apply only if the stockholder:

- fails to furnish his or her taxpayer identification number (which, for an individual, would be his or her Social Security Number);
- furnishes an incorrect tax identification number;
- is notified by the Internal Revenue Service that he or she has failed properly to report payments of interest and distributions or is otherwise subject to backup withholding; or
- under some circumstances, fails to certify, under penalties of perjury, that he or she has furnished a correct tax identification number and that (a) he or she has not been notified by the Internal Revenue Service that he or she is subject to backup withholding for failure to report interest and distribution payments or (b) he or she has been notified by the Internal Revenue Service that he or she is no longer subject to backup withholding.

Backup withholding will not apply with respect to payments made to some stockholders, such as corporations and tax-exempt organizations. Backup withholding is not an additional tax. Rather, the amount of any backup withholding with respect to a payment to a U.S. stockholder will be allowed as a credit against the U.S. stockholder's U.S. federal income tax liability and may entitle the U.S. stockholder to a refund, provided that the required information is furnished to the Internal Revenue Service. U.S. stockholders should consult their own tax advisors regarding their qualifications for exemption from backup withholding and the procedure for obtaining an exemption.

Treatment of Tax-Exempt Stockholders

Tax-exempt entities such as employee pension benefit trusts, individual retirement accounts, charitable remainder trusts, etc. generally are exempt from federal income taxation. Such entities are subject to taxation, however, on any "unrelated business taxable income" (UBTI), as defined in the Internal Revenue Code. Our payment of dividends to a tax-exempt employee pension benefit trust or other domestic tax-exempt stockholder generally will not constitute UBTI to such stockholder unless such stockholder has borrowed to acquire or carry its shares.

In the event that we are deemed to be "predominately held" by qualified employee pension benefit trusts that each hold more than 10% (in value) of our shares, such stockholders would be required to treat a percentage of the dividend distributions paid to them as UBTI. We would be deemed to be "predominately held" by such trusts if either (1) one employee pension benefit trust owns more than 25% in value of our shares, or (2) any group of such trusts, each owning more than 10% in value of our shares, holds in the aggregate more than 50% in value of our shares. If either of these ownership thresholds were ever exceeded, any qualified employee pension benefit trust holding more than 10% in value of our shares would be subject to tax on that portion of our dividend distributions made to it which is equal to the percentage of our income which would be UBTI if we, ourselves, were a qualified trust, rather than a REIT. We will attempt to monitor the concentration of ownership of employee pension benefit trusts in our shares, and we do not expect our shares to be deemed to be "predominately held" by qualified employee pension benefit trusts, as defined in the Internal Revenue Code, to the extent required to trigger the treatment of our income as UBTI to such trusts.

For social clubs, voluntary employee benefit associations, supplemental unemployment benefit trusts and qualified group legal services plans exempt from federal income taxation under Sections 501(c)(7), (c)(9), (c)(17) and (c)(20) of the Internal Revenue Code, respectively, income from an investment in our shares will constitute UBTI unless the stockholder in question is able to deduct amounts "set aside" or placed in reserve for certain purposes so as to offset the UBTI generated. Any such organization that is a prospective investor in our shares should consult its own tax advisor concerning these "set aside" and reserve requirements.

Special Tax Considerations for Non-U.S. Stockholders

The rules governing U.S. income taxation of non-resident alien individuals, foreign corporations, foreign partnerships and foreign trusts and estates (collectively, "Non-U.S. stockholders") are complex. The following discussion is intended only as a summary of these rules. Non-U.S. stockholders should consult with their own tax advisors to determine the impact of federal, state and local income tax laws on an investment in our shares, including any reporting requirements.

Income Effectively Connected With a U.S. Trade or Business

In general, Non-U.S. stockholders will be subject to regular U.S. federal income taxation with respect to their investment in our shares if the income derived therefrom is "effectively connected" with the Non-U.S. stockholder's conduct of a trade or business in the United States. A corporate Non-U.S. stockholder that receives income that is (or is treated as) effectively connected with a U.S. trade or business also may be subject to a branch profits tax under Section 884 of the Internal Revenue Code, which is payable in addition to the regular U.S. federal corporate income tax.

The following discussion will apply to Non-U.S. stockholders whose income derived from ownership of our shares is deemed to be not "effectively connected" with a U.S. trade or business.

Distributions Not Attributable to Gain From the Sale or Exchange of a United States Real Property Interest

A distribution to a Non-U.S. stockholder that is not attributable to gain realized by us from the sale or exchange of a United States real property interest and that we do not designate as a capital gain distribution will be treated as an ordinary income distribution to the extent that it is made out of current or accumulated earnings and profits. Generally, any ordinary income distribution will be subject to a U.S. federal income tax equal to 30% of the gross amount of the distribution unless this tax is reduced by the provisions of an applicable tax treaty. Any such distribution in excess of our earnings and profits will be treated first as a return of capital that will reduce each Non-U.S. stockholder's basis in its shares (but not below zero) and then as gain from the disposition of those shares, the tax treatment of which is described under the rules discussed below with respect to dispositions of shares.

Distributions Attributable to Gain From the Sale or Exchange of a United States Real Property Interest

Distributions to a Non-U.S. stockholder that are attributable to gain from the sale or exchange of a United States real property interest will be taxed to a Non-U.S. stockholder under Internal Revenue Code provisions enacted by the Foreign Investment in Real Property Tax Act of 1980 (FIRPTA). Under FIRPTA, such distributions are taxed to a Non-U.S. stockholder as if the distributions were gains "effectively connected" with a U.S. trade or business. Accordingly, a Non-U.S. stockholder will be taxed at the normal capital gain rates applicable to a U.S. stockholder (subject to any applicable alternative minimum tax and a special alternative minimum tax in the case of non-resident alien individuals). Distributions subject to FIRPTA also may be subject to a 30% branch profits tax when made to a corporate Non-U.S. stockholder that is not entitled to a treaty exemption.

Withholding Obligations With Respect to Distributions to Non-U.S. Stockholders

Although tax treaties may reduce our withholding obligations, based on current law, we will generally be required to withhold from distributions to Non-U.S. stockholders, and remit to the Internal Revenue Service:

- 35% of designated capital gain distributions or, if greater, 35% of the amount of any distributions that could be designated as capital gain distributions; and

- 30% of ordinary income distributions (i.e., dividends paid out of our earnings and profits).

In addition, if we designate prior distributions as capital gain distributions, subsequent distributions, up to the amount of the prior distributions, will be treated as capital gain distributions for purposes of withholding. A distribution in excess of our earnings and profits will be subject to 30% withholding if at the time of the distribution it cannot be determined whether the distribution will be in an amount in excess of our current or accumulated earnings and profits. If the amount of tax we withhold with respect to a distribution to a Non-U.S. stockholder exceeds the stockholder's U.S. tax liability with respect to that distribution, the Non-U.S. stockholder may file a claim with the Internal Revenue Service for a refund of the excess.

Sale of Our Shares by a Non-U.S. Stockholder

A sale of our shares by a Non-U.S. stockholder will generally not be subject to U.S. federal income taxation unless our shares constitute a "United States real property interest" within the meaning of FIRPTA. Our shares will not

constitute a United States real property interest if we are a "domestically controlled REIT." A "domestically controlled REIT" is a REIT that at all times during a specified testing period has less than 50% in value of its shares held directly or indirectly by Non-U.S. stockholders. We currently anticipate that we will be a domestically controlled REIT. Therefore, sales of our shares should not be subject to taxation under FIRPTA. However, we cannot assure you that we will continue to be a domestically controlled REIT. If we were not a domestically controlled REIT, whether a Non-U.S. stockholder's sale of our shares would be subject to tax under FIRPTA as a sale of a United States real property interest would depend on whether our shares were "regularly traded" on an established securities market and on the size of the selling stockholder's interest in us. Our shares currently are not "regularly traded" on an established securities market.

If the gain on the sale of shares were subject to taxation under FIRPTA, a Non-U.S. stockholder would be subject to the same treatment as a U.S. stockholder with respect to the gain, subject to any applicable alternative minimum tax and a special alternative minimum tax in the case of non-resident alien individuals. In addition, distributions that are treated as gain from the disposition of shares and are subject to tax under FIRPTA also may be subject to a 30% branch profits tax when made to a corporate Non-U.S. stockholder that is not entitled to a treaty exemption. Under FIRPTA, the purchaser of our shares may be required to withhold 10% of the purchase price and remit this amount to the Internal Revenue Service.

Even if not subject to FIRPTA, capital gains will be taxable to a Non-U.S. stockholder if the Non-U.S. stockholder is a non-resident alien individual who is present in the United States for 183 days or more during the taxable year and some other conditions apply, in which case the non-resident alien individual will be subject to a 30% tax on his or her U.S. source capital gains.

Recently promulgated Treasury Regulations may alter the procedures for claiming the benefits of an income tax treaty. Our Non-U.S. stockholders should consult their tax advisors concerning the effect, if any, of these Treasury Regulations on an investment in our shares.

Information Reporting Requirements and Backup Withholding for Non-U.S. Stockholders

Additional issues may arise for information reporting and backup withholding for Non-U.S. stockholders. Non-U.S. stockholders should consult their tax advisors with regard to U.S. information reporting and backup withholding requirements under the Internal Revenue Code.

Statement of Stock Ownership

We are required to demand annual written statements from the record holders of designated percentages of our shares disclosing the actual owners of the shares. Any record stockholder who, upon our request, does not provide us with required information concerning actual ownership of the shares is required to include specified information relating to his or her shares in his or her federal income tax return. We also must maintain, within the Internal Revenue District in which we are required to file our federal income tax return, permanent records showing the information we have received about the actual ownership of shares and a list of those persons failing or refusing to comply with our demand.

State and Local Taxation

We and any operating subsidiaries we may form may be subject to state and local tax in states and localities in which we or they do business or own property. The tax treatment of the Wells REIT, Wells OP, any operating subsidiaries we may form and the holders of our shares in local jurisdictions

may differ from the federal income tax treatment described above.

Tax Aspects of Our Operating Partnership

The following discussion summarizes certain federal income tax considerations applicable to our investment in Wells OP, our operating partnership. The discussion does not cover state or local tax laws or any federal tax laws other than income tax laws.

Classification as a Partnership

We will be entitled to include in our income a distributive share of Wells OP's income and to deduct our distributive share of Wells OP's losses only if Wells OP is classified for federal income tax purposes as a partnership, rather than as an association taxable as a corporation. Under applicable Treasury Regulations (Check-the-Box-Regulations), an unincorporated U.S. entity with at least two members may elect to be classified either as an association taxable as a corporation or as a partnership. If such an entity fails to make an election, it generally will be treated as a partnership for federal income tax purposes. Wells OP intends to be classified as a partnership for federal income tax purposes and will not elect to be treated as an association taxable as a corporation under the Check-the-Box-Regulations.

Even though Wells OP will elect to be treated as a partnership for federal income tax purposes, it may be taxed as a corporation if it is deemed to be a "publicly traded partnership." A publicly traded partnership is a partnership whose interests are traded on an established securities market or are readily tradable on a secondary market (or the substantial equivalent thereof); provided, that even if the foregoing requirements are met, a publicly traded partnership will not be treated as a corporation for federal income tax purposes if at least 90% of such partnership's gross income for a taxable year consists of "qualifying income" under Section 7704(d) of the Internal Revenue Code. Qualifying income generally includes any income that is qualifying income for purposes of the 95% Income Test applicable to REITs (90% Passive-Type Income Exception). (See "Requirements for Qualification as a REIT - Operational Requirements - Gross Income Tests.")

Under applicable Treasury Regulations (PTP Regulations), limited safe harbors from the definition of a publicly traded partnership are provided. Pursuant to one of those safe harbors (Private Placement Exclusion), interests in a partnership will not be treated as readily tradable on a secondary market or the substantial equivalent thereof if (1) all interests in the partnership were issued in a transaction (or transactions) that was not required to be registered under the Securities Act of 1933, as amended, and (2) the partnership does not have more than 100 partners at any time during the partnership's taxable year. In determining the number of partners in a partnership, a person owning an interest in a flow-through entity (such as a partnership, grantor trust or S corporation) that owns an interest in the partnership is treated as a partner in such partnership only if (a) substantially all of the value of the owner's interest in the flow-through is attributable to the flow-through entity's interest (direct or indirect) in the partnership, and (b) a principal purpose of the use of the flow-through entity is to permit the partnership to satisfy the 100 partner limitation. Wells OP qualifies for the Private Placement Exclusion. Further, even if Wells OP were to be considered a publicly traded partnership under the PTP Regulations because it is deemed to have more than 100 partners, Wells OP should not be treated as a corporation because it should be eligible for the 90% Passive-Type Income Exception described above.

We have not requested, and do not intend to request, a ruling from the Internal Revenue Service that Wells OP will be classified as a partnership for federal income tax purposes. Holland & Knight LLP is of the opinion, however, that based on certain factual assumptions and representations, Wells OP will more likely than not be treated for federal income tax purposes as a partnership and not as an association taxable as a corporation, or as a publicly traded

partnership. Unlike a tax ruling, however, an opinion of counsel is not binding upon the Internal Revenue Service, and no assurance can be given that the Internal Revenue Service will not challenge the status of Wells OP as a partnership for federal income tax purposes. If such challenge were sustained by a court, Wells OP would be treated as a corporation for federal income tax purposes, as described below. In addition, the opinion of Holland & Knight LLP is based on existing law, which is to a great extent the result of administrative and judicial interpretation. No assurance can be given that administrative or judicial changes would not modify the conclusions expressed in the opinion.

If for any reason Wells OP were taxable as a corporation, rather than a partnership, for federal income tax purposes, we would not be able to qualify as a REIT. (See "Federal Income Tax Considerations - Requirements for Qualification as a REIT - Operational Requirements - Gross Income Tests" and "Requirements for Qualification as a REIT - Operational Requirements - Asset Tests.") In addition, any change in Wells OP's status for tax purposes might be treated as a taxable event, in which case we might incur a tax liability without any related cash distribution. Further, items of income and deduction of Wells OP would not pass through to its partners, and its partners would be treated as stockholders for tax purposes. Consequently, Wells OP would be required to pay income tax at corporate tax rates on its net income, and distributions to its partners would constitute dividends that would not be deductible in computing Wells OP's taxable income.

Income Taxation of the Operating Partnership and its Partners

Partners, Not a Partnership, Subject to Tax. A partnership is not a taxable entity for federal income tax purposes. As a partner in Wells OP, we will be required to take into account our allocable share of Wells OP's income, gains, losses, deductions, and credits for any taxable year of Wells OP ending within or with our taxable year, without regard to whether we have received or will receive any distribution from Wells OP.

Partnership Allocations. Although a partnership agreement generally determines the allocation of income and losses among partners, such allocations will be disregarded for tax purposes if they do not comply with the provisions of Section 704(b) of the Internal Revenue Code and the Treasury Regulations promulgated thereunder. If an allocation is not recognized for federal income tax purposes, the item subject to the allocation will be reallocated in accordance with the partners' interests in the partnership, which will be determined by taking into account all of the facts and circumstances relating to the economic arrangement of the partners with respect to such item. Wells OP's allocations of taxable income and loss are intended to comply with the requirements of Section 704(b) of the Internal Revenue Code and the Treasury Regulations promulgated thereunder.

Tax Allocations With Respect to Contributed Properties. Pursuant to Section 704(c) of the Internal Revenue Code, income, gain, loss, and deduction attributable to appreciated or depreciated property that is contributed to a partnership in exchange for an interest in the partnership must be allocated for federal income tax purposes in a manner such that the contributor is charged with, or benefits from, the unrealized gain or unrealized loss associated with the property at the time of the contribution. The amount of such unrealized gain or unrealized loss is generally equal to the difference between the fair market value of the contributed property at the time of contribution and the adjusted tax basis of such property at the time of contribution. Under applicable Treasury Regulations, partnerships

are required to use a "reasonable method" for allocating items subject to Section 704(c) of the Internal Revenue Code and several reasonable allocation methods are described therein.

Under the partnership agreement for Wells OP, depreciation or

amortization deductions of Wells OP generally will be allocated among the partners in accordance with their respective interests in Wells OP, except to the extent that Wells OP is required under Section 704(c) to use a method for allocating depreciation deductions attributable to its properties that results in us receiving a disproportionately large share of such deductions. We may possibly (1) be allocated lower amounts of depreciation deductions for tax purposes with respect to contributed properties than would be allocated to us if each such property were to have a tax basis equal to its fair market value at the time of contribution, and (2) be allocated taxable gain in the event of a sale of such contributed properties in excess of the economic profit allocated to us as a result of such sale. These allocations may cause us to recognize taxable income in excess of cash proceeds received by us, which might adversely affect our ability to comply with the REIT distribution requirements, although we do not anticipate that this event will occur. The foregoing principles also will affect the calculation of our earnings and profits for purposes of determining which portion of our distributions is taxable as a dividend. The allocations described in this paragraph may result in a higher portion of our distributions being taxed as a dividend than would have occurred had we purchased such properties for cash.

Basis in Operating Partnership Interest. The adjusted tax basis of our partnership interest in Wells OP generally is equal to (1) the amount of cash and the basis of any other property contributed to Wells OP by us, (2) increased by (A) our allocable share of Wells OP's income and (B) our allocable share of the indebtedness of Wells OP, and (3) reduced, but not below zero, by (A) our allocable share of Wells OP's loss and (B) the amount of cash distributed to us, including constructive cash distributions resulting from a reduction in our share of the indebtedness of Wells OP.

If the allocation of our distributive share of Wells OP's losses would reduce the adjusted tax basis of our partnership interest in Wells OP below zero, the recognition of such losses will be deferred until such time as the recognition of such losses would not reduce our adjusted tax basis below zero. If a distribution from Wells OP or a reduction in our share of Wells OP's liabilities (which is treated as a constructive distribution for tax purposes) would reduce our adjusted tax basis below zero, any such distribution, including a constructive distribution, would cause us to reorganize taxable income equal to the amount of such distribution in excess of our adjusted tax basis. The gain realized by us upon the receipt of any such distribution or constructive distribution would normally be characterized as capital gain, and if our partnership interest in Wells OP has been held for longer than the long-term capital gain holding period (currently one year), the distribution would constitute long-term capital gain.

Depreciation Deductions Available to the Operating Partnership. Wells OP will use a portion of contributions made by the Wells REIT from offering proceeds to acquire interests in properties. Wells OP's initial basis in such properties for federal income tax purposes generally will be equal to the purchase price paid by Wells OP. Wells OP plans to depreciate each such depreciable property for federal income tax purposes under the alternative depreciation system of depreciation (ADS). Under ADS, Wells OP generally will depreciate buildings and improvements over a 40-year recovery period using a straight-line method and a mid-month convention and will depreciate furnishings and equipment over a 12-year recovery period. To the extent that Wells OP acquires properties in exchange for units of Wells OP, Wells OP's initial basis in each such property for federal income tax purposes should be the same as the transferor's basis in that property on the date of acquisition by Wells OP. Although the law is not entirely clear, Wells OP generally intends to depreciate such depreciable property for federal income tax purposes over the same remaining useful lives and under the same methods used by the transferors of such properties.

Sale of the Operating Partnership's Property

Generally, any gain realized by Wells OP on the sale of property held for more than one year will be long-term capital gain, except for any portion of such gain that is treated as depreciation or cost recovery recapture. Any gain recognized by Wells OP upon the disposition of a property will be allocated among the partners in accordance with their respective percentage interests in Wells OP.

Our share of any gain realized by Wells OP on the sale of any property held by Wells OP as inventory or other property held primarily for sale to customers in the ordinary course of Wells OP's trade or business will be treated as income from a prohibited transaction that is subject to a 100% penalty tax. Such prohibited transaction income also may have an adverse effect upon our ability to satisfy the Income Tests for maintaining our REIT status. (See "Federal Income Tax Considerations - Requirements for Qualification as a REIT - Gross Income Tests" above.) We, however, do not presently intend to acquire or hold or allow Wells OP to acquire or hold any property that represents inventory or other property held primarily for sale to customers in the ordinary course of our or Wells OP's trade or business.

ERISA Considerations

The following is a summary of some non-tax considerations associated with an investment in our shares by a qualified employee pension benefit plan or an IRA. This summary is based on provisions of ERISA and the Internal Revenue Code, as amended through the date of this prospectus, and relevant regulations and opinions issued by the Department of Labor and the Internal Revenue Service. We cannot assure you that there will not be adverse tax decisions or legislative, regulatory or administrative changes which would significantly modify the statements expressed herein. Any such changes may or may not apply to transactions entered into prior to the date of their enactment.

Each fiduciary of an employee pension benefit plan subject to ERISA, such as a profit sharing, section 401(k) or pension plan, or of any other retirement plan or account subject to Section 4975 of the Internal Revenue Code, such as an IRA (Benefit Plans), seeking to invest plan assets in our shares must, taking into account the facts and circumstances of such Benefit Plan, consider, among other matters:

- whether the investment is consistent with the applicable provisions of ERISA and the Internal Revenue Code;
- whether, under the facts and circumstances appertaining to the Benefit Plan in question, the fiduciary's responsibility to the plan has been satisfied;
- whether the investment will produce UBTI to the Benefit Plan (see "Federal Income Tax Considerations - Treatment of Tax-Exempt Stockholders"); and
- the need to value the assets of the Benefit Plan annually.

Under ERISA, a plan fiduciary's responsibilities include the following duties:

- to act solely in the interest of plan participants and beneficiaries and for the exclusive purpose of providing benefits to them, as well as defraying reasonable expenses of plan administration;
- to invest plan assets prudently;

- to diversify the investments of the plan unless it is clearly prudent not to do so;

- to ensure sufficient liquidity for the plan; and

- to consider whether an investment would constitute or give rise to a prohibited transaction under ERISA or the Internal Revenue Code.

ERISA also requires that the assets of an employee benefit plan be held in trust and that the trustee, or a duly authorized named fiduciary or investment manager, have exclusive authority and discretion to manage and control the assets of the plan.

Prohibited Transactions

Section 406 of ERISA and Section 4975 of the Internal Revenue Code prohibit specified transactions involving the assets of a Benefit Plan which are between the plan and any "party in interest" or "disqualified person" with respect to that Benefit Plan. These transactions are prohibited regardless of how beneficial they may be for the Benefit Plan. Prohibited transactions include the sale, exchange or leasing of property, and the lending of money or the extension of credit, between a Benefit Plan and a party in interest or disqualified person. The transfer to, or use by or for the benefit of, a party in interest, or disqualified person of any assets of a Benefit Plan is also prohibited. A fiduciary of a Benefit Plan also is prohibited from engaging in self-dealing, acting for a person who has an interest adverse to the plan or receiving any consideration for its own account from a party dealing with the plan in a transaction involving plan assets. Furthermore, Section 408 of the Internal Revenue Code states that assets of an IRA trust may not be commingled with other property except in a common trust fund or common investment fund.

Plan Asset Considerations

In order to determine whether an investment in our shares by Benefit Plans creates or gives rise to the potential for either prohibited transactions or a commingling of assets as referred to above, a fiduciary must consider whether an investment in our shares will cause our assets to be treated as assets of the investing Benefit Plans. Neither ERISA nor the Internal Revenue Code define the term "plan assets," however, U.S. Department of Labor Regulations provide guidelines as to whether, and under what circumstances, the underlying assets of an entity will be deemed to constitute assets of a Benefit Plan when the plan invests in that entity (Plan Assets Regulation). Under the Plan Assets Regulation, the assets of corporations, partnerships or other entities in which a Benefit Plan makes an equity investment will generally be deemed to be assets of the Benefit Plan unless the entity satisfies one of the exceptions to this general rule. As discussed below, we have received an opinion of counsel that, based on the Plan Assets Regulation, our underlying assets should not be deemed to be "plan assets" of Benefit Plans investing in shares, assuming the conditions set forth in the opinion are satisfied, based upon the fact that at least one of the specific exemptions set forth in the Plan Assets Regulation is satisfied, as determined under the criteria set forth below.

Specifically, the Plan Assets Regulation provides that the underlying assets of REITs will not be treated as assets of a Benefit Plan investing therein if the interest the Benefit Plan acquires is a "publicly-offered security." A publicly-offered security must be:

- sold as part of a public offering registered under the Securities Act of 1933, as amended, and be part of a class of securities registered under the Securities Exchange Act of 1934, as amended, within a specified time period;

- part of a class of securities that is owned by 100 or more persons who are independent of the issuer and one another; and

. "freely transferable."

Our shares are being sold as part of an offering of securities to the public pursuant to an effective registration statement under the Securities Act, and are part of a class registered under the Securities Exchange Act. In addition, we have over 100 independent stockholders. Thus, both the first and second criterion of the publicly-offered security exception will be satisfied.

Whether a security is "freely transferable" depends upon the particular facts and circumstances. For example, our shares are subject to certain restrictions on transferability intended to ensure that we continue to qualify for federal income tax treatment as a REIT. The regulation provides, however, that where the minimum investment in a public offering of securities is $10,000 or less, the presence of a restriction on transferability intended to prohibit transfers which would result in a termination or reclassification of the entity for state or federal tax purposes will not ordinarily affect a determination that such securities are "freely transferable." The minimum investment in our shares is less than $10,000; thus, the restrictions imposed in order to maintain our status as a REIT should not cause the shares to be deemed not "freely transferable. "

In the event that our underlying assets were treated by the Department of Labor as the assets of investing Benefit Plans, our management would be treated as fiduciaries with respect to each Benefit Plan stockholder, and an investment in our shares might constitute an ineffective delegation of fiduciary responsibility to Wells Capital, our advisor, and expose the fiduciary of the Benefit Plan to co-fiduciary liability under ERISA for any breach by Wells Capital of the fiduciary duties mandated under ERISA. Further, if our assets are deemed to be "plan assets," an investment by an IRA in our shares might be deemed to result in an impermissible commingling of IRA assets with other property.

If Wells Capital, our advisor, or its affiliates were treated as fiduciaries with respect to Benefit Plan stockholders, the prohibited transaction restrictions of ERISA and the Internal Revenue Code would apply to any transaction involving our assets. These restrictions could, for example, require that we avoid transactions with entities that are affiliated with us or our affiliates or restructure our activities in order to obtain an administrative exemption from the prohibited transaction restrictions. Alternatively, we might have to provide Benefit Plan stockholders with the opportunity to sell their shares to us or we might dissolve or terminate.

If a prohibited transaction were to occur, the Internal Revenue Code imposes an excise tax equal to 15% of the amount involved and authorizes the IRS to impose an additional 100% excise tax if the prohibited transaction is not "corrected" in a timely manner. These taxes would be imposed on any disqualified person who participates in the prohibited transaction. In addition, Wells Capital and possibly other fiduciaries of Benefit Plan stockholders subject to ERISA who permitted the prohibited transaction to occur or who otherwise breached their fiduciary responsibilities, or a non-fiduciary participating in a prohibited transaction, could be required to restore to the Benefit Plan any profits they realized as a result of the transaction or breach, and make good to the Benefit Plan any losses incurred by the Benefit Plan as a result of the transaction or breach. With respect to an IRA that invests in our shares, the occurrence of a prohibited transaction involving the individual who established the IRA, or his or her beneficiary, would cause the IRA to lose its tax-exempt status under Section 408(e)(2) of the Internal Revenue Code.

We have obtained an opinion from Holland & Knight LLP that our shares more likely than not constitute "publicly-offered securities" and, accordingly, it is more likely than not that our underlying assets should not be considered "plan assets" under the Plan Assets Regulation, assuming the offering

takes place as described in this prospectus. If our underlying assets are not

deemed to be "plan assets," the problems discussed in the immediately preceding three paragraphs are not expected to arise.

Other Prohibited Transactions

Regardless of whether the shares qualify for the "publicly-offered security" exception of the Plan Assets Regulation, a prohibited transaction could occur if the Wells REIT, Wells Capital, any selected dealer or any of their affiliates is a fiduciary (within the meaning of Section 3(21) of ERISA) with respect to any Benefit Plan purchasing the shares. Accordingly, unless an administrative or statutory exemption applies, shares should not be purchased by a Benefit Plan with respect to which any of the above persons is a fiduciary. A person is a fiduciary with respect to a Benefit Plan under Section 3(21) of ERISA if, among other things, the person has discretionary authority or control with respect to "plan assets" or provides investment advice for a fee with respect to "plan assets." Under a regulation issued by the Department of Labor, a person shall be deemed to be providing investment advice if that person renders advice as to the advisability of investing in our shares and that person regularly provides investment advice to the Benefit Plan pursuant to a mutual agreement or understanding (written or otherwise) (1) that the advice will serve as the primary basis for investment decisions, and (2) that the advice will be individualized for the Benefit Plan based on its particular needs.

Annual Valuation

A fiduciary of an employee benefit plan subject to ERISA is required to determine annually the fair market value of each asset of the plan as of the end of the plan's fiscal year and to file a report reflecting that value with the Department of Labor. When the fair market value of any particular asset is not available, the fiduciary is required to make a good faith determination of that asset's fair market value assuming an orderly liquidation at the time the determination is made. In addition, a trustee or custodian of an IRA must provide an IRA participant with a statement of the value of the IRA each year. In discharging its obligation to value assets of a plan, a fiduciary subject to ERISA must act consistently with the relevant provisions of the plan and the general fiduciary standards of ERISA.

Unless and until our shares are listed on a national securities exchange or are included for quotation on Nasdaq, it is not expected that a public market for the shares will develop. To date, neither the Internal Revenue Service nor the Department of Labor has promulgated regulations specifying how a plan fiduciary should determine the fair market value of the shares, namely when the fair market value of the shares is not determined in the marketplace. Therefore, to assist fiduciaries in fulfilling their valuation and annual reporting responsibilities with respect to ownership of shares, we intend to have our advisor prepare annual reports of the estimated value of our shares. The methodology to be utilized for determining such estimated share values will be for our advisor to estimate the amount a stockholder would receive if our properties were sold at their estimated fair market values at the end of the fiscal year and the proceeds therefrom (without reduction for selling expenses) were distributed to the stockholders in liquidation. Due to the inordinate expense involved in obtaining annual appraisals for all of our properties, no actual appraisals will be obtained; however, in connection with the advisor's estimated valuations, the advisor will obtain a third party opinion that its estimates of value are reasonable. We will provide our reports to plan fiduciaries and IRA trustees and custodians who identify themselves to us and request this information.

Until December 31, 2002, we intend to use the offering price of shares as the per share net asset value. Beginning with the year 2003, we will have our advisor prepare estimated valuations utilizing the methodology described above. You should be cautioned, however, that such valuations will be estimates only and will be based upon a number of assumptions which may not be accurate or complete. As set forth above, we will not obtain appraisals for our properties and, accordingly, the advisor's estimates

should not be viewed as an accurate reflection of the fair market value of our properties, nor will they represent the amount of net proceeds which would result from an immediate sale of our properties. In addition, property values are subject to change and can always decline in the future. For these reasons, our estimated valuations should not be utilized for any purpose other than to assist plan fiduciaries in fulfilling their valuation and annual reporting responsibilities. Further, we cannot assure you:

- that the estimated values we obtain could or will actually be realized by us or by stockholders upon liquidation (in part because estimated values do not necessarily indicate the price at which assets could be sold and because no attempt will be made to estimate the expenses of selling any of our assets);

- that stockholders could realize these values if they were to attempt to sell their shares; or

- that the estimated values, or the method used to establish values, would comply with the ERISA or IRA requirements described above.

Description of Shares

The following description of the shares is not complete but is a summary of portions of our articles of incorporation and is qualified in its entirety by reference to our articles of incorporation.

Under our articles of incorporation, we have authority to issue a total of 500,000,000 shares of capital stock. Of the total shares authorized, 350,000,000 shares are designated as common stock with a par value of $0.01 per share, 50,000,000 shares are designated as preferred stock with a par value of $0.01 per share and 100,000,000 shares are designated as shares-in-trust, which would be issued only in the event we have purchases in excess of the ownership limits described below.

As of _____, 2002, approximately _____ shares of our common stock were issued and outstanding, and no shares of preferred stock or shares-in-trust were issued and outstanding.

Common Stock

The holders of common stock are entitled to one vote per share on all matters voted on by stockholders, including election of our directors. Our articles of incorporation do not provide for cumulative voting in the election of our directors. Therefore, the holders of a majority of the outstanding common shares can elect our entire board of directors. Subject to any preferential rights of any outstanding series of preferred stock, the holders of common stock are entitled to such dividends as may be declared from time to time by our board of directors out of legally available funds and, upon liquidation, are entitled to receive all assets available for distribution to stockholders. All shares issued in the offering will be fully paid and non-assessable shares of common stock. Holders of shares of common stock will not have preemptive rights, which means that you will not have an automatic option to purchase any new shares that we issue.

We will not issue certificates for our shares. Shares will be held in "uncertificated" form which will eliminate the physical handling and safekeeping responsibilities inherent in owning transferable stock certificates and eliminate the need to return a duly executed stock certificate to effect a transfer. Wells Capital, our advisor, acts as our registrar and as the transfer agent for our shares. Transfers can be effected simply by mailing to Wells Capital a transfer and assignment form, which we will provide to you at no charge.

Preferred Stock

Our articles of incorporation authorize our board of directors to designate and issue one or more classes or series of preferred stock without stockholder approval. Our board of directors may determine the relative rights, preferences and privileges of each class or series of preferred stock so issued, which may be more beneficial than the rights, preferences and privileges attributable to the common stock. The issuance of preferred stock could have the effect of delaying or preventing a change in control of the Wells REIT. Our board of directors has no present plans to issue preferred stock, but may do so at any time in the future without stockholder approval.

Meetings and Special Voting Requirements

An annual meeting of the stockholders will be held each year, at least 30 days after delivery of our annual report. Special meetings of stockholders may be called only upon the request of a majority of our directors, a majority of the independent directors, the chairman, the president or upon the written request of stockholders holding at least 10% of the shares. The presence of a majority of the outstanding shares either in person or by proxy shall constitute a quorum. Generally, the affirmative vote of a majority of all votes entitled to be cast is necessary to take stockholder action authorized by our articles of incorporation, except that a majority of the votes represented in person or by proxy at a meeting at which a quorum is present is sufficient to elect a director.

Under Maryland Corporation Law and our articles of incorporation, stockholders are entitled to vote at a duly held meeting at which a quorum is present on (1) amendments of our articles of incorporation, (2) a liquidation or dissolution of the Wells REIT, (3) a reorganization of the Wells REIT, (4) a merger, consolidation or sale or other disposition of substantially all of our assets, and (5) a termination of our status as a REIT. Accordingly, any provision in our articles of incorporation, including our investment objectives, can be amended by the vote of a majority of our stockholders. Stockholders voting against any merger or sale of assets are permitted under Maryland Corporation Law to petition a court for the appraisal and payment of the fair value of their shares. In an appraisal proceeding, the court appoints appraisers who attempt to determine the fair value of the stock as of the date of the stockholder vote on the merger or sale of assets. After considering the appraisers' report, the court makes the final determination of the fair value to be paid to the dissenting stockholder and decides whether to award interest from the date of the merger or sale of assets and costs of the proceeding to the dissenting stockholders.

Wells Capital, as our advisor, is selected and approved annually by our directors. While the stockholders do not have the ability to vote to replace Wells Capital or to select a new advisor, stockholders do have the ability, by the affirmative vote of a majority of the shares entitled to vote on such matter, to elect to remove a director from our board.

Stockholders are entitled to receive a copy of our stockholder list upon request. The list provided by us will include each stockholder's name, address and telephone number, if available, and number of shares owned by each stockholder and will be sent within 10 days of the receipt by us of the request. A stockholder requesting a list will be required to pay reasonable costs of postage and duplication. We have the right to request that a requesting stockholder represent to us that the list will not be used to pursue commercial interests.

In addition to the foregoing, stockholders have rights under Rule 14a-7 under the Securities Exchange Act, which provides that, upon the request of investors and the payment of the expenses of the distribution, we are required to distribute specific materials to stockholders in the context of the solicitation of proxies for voting on matters presented to stockholders or, at our option, provide requesting

stockholders with a copy of the list of stockholders so that the requesting stockholders may make the distribution of proxies themselves.

Restriction on Ownership of Shares

In order for us to qualify as a REIT, not more than 50% of our outstanding shares may be owned by any five or fewer individuals, including some tax-exempt entities. In addition, the outstanding shares must be owned by 100 or more persons independent of us and each other during at least 335 days of a 12-month taxable year or during a proportionate part of a shorter taxable year. We may prohibit certain acquisitions and transfers of shares so as to ensure our continued qualification as a REIT under the Internal Revenue Code. However, we cannot assure you that this prohibition will be effective.

In order to assist us in preserving our status as a REIT, our articles of incorporation contain a limitation on ownership that prohibits any person or group of persons from acquiring, directly or indirectly, beneficial ownership of more than 9.8% of our outstanding shares. Our articles of incorporation provide that any transfer of shares that would violate our share ownership limitations is null and void and the intended transferee will acquire no rights in such shares, unless the transfer is approved by our board of directors based upon receipt of information that such transfer would not violate the provisions of the Internal Revenue Code for qualification as a REIT.

Shares in excess of the ownership limit which are attempted to be transferred will be designated as "shares-in-trust" and will be transferred automatically to a trust effective on the day before the reported transfer of such shares. The record holder of the shares that are designated as shares-in-trust will be required to submit such number of shares to the Wells REIT in the name of the trustee of the trust. We will designate a trustee of the share trust that will not be affiliated with us. We will also name one or more charitable organizations as a beneficiary of the share trust. Shares-in-trust will remain issued and outstanding shares and will be entitled to the same rights and privileges as all other shares of the same class or series. The trustee will receive all dividends and distributions on the shares-in-trust and will hold such dividends or distributions in trust for the benefit of the beneficiary. The trustee will vote all shares-in-trust during the period they are held in trust.

At our direction, the trustee will transfer the shares-in-trust to a person whose ownership will not violate the ownership limits. The transfer shall be made within 20 days of our receipt of notice that shares have been transferred to the trust. During this 20-day period, we will have the option of redeeming such shares. Upon any such transfer or redemption, the purported transferee or holder shall receive a per share price equal to the lesser of (1) the price per share in the transaction that created such shares-in-trust, or (2) the market price per share on the date of the transfer or redemption.

Any person who (1) acquires shares in violation of the foregoing restriction or who owns shares that were transferred to any such trust is required to give immediate written notice to the Wells REIT of such event, or (2) transfers or receives shares subject to such limitations is required to give the Wells REIT 15 days written notice prior to such transaction. In both cases, such persons shall provide to the Wells REIT such other information as we may request in order to determine the effect, if any, of such transfer on our status as a REIT.

The foregoing restrictions will continue to apply until (1) our board of directors determines it is no longer in our best interest to continue to qualify as a REIT, and (2) there is an affirmative vote of the majority of shares entitled to vote on such matter at a regular or special meeting of our stockholders.

The ownership limit does not apply to an offeror which, in accordance with applicable federal and state securities laws, makes a cash tender offer,

where at least 85% of the outstanding shares are duly

tendered and accepted pursuant to the cash tender offer. The ownership limit also does not apply to the underwriter in a public offering of shares or to a person or persons so exempted from the ownership limit by our board of directors based upon appropriate assurances that our qualification as a REIT is not jeopardized.

Any person who owns 5% or more of the outstanding shares during any taxable year will be asked to deliver a statement or affidavit setting forth the number of shares beneficially owned, directly or indirectly.

Dividends

Dividends will be paid on a quarterly basis regardless of the frequency with which such dividends are declared. Dividends will be paid to investors who are stockholders as of the record dates selected by our directors. We currently calculate our quarterly dividends based upon daily record and dividend declaration dates so our investors will be entitled to be paid dividends immediately upon their purchase of shares. We then make quarterly dividend payments following the end of each calendar quarter.

We are required to make distributions sufficient to satisfy the requirements for qualification as a REIT for tax purposes. Generally, income distributed as dividends will not be taxable to us under the Internal Revenue Code if we distribute at least 90% of our taxable income. (See "Federal Income Tax Considerations - Requirements for Qualification as a REIT.")

Dividends will be declared at the discretion of our board of directors, in accordance with our earnings, cash flow and general financial condition. Our board's discretion will be directed, in substantial part, by its obligation to cause us to comply with the REIT requirements. Because we may receive income from interest or rents at various times during our fiscal year, dividends may not reflect our income earned in that particular distribution period but may be made in anticipation of cash flow which we expect to receive during a later quarter and may be made in advance of actual receipt of funds in an attempt to make dividends relatively uniform. We may borrow money, issue new securities or sell assets in order to make dividend distributions.

We are not prohibited from distributing our own securities in lieu of making cash dividends to stockholders, provided that the securities distributed to stockholders are readily marketable. Stockholders who receive marketable securities in lieu of cash dividends may incur transaction expenses in liquidating the securities.

Dividend Reinvestment Plan

We currently have a dividend reinvestment plan available that allows you to have your dividends otherwise distributable to you invested in additional shares of the Wells REIT.

You may purchase shares under our dividend reinvestment plan for $10 per share until all of the shares registered as part of this offering have been sold. After this time, we may purchase shares either through purchases on the open market, if a market then exists, or through an additional issuance of shares. In any case, the price per share will be equal to the then-prevailing market price, which shall equal the price on the securities exchange or over-the-counter market on which such shares are listed at the date of purchase if such shares are then listed. A copy of our Amended and Restated Dividend Reinvestment Plan as currently in effect is included as Exhibit B to this prospectus.

You may elect to participate in the dividend reinvestment plan by completing the Subscription Agreement, the enrollment form or by other written

notice to the plan administrator. Participation in the

plan will begin with the next distribution made after receipt of your written notice. We may terminate the dividend reinvestment plan for any reason at any time upon 10 days' prior written notice to participants. Your participation in the plan will also be terminated to the extent that a reinvestment of your distributions in our shares would cause the percentage ownership limitation contained in our articles of incorporation to be exceeded.

If you elect to participate in the dividend reinvestment plan and are subject to federal income taxation, you will incur a tax liability for dividends allocated to you even though you have elected not to receive the dividends in cash but rather to have the dividends held pursuant to the dividend reinvestment plan. Specifically, you will be treated as if you have received the dividend from us in cash and then applied such dividend to the purchase of additional shares. You will be taxed on the amount of such dividend as ordinary income to the extent such dividend is from current or accumulated earnings and profits, unless we have designated all or a portion of the dividend as a capital gain dividend.

Share Redemption Program

Prior to the time that our shares are listed on a national securities exchange, stockholders of the Wells REIT who have held their shares for at least one year may receive the benefit of limited interim liquidity by presenting for redemption all or any portion of their shares to us at any time in accordance with the procedures outlined herein. At that time, we may, subject to the conditions and limitations described below, redeem the shares presented for redemption for cash to the extent that we have sufficient funds available to us to fund such redemption.

If you have held your shares for the required one-year period, you may redeem your shares for a purchase price equal to the lesser of (1) $10 per share, or (2) the purchase price per share that you actually paid for your shares of the Wells REIT. In the event that you are redeeming all of your shares, shares purchased pursuant to our dividend reinvestment plan may be excluded from the foregoing one-year holding period requirement, in the discretion of our board of directors. In addition, for purposes of the one-year holding period, limited partners of Wells OP who exchange their limited partnership units for shares in the Wells REIT shall be deemed to have owned their shares as of the date they were issued their limited partnership units in Wells OP. Our board of directors reserves the right in its sole discretion at any time and from time to time to (1) change the purchase price for redemptions, or (2) otherwise amend the terms of our share redemption program. In addition, our board of directors has delegated to our officers the right to (1) waive the one-year holding period in the event of the death or bankruptcy of a stockholder or other exigent circumstances, or (2) reject any request for redemption at any time and for any reason.

Redemption of shares, when requested, will be made quarterly on a first-come, first-served basis. Subject to funds being available, we will limit the number of shares redeemed pursuant to our share redemption program as follows: (1) during any calendar year, we will not redeem in excess of 3.0% of the weighted average number of shares outstanding during the prior calendar year; and (2) funding for the redemption of shares will come exclusively from the proceeds we receive from the sale of shares under our dividend reinvestment plan such that in no event shall the aggregate amount of redemptions under our share redemption program exceed aggregate proceeds received from the sale of shares pursuant to our dividend reinvestment plan. The board of directors, in its sole discretion, may choose to terminate the share redemption program or to reduce the number of shares purchased under the share redemption program if it determines the funds otherwise available to fund our share redemption program are needed for other purposes. (See "Risk Factors - Investment Risks.")

We cannot guarantee that the funds set aside for our share redemption program will be sufficient to accommodate all requests made in any year. If we do not have such funds available, at the time when

redemption is requested, you can (1) withdraw your request for redemption, or (2) ask that we honor your request at such time, if any, when sufficient funds become available. Such pending requests will be honored on a first-come, first-served basis.

Our share redemption program is only intended to provide interim liquidity for stockholders until a secondary market develops for the shares. No such market presently exists, and we cannot assure you that any market for your shares will ever develop.

The shares we redeem under our share redemption program will be cancelled, and will be held as treasury stock. We will not resell such shares to the public unless they are first registered with the Securities and Exchange Commission (Commission) under the Securities Act of 1933 and under appropriate state securities laws or otherwise sold in compliance with such laws.

If we terminate, reduce the scope of or otherwise change our share redemption program, we will disclose the changes in reports filed with the Commission.

Restrictions on Roll-Up Transactions

In connection with any proposed transaction considered a "Roll-up Transaction" involving the Wells REIT and the issuance of securities of an entity (a Roll-up Entity) that would be created or would survive after the successful completion of the Roll-up Transaction, an appraisal of all properties shall be obtained from a competent independent appraiser. The properties shall be appraised on a consistent basis, and the appraisal shall be based on the evaluation of all relevant information and shall indicate the value of the properties as of a date immediately prior to the announcement of the proposed Roll-up Transaction. The appraisal shall assume an orderly liquidation of properties over a 12-month period. The terms of the engagement of the independent appraiser shall clearly state that the engagement is for our benefit and the stockholders. A summary of the appraisal, indicating all material assumptions underlying the appraisal, shall be included in a report to stockholders in connection with any proposed Roll-up Transaction.

A "Roll-up Transaction" is a transaction involving the acquisition, merger, conversion or consolidation, directly or indirectly, of the Wells REIT and the issuance of securities of a Roll-up Entity. This term does not include:

- a transaction involving our securities that have been for at least 12 months listed on a national securities exchange or included for quotation on Nasdaq; or

- a transaction involving the conversion to corporate, trust, or association form of only the Wells REIT if, as a consequence of the transaction, there will be no significant adverse change in any of the following: stockholder voting rights; the term of our existence; compensation to Wells Capital; or our investment objectives.

In connection with a proposed Roll-up Transaction, the person sponsoring the Roll-up Transaction must offer to stockholders who vote "no" on the proposal the choice of:

(1) accepting the securities of a Roll-up Entity offered in the proposed Roll-up Transaction; or

(2) one of the following:

(A) remaining as stockholders of the Wells REIT and preserving their interests therein on the same terms and conditions as existed previously, or

(B) receiving cash in an amount equal to the stockholder's pro rata share of the appraised value of our net assets.

We are prohibited from participating in any proposed Roll-up Transaction:

- that would result in the stockholders having democracy rights in a Roll-up Entity that are less than those provided in our bylaws and described elsewhere in this prospectus, including rights with respect to the election and removal of directors, annual reports, annual and special meetings, amendment of our articles of incorporation, and dissolution of the Wells REIT;

- that includes provisions that would operate to materially impede or frustrate the accumulation of shares by any purchaser of the securities of the Roll-up Entity, except to the minimum extent necessary to preserve the tax status of the Roll-up Entity, or which would limit the ability of an investor to exercise the voting rights of its securities of the Roll-up Entity on the basis of the number of shares held by that investor;

- in which investor's rights to access of records of the Roll-up Entity will be less than those provided in the section of this prospectus entitled "Description of Shares - Meetings and Special Voting Requirements;" or

- in which any of the costs of the Roll-up Transaction would be borne by us if the Roll-up Transaction is not approved by the stockholders.

Business Combinations

Maryland Corporation Law prohibits certain business combinations between a Maryland corporation and an interested stockholder or the interested stockholder's affiliate for five years after the most recent date on which the stockholder becomes an interested stockholder. These provisions of the Maryland Corporation Law will not apply, however, to business combinations that are approved or exempted by the board of directors of the corporation prior to the time that the interested stockholder becomes an interested stockholder. As permitted by Maryland Corporation Law, we have provided in our articles of incorporation that the business combination provisions of Maryland Corporation Law will not apply to transactions involving the Wells REIT.

Control Share Acquisitions

Maryland Corporation Law provides that control shares of a Maryland corporation acquired in a control share acquisition have no voting rights except to the extent approved by a vote of two-thirds of the votes entitled to be cast on the matter. Shares owned by the acquiror, or by officers or directors who are employees of the corporation are not entitled to vote on the matter. As permitted by Maryland Corporation Law, we have provided in our articles of incorporation that the control share provisions of Maryland Corporation Law will not apply to transactions involving the Wells REIT.

General

Wells Operating Partnership, L.P. (Wells OP) was formed in January 1998 to acquire, own and operate properties on our behalf. It is considered to be an Umbrella Partnership Real Estate Investment Trust (UPREIT), which structure is utilized generally to provide for the acquisition of real property from owners who desire to defer taxable gain otherwise to be recognized by them upon the disposition of their property. Such owners may also desire to achieve diversity in their investment and other benefits afforded to owners of stock in a REIT. For purposes of satisfying the Asset and Income Tests for qualification as a REIT for tax purposes, the REIT's proportionate share of the assets and income of an UPREIT, such as Wells OP, will be deemed to be assets and income of the REIT.

The property owner's goals are accomplished because a property owner may contribute property to an UPREIT in exchange for limited partnership units on a tax-deferred basis. Further, Wells OP is structured to make distributions with respect to limited partnership units which are equivalent to the dividend distributions made to stockholders of the Wells REIT. Finally, a limited partner in Wells OP may later exchange his limited partnership units in Wells OP for shares of the Wells REIT (in a taxable transaction) and, if our shares are then listed, achieve liquidity for his investment.

Substantially all of our assets are held by Wells OP, and we intend to make future acquisitions of real properties using the UPREIT structure. The Wells REIT is the sole general partner of Wells OP and, as of _____, 2002, owned an approximately 99.___% equity percentage interest in Wells OP. Wells Capital, our advisor, has contributed $200,000 to Wells OP and is currently the only limited partner owning the other approximately 0.___% equity percentage interest in Wells OP. As the sole general partner of Wells OP, we have the exclusive power to manage and conduct the business of Wells OP.

The following is a summary of certain provisions of the partnership agreement of Wells OP. This summary is not complete and is qualified by the specific language in the partnership agreement. You should refer to the partnership agreement, itself, which we have filed as an exhibit to the registration statement, for more detail.

Capital Contributions

As we accept subscriptions for shares, we will transfer substantially all of the net proceeds of the offering to Wells OP as a capital contribution; however, we will be deemed to have made capital contributions in the amount of the gross offering proceeds received from investors. Wells OP will be deemed to have simultaneously paid the selling commissions and other costs associated with the offering. If Wells OP requires additional funds at any time in excess of capital contributions made by us and Wells Capital or from borrowing, we may borrow funds from a financial institution or other lender and lend such funds to Wells OP on the same terms and conditions as are applicable to our borrowing of such funds. In addition, we are authorized to cause Wells OP to issue partnership interests for less than fair market value if we conclude in good faith that such issuance is in the best interest of Wells OP and the Wells REIT.

Operations

The partnership agreement requires that Wells OP be operated in a manner that will enable the Wells REIT to (1) satisfy the requirements for being classified as a REIT for tax purposes, (2) avoid any federal income or excise tax liability, and (3) ensure that Wells OP will not be classified as a "publicly traded partnership" for purposes of Section 7704 of the Internal Revenue Code, which classification could

result in Wells OP being taxed as a corporation, rather than as a partnership.

(See "Federal Income Tax Considerations - Tax Aspects of the Operating Partnership - Classification as a Partnership.")

The partnership agreement provides that Wells OP will distribute cash flow from operations to the limited partners of Wells OP in accordance with their relative percentage interests on at least a quarterly basis in amounts determined by the Wells REIT as general partner such that a holder of one unit of limited partnership interest in Wells OP will receive the same amount of annual cash flow distributions from Wells OP as the amount of annual dividends paid to the holder of one of our shares. Remaining cash from operations will be distributed to the Wells REIT as the general partner to enable us to make dividend distributions to our stockholders.

Similarly, the partnership agreement of Wells OP provides that taxable income is allocated to the limited partners of Wells OP in accordance with their relative percentage interests such that a holder of one unit of limited partnership interest in Wells OP will be allocated taxable income for each taxable year in an amount equal to the amount of taxable income to be recognized by a holder of one of our shares, subject to compliance with the provisions of Sections 704(b) and 704(c) of the Internal Revenue Code and corresponding Treasury Regulations. Losses, if any, will generally be allocated among the partners in accordance with their respective percentage interests in Wells OP.

Upon the liquidation of Wells OP, after payment of debts and obligations, any remaining assets of Wells OP will be distributed to partners with positive capital accounts in accordance with their respective positive capital account balances. If the Wells REIT were to have a negative balance in its capital account following a liquidation, it would be obligated to contribute cash to Wells OP equal to such negative balance for distribution to other partners, if any, having positive balances in their capital accounts.

In addition to the administrative and operating costs and expenses incurred by Wells OP in acquiring and operating real properties, Wells OP will pay all administrative costs and expenses of the Wells REIT and such expenses will be treated as expenses of Wells OP. Such expenses will include:

- all expenses relating to the formation and continuity of existence of the Wells REIT;
- all expenses relating to the public offering and registration of securities by the Wells REIT;
- all expenses associated with the preparation and filing of any periodic reports by the Wells REIT under federal, state or local laws or regulations;
- all expenses associated with compliance by the Wells REIT with applicable laws, rules and regulations; and
- all other operating or administrative costs of the Wells REIT incurred in the ordinary course of its business on behalf of Wells OP.

Exchange Rights

The limited partners of Wells OP, including Wells Capital, have the right to cause Wells OP to redeem their limited partnership units for cash equal to the value of an equivalent number of our shares, or, at our option, we may purchase their limited partnership units by issuing one share of the Wells REIT for each limited partnership unit redeemed. These exchange rights may not be exercised, however, if and to the extent that the delivery of shares upon such exercise would (1) result in any person owning shares

in excess of our ownership limits, (2) result in shares being owned by fewer

than 100 persons, (3) result in the Wells REIT being "closely held" within the meaning of Section 856(h) of the Internal Revenue Code, (4) cause the Wells REIT to own 10% or more of the ownership interests in a tenant within the meaning of Section 856(d)(2)(B) of the Internal Revenue Code, or (5) cause the acquisition of shares by a redeemed limited partner to be "integrated" with any other distribution of our shares for purposes of complying with the Securities Act of 1933.

Subject to the foregoing, limited partners may exercise their exchange rights at any time after one year following the date of issuance of their limited partnership units; provided, however, that a limited partner may not deliver more than two exchange notices each calendar year and may not exercise an exchange right for less than 1,000 limited partnership units, unless such limited partner holds less than 1,000 units, in which case, he must exercise his exchange right for all of his units.

Transferability of Interests

The Wells REIT may not (1) voluntarily withdraw as the general partner of Wells OP, (2) engage in any merger, consolidation or other business combination, or (3) transfer its general partnership interest in Wells OP (except to a wholly-owned subsidiary), unless the transaction in which such withdrawal, business combination or transfer occurs results in the limited partners receiving or having the right to receive an amount of cash, securities or other property equal in value to the amount they would have received if they had exercised their exchange rights immediately prior to such transaction or unless, in the case of a merger or other business combination, the successor entity contributes substantially all of its assets to Wells OP in return for an interest in Wells OP and agrees to assume all obligations of the general partner of Wells OP. The Wells REIT may also enter into a business combination or we may transfer our general partnership interest upon the receipt of the consent of a majority-in-interest of the limited partners of Wells OP, other than Wells Capital. With certain exceptions, the limited partners may not transfer their interests in Wells OP, in whole or in part, without the written consent of the Wells REIT as general partner. In addition, Wells Capital may not transfer its interest in Wells OP as long as it is acting as the advisor to the Wells REIT, except pursuant to the exercise of its right to exchange limited partnership units for Wells REIT shares, in which case similar restrictions on transfer will apply to the REIT shares received by Wells Capital.

Plan of Distribution

General

We are offering a maximum of 300,000,000 shares to the public through Wells Investment Securities, our Dealer Manager, a registered broker-dealer affiliated with Wells Capital, our advisor. (See "Conflicts of Interest.") The shares are being offered at a price of $10.00 per share on a "best efforts" basis, which means generally that the Dealer Manager will be required to use only its best efforts to sell the shares and it has no firm commitment or obligation to purchase any of the shares. We are also offering 30,000,000 shares for sale pursuant to our dividend reinvestment plan at a price of $10.00 per share. We reserve the right in the future to reallocate additional shares to our dividend reinvestment plan out of our public offering shares. An additional 13,200,000 shares are reserved for issuance upon exercise of soliciting dealer warrants, which are granted to participating broker-dealers based upon the number of shares they sell. Therefore, a total of 343,200,000 shares are being registered in this offering.

The offering of shares will terminate on or before _____, 2004. However, we reserve the right to terminate this offering at any time prior to such termination date.

Underwriting Compensation and Terms

Except as provided below, the Dealer Manager will receive selling commissions of 7.0% of the gross offering proceeds. The Dealer Manager will also receive 2.5% of the gross offering proceeds in the form of a dealer manager fee as compensation for acting as the Dealer Manager and for expenses incurred in connection with marketing our shares and paying the employment costs of the Dealer Manager's wholesalers. Out of its dealer manager fee, the Dealer Manager may pay salaries and commissions to its wholesalers of up to 1.0% of gross offering proceeds. We will not pay referral or similar fees to any accountants, attorneys or other persons in connection with the distribution of the shares. Stockholders who elect to participate in the dividend reinvestment plan will be charged selling commissions and dealer manager fees on shares purchased pursuant to the dividend reinvestment plan on the same basis as stockholders purchasing shares other than pursuant to the dividend reinvestment plan.

The Dealer Manager may authorize certain other broker-dealers who are members of the NASD (Participating Dealers) to sell our shares. In the event of the sale of shares by such Participating Dealers, the Dealer Manager may reallow its commissions in the amount of up to 7.0% of the gross offering proceeds to such Participating Dealers. In addition, the Dealer Manager, in its sole discretion, may reallow a portion of its dealer manager fee to Participating Dealers in the aggregate amount of up to 1.5% of gross offering proceeds to be paid to such Participating Dealers as marketing fees or to reimburse representatives of such Participating Dealers the costs and expenses of attending our educational conferences and seminars.

We will also award to the Dealer Manager one soliciting dealer warrant to Participating Dealers for every 25 shares sold to the public or issued to stockholders pursuant to our dividend reinvestment plan during the offering period. The Dealer Manager may retain or reallow these warrants to Participating Dealers, unless such issuance of soliciting dealer warrants is prohibited by either federal or state securities laws. The holder of a soliciting dealer warrant will be entitled to purchase one share from the Wells REIT at a price of $12 per share during the period beginning on the first anniversary of the effective date of this offering and ending five years after the effective date of this offering. Subject to certain exceptions, a soliciting dealer warrant may not be transferred, assigned, pledged or hypothecated for a period of one year following the effective date of this offering. The shares issuable upon exercise of the soliciting dealer warrants are being registered as part of this offering. For the life of the soliciting dealer warrants, Participating Dealers are given the opportunity to profit from a rise in the market price for the common stock without assuming the risk of ownership, with a resulting dilution in the interest of other stockholders upon exercise of such warrants. In addition, holders of the soliciting dealer warrants would be expected to exercise such warrants at a time when we could obtain needed capital by offering new securities on terms more favorable than those provided by the soliciting dealer warrants. Exercise of the soliciting dealer warrants is governed by the terms and conditions detailed in this prospectus and in the Warrant Purchase Agreement, which is an exhibit to the registration statement.

We anticipate that the total aggregate underwriting compensation, including sales commissions, the dealer manager fee and underwriting expense reimbursements, will not in the aggregate exceed 9.5% of gross offering proceeds in the aggregate, except for the soliciting dealer warrants described above.

We have agreed to indemnify the Participating Dealers, including the Dealer Manager, against certain liabilities arising under the Securities Act of 1933, as amended.

The Participating Dealers are not obligated to obtain any subscriptions on our behalf, and we cannot assure you that any shares will be sold.

Our executive officers and directors, as well as officers and employees of Wells Capital or other affiliates, may purchase shares in this offering at a

discount. The purchase price for such shares shall be $8.90 per share reflecting the fact that the acquisition and advisory fees relating to such shares will be reduced by $0.15 per share (from $0.30 per share to $0.15 per share), and that selling commissions in the amount of $0.70 per share and dealer manager fees in the amount of $0.25 per share will not be payable in connection with such sales. The net offering proceeds we receive will not be affected by such sales of shares at a discount. Wells Capital and its affiliates shall be expected to hold their shares purchased as stockholders for investment and not with a view towards distribution. In addition, shares purchased by Wells Capital or its affiliates shall not be entitled to vote on any matter presented to the stockholders for a vote.

We may sell shares to retirement plans of Participating Dealers, to Participating Dealers in their individual capacities, to IRAs and qualified plans of their registered representatives or to any one of their registered representatives in their individual capacities for 93% of the public offering price in consideration of the services rendered by such broker-dealers and registered representatives in the offering. The net proceeds to the Wells REIT from such sales will be identical to net proceeds we receive from other sales of shares.

In connection with sales of certain minimum numbers of shares to a "purchaser," as defined below, the registered representative and the investor may agree to reduce the amount of selling commissions payable with respect to such sales. Such reduction will be credited to the investor by reducing the purchase price per share payable by the investor. The following table illustrates the various discount levels available:

Number of Shares Purchased	Purchase Price per Incremental Share in Volume Discount Range	Commissions on Sales per Incremental Share in Volume Discount Range	
		Percentage (based on $10 per share)	Amount
1 to 50,000	$10.00	7.0%	$0.70
50,001 to 100,000	$ 9.80	5.0%	$0.50
100,001 and Over	$ 9.60	3.0%	$0.30

For example, if an investor purchases 200,000 shares he would pay (1) $500,000 for the first 50,000 shares ($10.00 per share), (2) $490,000 for the next 50,000 shares ($9.80 per share), and (3) $960,000 for the remaining 100,000 shares ($9.60 per share). Accordingly, he could pay as little as $1,950,000 ($9.75 per share) rather than $2,000,000 for the shares, in which event the commission on the sale of such shares would be $90,000 ($0.45 per share) and, after payment of the dealer manager fee of $50,000 ($0.25 per share), we would receive net proceeds of $1,810,000 ($9.05 per share). The net proceeds to the Wells REIT will not be affected by volume discounts.

Because all investors will be paid the same dividends per share as other investors, an investor qualifying for a volume discount will receive a higher percentage return on his investment than investors who do not qualify for such discount.

Subscriptions may be combined for the purpose of determining the volume discounts in the case of subscriptions made by any "purchaser," as that term is defined below, provided all such shares are purchased through the same broker-dealer. The volume discount shall be prorated among the separate subscribers considered to be a single "purchaser." Any request to combine more than one subscription must be made in writing submitted simultaneously with your subscription for shares, and must set forth the basis for such request. Any such request will be subject to verification by the Dealer Manager that all of such subscriptions were made by a single "purchaser."

For the purposes of such volume discounts, the term "purchaser" includes:

- an individual, his or her spouse and their children under the age of 21 who purchase the units for his, her or their own accounts;
- a corporation, partnership, association, joint-stock company, trust fund or any organized group of persons, whether incorporated or not;
- an employees' trust, pension, profit sharing or other employee benefit plan qualified under Section 401(a) of the Internal Revenue Code; and
- all commingled trust funds maintained by a given bank.

Notwithstanding the above, in connection with volume sales made to investors in the Wells REIT, our advisor may, in its sole discretion, waive the "purchaser" requirements and aggregate subscriptions, including subscriptions to public real estate programs previously sponsored by our advisor or its affiliates, as part of a combined order for purposes of determining the number of shares purchased, provided that any aggregate group of subscriptions must be received from the same Participating Dealer, including the Dealer Manager. Any such reduction in selling commission will be prorated among the separate subscribers except that, in the case of purchases through the Dealer Manager, the Dealer Manager may allocate such reduction among separate subscribers considered to be a single "purchaser" as it deems appropriate. An investor may reduce the amount of his purchase price to the net amount shown in the foregoing table, if applicable. As set forth above, all requests to aggregate subscriptions as a single "purchaser" or other application of the foregoing volume discount provisions must be made in writing, and except as provided in this paragraph, separate subscriptions will not be cumulated, combined or aggregated.

California residents should be aware that volume discounts will not be available in connection with the sale of shares made to California residents to the extent such discounts do not comply with the provisions of Rule 260.140.51 adopted pursuant to the California Corporate Securities Law of 1968. Pursuant to this Rule, volume discounts can be made available to California residents only in accordance with the following conditions:

- there can be no variance in the net proceeds to the Wells REIT from the sale of the shares to different purchasers of the same offering;
- all purchasers of the shares must be informed of the availability of quantity discounts;
- the same volume discounts must be allowed to all purchasers of shares which are part of the offering;
- the minimum amount of shares as to which volume discounts are allowed cannot be less than $10,000;
- the variance in the price of the shares must result solely from a different range of commissions, and all discounts allowed must be based on a uniform scale of commissions; and
- no discounts are allowed to any group of purchasers.

Accordingly, volume discounts for California residents will be available in accordance with the foregoing table of uniform discount levels based on dollar volume of shares purchased, but no discounts are allowed to any group of purchasers, and no subscriptions may be aggregated as part of a combined order for purposes of determining the number of shares purchased.

Investors may agree with their broker-dealer to reduce the amount of selling commissions payable with respect to the sale of their shares down to zero (1) in the event that the investor has engaged the services of a registered investment advisor or other financial advisor with whom the investor has agreed to pay compensation for investment advisory services or other financial or investment advice, or (2) in the event that the investor is investing in a bank trust account with respect to which the investor has delegated the decision-making authority for investments made in the account to a bank trust department. The net proceeds to the Wells REIT will not be affected by reducing the commissions payable in connection with such transactions.

Neither the Dealer Manager nor its affiliates will compensate any person engaged as an investment advisor by a potential investor as an inducement for such investment advisor to advise favorably for an investment in the Wells REIT.

In addition, subscribers for shares may agree with their Participating Dealers and the Dealer Manager to have selling commissions due with respect to the purchase of their shares paid over a six-year period pursuant to a deferred commission arrangement. Stockholders electing the deferred commission option will be required to pay a total of $9.40 per share purchased upon subscription, rather than $10.00 per share, with respect to which $0.10 per share will be payable as commissions due upon subscription. For the period of six years following subscription, $0.10 per share will be deducted on an annual basis from dividends or other cash distributions otherwise payable to the stockholders and used by the Wells REIT to pay deferred commission obligations. The net proceeds to the Wells REIT will not be affected by the election of the deferred commission option. Under this arrangement, a stockholder electing the deferred commission option will pay a 1% commission upon subscription, rather than a 7% commission, and an amount equal to a 1% commission per year thereafter for the next six years, or longer if required to satisfy outstanding deferred commission obligations, will be deducted from dividends or other cash distributions otherwise payable to such stockholder and used by the Wells REIT to satisfy commission obligations. The foregoing commission amounts may be adjusted with approval of the Dealer Manager by application of the volume discount provisions described previously.

Stockholders electing the deferred commission option who are subject to federal income taxation will incur tax liability for dividends or other cash distributions otherwise payable to them with respect to their shares even though such dividends or other cash distributions will be withheld from such stockholders and will instead be paid to third parties to satisfy commission obligations.

Investors who wish to elect the deferred commission option should make the election on their Subscription Agreement Signature Page. Election of the deferred commission option shall authorize the Wells REIT to withhold dividends or other cash distributions otherwise payable to such stockholder for the purpose of paying commissions due under the deferred commission option; provided, however, that in no event may the Wells REIT withhold in excess of $0.60 per share in the aggregate under the deferred commission option. Such dividends or cash distributions otherwise payable to stockholders may be pledged by the Wells REIT, the Dealer Manager, Wells Capital or their affiliates to secure one or more loans, the proceeds of which would be used to satisfy sales commission obligations.

In the event that, at any time prior to the satisfaction of our remaining deferred commission obligations, listing of the shares occurs or is reasonably anticipated to occur, or we begin a liquidation of our properties, the remaining commissions due under the deferred commission option may be accelerated

by the Wells REIT. In either such event, we shall provide notice of any such

acceleration to stockholders who have elected the deferred commission option. In the event of listing, the amount of the remaining commissions due shall be deducted and paid by the Wells REIT out of dividends or other cash distributions otherwise payable to such stockholders during the time period prior to listing. To the extent that the distributions during such time period are insufficient to satisfy the remaining commissions due, the obligation of Wells REIT and our stockholders to make any further payments of deferred commissions under the deferred commission option shall terminate, and Participating Dealers will not be entitled to receive any further portion of their deferred commissions following listing of our shares. In the event of a liquidation of our properties, the amount of remaining commissions due shall be deducted and paid by the Wells REIT out of dividends or net sale proceeds otherwise payable to stockholders who are subject to any such acceleration of their deferred commission obligations. In no event may the Wells REIT withhold in excess of $0.60 per share in the aggregate for the payment of deferred commissions.

Subscription Procedures

You should pay for your shares by check payable to "Wells Real Estate Investment Trust, Inc." Subscriptions will be effective only upon our acceptance, and we reserve the right to reject any subscription in whole or in part. We may not accept a subscription for shares until at least five business days after the date you receive this prospectus. You will receive a confirmation of your purchase. We will initially deposit the subscription proceeds in an interest-bearing account with Bank of America, N.A., Atlanta, Georgia. Subscribers may not withdraw funds from the account. We will withdraw funds from the account periodically for the acquisition of real estate properties, the payment of fees and expenses or other investments approved by our board of directors. We generally admit stockholders to the Wells REIT on a daily basis.

Except for purchases pursuant to our dividend reinvestment plan or reinvestment plans of other public real estate programs, all accepted subscriptions will be for whole shares and for not less than 100 shares ($1,000). (See "Suitability Standards.") Except in Maine, Minnesota, Nebraska and Washington, investors who have satisfied the minimum purchase requirement and have purchased units or shares in Wells programs or units or shares in other public real estate programs may purchase less than the minimum number of shares discussed above, provided that such investors purchase a minimum of 2.5 shares ($25). After investors have satisfied the minimum purchase requirement, minimum additional purchases must be in increments of at least 2.5 shares ($25), except for purchases made pursuant to our dividend reinvestment plan or reinvestment plans of other public real estate programs.

Investors who desire to establish an IRA for purposes of investing in shares may do so by having Wells Advisors, Inc., a qualified non-bank IRA custodian affiliated with our advisor, act as their IRA custodian. In the event that an IRA is established having Wells Advisors, Inc. as the IRA custodian, the authority of Wells Advisors, Inc. will be limited to holding the shares on behalf of the beneficiary of the IRA and making distributions or reinvestments in shares solely at the discretion of the beneficiary of the IRA. Wells Advisors, Inc. will not have the authority to vote any of the shares held in an IRA except strictly in accordance with the written instructions of the beneficiary of the IRA.

The proceeds of this offering will be used only for the purposes set forth in the "Estimated Use of Proceeds" section. Subscriptions will be accepted or rejected within 30 days of receipt by the Wells REIT and, if rejected, all funds shall be returned to the rejected subscribers within 10 business days.

The Dealer Manager and each Participating Dealer who sells shares on behalf of the Wells REIT have the responsibility to make every reasonable effort to determine that the purchase of shares is appropriate for the investor and that the requisite suitability standards are met. (See "Suitability Standards.") In making this determination, the Participating Dealer will rely on relevant information

provided by the investor, including information as to the investor's age, investment objectives, investment experience, income, net worth, financial situation, other investments, and other pertinent information. Each investor should be aware that the Participating Dealer will be responsible for determining suitability.

The Dealer Manager or each Participating Dealer shall maintain records of the information used to determine that an investment in shares is suitable and appropriate for an investor. These records are required to be maintained for a period of at least six years.

Supplemental Sales Material

In addition to this prospectus, we may utilize certain sales material in connection with the offering of the shares, although only when accompanied by or preceded by the delivery of this prospectus. In certain jurisdictions, some or all of such sales material may not be available. This material may include information relating to this offering, the past performance of Wells Capital, our advisor, and its affiliates, property brochures and articles and publications concerning real estate. In addition, the sales material may contain certain quotes from various publications without obtaining the consent of the author or the publication for use of the quoted material in the sales material.

The offering of shares is made only by means of this prospectus. Although the information contained in such sales material will not conflict with any of the information contained in this prospectus, such material does not purport to be complete, and should not be considered a part of this prospectus or the registration statement of which this prospectus is a part, or as incorporated by reference in this prospectus or said registration statement or as forming the basis of the offering of the shares.

Legal Opinions

The legality of the shares being offered hereby has been passed upon for the Wells REIT by Holland & Knight LLP (Counsel). The statements under the caption "Federal Income Tax Consequences" as they relate to federal income tax matters have been reviewed by such Counsel, and Counsel has opined as to certain income tax matters relating to an investment in shares of the Wells REIT. Counsel has also represented Wells Capital, our advisor, as well as affiliates of Wells Capital, in other matters and may continue to do so in the future. (See "Conflicts of Interest.")

Experts

Financial Statements

The financial statements of the Wells REIT, as of December 31, 2001, 2000 and 1999, and for each of the years in the three-year period ended December 31, 2001, included in this prospectus and elsewhere in the registration statement, have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect thereto, and are included in this prospectus in reliance upon the authority of said firm as experts in giving said report.

The Schedule III - Real estate Investments and Accumulated Depreciation as of December 31, 2001, which is included in this prospectus, has not been audited.

Additional Information

We have filed with the Securities and Exchange Commission (Commission), Washington, D.C., a registration statement under the Securities Act of 1933, as amended, with respect to the shares offered pursuant to this prospectus. This

prospectus does not contain all the information set forth in the registration statement and the exhibits related thereto filed with the Commission, reference to which is hereby made. Copies of the registration statement and exhibits related thereto, as well as periodic reports and information filed by the Wells REIT, may be obtained upon payment of the fees prescribed by the Commission, or may be examined at the offices of the Commission without charge, at:

- the public reference facilities in Washington, D.C. at Judiciary Plaza, Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549;
- the Northeast Regional Office in New York at 233 Broadway, New York, NY 10279; and
- the Midwest Regional Office in Chicago, Illinois at 175 W. Jackson Blvd., Suite 900, Chicago, IL, 60604.

The Commission maintains a Web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the Commission. The address of the Commission's website is http://www.sec.gov.

Glossary

The following are definitions of certain terms used in this prospectus and not otherwise defined in this prospectus:

"Dealer Manager" means Wells Investment Securities, Inc.

"IRA" means an individual retirement account established pursuant to Section 408 or Section 408A of the Internal Revenue Code.

"NASAA Guidelines" means the Statement of Policy Regarding Real Estate Investment Trusts of the North American Securities Administrators Association, Inc., as revised and adopted on September 29, 1993.

"Property Manager" means Wells Management Company, Inc.

"UBTI" means unrelated business taxable income, as that term is defined in Sections 511 through 514 of the Internal Revenue Code.

Index to Financial Statements and Prior Performance Tables

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.

ARTHUR ANDERSEN LLP

Atlanta, Georgia
January 25, 2002

WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2001 AND 2000

ASSETS

	2001	2000
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	200,000	200,000
SHAREHOLDERS' EQUITY:		
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.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF INCOME

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

	2001	2000	1999
REVENUES:			
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
EXPENSES:			
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
Net INCOME	$21,723,967	$ 8,552,967	$ 3,884,649
EARNINGS PER SHARE:			
Basic and diluted	$ 0.43	$ 0.40	$ 0.50

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

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	Treasury Stock		Total Shareholders' Equity
	Shares	Amount				Shares	Amount	
BALANCE, December 31, 1998	3,154,136	$ 31,541	$ 27,567,275	$ (511,163)	$ 334,034	0	$ 0	$ 27,421,687
Issuance of common stock	10,316,949	103,169	103,066,321	0	0	0	0	103,169,490
Net income	0	0	0	0	3,884,649	0	0	3,884,649
Dividends ($.70 per share)	0	0	0	(1,346,240)	(4,218,683)	0	0	(5,564,923)
Sales commissions and discounts	0	0	(9,801,197)	0	0	0	0	(9,801,197)
Other offering expenses	0	0	(3,094,111)	0	0	0	0	(3,094,111)
BALANCE, December 31, 1999	13,471,085	134,710	117,738,288	(1,857,403)	0	0	0	116,015,595
Issuance of common stock	18,038,722	180,387	180,206,833	0	0	0	0	180,387,220
Treasury stock purchased	0	0	0	0	0	(141,297)	(1,412,969)	(1,412,969)
Net income	0	0	0	0	8,552,967	0	0	8,552,967
Dividends ($.73 per share)	0	0	0	(7,276,452)	(8,552,967)	0	0	(15,829,419)
Sales commissions and discounts	0	0	(17,002,554)	0	0	0	0	(17,002,554)
Other offering expenses	0	0	(5,369,228)	0	0	0	0	(5,369,228)
BALANCE, December 31, 2000	31,509,807	315,097	275,573,339	(9,133,855)	0	(141,297)	(1,412,969)	265,341,612
Issuance of common stock	52,251,662	522,517	521,994,103	0	0	0	0	522,516,620
Treasury stock purchased	0	0	0	0	0	(413,743)	(4,137,427)	(4,137,427)
Net income	0	0	0	0	21,723,967	0	0	21,723,967
Dividends ($.76 per share)	0	0	0	(15,047,237)	(21,723,967)	0	0	(36,771,204)
Sales commissions and discounts	0	0	(49,246,118)	0	0	0	0	(49,246,118)
Other offering expenses	0	0	(10,084,799)		0	0	0	(10,084,799)
BALANCE, December 31, 2001	83,761,469	$ 837,614	$ 738,236,525	$(24,181,092)	$ 0	(555,040)	$(5,550,396)	$709,342,651

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

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.

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 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:

	2001		2000	
	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.

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

Assets

	2001	2000
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

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 Associates	Wells Operating Partnership, L.P.	Total Partners' 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

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.

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

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

The Fund IX, X, XI, 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	$ 2,684,837	$ 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.

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

Assets

	2001	2000
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

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

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.

Following are the financial statements for Wells/Fremont Associates:

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

Assets

	2001	2000

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

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

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.

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

Assets

	2001	2000

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

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

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.

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

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

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

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

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.	Total 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

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

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.

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.

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.

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	$8,124,444

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 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.

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.

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.

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: Land	Initial Cost: Buildings and Improvements	Costs of Capitalized 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
PRICEWATER-HOUSECOOPERS 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

Description	Gross Amount at Which Carried at December 31, 2001: Land	Buildings and Improvements	Construction in Progress	Total	Accumulated Depreciation	Date of Construction	Date Acquired	Life on Which Depreciation is Computed (dd)
ALSTOM POWER--KNOXVILLE PROPERTY (a)	$ 607,930	$ 7,463,678	$ 0	$ 8,071,608	$ 1,844,482	1997	12/10/96	20 to 25 years
AVAYA BUILDING	1,051,138	4,580,200	0	5,631,338	656,495	1998	6/24/98	20 to 25 years
360 INTERLOCKEN(c)	1,650,070	7,090,696	0	8,740,766	1,098,339	1996	3/20/98	20 to 25 years
IOMEGA PROPERTY(d)	641,988	5,506,095	0	6,148,083	742,404	1998	7/01/98	20 to 25 years
OHMEDA PROPERTY (e)	2,746,894	8,157,602	0	10,904,496	1,278,024	1998	2/13/98	20 to 25 years
FAIRCHILD PROPERTY (f)	2,219,251	7,138,159	0	9,357,410	999,301	1998	7/21/98	20 to 25 years
ORANGE COUNTY PROPERTY (g)	2,187,501	4,664,115	0	6,851,616	651,780	1998	7/31/98	20 to 25 years
PRICEWATER-HOUSECOOPERS PROPERTY (h)	1,520,834	20,603,797	0	22,124,631	2,469,792	1998	12/31/98	20 to 25 years
EYBL CARTEX PROPERTY (i)	343,750	4,991,489	0	5,335,239	532,416	1998	5/18/99	20 to 25 years
SPRINT BUILDING (j)	1,766,667	8,177,842	0	9,944,509	817,785	1998	7/2/98	20 to 25 years
JOHNSON MATTHEY (k)	2,005,209	6,386,868	0	8,392,077	617,438	1973	8/17/99	20 to 25 years
GARTNER PROPERTY (l)	933,171	7,762,253	0	8,695,424	724,477	1998	9/20/99	20 to 25 years
AT&T--pa PROPERTY (m)	689,583	12,074,525	0	12,764,108	1,408,686	1998	2/4/99	20 to 25 years

Description	Ownership Percentage	Encumbrances	Initial Cost: Land	Initial Cost: Buildings and Improvements	Costs of Capitalized Improvements
MARCONI PROPERTY (n)	100	None	5,000,000	28,161,665	1,381,747
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
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

Description	Gross Amount at Which Carried at December 31, 2001: Land	Buildings and Improvements	Construction in Progress	Total	Accumulated Depreciation	Date of Construction	Date Acquired	Life on Which Depreciation is Computed (dd)
MARCONI PROPERTY (n)	5,208,335	29,335,077	0	34,543,412	2,737,941	1991	9/10/99	20 to 25 years
CINEMARK PROPERTY (o)	1,516,667	21,224,431	0	22,741,098	1,768,692	1999	12/21/99	20 to 25 years
MATSUSHITA PROPERTY (p)	4,768,215	13,773,660	0	18,541,875	2,032,803	1999	3/15/99	20 to 25 years
ALSTOM POWER-- RICHMOND PROPERTY(q)	987,918	9,923,454	0	10,911,372	921,980	1999	7/22/99	20 to 25 years
METRIS--OK PROPERTY (r)	1,197,917	12,063,155	0	13,261,072	881,413	2000	2/11/00	20 to 25 years
DIAL PROPERTY (s)	3,645,835	11,240,738	83,125	14,969,698	821,315	1997	3/29/00	20 to 25 years
ASML PROPERTY (t)	0	18,124,318	0	18,124,318	1,314,573	1995	3/29/00	20 to 25 years

MOTOROLA--AZ PROPERTY (u)	0	16,705,858	0	16,705,858	1,218,400	1998	3/29/00	20 to 25 years
AVNET PROPERTY (v)	0	13,822,658	0	13,822,658	868,060	2000	6/12/00	20 to 25 years
DELPHI PROPERTY (w)	2,250,008	18,469,408	14,877	20,734,293	1,286,705	2000	6/29/00	20 to 25 years
SIEMENS PROPERTY (x)	2,232,905	12,550,943	43,757	14,827,605	959,465	2000	5/10/00	20 to 25 years
QUEST PROPERTY (y)	2,220,993	5,602,160	0	7,823,153	649,436	1997	9/10/97	20 to 25 years
MOTOROLA--NJ PROPERTY (z)	10,054,720	25,540,919	392,104	35,987,743	1,541,768	2000	11/1/00	20 to 25 years
METRIS--MN PROPERTY (aa)	8,020,859	47,042,309	0	55,063,168	2,000,737	2000	12/21/00	20 to 25 years
STONE & WEBSTER PROPERTY (bb)	7,395,857	39,498,469	0	46,894,326	1,679,981	1994	12/21/00	20 to 25 years
AT&T--OK PROPERTY (cc)	2,187,500	13,785,631	0	15,973,131	597,317	1999	12/28/00	20 to 25 years
COMDATA PROPERTY	4,479,168	21,566,287	0	26,045,455	575,056	1986	5/15/2001	20 to 25 years
AMERICREDIT PROPERTY	1,677,084	11,386,174	0	13,063,258	227,724	2001	7/16/2001	20 to 25 years
STATE STREET PROPERTY	11,041,670	40,666,305	2,201,913	53,909,888	807,903	1998	7/30/2001	20 to 25 years
IKON PROPERTY	2,847,300	18,792,672	0	21,639,972	250,689	2000	9/7/2001	20 to 25 years
NISSAN PROPERTY	5,567,053	0	2,653,777	8,220,830	0	2002	9/19/2001	20 to 25 years

			Initial Cost			Gross Amount at Which Carried at December 31, 2001		
Description	Ownership Percentage	Encumbrances	Land	Buildings and Improvements	Costs of Capitalized Improvements	Land	Buildings and Improvements	Construction in Progress
INGRAM MICRO PROPERTY	100	$22,000,000	333,049	20,666,951	922,657	333,049	21,590,010	0
LUCENT PROPERTY	100	None	7,000,000	10,650,000	1,106,240	7,275,830	11,484,562	0
CONVERGYS PROPERTY	100	None	3,500,000	9,755,000	791,672	3,642,442	10,404,230	0
ADIC PROPERTY	51	None	1,954,213	11,000,000	757,902	2,047,735	11,664,380	0
WINDY POINT I PROPERTY	100	None	4,360,000	29,298,642	1,440,568	4,536,862	30,562,349	0
WINDY POINT II PROPERTY	100	None	3,600,000	52,016,358	2,385,402	3,746,033	54,255,727	0
		----	---------	----------	---------	---------	----------	-
Total		$30,124,444	$112,812,473	$584,077,441	$57,913,909	$117,245,941	$645,673,203	$5,389,553

	Total	Accumulated Depreciation	Date of Construction	Date of Acquired	Life on Which Depreciation is Computed (dd)
INGRAM MICRO PROPERTY	21,923,059	292,307	1997	9/27/2001	20 to 25 years
LUCENT PROPERTY	18,760,392	153,093	2000	9/28/2001	20 to 25 years
CONVERGYS PROPERTY	14,046,672	34,681	2001	12/21/2001	20 to 25 years
ADIC PROPERTY	13,712,115	38,881	2001	12/21/2001	20 to 25 years
WINDY POINT I PROPERTY	35,099,211	101,875	1999	12/31/2001	20 to 25 years
WINDY POINT II PROPERTY	58,001,760	180,852	2001	12/31/2001	20 to 25 years
	----------	-------			
Total	$768,308,697	$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/Freemont 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

SCHEDULE III--REAL ESTATE INVESTMENTS AND ACCUMULATED DEPRECIATION

DECEMBER 31, 2001

	Cost	Accumulated Depreciation
BALANCE AT DECEMBER 31, 1998	$ 76,201,910	$ 1,487,963
1999 additions	103,916,288	4,243,688
BALANCE AT DECEMBER 31, 1999	180,118,198	5,731,651
2000 additions	293,450,036	11,232,378
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

PRIOR PERFORMANCE TABLES

The following Prior Performance Tables (Tables) provide information relating to real estate investment programs sponsored by Wells Capital, Inc., our advisor, and its affiliates (Wells Public Programs) which have investment objectives similar to Wells Real Estate Investment Trust, Inc. (Wells REIT). (See "Investment Objectives and Criteria.") Except for the Wells REIT, all of

the Wells Public Programs have used capital, and no acquisition indebtedness, to acquire their properties.

Prospective investors should read these Tables carefully together with the summary information concerning the Wells Public Programs as set forth in the "Prior Performance Summary" section of this prospectus.

Investors in the Wells REIT will not own any interest in the other Wells Public Programs and should not assume that they will experience returns, if any, comparable to those experienced by investors in other Wells Public Programs.

The advisor is responsible for the acquisition, operation, maintenance and resale of the real estate properties. The financial results of the Wells Public Programs, thus, may provide some indication of the advisor's performance of its obligations during the periods covered. However, general economic conditions affecting the real estate industry and other factors contribute significantly to financial results.

The following tables are included herein:

Table I - Experience in Raising and Investing Funds (As a Percentage of Investment)

Table II - Compensation to Sponsor (in Dollars)

Table III - Annual Operating Results of Wells Public Programs

Table IV (Results of completed programs) has been omitted since none of the Wells Public Programs have been liquidated.

Table V - Sales or Disposals of Property

Additional information relating to the acquisition of properties by the Wells Public Programs is contained in Table VI, which is included in Part II of the registration statement which the Wells REIT has filed with the Securities and Exchange Commission. Copies of any or all information will be provided to prospective investors at no charge upon request.

The following are definitions of certain terms used in the Tables:

"Acquisition Fees" shall mean fees and commissions paid by a Wells Public Program in connection with its purchase or development of a property, except development fees paid to a person not affiliated with the Wells Public Program or with a general partner or advisor of the Wells Public Program in connection with the actual development of a project after acquisition of the land by the Wells Public Program.

"Organization Expenses" shall include legal fees, accounting fees, securities filing fees, printing and reproduction expenses and fees paid to the sponsor in connection with the planning and formation of the Wells Public Program.

"Underwriting Fees" shall include selling commissions and wholesaling fees paid to broker-dealers for services provided by the broker-dealers during the offering.

TABLE I
(UNAUDITED)

EXPERIENCE IN RAISING AND INVESTING FUNDS

This Table provides a summary of the experience of the sponsors of Wells Public Programs for which offerings have been completed since December 31, 1998. Information is provided with regard to the manner in which the proceeds of

the offerings have been applied. Also set forth is information pertaining to the timing and length of these offerings and the time period over which the proceeds have been invested in the properties. All figures are as of December 31, 2001.

	Wells Real Estate Fund XI, L.P.	Wells Real Estate Fund XII, L.P.	Wells Real Estate Investment Trust, Inc.
Dollar Amount Raised	$16,532,802/(3)/	$ 35,611,192/(4)/	$307,411,112/(5)/
Percentage Amount Raised	100%/(3)/	100%/(4)/	100%/(5)/
Less Offering Expenses			
Underwriting Fees	9.5%	9.5%	9.5%
Organizational Expenses	3.0%	3.0%	3.0%
Reserves/(1)/	0.0%	0.0%	0.0%
Percent Available for Investment	87.5%	87.5%	87.5%
Acquisition and Development Costs			
Prepaid Items and Fees related to Purchase of Property	0.0%	0.0	0.5%
Cash Down Payment	84.0%	84.0%	73.8%
Acquisition Fees/(2)/	3.5%	3.5%	3.5%
Development and Construction Costs	0.0%	0.0	9.7%
Reserve for Payment of Indebtedness	0.0%	0.0%	0.0%
Total Acquisition and Development Cost	87.5%	87.5%	87.5%
Percent Leveraged	0.0%	0.0%	30.9%
Date Offering Began	12/31/97	03/22/99	01/30/98
Length of Offering	12 mo.	24 mo.	35 mo.
Months to Invest 90% of Amount Available for Investment (Measured from Beginning of Offering)	20 mo.	26 mo.	21 mo.
Number of Investors as of 12/31/01	1,338	1,337	7,422

(1) Does not include general partner contributions held as part of reserves.

(2) Includes acquisition fees, real estate commissions, general contractor fees and/or architectural fees paid to affiliates of the general partners.

(3) Total dollar amount registered and available to be offered was $35,000,000. Wells Real Estate Fund XI, L.P. closed its offering on December 30, 1998, and the total dollar amount raised was $16,532,802.

(4) Total dollar amount registered and available to be offered was $70,000,000. Wells Real Estate Fund XII, L.P. closed its offering on March 21, 2001, and the total dollar amount raised was $35,611,192.

(5) The total dollar amount registered and available to be offered in the first offering was $165,000,000. Wells Real Estate Investment Trust, Inc. closed its initial offering on December 19, 1999, and the total dollar amount raised in its initial offering was $132,181,919. The total dollar amount registered and available to be offered in the second offering was $222,000,000. Wells Real Estate Investment Trust, Inc. closed its second offering on December 19, 2000, and the total dollar amount raised in its second offering was $175,229,193.

TABLE II
(UNAUDITED)
COMPENSATION TO SPONSOR

The following sets forth the compensation received by Wells Capital, Inc., our advisor, and its affiliates, including compensation paid out of offering proceeds and compensation paid in connection with the ongoing operations of Wells Public Programs having similar or identical investment objectives the offerings of which have been completed since December 31, 1998. All figures are as of December 31, 2001.

	Wells Real Estate Fund XI, L.P.	Wells Real Estate Fund XII, L.P.	Wells Real Estate Investment Trust, Inc./(1)/	Other Public Programs/(2)/
Date Offering Commenced	12/31/97	03/22/99	01/30/98	
Dollar Amount Raised	$ 16,532,802	$ 35,611,192	$307,411,112	$268,370,007
To Sponsor from Proceeds of Offering:				
Underwriting Fees/(3)/	$ 151,911	$ 362,416	$ 3,076,844	$ 1,494,470
Acquisition Fees				
Real Estate Commissions	--	--	--	--
Acquisition and Advisory Fees/(4)/	$ 578,648	$ 1,246,392	$ 10,759,389	$ 12,644,556
Dollar Amount of Cash Generated from Operations Before Deducting Payments to Sponsor(5)	$ 3,494,174	$ 3,508,128	$116,037,681	$ 58,169,461
Amount Paid to Sponsor from Operations:				
Property Management Fee(2)	$ 90,731	$ 113,238	$ 1,899,140	$ 2,257,424
Partnership Management Fee	--	--	--	--
Reimbursements	$ 164,746	$ 142,990	$ 1,047,449	$ 2,503,609
Leasing Commissions	$ 90,731	$ 113,238	$ 1,899,140	$ 2,257,426
General Partner Distributions	--	--	--	--
Other	--	--	--	--
Dollar Amount of Property Sales and Refinancing				
Payments to Sponsors:				
Cash	--	--	--	--
Notes	--	--	--	--
Amount Paid to Sponsor from Property Sales and Refinancing:				
Real Estate Commissions	--	--	--	--
Incentive Fees	--	--	--	--
Other	--	--	--	--

(1) The total dollar amount registered and available to be offered in the first offering was $165,000,000. Wells Real Estate Investment Trust, Inc. closed its initial offering on December 19, 1999, and the total dollar amount raised in its initial offering was $132,181,919. The total dollar amount registered and available to be offered in the second offering was $222,000,000. Wells Real Estate Investment Trust, Inc. closed its second offering on December 19, 2000, and the total dollar amount raised in its second offering was $175,229,193.

(2) Includes compensation paid to the general partners from Wells Real Estate Fund I, Wells Real Estate Fund II, Wells Real Estate Fund II-OW, Wells Real Estate Fund III, L.P., Wells Real Estate Fund IV, L.P., Wells Real Estate Fund V, L.P., Wells Real Estate Fund VI, L.P., Wells Real Estate Fund VII, L.P., Wells Real Estate Fund VIII, L.P., Wells Real Estate Fund IX, L.P. and Wells Real Estate Fund X, L.P. during the past three years. In addition to the amounts shown, affiliates of the general partners of Wells Real Estate Fund I are entitled to certain property management and leasing fees but have elected to defer the payment of such fees until a later year on properties owned by Wells Real Estate Fund I. As of December 31, 2001, the amount of such deferred fees totaled $2,627,841.

(3) Includes net underwriting compensation and commissions paid to Wells Investment Securities, Inc. in connection with the offering which was not

reallowed to participating broker-dealers.

(4) Fees paid to the general partners or their affiliates for acquisition and advisory services in connection with the review and evaluation of potential real property acquisitions.

(5) Includes $(161,104) in net cash provided by operating activities, $3,308,970 in distributions to limited partners and $346,208 in payments to sponsor for Wells Real Estate Fund XI, L.P.; $167,620 in net cash used by operating activities, $2,971,042 in distributions to limited partners and $369,466 in payments to sponsor for Wells Real Estate Fund XII, L.P.; $53,677,256 in net cash provided by operating activities, $57,514,696 in dividends and $4,845,729 in payments to sponsor for Wells Real Estate Investment Trust, Inc.; and $956,542 in net cash provided by operating activities, $50,169,329 in distributions to limited partners and $7,018,457 in payments to sponsor for other public programs.

TABLE III
(UNAUDITED)

The following five tables set forth operating results of Wells Public Programs the offerings of which have been completed since December 30, 1996. The information relates only to public programs with investment objectives similar to those of the Wells REIT. All figures are as of December 31 of the year indicated.

TABLE III (UNAUDITED)
OPERATING RESULTS OF PRIOR PROGRAMS
WELLS REAL ESTATE FUND IX, L.P.

	2001	2000	1999	1998	1997
Gross Revenues/(1)/	$1,874,290	$1,836,768	$1,593,734	$ 1,561,456	$ 1,199,300
Profit on Sale of Properties	--	--	--	--	--
Less: Operating Expenses/(2)/	105,816	78,092	90,903	105,251	101,284
Depreciation and Amortization/(3)/	0	0	12,500	6,250	6,250
Net Income GAAP Basis/(4)/	$1,768,474	$1,758,676	$1,490,331	$ 1,449,955	$ 1,091,766
Taxable Income: Operations	$2,251,474	$2,147,094	$1,924,542	$ 1,906,011	$ 1,083,824
Cash Generated (Used By):					
Operations	$ (101,573)	$ (66,145)	$ (94,403)	$ 80,147	$ 501,390
Joint Ventures	2,978,785	2,831,329	2,814,870	2,125,489	527,390
	$2,877,212	$2,765,184	$2,720,467	$ 2,205,636	$ 1,028,780
Less Cash Distributions to Investors:					
Operating Cash Flow	2,877,212	2,707,684	2,720,467	2,188,189	1,028,780
Return of Capital	--	--	15,528	--	41,834
Undistributed Cash Flow From Prior Year Operations	20,074	--	17,447	--	1,725
Cash Generated (Deficiency) after Cash Distributions	$ (20,074)	$ 57,500	$ (32,975)	$ 17,447	$ (43,559)
Special Items (not including sales and financing):					
Source of Funds:					
General Partner Contributions	--	--	--	--	--
Increase in Limited Partner Contributions	--	--	--	--	--
	$ (20,074)	$ 57,500	$ (32,975)	$ 17,447	$ (43,559)
Use of Funds:					
Sales Commissions and Offering Expenses	--	--	--	--	323,039
Return of Original Limited Partner's Investment	--	--	--	--	100
Property Acquisitions and Deferred Project Costs	--	44,357	190,853	9,455,554	13,427,158
Cash Generated (Deficiency) after Cash Distributions and Special Items	$ (20,074)	$ 13,143	$ (223,828)	$(9,438,107)	$(13,793,856)
Net Income and Distributions Data per $1,000 Invested:					

Net Income on GAAP Basis:					
Ordinary Income (Loss)					
- Operations Class A Units	57	93	89	88	53
- Operations Class B Units	(0)	(267)	(272)	(218)	(77)
Capital Gain (Loss)	--	--	--	--	--
Tax and Distributions Data per $1,000 Invested:					
Federal Income Tax Results:					
Ordinary Income (Loss)					
- Operations Class A Units	94	91	86	85	46
- Operations Class B Units	(195)	(175)	(164)	(123)	(47)
Capital Gain (Loss)	--	--	--	--	--
Cash Distributions to Investors:					
Source (on GAAP Basis)					
- Investment Income Class A Units	56	87	88	73	36
- Return of Capital Class A Units	36	--	2	--	--
- Return of Capital Class B Units	--	--	--	--	--
Source (on Cash Basis)					
- Operations Class A Units	92	87	89	73	35
- Return of Capital Class A Units	--	--	1	--	1
- Operations Class B Units	--	--	--	--	--
Source (on a Priority Distribution Basis)/(5)/					
- Investment Income Class A Units	81	76	77	61	29
- Return of Capital Class A Units	11	11	13	12	7
- Return of Capital Class B Units	--	--	--	--	--
Amount (in Percentage Terms) Remaining Invested in Program Properties at the end of the Last Year Reported in the Table	100%				

(1) Includes $593,914 in equity in earnings of joint ventures and $605,386 from investment of reserve funds in 1997; $1,481,869 in equity in earnings of joint ventures and $79,587 from investment of reserve funds in 1998; $1,593,734 in equity in earnings of joint ventures and $0 from investment of reserve funds in 1999; and $1,829,216 in equity in earnings of joint ventures and $7,552 from investment of reserve funds in 2000; and $1,870,378 in equity in earnings of joint ventures and $3,912 from investment of reserve funds in 2001. As of December 31, 2001, the leasing status was 100% including developed property in initial lease up.

(2) Includes partnership administrative expenses.

(3) Included in equity in earnings of joint ventures in gross revenues is depreciation of $469,126 for 1997; $1,143,407 for 1998; $1,210,939 for 1999; $1,100,915 for 2000; and $1,076,802 for 2001.

(4) In accordance with the partnership agreement, net income or loss, depreciation and amortization are allocated $1,564,778 to Class A Limited Partners, $(472,806) to Class B Limited Partners and $(206) to the General Partners for 1997; $2,597,938 to Class A Limited Partners, $(1,147,983) to Class B Limited Partners and $0 to the General Partners for 1998; $2,713,636 to Class A Limited Partners, $(1,223,305) to Class B Limited Partners and $0 to the General Partners for 1999; $2,858,806 to Class A Limited Partners, $(1,100,130) to Class B Limited Partners and $0 to the General Partners for 2000; and $1,768,474 to Class A Limited Partners, $(0) to Class B Limited Partners and $0 to the General Partners for 2001.

(5) Pursuant to the terms of the partnership agreement, an amount equal to the cash distributions paid to Class A Limited Partners is payable as priority distributions out of the first available net proceeds from the sale of partnership properties to Class B Limited Partners. The amount of cash distributions paid per unit to Class A Limited Partners is shown as a return of capital to the extent of such priority distributions payable to Class B Limited Partners. As of December 31, 2001, the aggregate amount of such priority distributions payable to Class B Limited Partners totaled $1,668,253.

TABLE III (UNAUDITED)
OPERATING RESULTS OF PRIOR PROGRAMS

	2001	2000	1999	1998	1997
Gross Revenues/(1)/	$ 1,559,026	$ 1,557,518	$ 1,309,281	$ 1,204,597	$ 372,507
Profit on Sale of Properties	--	--	--	--	--
Less: Operating Expenses/(2)/	109,177	81,338	98,213	99,034	88,232
Depreciation and Amortization/(3)/	0	0	18,750	55,234	6,250
Net Income GAAP Basis/(4)/	$ 1,449,849	$ 1,476,180	$ 1,192,318	$ 1,050,329	$ 278,025
Taxable Income: Operations	$ 1,688,775	$ 1,692,792	$ 1,449,771	$ 1,277,016	$ 382,543
Cash Generated (Used By):					
Operations	(100,983)	(59,595)	$ (9,862)	$ 300,019	$ 200,668
Joint Ventures	2,307,137	2,192,397	2,175,915	886,846	--
	$ 2,206,154	$ 2,132,802	$ 2,076,053	$ 1,186,865	$ 200,668
Less Cash Distributions to Investors:					
Operating Cash Flow	2,206,154	2,103,260	2,067,801	1,186,865	--
Return of Capital	--	--	--	19,510	--
Undistributed Cash Flow From Prior Year Operations	25,647	--	--	200,668	--
Cash Generated (Deficiency) after Cash Distributions	$ (25,647)	$ 29,542	$ 8,252	$ (220,178)	$ 200,668
Special Items (not including sales and financing):					
Source of Funds:					
General Partner Contributions	--	--	--	--	--
Increase in Limited Partner Contributions	--	--	--	--	27,128,912
	$ (25,647)	$ 29,542	$ 8,252	$ (220,178)	$27,329,580
Use of Funds:					
Sales Commissions and Offering Expenses	--	--	--	300,725	3,737,363
Return of Original Limited Partner's Investment	--	--	--	--	100
Property Acquisitions and Deferred Project Costs	0	81,022	0	17,613,067	5,188,485
Cash Generated (Deficiency) after Cash Distributions and Special Items	$ (25,647)	$ (51,480)	$ 8,252	$(18,133,970)	$18,403,632
Net Income and Distributions Data per $1,000 Invested:					
Net Income on GAAP Basis:					
Ordinary Income (Loss)					
- Operations Class A Units	99	104	97	85	28
- Operations Class B Units	(188)	(159)	(160)	(123)	(9)
Capital Gain (Loss)	--	--	--	--	--
Tax and Distributions Data per $1,000 Invested:					
Federal Income Tax Results:					
Ordinary Income (Loss)					
- Operations Class A Units	95	98	92	78	35
- Operations Class B Units	(130)	(107)	(100)	(64)	0
Capital Gain (Loss)	--	--	--	--	--
Cash Distributions to Investors:					
Source (on GAAP Basis)					
- Investment Income Class A Units	96	94	95	56	--
- Return of Capital Class A Units	--	--	--	--	--
- Return of Capital Class B Units	--	--	--	--	--
Source (on Cash Basis)					
- Operations Class A Units	96	94	95	56	--
- Return of Capital Class A Units	--	--	--	10	--
- Operations Class B Units	--	--	--	--	--
Source (on a Priority Distribution Basis)/(5)/					
- Investment Income Class A Units	80	74	71	48	--
- Return of Capital Class A Units	16	20	24	18	--
- Return of Capital Class B Units	--	--	--	--	--
Amount (in Percentage Terms) Remaining Invested in Program Properties at the end of the Last Year Reported in the Table	100%				

(1) Includes $(10,035) in equity in earnings of joint ventures and $382,542 from investment of reserve funds in 1997; $869,555 in equity in earnings of joint ventures and $215,042 from investment of reserve funds in 1998; $1,309,281 in equity in earnings of joint ventures and $0 from investment of reserve funds in 1999; 1,547,664 in equity in earnings of joint ventures and $9,854 from investment of reserve funds in 2000; and $1,549,588 in equity in earnings of joint ventures and $9,438 from investment of reserve funds in 2001. As of December 31, 2001, the leasing status was 100% including developed property in initial lease up.

(2) Includes partnership administrative expenses.

(3) Included in equity in earnings of joint ventures in gross revenues is depreciation of $18,675 for 1997; $674,986 for 1998; $891,911 for 1999; $816,544 for 2000; and $814,502 for 2001.

(4) In accordance with the partnership agreement, net income or loss, depreciation and amortization are allocated $302,862 to Class A Limited

Partners, $(24,675) to Class B Limited Partners and $(162) to the General Partners for 1997; $1,779,191 to Class A Limited Partners, $(728,524) to Class B Limited Partners and $(338) to General Partners for 1998; $2,084,229 to Class A Limited Partners, $(891,911) to Class B Limited Partners and $0 to the General Partners for 1999; $2,292,724 to Class A Limited Partners, $(816,544) to Class B Limited Partners and $0 to the General Partners for 2000; and $2,264,351 to Class A Limited Partners, $(814,502) to Class B Limited Partners and $0 to the General Partners for 2001.

(5) Pursuant to the terms of the partnership agreement, an amount equal to the cash distributions paid to Class A Limited Partners is payable as priority distributions out of the first available net proceeds from the sale of partnership properties to Class B Limited Partners. The amount of cash distributions paid per unit to Class A Limited Partners is shown as a return of capital to the extent of such priority distributions payable to Class B Limited Partners. As of December 31, 2001, the aggregate amount of such priority distributions payable to Class B Limited Partners totaled $1,735,882.

TABLE III (UNAUDITED)
OPERATING RESULTS OF PRIOR PROGRAMS
WELLS REAL ESTATE FUND XI, L.P.

	2001	2000	1999	1998	1997
Gross Revenues/(1)/	$ 960,676	$ 975,850	$ 766,586	$ 262,729	N/A
Profit on Sale of Properties	--	--	--	--	
Less: Operating Expenses/(2)/	90,326	79,861	111,058	113,184	
Depreciation and Amortization/(3)/	0	--	25,000	6,250	
Net Income GAAP Basis/(4)/	$ 870,350	$ 895,989	$ 630,528	$ 143,295	
Taxable Income: Operations	$ 1,038,394	$ 944,775	$ 704,108	$ 177,692	
Cash Generated (Used By):					
Operations	(128,985)	(72,925)	40,906	(50,858)	
Joint Ventures	1,376,673	1,333,337	705,394	102,662	
	$ 1,247,688	$ 1,260,412	$ 746,300	$ 51,804	
Less Cash Distributions to Investors:					
Operating Cash Flow	1,247,688	1,205,303	746,300	51,804	
Return of Capital	4,809	--	49,761	48,070	
Undistributed Cash Flow From Prior Year Operations	55,109	--	--	--	
Cash Generated (Deficiency) after Cash Distributions	$ (59,918)	$ 55,109	$ (49,761)	$ (48,070)	
Special Items (not including sales and financing):					
Source of Funds:					
General Partner Contributions	--	--	--	--	
Increase in Limited Partner Contributions	--	--	--	16,532,801	
	$ (59,918)	$ 55,109	$ (49,761)	$16,484,731	
Use of Funds:					
Sales Commissions and Offering Expenses	--	--	214,609	1,779,661	
Return of Original Limited Partner's Investment	--	--	100	--	
Property Acquisitions and Deferred Project Costs	--	--	9,005,979	5,412,870	
Cash Generated (Deficiency) after Cash Distributions and Special Items	$ (59,918)	$ 55,109	$ (9,270,449)	$ 9,292,200	
Net Income and Distributions Data per $1,000 Invested:					
Net Income on GAAP Basis:					
Ordinary Income (Loss)					
- Operations Class A Units	101	103	77	50	
- Operations Class B Units	(158)	(155)	(112)	(77)	
Capital Gain (Loss)	--	--	--	--	
Tax and Distributions Data per $1,000 Invested:					
Federal Income Tax Results:					
Ordinary Income (Loss)					
- Operations Class A Units	100	97	71	18	
- Operations Class B Units	(100)	(112)	(73)	(17)	
Capital Gain (Loss)	--	--	--	--	
Cash Distributions to Investors:					
Source (on GAAP Basis)					
- Investment Income Class A Units	97	90	60	8	
- Return of Capital Class A Units	--	--	--	--	
- Return of Capital Class B Units	--	--	--	--	
Source (on Cash Basis)					
- Operations Class A Units	97	90	56	4	
- Return of Capital Class A Units	--	--	4	4	
- Operations Class B Units	--	--	--	--	
Source (on a Priority Distribution Basis)/(5)/					
- Investment Income Class A Units	75	69	46	6	
- Return of Capital Class A Units	22	21	14	2	
- Return of Capital Class B Units	--	--	--	--	

Amount (in Percentage Terms) Remaining Invested in Program Properties at the end of the Last Year Reported in the Table	100%

(1) Includes $142,163 in equity in earnings of joint ventures and $120,566 from investment of reserve funds in 1998; $607,579 in equity in earnings of joint ventures and $159,007 from investment of reserve funds in 1999; $967,900 in equity in earnings of joint ventures and $7,950 from investment of reserve funds in 2000; and $959,631 in equity in earnings of joint ventures and $1,045 from investment of reserve funds in 2001. As of December 31, 2001, the leasing status was 100% including developed property in initial lease up.

(2) Includes partnership administrative expenses.

(3) Included in equity in earnings of joint ventures in gross revenues is depreciation of $105,458 for 1998; $353,840 for 1999; $485,558 for 2000; and $491,478 for 2001.

(4) In accordance with the partnership agreement, net income or loss, depreciation and amortization are allocated $254,862 to Class A Limited Partners, $(111,067) to Class B Limited Partners and $(500) to General Partners for 1998; $1,009,368 to Class A Limited Partners, $(378,840) to Class B Limited Partners and $0 to the General Partners for 1999; $1,381,547 to Class A Limited Partners, $(485,558) to Class B Limited Partners and $0 to General Partners for 2000; and $1,361,828 to Class A Limited Partners, $(491,478) to Class B Limited Partners and $0 to the General Partners for 2001.

(5) Pursuant to the terms of the partnership agreement, an amount equal to the cash distributions paid to Class A Limited Partners is payable as priority distributions out of the first available net proceeds from the sale of partnership properties to Class B Limited Partners. The amount of cash distributions paid per unit to Class A Limited Partners is shown as a return of capital to the extent of such priority distributions payable to Class B Limited Partners. As of December 31, 2001, the aggregate amount of such priority distributions payable to Class B Limited Partners totaled $791,502.

TABLE III (UNAUDITED)
OPERATING RESULTS OF PRIOR PROGRAMS
WELLS REAL ESTATE FUND XII, L.P.

	2001	2000	1999
Gross Revenues/(1)/	$ 1,661,194	$ 929,868	$ 160,379
Profit on Sale of Properties	--	--	--
Less: Operating Expenses/(2)/	105,776	73,640	37,562
Depreciation and Amortization/(3)/	0	0	0
Net Income GAAP Basis/(4)/	$ 1,555,418	$ 856,228	$ 122,817
Taxable Income: Operations	$ 1,850,674	$ 863,490	$ 130,108
Cash Generated (Used By):			
Operations	(83,406)	247,244	3,783
Joint Ventures	2,036,837	737,266	61,485
	$ 1,953,431	$ 984,510	$ 65,268
Less Cash Distributions to Investors:			
Operating Cash Flow	1,953,431	779,818	62,934

Return of Capital	--	--	--
Undistributed Cash Flow From Prior Year Operations	174,859	--	--
Cash Generated (Deficiency) after Cash Distributions	$ (174,859)	$ 204,692	$ 2,334
Special Items (not including sales and financing):			
Source of Funds:			
General Partner Contributions	--	--	--
Increase in Limited Partner Contributions	10,625,431	15,617,575	9,368,186
	$10,450,572	$15,822,267	$ 9,370,520
Use of Funds:			
Sales Commissions and Offering Expenses	1,328,179	1,952,197	1,171,024
Return of Original Limited Partner's Investment	--	--	100
Property Acquisitions and Deferred Project Costs	9,298,085	16,246,485	5,615,262
Cash Generated (Deficiency) after Cash Distributions and Special Items	$ (175,692)	$(2,376,415)	$ 2,584,134
Net Income and Distributions Data per $1,000 Invested:			
Net Income on GAAP Basis:			
Ordinary Income (Loss)			
- Operations Class A Units	98	89	50
- Operations Class B Units	(131)	(92)	(56)
Capital Gain (Loss)	--	--	--
Tax and Distributions Data per $1,000 Invested:			
Federal Income Tax Results:			
Ordinary Income (Loss)			
- Operations Class A Units	84	58	23
- Operations Class B Units	(74)	(38)	(25)
Capital Gain (Loss)	--	--	--
Cash Distributions to Investors:			
Source (on GAAP Basis)			
- Investment Income Class A Units	77	41	8
- Return of Capital Class A Units	--	--	--
- Return of Capital Class B Units	--	--	--
Source (on Cash Basis)			
- Operations Class A Units	77	41	8
- Return of Capital Class A Units	--	--	--
- Operations Class B Units	--	--	--
Source (on a Priority Distribution Basis)/(5)/			
- Investment Income Class A Units	55	13	6
- Return of Capital Class A Units	22	28	2
- Return of Capital Class B Units	--	--	--
Amount (in Percentage Terms) Remaining Invested in Program Properties at the end of the Last Year Reported in the Table	100%		

(1) Includes $124,542 in equity in earnings of joint ventures and $35,837 from investment of reserve funds in 1999; $664,401 in equity in earnings of joint ventures and $265,467 from investment of reserve funds in 2000; and $1,577,523 in equity in earnings of joint ventures and $83,671 from investment of reserve funds in 2001. As of December 31, 2001, the leasing status was 100% including developed property in initial lease up.

(2) Includes partnership administrative expenses.

(3) Included in equity in earnings of joint ventures in gross revenues is depreciation of $72,427 for 1999; $355,210 for 2000; and $1,035,609 for 2001.

(4) In accordance with the partnership agreement, net income or loss, depreciation and amortization are allocated $195,244 to Class A Limited Partners, $(71,927) to Class B Limited Partners and $(500) to the General Partners for 1999; $1,209,438 to Class A Limited Partners, $(353,210) to Class B Limited Partners and $0 to General Partners for 2000; and $2,591,027 to Class A Limited Partners, $(1,035,609) to Class B Limited Partners and $0 to the General Partners for 2001.

(5) Pursuant to the terms of the partnership agreement, an amount equal to the cash distributions paid to Class A Limited Partners is payable as priority distributions out of the first available net proceeds from the sale of partnership properties to Class B Limited Partners. The amount of cash distributions paid per unit to Class A Limited Partners is shown as a return of capital to the extent of such priority distributions payable to Class B Limited Partners. As of December 31, 2001, the aggregate amount of such priority distributions payable to Class B Limited Partners totaled $870,747.

TABLE V (UNAUDITED)
SALES OR DISPOSALS OF PROPERTIES

The following Table sets forth sales or other disposals of properties by Wells Public Programs within the most recent three years. The information relates to only public programs with investment objectives similar to those of Wells Real Estate Investment Trust, Inc. All figures are as of December 31, 2001.

Property	Date Acquired	Date Of Sale	Selling Price, Net of Closing Costs And GAAP Adjustments					Cost of Properties Including Closing And Soft Costs		Excess (Deficiency) Of Property Operating Cash Receipts Over Cash Expenditures
			Cash Received Net Of Closing Costs	Mortgage Balance At Time Of Sale	Purchase Money Mortgage Taken Back By Program	Adjustments Resulting From Application Of GAAP	Total	Original Mortgage Financing	Total Acquisition Cost, Capital Improvement, Closing And Soft Costs/1/	Total	
3875 Peachtree Place, Atlanta, Georgia	12/1/85	08/31/00	$ 727,982	-0-	-0-	-0-	$ 727,982/2/	-0-	$ 647,648	$ 647,648	
Crowe's Crossing Shopping Center, DeKalb Count, Georgia	12/31/86	01/11/01	$6,487,000	-0-	-0-	-0-	$6,487,000/3/	-0-	$ 9,388,869	$ 9,368,869	
Cherokee Commons Shopping Center, Cherokee County, Georgia	10/30/87	10/01/01	$8,434,089	-0-	-0-	-0-	$8,434,089/4/	-0-	$10,650,750	$10,650,750	

_____
/1/ Amount shown does not include pro rata share of original offering costs.
/2/ Includes Wells Real Estate Fund I's share of taxable gain from this sale in the amount of $205,019, of which $205,019 is allocated to capital gain and $0 is allocated to ordinary gain.
/3/ Includes taxable gain from this sale in the amount of $11,496, of which $11,496 is allocated to capital gain and $0 is allocated to ordinary gain.
/4/ Includes taxable gain from this sale in the amount of $207,613, of which $207,613 is allocated to capital gain and $0 is allocated to ordinary gain.

EXHIBIT A

SUBSCRIPTION AGREEMENT

To: Wells Real Estate Investment Trust, Inc.
Suite 250
6200 The Corners Parkway
Norcross, Georgia 30092

Ladies and Gentlemen:

The undersigned, by signing and delivering a copy of the attached Subscription Agreement Signature Page, hereby tenders this subscription and applies for the purchase of the number of shares of common stock ("Shares") of Wells Real Estate Investment Trust, Inc., a Maryland corporation (the "Wells REIT"), set forth on such Subscription Agreement Signature Page. Payment for the Shares is hereby made by check payable to "Wells Real Estate Investment Trust, Inc."

I hereby acknowledge receipt of the Prospectus of Wells REIT dated _____, 2002 (the "Prospectus").

I agree that if this subscription is accepted, it will be held, together with the accompanying payment, on the terms described in the Prospectus. Subscriptions may be rejected in whole or in part by Wells REIT in its sole and absolute discretion.

Prospective investors are hereby advised of the following:

(a) The assignability and transferability of the Shares is restricted and will be governed by Wells REIT's Articles of Incorporation and Bylaws and all applicable laws as described in the Prospectus.

(b) Prospective investors should not invest in Shares unless they have an adequate means of providing for their current needs and personal contingencies and have no need for liquidity in this investment.

(c) There is no public market for the Shares and, accordingly, it may not be possible to readily liquidate an investment in Wells REIT.

SPECIAL NOTICE FOR CALIFORNIA RESIDENTS ONLY
CONDITIONS RESTRICTING TRANSFER OF SHARES

260.141.11 Restrictions on Transfer.

(a) The issuer of any security upon which a restriction on transfer has been imposed pursuant to Sections 260.102.6, 260.141.10 or 260.534 of the Rules (the "Rules") adopted under the California Corporate Securities Law (the "Code") shall cause a copy of this section to be delivered to each issuee or transferee of such security at the time the certificate evidencing the security is delivered to the issuee or transferee.

(b) It is unlawful for the holder of any such security to consummate a sale or transfer of such security, or any interest therein, without the prior written consent of the Commissioner (until this condition is removed pursuant to Section 260.141.12 of the Rules), except:

(1) to the issuer;

(2) pursuant to the order or process of any court;

(3) to any person described in subdivision (i) of Section 25102 of the Code or Section 260.105.14 of the Rules;

(4) to the transferor's ancestors, descendants or spouse, or any custodian or trustee for the account of the transferor or the transferor's ancestors, descendants or spouse; or to a transferee by a trustee or custodian for the account of the transferee or the transferee's ancestors, descendants or spouse;

(5) to holders of securities of the same class of the same issuer;

(6) by way of gift or donation inter vivos or on death;

(7) by or through a broker-dealer licensed under the Code (either acting as such or as a finder) to a resident of a foreign state, territory or country who is neither domiciled in this state to the knowledge of the broker-dealer, nor actually present in this state if the sale of such securities is not in violation of any securities laws of the foreign state, territory or country concerned;

(8) to a broker-dealer licensed under the Code in a principal transaction, or as an underwriter or member of an underwriting syndicate or selling group;

(9) if the interest sold or transferred is a pledge or other lien given by the purchaser to the seller upon a sale of the security for which the Commissioner's written consent is obtained or under this rule not required;

(10) by way of a sale qualified under Sections 25111, 25112, 25113 or 25121 of the Code, of the securities to be transferred, provided that no order under Section 25140 or subdivision (a) of Section 25143 is in effect with respect to such qualification;

(11) by a corporation to a wholly owned subsidiary of such corporation, or by a wholly owned subsidiary of a corporation to such corporation;

(12) by way of an exchange qualified under Section 25111, 25112 or 25113 of the Code provided that no order under Section 25140 or subdivision (a) of Section 25143 is in effect with respect to such qualification;

(13) between residents of foreign states, territories or countries who are neither domiciled or actually present in this state;

(14) to the State Controller pursuant to the Unclaimed Property Law or to the administrator of the unclaimed property law of another state;

(15) by the State Controller pursuant to the Unclaimed Property Law or by the administrator of the unclaimed property law of another state if, in either such case, such person (i) discloses to potential purchasers at the sale that transfer of the securities is restricted under this rule, (ii) delivers to each purchaser a copy of this rule, and (iii) advises the Commissioner of the name of each purchaser;

(16) by a trustee to a successor trustee when such transfer does not involve a change in the beneficial ownership of the securities;

(17) by way of an offer and sale of outstanding securities in an issuer transaction that is subject to the qualification requirement of Section 25110 of the Code but exempt from that qualification requirement by subdivision (f) of Section 25102; provided that any such transfer is on the condition that any certificate evidencing the security issued to such transferee shall contain the legend required by this section.

(c) The certificates representing all such securities subject to such

a restriction on transfer, whether upon initial issuance or upon any transfer thereof, shall bear on their face a legend, prominently stamped or printed thereon in capital letters of not less than 10-point size, reading as follows:

> "IT IS UNLAWFUL TO CONSUMMATE A SALE OR TRANSFER OF THIS SECURITY, OR ANY INTEREST THEREIN, OR TO RECEIVE ANY CONSIDERATION THEREFOR, WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA, EXCEPT AS PERMITTED IN THE COMMISSIONER'S RULES."

[Last amended effective January 21, 1988.]

SPECIAL NOTICE FOR MAINE, MASSACHUSETTS, MINNESOTA, MISSOURI AND NEBRASKA RESIDENTS ONLY

In no event may a subscription for Shares be accepted until at least five business days after the date the subscriber receives the Prospectus. Residents of the States of Maine, Massachusetts, Minnesota, Missouri and Nebraska who first received the Prospectus only at the time of subscription may receive a refund of the subscription amount upon request to Wells REIT within five days of the date of subscription.

STANDARD REGISTRATION REQUIREMENTS

The following requirements have been established for the various forms of registration. Accordingly, complete Subscription Agreements and such supporting material as may be necessary must be provided.

TYPE OF OWNERSHIP AND SIGNATURE(S) REQUIRED

1. INDIVIDUAL: One signature required.

2. JOINT TENANTS WITH RIGHT OF SURVIVORSHIP: All parties must sign.

3. TENANTS IN COMMON: All parties must sign.

4. COMMUNITY PROPERTY: Only one investor signature required.

5. PENSION OR PROFIT SHARING PLANS: The trustee signs the Signature Page.

6. TRUST: The trustee signs the Signature Page. Provide the name of the trust, the name of the trustee and the name of the beneficiary.

7. PARTNERSHIP: Identify whether the entity is a general or limited partnership. The general partners must be identified and their signatures obtained on the Signature Page. In the case of an investment by a general partnership, all partners must sign (unless a "managing partner" has been designated for the partnership, in which case he may sign on behalf of the partnership if a certified copy of the document granting him authority to invest on behalf of the partnership is submitted).

8. CORPORATION: The Subscription Agreement must be accompanied by (1) a certified copy of the resolution of the Board of Directors designating the officer(s) of the corporation authorized to sign on behalf of the corporation and (2) a certified copy of the Board's resolution authorizing the investment.

9. IRA AND IRA ROLLOVERS: Requires signature of authorized signer (e.g., an officer) of the bank, trust company, or other fiduciary. The address of the trustee must be provided in order for the trustee to receive checks and other pertinent information regarding the investment.

10. KEOGH (HR 10): Same rules as those applicable to IRAs.

11. UNIFORM GIFT TO MINORS ACT (UGMA) or UNIFORM TRANSFERS TO MINORS ACT

(UTMA): The required signature is that of the custodian, not of the parent (unless the parent has been designated as the custodian). Only one child is permitted in each investment under UGMA or UTMA. In addition, designate the state under which the gift is being made.

INSTRUCTIONS TO SUBSCRIPTION AGREEMENT SIGNATURE PAGE TO WELLS REAL ESTATE INVESTMENT TRUST, INC. SUBSCRIPTION AGREEMENT

INVESTOR INSTRUCTIONS		Please follow these instructions carefully. Failure to do so may result in the rejection of your subscription. All information on the Subscription Agreement Signature Page should be completed as follows:
1.	INVESTMENT	a. GENERAL: A minimum investment of $1,000 (100 Shares) is required, except for certain states which require a higher minimum investment. A CHECK FOR THE FULL PURCHASE PRICE OF THE SHARES SUBSCRIBED FOR SHOULD BE MADE PAYABLE TO THE ORDER OF "WELLS REAL ESTATE INVESTMENT TRUST, INC." Investors who have satisfied the minimum purchase requirements in Wells Real Estate Fund I, Wells Real Estate Fund II, Wells Real Estate Fund II-OW, Wells Real Estate Fund III, L.P., Wells Real Estate Fund IV, L.P., Wells Real Estate Fund V, L.P., Wells Real Estate Fund VI, L.P., Wells Real Estate Fund VII, L.P., Wells Real Estate Fund VIII, L.P., Wells Real Estate Fund IX, L.P., Wells Real Estate Fund X, L.P., Wells Real Estate Fund XI, L.P., Wells Real Estate Fund XII, L.P., or Wells Real Estate Fund XIII, L.P., or in any other public real estate program may invest as little as $25 (2.5 Shares) except for residents of Maine, Minnesota, Nebraska or Washington. Shares may be purchased only by persons meeting the standards set forth under the Section of the Prospectus entitled "Investor Suitability Standards." Please indicate the state in which the sale was made. b. DEFERRED COMMISSION OPTION: Please check the box if you have agreed with your Broker-Dealer to elect the Deferred Commission Option, as described in the Prospectus, as supplemented to date. By electing the Deferred Commission Option, you are required to pay only $9.40 per Share purchased upon subscription. For the next six years following the year of subscription, you will have a 1% sales commission ($.10 per Share) per year deducted from and paid out of dividends or other cash distributions otherwise distributable to you. Election of the Deferred Commission Option shall authorize Wells REIT to withhold such amounts from dividends or other cash distributions otherwise payable to you as is set forth in the "Plan of Distribution" section of the Prospectus.
2.	ADDITIONAL INVESTMENTS	Please check if you plan to make one or more additional investments in Wells REIT. All additional investments must be in increments of at least $25. Additional investments by residents of Maine must be for the minimum amounts stated under "Suitability Standards" in the Prospectus, and residents of Maine must execute a new Subscription Agreement Signature Page to make additional investments in Wells REIT. If additional investments in Wells REIT are made, the investor agrees to notify Wells REIT and the Broker-Dealer named on the Subscription Agreement Signature Page in writing if at any time he fails to meet the applicable suitability standards or he is unable to make any other representations or warranties set forth in the Prospectus or the Subscription Agreement. The investor acknowledges that the Broker-Dealer named in the Subscription Agreement Signature Page may receive commissions on such additional investments as described in the Prospectus.
3.	TYPE OF OWNERSHIP	Please check the appropriate box to indicate the type of entity or type of individuals subscribing.

4.	REGISTRATION NAME AND ADDRESS	Please enter the exact name in which the Shares are to be held. For joint tenants with right of survivorship or tenants in common, include the names of both investors. In the case of partnerships or corporations, include the name of an individual to whom correspondence will be addressed. Trusts should include the name of the trustee. All investors must complete the space provided for taxpayer identification number or social security number. By signing in Section 6, the investor is certifying that this number is correct. Enter the mailing address and telephone numbers of the registered owner of this investment. In the case of a Qualified Plan or trust, this will be the address of the trustee. Indicate the birthdate and occupation of the registered owner unless the registered owner is a partnership, corporation or trust.
5.	INVESTOR NAME AND ADDRESS	Complete this Section only if the investor's name and address is different from the registration name and address provided in Section 4. If the Shares are registered in the name of a trust, enter the name, address, telephone number, social security number, birthdate and occupation of the beneficial owner of the trust.
6.	SUBSCRIBER SIGNATURES	Please separately initial each representation made by the investor where indicated. Except in the case of fiduciary accounts, the investor may not grant any person a power of attorney to make such representations on his or her behalf. Each investor

		must sign and date this Section. If title is to be held jointly, all parties must sign. If the registered owner is a partnership, corporation or trust, a general partner, officer or trustee of the entity must sign. PLEASE NOTE THAT THESE SIGNATURES DO NOT HAVE TO BE NOTARIZED.
7.	DIVIDENDS	a. DIVIDEND REINVESTMENT PLAN: By electing the Dividend Reinvestment Plan, the investor elects to reinvest the stated percentage of dividends otherwise payable to such investor in Shares of Wells REIT. The investor agrees to notify Wells REIT and the Broker-Dealer named on the Subscription Agreement Signature Page in writing if at any time he fails to meet the applicable suitability standards or he is unable to make any other representations and warranties as set forth in the Prospectus or Subscription Agreement or in the prospectus and subscription agreement of any future limited partnerships sponsored by the Advisor or its affiliates. The investor acknowledges that the Broker-Dealer named in the Subscription Agreement Signature Page may receive commissions not to exceed 7% of any reinvested dividends. b. DIVIDEND ADDRESS: If cash dividends are to be sent to an address other than that provided in Section 4 (i.e., a bank, brokerage firm or savings and loan, etc.), please provide the name, account number and address.
8.	BROKER-DEALER	This Section is to be completed by the Registered Representative. Please complete all BROKER-DEALER information contained in Section 8 including suitability certification. SIGNATURE PAGE MUST BE SIGNED BY AN AUTHORIZED REPRESENTATIVE.

The Subscription Agreement Signature Page, which has been delivered with this Prospectus, together with a check for the full purchase price, should be delivered or mailed to your Broker-Dealer. Only original, completed copies of Subscription Agreements can be accepted. Photocopied or otherwise duplicated Subscription Agreements cannot be accepted by Wells REIT.

IF YOU NEED FURTHER ASSISTANCE IN COMPLETING THIS
SUBSCRIPTION AGREEMENT SIGNATURE PAGE,
PLEASE CALL 1-800-448-1010

SEE PRECEDING PAGE
FOR INSTRUCTIONS

Special Instructions:

WELLS REAL ESTATE INVESTMENT TRUST, INC.
SUBSCRIPTION AGREEMENT SIGNATURE PAGE
(see page A4-A6 in the Prospectus for application explanation)

1 ___ INVESTMENT _____

_____ _____

Make Investment Check Payable to:
Wells Real Estate Investment Trust, Inc.

_____ _____
# of Shares Total $ Invested

(# Shares x $10 = $ Invested)

[_] Initial Investment (Minimum $1,000)
[_] Additional Investments (Minimum $25)

Minimum purchase $1,000 or 100 Shares

State in which sale was made _____

Check the following box to elect the Deferred Commission Option: [_]
(This election must be agreed to by the Broker-Dealer listed below)

2. ___ ADDITIONAL INVESTMENTS _____

Please check if you plan to make additional investments in Wells REIT:[_]
[If additional investments are made, please include social security number or other taxpayer identification number on your check. All additional investments must be made in increments of at least $25. By checking this box, I agree to notify Wells REIT in writing if at any time I fail to meet the suitability standards or am unable to make the representations in Section 6.]

3. ___ TYPE OF OWNERSHIP _____

[_] IRA (06)
[_] Keogh (10)
[_] Qualified Pension Plan (11)
[_] Qualified Profit Sharing Plan (12)
[_] Other Trust _____
For the Benefit of_____
[_] Partnership (15)

[_] Individual (01)
[_] Joint Tenants With Right of Survivorship (02)
[_] Community Property (03)
[_] Tenants in Common (04)
[_] Custodian: A Custodian for _____ under the Uniform Gift to Minors Act or the Uniform Transfers to Minors Act of the State of _____ (08)
[_] Other _____

4. ___ REGISTRATION NAME AND ADDRESS _____
Please print name(s) in which Shares are to be registered. Include trust name if applicable.

[_] Mr [_] Mrs [_] Ms [_] MD [_] PhD [_] DDS [_] Other

Taxpayer Identification Number
[_][_]-[_][_][_][_][_][_][_]

Social Security Number
[_][_][_]-[_][_]-[_][_][_][_]

Street Address or P.O. Box

City | State | Zip Code

Home Telephone No. ( ) | Business Telephone No. ( )

Birthdate | Occupation

Email Address (Optional) — Provide only if you would like to receive updated information about Wells via email.

(REVERSE MUST BE COMPLETED)

5. _____ INVESTOR NAME AND ADDRESS_____
(COMPLETE ONLY IF DIFFERENT FROM REGISTRATION NAME AND ADDRESS)
[_] Mr [_] Mrs [_] Ms [_] MD [_] PhD [_] DDS [_] Other_____

Name | Social Security Number

[_][_][_]-[_][_]-[_][_][_][_]

Street Address or P.O. Box

City | State | Zip Code

Home Telephone No. ( ) | Business Telephone No. ( )

Birthdate | Occupation

Email Address (Optional) — Provide only if you would like to receive updated information about Wells via email.

6. _____ SUBSCRIBER SIGNATURES_____
Please separately initial each of the representations below. Except in the case of fiduciary accounts, you may not grant any person a power of attorney to make such representations on your behalf. In order to induce Wells REIT to accept this subscription, I hereby represent and warrant to you as follows:

(a) I have received the Prospectus. _____ Initials _____ Initials

(b) I have (i) a net worth (exclusive of home, home furnishings and automobiles) of $150,000 or more; or (ii) a net worth (as described _____ Initials _____ Initials

Initials

above) of at least $45,000 and had during the last tax year or estimate that I will have during the current tax year a minimum of $45,000 annual gross income, or that I meet the higher suitability Initials requirements imposed by my state of primary residence as set forth in the Prospectus Initials under "SUITABILITY STANDARDS."

(c) I acknowledge that the shares are not liquid. _____ Initials _____ Initials

(d) If I am a California resident or if the Person to whom I subsequently propose to assign or transfer any Shares is a California resident, I may not consummate Initials a sale or transfer of my Shares, or any interest therein, or receive any consideration Initials therefor, without the prior written consent of the Commissioner of the Department of Corporations of the State of California, except as permitted in the Commissioner's Rules, and I understand that my Shares, or any document evidencing my Shares, will bear a legend reflecting the substance of the foregoing understanding. _____ Initials _____ Initials

(e) ARKANSAS, NEW MEXICO AND TEXAS RESIDENTS ONLY: I am purchasing the Shares for my own account and acknowledge that the investment is not liquid. _____ Initials _____ Initials

I declare that the information supplied above is true and correct and may be relied upon by Wells REIT in connection with my investment in Wells REIT. Under penalties of perjury, by signing this Signature Page, I hereby certify that (a) I have provided herein my correct Taxpayer Identification Number, and (b) I am not subject to back-up withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to back-up withholding.

Signature of Investor or Trustee	Signature of Joint Owner, if applicable	Date

(MUST BE SIGNED BY TRUSTEE(S) IF IRA, KEOGH OR QUALIFIED PLAN.)

7. _____ DISTRIBUTIONS

7a. Check the applicable box to participate in the Dividend Reinvestment Plan: Percentage of participation: 100% [_] Other [_] ___%

7b. Complete the following section only to direct dividends to a party other than registered owner:

Name _____

Account Number _____

Street Address or P.O. Box _____

City _____ State _____ Zip Code _____

8. _____ BROKER-DEALER

(TO BE COMPLETED BY REGISTERED REPRESENTATIVE)

The Broker-Dealer or authorized representative must sign below to complete order. Broker-Dealer warrants that it is a duly licensed Broker-Dealer and may lawfully offer Shares in the state designated as the investor's address or the state in which the sale was made, if different. The Broker-Dealer or authorized representative warrants that he has reasonable grounds to believe this investment is suitable for the subscriber as defined in Section 3(B) of the Rules of Fair Practice of the NASD Manual and that he has informed subscriber of all aspects of liquidity and marketability of this investment as required by Section 3(D) of such Rules of Fair Practice.

Broker-Dealer Name _____ Telephone No. ( ) _____

Broker-Dealer Street Address or P.O. Box

City | State | Zip Code

Registered Representative Name | Telephone No. ( )

Reg. Rep. Street Address or P.O. Box

City | State | Zip Code

Broker-Dealer Signature, if required

Registered Representative Signature

Please mail completed Subscription Agreement (with all signatures) and check(s) made payable to:
Wells Real Estate Investment Trust, Inc.
6200 The Corners Parkway, Suite 250
Norcross, Georgia 30092
800-448-1010 or 770-449-7800

Overnight address:
6200 The Corners Parkway, Suite 250
Norcross, Georgia 30092

Mailing address:
P.O. Box 926040
Norcross, Georgia 30092-9209

FOR COMPANY USE ONLY:

ACCEPTANCE BY WELLS REIT	Amount_____	Date_____
Received and Subscription Accepted:	Check No._____	Certificate No._____
By:_____	Wells Real Estate Investment Trust, Inc.	
_____	_____	_____
Broker-Dealer #	Registered Representative #	Account #

EXHIBIT B

AMENDED AND RESTATED
DIVIDEND REINVESTMENT PLAN
As of December 20, 1999

Wells Real Estate Investment Trust, Inc., a Maryland corporation (the "Company"), pursuant to its Amended and Restated Articles of Incorporation, adopted a Dividend Reinvestment Plan (the "DRP"), which is hereby amended and restated in its entirety as set forth below. Capitalized terms shall have the same meaning as set forth in the Articles unless otherwise defined herein.

1. Dividend Reinvestment. As agent for the shareholders ("Shareholders") of the Company who (a) purchased shares of the Company's common stock (the "Shares") pursuant to the Company's initial public offering (the "Initial Offering"), which commenced on January 30, 1998 and will terminate on or before January 30, 2000, (b) purchase Shares pursuant to the Company's second public offering (the "Second Offering"), which will commence immediately upon the termination of the Initial Offering, or (c) purchase Shares pursuant to any future offering of the Company ("Future Offering"), and who elect to participate in the DRP (the "Participants"), the Company will apply all dividends and other distributions declared and paid in respect of the Shares held by each Participant (the "Dividends"), including Dividends paid with respect to any full or fractional Shares acquired under the DRP, to the purchase of the Shares for such Participants directly, if permitted under state securities laws and, if not, through the Dealer Manager or Soliciting Dealers registered in the Participant's state of residence.

2. Effective Date. The effective date of this Amended and Restated Dividend Reinvestment Plan (the "DRP") shall be the date that the Second Offering becomes effective with the Securities and Exchange Commission (the

"Commission").

3. Procedure for Participation. Any Shareholder who purchased Shares pursuant to the Initial Offering, the Second Offering or any Future Offering and who has received a prospectus, as contained in the Company's registration statement filed with the Commission, may elect to become a Participant by completing and executing the Subscription Agreement, an enrollment form or any other appropriate authorization form as may be available from the Company, the Dealer Manager or Soliciting Dealer. Participation in the DRP will begin with the next Dividend payable after receipt of a Participant's subscription, enrollment or authorization. Shares will be purchased under the DRP on the date that Dividends are paid by the Company. Dividends of the Company are currently paid quarterly. Each Participant agrees that if, at any time prior to the listing of the Shares on a national stock exchange or inclusion of the Shares for quotation on the National Association of Securities Dealers, Inc. Automated Quotation System ("Nasdaq"), he or she fails to meet the suitability requirements for making an investment in the Company or cannot make the other representations or warranties set forth in the Subscription Agreement, he or she will promptly so notify the Company in writing.

4. Purchase of Shares. Participants will acquire DRP Shares from the Company at a fixed price of $10 per Share until (i) all 2,200,000 of the DRP Shares registered in the Second Offering are issued or (ii) the Second Offering terminates and the Company elects to deregister with the Commission the unsold DRP Shares. Participants in the DRP may also purchase fractional Shares so that 100% of the Dividends will be used to acquire Shares. However, a Participant will not be able to acquire DRP Shares to the extent that any such purchase would cause such Participant to exceed the Ownership Limit as set forth in the Articles.

Shares to be distributed by the Company in connection with the DRP may (but are not required to) be supplied from: (a) the DRP Shares which will be registered with the Commission in connection with the Company's Second Offering, (b) Shares to be registered with the Commission in a Future Offering for use in the DRP (a "Future Registration"), or (c) Shares of the Company's common stock purchased by the Company for the DRP in a secondary market (if available) or on a stock exchange or Nasdaq (if listed) (collectively, the "Secondary Market").

Shares purchased on the Secondary Market as set forth in (c) above will be purchased at the then-prevailing market price, which price will be utilized for purposes of purchases of Shares in the DRP. Shares acquired by the Company on the Secondary Market or registered in a Future Registration for use in the DRP may be at prices lower or higher than the $10 per Share price which will be paid for the DRP Shares pursuant to the Initial Offering and the Second Offering.

If the Company acquires Shares in the Secondary Market for use in the DRP, the Company shall use reasonable efforts to acquire Shares for use in the DRP at the lowest price then reasonably available. However, the Company does not in any respect guarantee or warrant that the Shares so acquired and purchased by the Participant in the DRP will be at the lowest possible price. Further, irrespective of the Company's ability to acquire Shares in the Secondary Market or to complete a Future Registration for shares to be used in the DRP, the Company is in no way obligated to do either, in its sole discretion.

It is understood that reinvestment of Dividends does not relieve a Participant of any income tax liability which may be payable on the Dividends.

5. Share Certificates. The ownership of the Shares purchased through the DRP will be in book-entry form only until the Company begins to issue certificates for its outstanding common stock.

6. Reports. Within 90 days after the end of the Company's fiscal year, the Company shall provide each Shareholder with an individualized report on his or her investment, including the purchase date(s), purchase price and number of Shares owned, as well as the dates of Dividend distributions and amounts of Dividends paid during the prior fiscal year. In addition, the Company shall provide to each Participant an individualized quarterly report at the time of each Dividend payment showing the number of Shares owned prior to the current Dividend, the amount of the current Dividend and the number of Shares owned after the current Dividend.

7. Commissions and Other Charges. In connection with Shares sold pursuant to the DRP, the Company will pay selling commissions of 7%; a dealer manager fee of 2.5%; and, in the event that proceeds from the sale of DRP Shares are used to acquire properties, acquisition and advisory fees and expenses of 3.5%, of the purchase price of the DRP Shares.

8. Termination by Participant. A Participant may terminate participation in the DRP at any time, without penalty by delivering to the Company a written notice. Prior to listing of the Shares on a national stock exchange or Nasdaq, any transfer of Shares by a Participant to a non-Participant will terminate participation in the DRP with respect to the transferred Shares. If a Participant terminates DRP participation, the Company will ensure that the terminating Participant's account will reflect the whole number of shares in his or her account and provide a check for the cash value of any fractional share in such account. Upon termination of DRP participation, Dividends will be distributed to the Shareholder in cash.

9. Amendment or Termination of DRP by the Company. The Board of Directors of the Company may by majority vote (including a majority of the Independent Directors) amend or terminate the DRP for any reason upon 10 days' written notice to the Participants.

10. Liability of the Company. The Company shall not be liable for any act done in good faith, or for any good faith omission to act, including, without limitation, any claims or liability; (a) arising out of failure to terminate a Participant's account upon such Participant's death prior to receipt of notice in writing of such death; and (b) with respect to the time and the prices at which Shares are purchased or sold for a Participant's account. To the extent that indemnification may apply to liabilities arising under the Securities Act of 1933, as amended, or the securities act of a sate, the Company has been advised that, in the opinion of the Commission and certain state securities commissioners, such indemnification is contrary to public policy and, therefore, unenforceable.

ALPHABETICAL INDEX

Until _____, 200__ (90 days after the date of this prospectus), all dealers that affect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the obligation of dealers to deliver a prospectus when acting as soliciting dealers.

We have not authorized any dealer, salesperson or other individual to give any information or to make any representations that are not contained in this prospectus. If any such information or statements are given or made, you should not rely upon such information or representation. This prospectus does not constitute an offer to sell any securities other than those to which this prospectus relates, or an offer to sell, or a solicitation of an offer to buy, to any person in any jurisdiction where such an offer or solicitation would be unlawful. This prospectus speaks as of the date set forth below. You should not assume that the delivery of this prospectus or that any sale made pursuant to this prospectus implies that the information contained in this prospectus will remain fully accurate and correct as of any time subsequent to the date of this prospectus.

_____

WELLS REAL ESTATE
INVESTMENT TRUST, INC.

Up to 300,000,000 Shares
of Common Stock
Offered to the Public

_____

PROSPECTUS

_____

WELLS INVESTMENT
SECURITIES, INC.

_____, 2002

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 31 Other Expenses of Issuance and Distribution

Following is an itemized statement of the expenses of the offering and distribution of the securities to be registered, other than underwriting commissions:

	Amount
SEC Registration Fee	$ 318,174
NASD Filing Fee	25,000
Printing Expenses	(1)
Legal Fees and Expenses	(1)
Accounting Fees and Expenses	(1)
Blue Sky Fees and Expenses	(1)
Sales and Advertising Expenses	(1)
Seminars	(1)
Miscellaneous	(1)
Total*	$

* Estimated.

(1) To be filed by amendment.

Item 32 Sales to Special Parties

Not Applicable

Item 33 Recent Sales of Unregistered Securities

Not Applicable

Item 34 Indemnification of the Officers and Directors

The MCGL permits a Maryland corporation to include in its Articles of Incorporation a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages except for liability resulting from (a) actual receipt of an improper benefit or profit in money, property or services or (b) active and deliberate dishonesty established by a final judgement as being material to the cause of action.

Subject to the conditions set forth below, the Articles of Incorporation provide that the company shall indemnify and hold harmless a Director, Advisor or Affiliate against any and all losses or liabilities reasonably incurred by such Director, Advisor or Affiliate in connection with or by reason of any act or omission performed or omitted to be performed on behalf of the Company in such capacity.

Under the Company's Articles of Incorporation, the Company shall not indemnify its Directors, Advisor or any Affiliate for any liability or loss suffered by the Directors, Advisors or Affiliates, nor shall it provide that the Directors, Advisors or Affiliates be held harmless for any loss or liability suffered by the Company, unless all of the following conditions are met: (i) the Directors, Advisor or Affiliates have determined , in good faith, that the course of conduct which caused the loss or liability was in the best interests of the Company; (ii) the Directors, Advisor or Affiliates were acting on behalf of or performing services of the Company (iii) such liability or loss was not the result of (A) negligence or misconduct by

the Directors, excluding the Independent Directors, Advisors or Affiliates; or (B) gross negligence or willful misconduct by the Independent Directors; and (iv) such indemnification or agreement to hold harmless is recoverable only out of the company's net assets and not from Shareholders. Notwithstanding the foregoing, the Directors, Advisors or Affiliates and any persons acting as a broker-dealer shall not be indemnified by the Company for any losses, liability or expenses arising from or out of an alleged violation of federal or state securities laws by such party unless one or more of the following conditions are met: (i) there has been a successful adjudication on the merits of each count involving alleged securities law violations as to the particular indemnitee; (ii) such claims have been dismissed with prejudice on the merits by a court of competent jurisdiction as to the particular indemnitee; and (iii) a court of competent jurisdiction approves a settlement of the claims against a particular indemnitee and finds that indemnification of the settlement and the related costs shold be made, and the court considering the request for indemnification has been advised of he position of the SEC and of the published position of any state securities regulatory authority in which securities of the Company were offered or sold as to indemnification for violations of securities laws.

The Articles of Incorporation provide that the advancement of Company funds to the Directors, Advisors or Affiliates for legal expenses and other costs incurred as a result of any legal action for which indemnification is being sought is permissible only if all of the following conditions are satisfied: (i) the legal action relates to acts or omissions with respect to the performance of duties or services on behalf of the company; (ii) the legal action is initiated by a third party who is not a Shareholder or the legal action is initiated by a Shareholder acting in his or her capacity as such and a court of competent jurisdiction specifically approves such advancement; (iii) the Directors, Advisor or Affiliates undertake to repay the advanced funds to the Company together with the applicable legal rate of interest thereon, in cases in which such Directors, Advisor or Affiliates are found not to be entitled to indemnification.

The MGCL requires a Maryland corporation (unless its Articles of Incorporation provide otherwise, which the Company's Articles of Incorporation do not) to indemnify a director or officer who has been successful, on the merits or otherwise, in the defense of any proceeding to which he is made a party by reason of his service in that capacity. The MGCL permits a Maryland corporation to indemnify its present and former directors and officers, among others, against judgements, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made a party by reason of their service in those or other capacities unless it is established that (a) the act or omission of the director or officer was material to the matter giving rise to the proceeding and (i) was committed in bad faith or (ii) was the result of active and deliberate dishonesty, (b) the director or officer actually received an improper personal benefit in money, property or services or (c) in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful. However, under the MGCL a Maryland corporation may not indemnify for an adverse judgment in a suit by or in the right of the corporation or for a judgment of liability on the basis that personal benefit was improperly received, unless in either case a court orders indemnification and then only for expenses. In addition, the MGCL permits a corporation to advance reasonable expenses to director or officer upon the corporation's receipt of (a) a written affirmation by the director or officer of his good faith belief that he has met the standard of conduct necessary for indemnification by the Company as authorized by the Bylaws and (b) a written undertaking by or on his behalf to repay the amount paid or reimbursed by the Company if it shall ultimately be determined that the standard of conduct was not met. Indemnification under the provisions of the MGCL is not deemed exclusive of any other rights, by indemnification or otherwise, to which an officer or director may be entitled under the Company's Articles of Incorporation or Bylaws, or under resolutions of stockholders or directors, contract or otherwise. It is the position of the Commission that indemnification of directors and officers for liabilities arising under the Securities Act is against public policy and is unenforceable pursuant to Section 14 of the Securities Act.

The Company also has purchased and maintains insurance on behalf of all of

its Directors and executive officers against liability asserted against or incurred by them in their official capacities with the

Company, whether or not the Company is required or has the power to indemnify them against the same liability.

Item 35 Treatment of Proceeds from Stock Being Registered

Not Applicable

Item 36 Financial Statements and Exhibits.

(a) Financial Statements:

The following financial statements of Wells Real Estate Investment Trust, Inc. are filed as part of this Registration Statement and included in the Prospectus:

Audited Financial Statements

(1) Report of Independent Public Accountants,
(2) Consolidated Balance Sheets as of December 31, 2001 and December 31, 2000,
(3) Consolidated Statements of Income for the years ended December 31, 2001, 2000 and 1999,
(4) Consolidated Statements of Stockholders' Equity for the years ended December 31, 2001, 2000 and 1999,
(5) Consolidated Statements of Cash Flows for the years ended December 31, 2001, 2000 and 1999, and
(6) Notes to Consolidated Financial Statements.

Unaudited Financial Statements

(1) Schedule III-Real Estate Investments and Accumulated Depreciation as of December 31, 2001.

(b) Exhibits (See Exhibit Index):

Exhibit No.	Description
1.1	Form of Dealer Manager Agreement (to be filed by amendment)
1.2	Form of Warrant Purchase Agreement
3.1	Amended and Restated Articles of Incorporation dated as of July 1, 2000 (previously filed in and incorporated by reference to Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on August 31, 2000)
3.2	Form of Bylaws (previously filed in and incorporated by reference to Amendment No. 4 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-32099, filed on January 23, 1998)
3.3	Amendment No. 1 to Bylaws (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 to the Registrant's Registration Statement on Form S-11, Commission File

No. 333-32099, filed on April 15, 1999)

4.1 Form of Subscription Agreement and Subscription Agreement Signature Page (included as Exhibit A to Prospectus)

5.1 Opinion of Holland & Knight LLP as to legality of securities (to be filed by amendment)

8.1 Opinion of Holland & Knight LLP as to tax matters (to be filed by amendment)

8.2 Opinion of Holland & Knight LLP as to ERISA matters (to be filed by amendment)

10.1 Advisory Agreement dated January 30, 2002

10.2 Amended and Restated Property Management and Lease Agreement among Registrant, Wells Operating Partnership, L.P. and Wells Management Company, Inc. (previously filed in and incorporated by reference to Pre-Effective Amendment No. 2 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)

10.3 Amended and Restated Joint Venture Agreement of The Fund IX, Fund X, Fund XI and REIT Joint Venture (previously filed in and incorporated by reference to Post-Effective Amendment No. 2 of the Registrant's Registration Statement on Form S-11, Commission File No. 333-32099, filed on July 9, 1998)

10.4 Joint Venture Agreement of Wells/Fremont Associates (previously filed in and incorporated by reference to Post-Effective Amendment No. 3 of the Registrant's Registration Statement on Form S-11, Commission File No. 333-32099, filed on August 14, 1998)

10.5 Joint Venture Agreement of Wells/Orange County Associates (previously filed in and incorporated by reference to Post-Effective Amendment No. 3 of the Registrant's Registration Statement on Form S-11, Commission File No. 333-32099, filed on August 14, 1998)

10.6 Amended and Restated Joint Venture Partnership Agreement of The Wells Fund XI- Fund XII - REIT Joint Venture (previously filed in and incorporated by reference to Amendment No. 1 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-83933, filed on November 17, 1999)

10.7 Joint Venture Partnership Agreement of Wells Fund XII-REIT Joint Venture Partnership (previously filed as Exhibit 10-11 and incorporated by reference to Post-Effective Amendment No. 2 to Form S-11 1 Registration Statement of Wells Real Estate Fund XII, L.P. on Form S-11, Commission File No. 33-66657, file on April 25, 2000)

10.8 Joint Venture Partnership Agreement of Fund VIII-IX-REIT Joint Venture (previously filed in and incorporated by reference to Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on August 31, 2000)

10.9 Joint Venture Partnership Agreement of Wells Fund XIII-REIT Joint Venture Partnership (previously filed in and incorporated by reference to Post-Effective Amendment No. 3 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on July 23, 2001)

10.10 Agreement of Limited Partnership of Wells Operating Partnership, L.P. as Amended and Restated as of January 1, 2000 previously filed in and

incorporated by reference to Form 10-K of Registrant for the fiscal year ended December 31, 2000, Commission File No. 0-25739)

10.11 Amended and Restated Promissory Note for $15,500,000 for the SouthTrust Loan (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 of the Registrant's Registration Statement on Form S-11, Commission File No. 333-32099, filed on January 15, 1999)

10.12 Amendment No. 1 to Mortgage and Security Agreement and other Loan Documents for the PwC Building securing the SouthTrust Loan (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 of the Registrant's Registration Statement on Form S-11, Commission File No. 333-32099, filed on January 15, 1999)

10.13 Loan Agreement with SouthTrust Bank, N.A. for a $35,000,000 revolving line of credit dated May 3, 2000 (previously filed in and incorporated by reference to Post-Effective Amendment No. 3 to Registrant's Registration Statement on Form S-11, Commission File No. 333-83933, filed on September 8, 2000)

10.14 Promissory Note for $35,000,000 to SouthTrust Bank, N.A. (previously filed in and incorporated by reference to Post-Effective Amendment No. 3 to Registrant's Registration Statement on Form S-11, Commission File No. 333-83933, filed on September 8, 2000)

10.15 Allonge to Revolving Note relating to the SouthTrust Bank N.A. $32,393,000 revolving line of credit (previously filed in and incorporated by reference to Pre-Effective Amendment No. 2 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)

10.16 First Amendment to Revolving Loan Agreement and Other Loan Documents relating to the SouthTrust Bank N.A. $32,393,000 revolving line of credit (previously filed in and incorporated by reference to Pre-Effective Amendment No. 2 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)

10.17 Second Note Modification Agreement relating to the SouthTrust Bank N.A. $12,844,000 revolving line of credit (previously filed in and incorporated by reference to Pre-Effective Amendment No. 2 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)

10.18 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 (previously filed in and incorporated by reference to Pre-Effective Amendment No. 2 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)

10.19 Revolving Note relating to the SouthTrust Bank N.A. $19,003,000 revolving line of credit (previously filed in and incorporated by reference to Pre-Effective Amendment No. 2 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)

10.20 Revolving Loan Agreement relating to the SouthTrust Bank N.A. $19,003,000 revolving line of credit (previously filed in and incorporated by reference to Pre-Effective Amendment No. 2 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)

10.21 Amended and Restated Revolving Note relating to the SouthTrust Bank N.A. $7,900,000 revolving line of credit (previously filed in and incorporated by reference to Pre-Effective Amendment No. 2 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)

10.22 Amended and Restated Loan Agreement relating to the SouthTrust Bank N.A. $7,900,000 revolving line of credit (previously filed in and incorporated by reference to Pre-Effective Amendment No. 2 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)

10.23 Revolving Credit Agreement relating to the Bank of America, N.A. $85,000,000 revolving line of credit

10.24 Construction Loan Agreement relating to the Bank of America, N.A. $34,200,000 construction loan

10.25 Lease for the PwC Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 of the Registrant's Registration Statement on Form S-11, Commission File No. 333-32099, filed on January 15, 1999)

10.26 Office Lease the Matsushita Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 of the Registrant's Registration Statement on Form S-11, Commission File No. 333-32099, filed on April 15, 1999)

10.27 Guaranty of Lease for the Matsushita Building (previously filed in and incorporated by reference to Post Effective Amendment No. 5 of the Registrant's Registration Statement on Form S-11, Commission File No. 333-32099, filed on April 15, 1999)

10.28 Lease Agreement with Cinemark USA, Inc. for a portion of the Cinemark Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to Registrant's Registration Statement on Form S-11, Commission File No. 333-83933, filed on March 15, 2000)

10.29 Lease Agreement with the Coca-Cola Company for a portion of the Cinemark Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to Registrant's Registration Statement on Form S-11, Commission File No. 333-83933, filed on March 15, 2000

10.30 Lease Agreement for the Motorola Tempe Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 2 to Registrant's Registration Statement on Form S-11, Commission File No. 333-83933, filed on June 9, 2000)

10.31 First Amendment to Lease Agreement for the Motorola Tempe Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 2 to Registrant's Registration Statement on Form S-11, Commission File No. 333-83933, filed on June 9, 2000)

10.32 Ground Lease Agreement for the Motorola Tempe Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 2 to Registrant's Registration Statement on Form S-11, Commission File No. 333-83933, filed on June 9, 2000)

10.33 Lease Agreement for the Motorola Plainfield Building (previously filed in Land incorporated by reference to Amendment No. 1 to Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 1, 2000)

10.34 Lease Agreement with Stone & Webster, Inc. for a portion of the Stone & Webster Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant's Registration Statement on form S-11, Commission File No. 333-44900, filed on February 9, 2001)

10.35 Lease Agreement with Sysco Corporation for a portion of the Stone & Webster Building (previously filed in and incorporated by reference to Post-Effective Amendment No. to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on February 9, 2001)

10.36 Lease Agreement for the Metris Minnesota Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on February 9, 2001)

10.37 Fourth Amendment to Lease Agreement for the Metris Minnesota Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on February 9, 2001)

10.38 Guaranty of Lease for the Metris Minnesota Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on February 9, 2001)

10.39 Lease Agreement for the Comdata Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 3 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on July 23, 2001)

10.40 First Amendment to Lease Agreement for the Comdata Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 3 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on July 23, 2001)

10.41 Least Agreement for the State Street Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)

10.42 Lease Agreement for the IKON Buildings (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant's Registration Statement on Form S-l1, Commission File No. 333-44900, filed on October 23, 2001)

10.43 First Amendment to Lease Agreement for the IKON Buildings (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)

1O.44 Reinstatement of and Second Amendment to Lease Agreement for the IKON Buildings (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)

10.45 Agreement of Sale for the Nissan Property (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)

1O.46 Lease Agreement for the Nissan Property (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the

Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)

10.47 Guaranty of Lease for the Nissan Property (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)

10.48 Development Agreement for the Nissan Property (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)

10.49 Design and Build Construction Agreement for the Nissan Property (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)

10.50 Indenture of Lease Agreement for Ingram Micro Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)

10.51 Guaranty of Lease Agreement for Ingram Micro Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)

10.52 Absolute Assignment of Lease and Assumption Agreement for Ingram Micro Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)

10.53 Bond Real Property Lease Agreement for the Ingram Micro Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)

10.54 Second Amendment to Lease Agreement for Matsushita Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)

10.55 Lease Agreement with TCI Great Lakes, Inc. for a portion of the Windy Point I Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on January 23, 2002)

10.56 First Amendment to Office Lease with TCI Great Lakes, Inc. (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on January 23, 2002)

10.57 Lease Agreement with Zurich American Insurance Company for the Windy Point II Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 to the Registrant's Registration

Statement on Form S-11, Commission File No. 333-44900, filed on January 23, 2002)

10.58 Third Amendment to Office Lease with Zurich American Insurance Company (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on January 23, 2002)

10.59 Lease Agreement for the Arthur Andersen Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on January 23, 2002)

23.1 Consent of Holland & Knight LLP (included in exhibits 5.1 and 8.1)

23.2 Consent of Arthur Andersen LLP

24.1 Power of Attorney

Item 37 Undertakings

(a) The Registrant undertakes to file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement (i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933 (the "Act"); (ii) to reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement; and (iii) to include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement, including (but not limited to) any addition or deletion of a managing underwriter.

(b) The Registrant undertakes (i) that, for the purpose of determining any liability under the Act, each such post-effective amendment may be deemed to be a new Registration Statement relating to the securities offered therein and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof, (ii) that all post-effective amendments will comply with the applicable forms, rules and regulations of the Commission in effect at the time such post-effective amendments are filed, and (iii) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(c) The Registrant undertakes to send to each shareholder, at least on an annual basis, a detailed statement of any transactions with the Advisor or its affiliates, and of fees, commissions, compensation and other benefits paid, or accrued to the Advisor or its affiliates, for the fiscal year completed, showing the amount paid or accrued to each recipient and the services performed.

(d) To file a sticker supplement pursuant to Rule 424(c) under the Act during the distribution period describing each property not identified in the prospectus at such time as there arises a reasonable probability that such property will be acquired and to consolidate all such stickers into a post-effective amendment filed at least once every three months with the information contained in such amendment provided simultaneously to the existing shareholders; each sticker supplement should disclose all compensation and fees received by the

Advisor and its affiliates in connection with any such acquisition; the post-effective amendment shall include audited financial statements meeting the requirements of Rule 3-14 of Regulation S-X only for properties acquired during the distribution period.

(e) To file, after the end of the distribution period, a current report on Form 8-K containing the financial statements and any additional information required by Rule 3-14 of Regulation S-X, to reflect each commitment (i.e., the signing of a binding purchase agreement) made after the end of the distribution period involving the use of 10% or more (on a cumulative basis) of the net proceeds of the offering and to provide the information contained in such report to the shareholders at least once each quarter after the distribution period of the offering has ended.

(f) The Registrant undertakes to file the financial statements as required by Form 10-K for the first full fiscal year of operations and to provide each shareholder the financial statements required by Form 10-K for such year.

(g) The Registrant undertakes to distribute to each shareholder, within sixty (60) days after the close of each quarterly period, a copy of each report on Form 10-Q which is required to be filed with the Commission or a quarterly report containing at least as much information as the report on Form 10-Q.

(h) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

TABLE VI
ACQUISITIONS OF PROPERTIES BY PROGRAMS

(to be filed by amendment)

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all the requirements for filing on Form S-11 and has duly caused this Registration

Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Norcross, and State of Georgia, on the 5th day of April, 2002.

WELLS REAL ESTATE INVESTMENT TRUST, INC.
A Maryland corporation
(Registrant)

By:/s/ Leo F. Wells, III
Leo F. Wells, III, President

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below on April 5, 2002 by the following persons in the capacities indicated.

Name	Title
/s/ Leo F. Wells, III Leo F. Wells, III	President and Director (Principal Executive Officer)
/s/ Douglas P. Williams Douglas P. Williams	Executive Vice President and Director (Principal Financial and Accounting Officer)
/s/ John L. Bell John L. Bell	Director
/s/ Richard W. Carpenter Richard W. Carpenter	Director
/s/ Bud Carter Bud Carter	Director
/s/ William H. Keogler, Jr. William H. Keogler, Jr.	Director
/s/ Donald S. Moss Donald S. Moss	Director
/s/ Walter W. Sessoms Walter W. Sessoms	Director
/s/ Neil H. Strickland Neil H. Strickland	Director

EXHIBIT INDEX

Exhibit No.	Description
1.1	Form of Dealer Manager Agreement (to be filed by amendment)
1.2	Form of Warrant Purchase Agreement, filed herewith
3.1	Amended and Restated Articles of Incorporation dated as of July 1, 2000, (previously filed in and incorporated by reference to Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on August 31, 2000)
3.2	Form of Bylaws (previously filed in and incorporated by reference to Amendment No. 4 to the Registrant's Registration

Statement on Form S-11, Commission File No. 333-32099, filed on January 23, 1998)

3.3 Amendment No. 1 to Bylaws (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-32099, filed on April 15, 1999)

4.1 Form of Subscription Agreement and Subscription Agreement Signature Page (included as Exhibit A to Prospectus)

5.1 Opinion of Holland & Knight LLP as to legality of securities (to be filed by amendment)

8.1 Opinion of Holland & Knight LLP as to tax matters (to be filed by amendment)

8.2 Opinion of Holland & Knight LLP as to ERISA matters (to be filed by amendment)

10.1 Advisory Agreement dated January 30, 2002, filed herewith

10.2 Amended and Restated Property Management and Leasing Agreement among Registrant, Wells Operating Partnership, L.P. and Wells Management Company, Inc. (previously filed in and incorporated by reference to Pre-Effective Amendment No. 2 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)

10.3 Amended and Restated Joint Venture Agreement of The Fund IX, Fund X, Fund XI and REIT Joint Venture (previously filed in and incorporated by reference to Post-Effective Amendment No. 2 of the Registrant's Registration Statement on Form S-11, Commission File No. 333-32099, filed on July 9, 1998)

10.4 Joint Venture Agreement of Wells/Fremont Associates (previously filed in and incorporated by reference to Post-Effective Amendment No. 3 of the Registrant's Registration Statement on Form S-11, Commission File No. 333-32099, filed on August 14, 1998)

10.5 Joint Venture Agreement of Wells/Orange County Associates (previously filed in and incorporated by reference to Post-Effective Amendment No. 3 of the Registrant's Registration Statement on Form S-11, Commission File No. 333-32099, filed on August 14, 1998)

10.6 Amended and Restated Joint Venture Partnership Agreement of The Wells Fund XI- Fund XII - REIT Joint Venture (previously filed in and incorporated by reference to Amendment No. 1 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-83933, filed on November 17, 1999)

10.7 Joint Venture Partnership Agreement of Wells Fund XII-REIT Joint Venture Partnership (previously filed as Exhibit 10.11 and incorporated by reference to Post-Effective Amendment No. 2 to Form S-11 Registration Statement of Wells Real Estate Fund XII, L.P. on Form S-11, Commission File No. 33-66657, filed on April 25, 2000)

10.8 Joint Venture Partnership Agreement of Fund VIII-IX-REIT Joint Venture (previously filed in and incorporated by reference to Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on August 31, 2000)

10.9 Joint Venture Partnership Agreement of Wells Fund XIII-REIT Joint Venture

Partnership (previously filed in and incorporated by reference to Post-Effective Amendment No. 3 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on July 23, 2001)

10.10 Agreement of Limited Partnership of Wells Operating Partnership, L.P. as Amended and Restated as of January 1, 2000 (previously filed in and incorporated by reference to Form 10-K of Registrant for the fiscal year ended December 31, 2000, Commission File No. 0-25739)

10.11 Amended and Restated Promissory Note for $15,500,000 for the SouthTrust Loan (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 of the Registrant's Registration Statement on Form S-11, Commission File No. 333-32099, filed on January 15, 1999)

10.12 Amendment No. 1 to Mortgage and Security Agreement and other Loan Documents for the PwC Building securing the SouthTrust Loan (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 of the Registrant's Registration Statement on Form S-11, Commission File No. 333-32099, filed on January 15, 1999)

10.13 Loan Agreement with SouthTrust Bank, N.A. for a $35,000,000 revolving line of credit dated May 3, 2000 (previously filed in and incorporated by reference to Post-Effective Amendment No. 3 to Registrant's Registration Statement on Form S-11, Commission File No. 333-83933, filed on September 8, 2000)

10.14 Promissory Note for $35,000,000 to SouthTrust Bank, N.A. (previously filed in and incorporated by reference to Post-Effective Amendment No. 3 to Registrant's Registration Statement on Form S-11, Commission File No. 333-83933, filed on September 8, 2000)

10.15 Allonge to Revolving Note relating to the SouthTrust Bank N.A. $32,393,000 revolving line of credit (previously filed in and incorporated by reference to Pre-Effective Amendment No. 2 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)

10.16 First Amendment to Revolving Loan Agreement and Other Loan Documents relating to the SouthTrust Bank N.A. $32,393,000 revolving line of credit (previously filed in and incorporated by reference to Pre-Effective Amendment No. 2 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)

10.17 Second Note Modification Agreement relating to the SouthTrust Bank N.A. $12,844,000 revolving line of credit (previously filed in and incorporated by reference to Pre-Effective Amendment No. 2 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)

10.18 Second Amendment to Amended and Restated Loan Agreement and 0ther Loan Documents relating to the SouthTrust Bank N.A. $12,844,000 revolving line of credit (previously filed in and incorporated by reference to Pre-Effective Amendment No. 2 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)

10.19 Revolving Note relating to the SouthTrust Bank N.A. $19,003,000 revolving line of credit (previously filed in and incorporated by reference to Pre-Effective Amendment No. 2 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)

10.20 Revolving Loan Agreement relating to the SouthTrust Bank N.A. $19,003,000 revolving line of credit (previously filed in and incorporated by reference to Pre-Effective Amendment No. 2 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)

10.21 Amended and Restated Revolving Note relating to the SouthTrust Bank N.A. $7,900,000 revolving line of credit (previously filed in and incorporated by reference to Pre-Effective Amendment No. 2 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)

10.22 Amended and Restated Loan Agreement relating to the SouthTrust Bank N.A. $7,900,000 revolving line of credit (previously filed in and incorporated by reference to Pre-Effective Amendment No. 2 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 18, 2000)

10.23 Revolving Credit Agreement relating to the Bank of America, N.A. $85,000,000 revolving line of credit, filed herewith

10.24 Construction Loan Agreement relating to the Bank of America, N.A. $34,200,000 construction loan, filed herewith

10.25 Lease for the PwC Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 of the Registrant's Registration Statement on Form S-11, Commission File No. 333-32099, filed on January 15, 1999)

10.26 Office Lease for the Matsushita Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 of the Registrant's Registration Statement on Form S-11, Commission File No. 333-32099, filed on April 15, 1999)

10.27 Guaranty of Lease for the Matsushita Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 of the Registrant's Registration Statement on Form S-11, Commission File No. 333-32099, filed on April 15, 1999)

10.28 Lease Agreement with Cinemark USA, Inc. for a portion of the Cinemark Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to Registrant's Registration Statement on Form S-11, Commission File No. 333-83933, filed on March 15, 2000)

10.29 Lease Agreement with The Coca-Cola Company for a portion of the Cinemark Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to Registrant's Registration Statement on Form S-11, Commission File No. 333-83933, filed on March 15, 2000)

10.30 Lease Agreement for the Motorola Tempe Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 2 to Registrant's Registration Statement on Form S-11, Commission File No. 333-83933, filed on June 9, 2000)

10.31 First Amendment to Lease Agreement for the Motorola Tempe Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 2 to Registrant's Registration Statement on Form S-11, Commission File No. 333-83933, filed on June 9, 2000)

10.32 Ground Lease Agreement for the Motorola Tempe Building (previously filed in and incorporated by reference to Post-Effective Amendment No, 2 to Registrant's Registration Statement on Form S-11, Commission File No. 333-83933, filed on June 9, 2000)

10.33 Lease Agreement for the Motorola Plainfield Building (previously filed in and incorporated by reference to Amendment No. 1 to Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on December 1, 2000)

10.34 Lease Agreement with Stone & Webster, Inc. for a portion of the Stone & Webster Building (previously filed in and incorporated by reference

to Post-Effective Amendment No. 1 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-4490, filed on February 9, 2001)

10.35 Lease Agreement with Sysco Corporation for a portion of the Stone & Webster Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on February 9, 2001)

10.36 Lease Agreement for the Metris Minnesota Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on February 9, 2001)

10.37 Fourth Amendment to Lease Agreement for the Metris Minnesota Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on February 9, 2001)

10.38 Guaranty of Lease for the Mtr&is Minnesota Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 1 to the Registrant's Registration Statement, on Form S-11, Commission File No. 333-44900, filed on February 9, 2001)

10.39 Lease Agreement for the Comdata Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 3 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on July 23, 2001)

10.40 First Amendment to Lease Agreement for the Comdata Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 3 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on July 23, 2001)

10.41 Lease Agreement for the State Street Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)

10.42 Lease Agreement for the IKON Buildings (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)

10.43 First Agreement to Lease Amendment for the IKON Buildings (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)

10.44 Reinstatement of and Second Amendment to Lease Agreement for the IKON Buildings (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)

10.45 Agreement of Sale for the Nissan Property (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)

10.46 Lease Agreement for the Nissan Property (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)

10.47 Guaranty of Lease for the Nissan Property (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)

10.48 Development Agreement for the Nissan Property (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)

10.49 Design and Build Construction Agreement for the Nissan Property (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)

10.50 Indenture of Lease Agreement for Ingram Micro Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)

10.51 Guaranty of Lease Agreement for Ingram Micro Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)

10.52 Absolute Assignment of Lease and Assumption Agreement for Ingram Micro Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)

10.53 Bond Real Property Lease Agreement for the Ingram Micro Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)

10.54 Second Amendment to Lease Agreement for Matsushita Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 4 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on October 23, 2001)

10.55 Lease Agreement with TCI Great Lakes, Inc. for a portion of the Windy Point I Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on January 23, 2002)

10.56 First Amendment to Office Lease with TCI Great Lakes, Inc. (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-4900, filed on January 23, 2002)

IO.57 Lease Agreement with Zurich American Insurance Company for the Windy Point II Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on January 23, 2002)

IO.58 Third Amendment to Office Lease with Zurich American Insurance Company (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on January 23, 2002)

10.59 Lease Agreement for the Arthur Andersen Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 to the Registrant's Registration Statement on Form S-11, Commission File No.

333-4900, filed on January 23, 2002)

23.1 Consent of Holland & Knight LLP (included in exhibits 5.1 and 8.1)

23.2 Consent of Arthur Andersen LLP

24.1 Power of Attorney

EXHIBIT 1.2

FORM OF

WARRANT PURCHASE AGREEMENT

WELLS REAL ESTATE INVESTMENT TRUST, INC.

WARRANT PURCHASE AGREEMENT

_____, 2002

This Warrant Purchase Agreement (the "Agreement") is made by and between Wells Real Estate Investment Trust, Inc., a Maryland corporation (the "Company"), and Wells Investment Securities, Inc. (the "Warrantholder").

The Company hereby agrees to issue and sell, and the Warrantholder agrees to purchase, for the total purchase price of $10,560, warrants as hereinafter described (the "Soliciting Dealer Warrants") to purchase up to an aggregate of 13,200,000 Shares (subject to adjustment pursuant to Section 8 hereof) of the Company's common stock, $.01 par value (the "Shares"). The Soliciting Dealer Warrants are being purchased in connection with a public offering of an aggregate of 330,000,000 Shares (the "Offering"), pursuant to that certain Dealer Manager Agreement (the "Dealer Manager Agreement"), dated _____, 2002 between the Company and the Warrantholder as the Dealer Manager and a representative of the Soliciting Dealers who may receive warrants.

The issuance of the Soliciting Dealer Warrants shall be made in book-entry form only (until such time as the Company begins issuing certificates evidencing its Soliciting Dealer Warrants which shall be no later than such time as the Company begins issuing certificates for its Shares) on a quarterly basis commencing 60 days after the date on which Shares are first sold pursuant to the Offering and such issuances shall be subject to the terms and conditions set forth in the Dealer Manager Agreement.

In consideration of the foregoing and for the purpose of defining the terms and provisions of the Soliciting Dealer Warrants and the respective rights and obligations thereunder, the Company and the Warrantholder, for value received, hereby agree as follows:

1. FORM AND TRANSFERABILITY OF SOLICITING DEALER WARRANTS.

(A) REGISTRATION. The Soliciting Dealer Warrant(s) shall be registered on the books of the Company (and upon issuance of certificates evidencing such Soliciting Dealer Warrants, shall be numbered) when issued.

(B) FORM OF SOLICITING DEALER WARRANTS. The text and form of the Soliciting Dealer Warrant and of the Election to Purchase shall be substantially as set forth in Exhibit "A" and Exhibit "B," respectively, attached hereto and incorporated herein. The price per Share (the "Warrant Price") and the number of Shares issuable upon exercise of the Soliciting Dealer Warrants are subject to adjustment upon the occurrence of certain events, all as hereinafter provided. The Soliciting Dealer Warrants shall be dated as of the date of signature thereof by the Company either upon initial issuance or

upon division, exchange, substitution or transfer.

(C) TRANSFER. The Soliciting Dealer Warrants shall be transferable only on the books of the Company maintained at its principal office or that of its designated transfer agent, if designated, upon delivery thereof duly endorsed by the Warrantholder or by its duly authorized attorney or representative, or accompanied by proper evidence of succession, assignment or authority to

transfer. Upon any registration of transfer, the Company shall execute and deliver a new Soliciting Dealer Warrant to the person entitled thereto. Assignments or transfers shall be made pursuant to the form of Assignment attached as Exhibit "C" hereto.

(D) LIMITATIONS ON TRANSFER OF SOLICITING DEALER WARRANTS. The Soliciting Dealer Warrants shall not be sold, transferred, assigned, exchanged or hypothecated by the Warrantholder for a period of one year following the effective date of the offering of the Company's shares of common stock, except to: (i) one or more persons, each of whom on the date of transfer is an officer and director or partner of a Warrantholder or an officer and director or partner of a successor to a Warrantholder as provided in clause (iv) of this Subsection (D); (ii) a partnership or partnerships, all of the partners of which are a Warrantholder and one or more persons, each of whom on the date of transfer is an officer and director of a Warrantholder or an officer and director or partner of a successor to a Warrantholder; (iii) broker-dealer firms which have executed, and are not then in default of, the Soliciting Dealer Agreement regarding the Offering (the "Selling Group") and one or more persons, each of whom on the date of transfer is an officer and director or partner of a member of the Selling Group or an officer and director or partner of a successor to a member of the Selling Group; (iv) a successor to a Warrantholder or a successor to a member of the Selling Group through merger or consolidation; (v) a purchaser of all or substantially all of a Warrantholder's or Selling Group members' assets; or (vi) by will, pursuant to the laws of descent and distribution, or by operation of law; provided, however, that any securities transferred pursuant to clauses (i) through (vi) of this subsection (D) shall remain subject to the transfer restrictions specified herein for the remainder of the initially applicable one year time period. The Soliciting Dealer Warrant may be divided or combined, upon written request to the Company by the Warrantholder, into a certificate or certificates representing the right to purchase the same aggregate number of shares.

Unless the context indicates otherwise, the term "Warrantholder" shall include any transferee of the Soliciting Dealer Warrant pursuant to this Subsection (D), and the term "Warrant" shall include any and all Soliciting Dealer Warrants outstanding pursuant to this Agreement, including those evidenced by a certificate or certificates issued upon division, exchange, substitution or transfer pursuant to this Agreement.

(E) EXCHANGE OR ASSIGNMENT OF SOLICITING DEALER WARRANT. Any Soliciting Dealer Warrant certificate may be exchanged without expense for another certificate or certificates entitling the Warrantholder to purchase a like aggregate number of Shares as the certificate or certificates surrendered then entitled such Warrantholder to purchase. Any Warrantholder desiring to exchange a Soliciting

Dealer Warrant certificate shall make such request in writing delivered to the Company, and shall surrender, properly endorsed, the certificate evidencing the Soliciting Dealer Warrant to be so exchanged. Thereupon, the Company shall execute and deliver to the person entitled thereto a new Soliciting Dealer Warrant certificate as so requested.

Any Warrantholder desiring to assign a Soliciting Dealer Warrant shall make such request in writing delivered to the Company, and shall surrender, properly endorsed, the certificate evidencing the Soliciting Dealer Warrant to be so assigned, with an instrument of assignment duly executed accompanied by proper evidence of assignment, succession or authority to transfer, and funds sufficient to pay any transfer tax, whereupon the Company shall, without charge, execute and deliver a new Soliciting Dealer Warrant certificate in the name of the assignee named in such instrument of assignment and the original Soliciting Dealer Warrant certificate shall promptly be cancelled.

2. TERMS AND EXERCISE OF SOLICITING DEALER WARRANTS.

(A) EXERCISE PERIOD. Subject to the terms of this Agreement, the Warrantholder shall have the right to purchase one Share from the Company at a price of $12 (120% of the public offering price per Share) during the time period beginning one year from the effective date of the Offering and ending on the date five years after the effective date of the Offering (the "Exercise Period"), or if any such date is a day on which banking institutions are authorized by law to close, then on the next succeeding day which shall not be such a day, to purchase from the Company up to the number of fully paid and nonassessable Shares which the Warrantholder may at the time be entitled to purchase pursuant to the Soliciting Dealer Warrant, a form of which is attached hereto as Exhibit "A."

(B) METHOD OF EXERCISE. The Soliciting Dealer Warrant shall be exercised by surrender to the Company, at its principal office in Norcross, Georgia or at the office of the Company's stock transfer agent, if any, or at such other address as the Company may designate by notice in writing to the Warrantholder at the address of the Warrantholder appearing on the books of the Company, of the certificate evidencing the Soliciting Dealer Warrant to be exercised, together with the form of Election to Purchase, included as Exhibit "B" hereto, duly completed and signed, and upon payment to the Company of the Warrant Price (as determined in accordance with the provisions of Sections 7 and 8 hereof), for the number of Shares with respect to which such Soliciting Dealer Warrant is then exercised together with all taxes applicable upon such exercise. Payment of the aggregate Warrant Price shall be made in cash or by certified check or cashier's check, payable to the order of the Company. A Soliciting Dealer Warrant may not be exercised if the Shares to be issued upon the exercise of the Soliciting Dealer Warrant have not been registered (or be exempt from registration) in the state of residence of the holder of the Soliciting Dealer Warrant or if a Prospectus required under the laws of such state cannot be delivered to the buyer on behalf of the Company. In addition, holders of Soliciting Dealer Warrants may not exercise the Soliciting Dealer Warrant to the extent such exercise will cause them to exceed the ownership limits set forth in the Company's Articles of Incorporation, as amended. If any Soliciting Dealer

Warrant has not been exercised by the end of the Exercise Period, it will terminate and the Warrantholder will have no further rights thereunder.

(C) PARTIAL EXERCISE. The Soliciting Dealer Warrants shall be exercisable, at the election of the Warrantholder during the Exercise Period, either in full or from time to time in part and, in the event that the Soliciting Dealer Warrant is exercised with respect to less than all of the Shares specified therein at any time prior to the completion of the Exercise Period, a new certificate evidencing the remaining Soliciting Dealer Warrants shall be issued by the Company.

(D) SHARE ISSUANCE UPON EXERCISE. Upon such surrender of the Soliciting Dealer Warrant certificate and payment of such Warrant Price as aforesaid, the Company shall issue and cause to be delivered with all reasonable dispatch to the Warrantholder in such name or names as the Warrantholder may designate in writing, a certificate or certificates for the number of full Shares so purchased upon the exercise of the Soliciting Dealer Warrant, together with cash, as provided in Section 9 hereof, with respect to any fractional Shares otherwise issuable upon such surrender. Such certificate or certificates shall be deemed to have been issued and any person so designated to be named therein shall be deemed to have become a holder of such Shares as of the close of business on the date of the surrender of the Soliciting Dealer Warrant and payment of the Warrant Price (as hereinafter defined), notwithstanding that the certificates representing such Shares shall not actually have been delivered or that the stock transfer books of the Company shall then be closed.

3. MUTILATED OR MISSING SOLICITING DEALER WARRANT.

In case the certificate or certificates evidencing the Soliciting Dealer Warrant shall be mutilated, lost, stolen or destroyed, the Company shall, at the

request of the Warrantholder, issue and deliver in exchange and substitution for and upon cancellation of the mutilated certificate of certificates, or in lieu of and in substitution for the certificate or certificates lost, stolen or destroyed, a new Soliciting Dealer Warrant certificate or certificates of like tenor and date and representing an equivalent right or interest, but only upon receipt of evidence satisfactory to the Company of such loss, theft or destruction of such Soliciting Dealer Warrant, and of reasonable bond of indemnity, if requested, also satisfactory in form and amount and at the applicant's cost.

4. RESERVATION OF SHARES.

There has been reserved, and the Company shall at all times keep reserved so long as the Soliciting Dealer Warrant remains outstanding, out of its authorized Common Stock, such number of Shares as shall be subject to purchase under the Soliciting Dealer Warrant.

5. LEGEND ON SOLICITING DEALER WARRANT SHARES.

Each certificate for Shares initially issued upon exercise of the Soliciting Dealer

Warrant, unless at the time of exercise such Shares are registered with the Securities and Exchange Commission (the "Commission"), under the Securities Act of 1933, as amended (the "Act"), shall bear the following legend:

NO SALE, TRANSFER, PLEDGE OR OTHER DISPOSITION OF THESE SHARES SHALL BE MADE EXCEPT PURSUANT TO REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR PURSUANT TO AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED.

Any certificate issued at any time in exchange or substitution for any certificate bearing such legend (except a new certificate issued upon completion of a public distribution pursuant to a registration statement under the Act of the securities represented thereby) shall also bear the above legend unless, in the opinion of such counsel as shall be reasonably approved by the Company, the securities represented thereby need no longer be subject to such restrictions.

6. PAYMENT OF TAXES.

The Company shall pay all documentary stamp taxes, if any, attributable to the initial issuance of the Shares; provided, however, that the Company shall not be required to pay any tax or taxes which may be payable with respect to any secondary transfer of the Soliciting Dealer Warrant or the Shares.

7. WARRANT PRICE.

The price per Share at which Shares shall be purchasable on the exercise of the Soliciting Dealer Warrant shall be $12 (the "Warrant Price").

8. ADJUSTMENT OF WARRANT PRICE AND NUMBER OF SHARES.

The number and kind of securities purchasable upon the exercise of the Soliciting Dealer Warrant and the Warrant Price shall be subject to adjustment from time to time upon the happening of certain events, as follows:

(a) In case the Company shall: (i) pay a dividend in Common Stock or make a distribution in Common Stock; (ii) subdivide its outstanding Common Stock; (iii) combine its outstanding Common Stock into a smaller number of shares of Common Stock, or (iv) issue by reclassification of its Common Stock other securities of the Company, the number and kind of securities purchasable upon the exercise of the Soliciting Dealer Warrant immediately prior thereto shall be adjusted so that the Warrantholder shall be entitled to receive the

number and kind of securities of the Company which it would have owned or would have been entitled to receive after the happening of any of the events described above had the Soliciting Dealer Warrant been exercised immediately prior to the happening of such event or any record date with respect thereto. Any adjustment made pursuant to this Subsection (a) shall become

effective on the effective date of such event retroactive to the record date, if any, for such event.

(b) No adjustment in the number of securities purchasable hereunder shall be required unless such adjustment would require an increase or decrease of at least one percent (1%) in the number of securities (calculated to the nearest full Share thereof) then purchasable upon the exercise of the Soliciting Dealer Warrant or, if the Soliciting Dealer Warrant is not then exercisable, the number of securities purchasable upon the exercise of the Soliciting Dealer Warrant on the first date thereafter that the Soliciting Dealer Warrant becomes exercisable; provided, however, that any adjustment which by reason of this Subsection (b) is not required to be made immediately shall be carried forward and taken into account in any subsequent adjustment.

(c) Whenever the number of Shares purchasable upon the exercise of the Soliciting Dealer Warrant is adjusted as herein provided, the Warrant Price shall be adjusted by multiplying such Warrant Price immediately prior to such adjustment by a fraction, of which the numerator shall be the number of Shares purchasable upon the exercise of the Soliciting Dealer Warrant immediately prior to such adjustment, and of which the denominator shall be the number of Shares so purchasable immediately thereafter.

(d) For the purpose of this Section 8, the term "Common Stock" shall mean: (i) the class of stock designated as the Common Stock of the Company at the date of this Agreement; or (ii) any other class of stock resulting from successive changes or reclassification of such Common Stock consisting solely of changes in par value, or from par value to no par value, or from no par value to par value. In the event that at any time, as a result of an adjustment made pursuant to this Section 8, the Warrantholder shall become entitled to purchase any shares of the Company other than Common Stock, thereafter the number of such other shares so purchasable upon the exercise of the Soliciting Dealer Warrant and the Warrant Price shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Shares contained in this Section 8.

(e) Whenever the number of Shares and/or securities purchasable upon the exercise of the Soliciting Dealer Warrant or the Warrant Price is adjusted as herein provided, the Company shall cause to be promptly mailed to the Warrantholder by first class mail, postage prepaid, notice of such adjustment setting forth the number of Shares and/or securities purchasable upon the exercise of the Soliciting Dealer Warrant or the Warrant Price after such adjustment, a brief statement of the facts requiring such adjustment and the computation by which such adjustment was made.

(f) In case of any reclassification, capital reclassification, capital reorganization or other change in the outstanding shares of Common Stock of the Company (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of an issuance of Common Stock by way of dividend or other distribution, or of a subdivision or combination of the Common Stock), or in

case of any consolidation or merger of the Company with or into another corporation or entity (other than a merger with a subsidiary in which merger the Company is the continuing corporation and which does not result in any

reclassification, capital reorganization or other change in the outstanding shares of Common Stock of the Company) as a result of which the holders of the Company's Common Stock become holders of other shares of securities of the Company or of another corporation or entity, or such holders receive cash or other assets, or in case of any sale or conveyance to another corporation of the property, assets or business of the Company as an entirety or substantially as an entirety, the Company or such successor or purchasing corporation, as the case may be, shall execute with the Warrantholder an agreement that the Warrantholder shall have the right thereafter upon payment for the Warrant Price in effect immediately prior to such action to purchase upon the exercise of the Soliciting Dealer Warrant the kind and number of securities and property which it would have owned or have been entitled to have received after the happening of such reclassification, capital reorganization, change in the outstanding shares of shares of Common Stock of the Company, consolidation, merger, sale or conveyance had the Soliciting Dealer Warrant been exercised immediately prior to such action.

The agreement referred to in this Subsection (f) shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 8. The provisions of this Subsection (f) shall similarly apply to successive reclassification, capital reorganizations, changes in the outstanding shares of Common Stock of the Company, consolidations, mergers, sales or conveyances.

(g) Except as provided in this Section 8, no adjustment with respect to any dividends shall be made during the term of the Soliciting Dealer Warrant or upon the exercise of the Soliciting Dealer Warrant.

(h) No adjustments shall be made in connection with the public sale and issuance of the Shares pursuant to the Dealer Manager Agreement or the sale or issuance of Shares upon the exercise of the Soliciting Dealer Warrant.

(i) Irrespective of any adjustments in the Warrant Price or the number or kind of securities purchasable upon the exercise of the Soliciting Dealer Warrant, the Soliciting Dealer Warrant certificate or certificates theretofore or thereafter issued may continue to express the same price or number or kind of securities stated in the Soliciting Dealer Warrant initially issuable pursuant to this Agreement.

9. FRACTIONAL INTEREST.

The Company shall not be required to issue fractional Shares or securities upon the exercise of the Soliciting Dealer Warrant. If any such fractional Share would, except for the provisions of this Section 9, be issuable upon the exercise of the Soliciting Dealer Warrant (or specified portion thereof), the Company may, at its election, pay an amount in cash equal to the then current market price multiplied by such fraction. For purposes of this Agreement, the term "current market price" shall mean: (a) if the Shares are traded in

the over-the-counter market and not on the NASDAQ National Market ("NNM") or on any national securities exchange, the average between the per share closing bid and asked prices of the Shares for the 30 consecutive trading days immediately preceding the date in questions, as reported by the NNM or an equivalent generally accepted reporting service; or (b) if the Shares are traded on the NNM or on a national securities exchange, the average for the 30 consecutive trading days immediately preceding the date in question of the daily per share closing prices of the Shares on the NNM or on the principal national stock exchange on which it is listed, as the case may be. The closing price referred to in clause (b) above shall be the last reported sales price or, in case no such reported sale takes place on such day, the average of the reported closing bid and asked prices on the NNM or on the principal national securities exchange on which the Shares are then listed, as the case may be. If the Shares are not publicly traded, then the "current market price" shall mean $10 for the first three years

following the termination of the Offering.

10. NO RIGHTS AS STOCKHOLDER; NOTICES OF WARRANTHOLDER.

Nothing contained in this Agreement or in the Soliciting Dealer Warrant shall be construed as conferring upon the Warrantholder or its transferee any rights as a stockholder of the Company, either at law or in equity, including the right to vote, receive dividends, consent or notices as a stockholder with respect to any meeting of stockholders for the election of directors of the Company or for any other matter.

11. REGISTRATION OF SOLICITING DEALER WARRANTS AND SHARES PURCHASABLE THEREUNDER.

The Shares purchasable under the Soliciting Dealer Warrants are being registered as part of the Offering. The Company undertakes to make additional filings with the Commission to the extent required to keep the Shares registered through the Exercise Period.

12. INDEMNIFICATION.

In the event of the filing of any registration statement with respect to the Soliciting Dealer Warrants or the Shares pursuant to Section 11 above, the Company and the Warrantholder (and/or selling Warrantholder or such holder of Shares, as the case may be), shall agree to indemnify and hold harmless the other to the same extent and in the same manner as provided in the Dealer Manager Agreement.

13. CONTRIBUTION.

In order to provide for just and equitable contribution under the Act in any case in which: (a) the Warrantholder or any holder of Shares makes a claim for indemnification pursuant to Section 12 hereof, but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right to appeal) that such indemnification may not be enforced in such case notwithstanding the fact that the express provisions of Section 12

hereof provide for indemnification in such case; or (b) contribution under the Act may be required on the part of the Warrantholder or any holder of Shares, the Company and the Warrantholder, or such holder of Shares, shall agree to contribute to the aggregate losses, claims, damages or liabilities to which they may be subject (which shall, for all purposes of this Agreement, including, but not limited to, all costs of defense and investigation and all attorneys' fees), in either such case (after contribution from others) on the basis of relative fault as well as any other relevant equitable considerations in the same manner as provided by the parties in the Dealer Manager Agreement.

14. NOTICES.

Any notice given pursuant to this Agreement by the Company or by the Warrantholder shall be in writing and shall be deemed to have been duly given if delivered or mailed by certified mail, return receipt requested:

(a) If to the Warrantholder, addressed to:

Wells Investment Securities, Inc.
Suite 250
6200 The Corners Parkway
Norcross, Georgia 30092
Attention: Leo F. Wells, III

(b) If to the Company, addressed to:

Wells Real Estate Investment Trust, Inc.
Suite 250
6200 The Corners Parkway
Norcross, Georgia 30092
Attention: Douglas P. Williams

Each party hereto may, from time to time, change the address to which notices to it are to be delivered or mailed hereunder by notice in accordance herewith to the other party.

15. PARTIES IN INTEREST.

Nothing in this Agreement shall be construed to give to any person or corporation other than the Company, the Warrantholder and, to the extent expressed, any holder of Shares, any person controlling the Company or the Warrantholder or any holder of Shares, directors of the Company, nominees for directors (if any) named in the Prospectus, or officers of the Company who have signed the registration statement, any legal or equitable right, remedy or claim under this Agreement, and this Agreement shall be for the sole an exclusive benefit of the aforementioned parties.

16. SUCCESSORS.

All the covenants and provisions of this Agreement by or for the benefit of the parties listed in Section 15 above shall bind and inure to the benefit of their respective executors, administrators, successors and assigns hereunder; provided, however, that the rights of the Warrantholder or holder of Shares shall be assignable only to those persons and entities specified in Section 1, Subsection (D) thereof, in which event such assignee shall be bound by each of the terms and conditions of this Agreement.

17. MERGER OR CONSOLIDATION OF THE COMPANY.

The Company shall not merge or consolidate with or into any other corporation or sell all or substantially all of its property to another corporation, unless it complies with the provisions of Section 8, Subsection (f) thereof.

18. SURVIVAL OF REPRESENTATIONS AND WARRANTIES.

All statements contained in any schedule, exhibit, certificate or other instrument delivered by or on behalf of the parties hereto, or in connection with the transactions contemplated by this Agreement, shall be deemed to be representations and warranties hereunder. Notwithstanding any investigations made by or on behalf of the parties to this Agreement, all representations, warranties and agreements made by the parties to this Agreement or pursuant hereto shall survive.

19. CHOICE OF LAW.

This Agreement and the rights of the parties hereunder shall be governed by and construed in accordance with the laws of the State of Georgia, including all matters of construction, validity, performance and enforcement, and without giving effect to the principles of conflict of laws; provided, however, that causes of action for violations of federal or state securities laws shall not be governed by this Section.

20. JURISDICTION.

The parties submit to the jurisdiction of the Courts of the State of Georgia or a Federal Court impaneled in the State of Georgia for the resolution of all legal disputes arising under the terms of this Agreement.

21. ENTIRE AGREEMENT.

Except as provided herein, this Agreement, including exhibits, contains the entire agreement of the parties, and supersedes all existing negotiations, representations or agreements and all other oral, written or other communications between them concerning the subject matter of this Agreement.

22. SEVERABILITY.

If any provision of this Agreement is unenforceable, invalid or violates applicable law, such provision shall be deemed stricken and shall not affect the enforceability of any other provisions of this Agreement.

23. CAPTIONS.

The captions in this Agreement are inserted only as a matter of convenience and for reference and shall not be deemed to define, limit, enlarge or describe the scope of this Agreement or the relationship of the parties, and shall not affect this Agreement or the construction of any provisions herein.

24. COUNTERPARTS.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Warrant Purchase Agreement to be duly executed as of _____, 2002.

Wells Real Estate Investment Trust, Inc.

By:

Douglas P. Williams
Executive Vice President

Wells Investment Securities, Inc.

By:

Leo F. Wells, III
President

EXHIBIT A

WELLS REAL ESTATE INVESTMENT TRUST, INC.
SOLICITING DEALER WARRANT NO. ____

NO SALE, TRANSFER, PLEDGE OR OTHER DISPOSITION OF THIS WARRANT OR THE SHARES PURCHASABLE HEREUNDER SHALL BE MADE EXCEPT PURSUANT TO REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR PURSUANT TO AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER THAT REGISTRATION IS NOT REQUIRED. TRANSFER OF THIS WARRANT IS ALSO RESTRICTED BY THAT CERTAIN WARRANT PURCHASE AGREEMENT DATED AS OF _____, 2002, A COPY OF WHICH IS AVAILABLE FROM THE ISSUER.

WARRANT TO PURCHASE SHARES OF COMMON STOCK OF
WELLS REAL ESTATE INVESTMENT TRUST, INC.

Exercisable commencing on _____, 2003
Void after 5:00 P.M. Eastern Standard Time on _____, 2007 (the

"Exercise Closing Date").

THIS CERTIFIES that, for value received, (the "Warrantholder"), or registered assign, is entitled, subject to the terms and conditions set forth in this Warrant (the "Warrant"), to purchase from Wells Real Estate Investment Trust, Inc., a Maryland corporation (the "Company" and the "Issuer"), such number of fully paid and nonassessable Shares of common stock of the Company (the "Shares") as is reflected on the books of the Company at any time during the period commencing on _____, 2003 and continuing up to 5:00 P.M. eastern standard time on _____, 2007, at $12 per Share, and is subject to all the terms thereof, including the limitations on transferability as set forth in that certain Warrant Purchase Agreement between Wells Investment Securities, Inc. and the Company dated _____, 2002.

THIS WARRANT may be exercised by the holder thereof, in whole or in part, by the presentation and surrender of this Warrant with the form of Election to Purchase duly executed, with signature(s) guaranteed, at the principal office of the Company (or at such other address as the Company may designate by notice to the holder hereof at the address of such holder appearing on the books of the Company), and upon payment to the Company of the purchase price in cash or by certified check or bank cashier's check. The Shares so purchased shall be deemed to be issued to the holder hereof as the record owner of such Shares as of the close of business on the date on which this Warrant shall have been surrendered and payment made for such Shares. The Shares so purchased shall be registered to the holder (and, if requested, certificates issued) promptly after this Warrant shall have been so exercised and unless this Warrant has expired or has been exercised, in full, a new Warrant identical in form, but representing the number of Shares with respect to which this Warrant shall not have been exercised, shall also be issued to the holder hereof.

NOTHING CONTAINED herein shall be construed to confer upon the holder of this Warrant, as such, any of the rights as a Stockholder of the Company.

Wells Real Estate Investment Trust, Inc.

By:_____
Douglas P. Williams
Executive Vice President

EXHIBIT B

WELLS REAL ESTATE INVESTMENT TRUST, INC.
ELECTION TO PURCHASE
SOLICITING DEALER WARRANT

Wells Real Estate Investment Trust, Inc.
Suite 250
6200 The Corners Parkway
Norcross, Georgia 30092

The undersigned hereby irrevocably elects to exercise the right of purchase represented by the attached Soliciting Dealer Warrant (the "Warrant") to purchase thereunder _____ shares of the common stock of Wells Real Estate Investment Trust, Inc. (the "Shares") pursuant to the terms and provisions of the attached Warrant and hereby tenders $_____ ($12.00 per Share) in payment of the actual exercise price thereof, and requests that the Shares be issued in the name of

_____

(Please Print Name, Address and SSN or TIN of Stockholder below)

_____

_____

_____

_____

_____

and, if said number of Shares shall not be the total possible number of Shares purchasable pursuant to the attached Warrant, that a new Warrant certificate for the balance of the Shares purchasable under the attached Warrant certificate be registered in the name of the undersigned Warrantholder or his assignee as indicated below and delivered at the address stated below:

Dated:_____, 200___

Name of Warrantholder or Assignee:_____
(Please Print)

Address:_____

Signature:_____

EXHIBIT C

WELLS REAL ESTATE INVESTMENT TRUST, INC.

SOLICITING DEALER WARRANT
ASSIGNMENT

(To be signed only upon assignment of the Warrant)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, transfers and conveys unto:_____
(Please Print Name, Address and SSN or TIN of Assignee Below)

_____

_____

_____

_____

the attached Soliciting Dealer Warrant No. ____ (the "Warrant"), to purchase Shares of common stock of Wells Real Estate Investment Trust, Inc. (the "Company"), hereby irrevocably constituting and appointing the Company and/or its transfer agent as its attorney to transfer said Warrant on the books of the Company, with full power of substitution.

Dated:_____, 200__

_____
Signature of Registered Holder

_____
Name of Registered Holder - Please Print

Signature Guaranteed:

_____

Note: The above signature must correspond with the name as written upon the face of the attached Warrant certificate in every particular respect, without alteration, enlargement or any change whatever, unless this Warrant has previously been duly assigned.

EXHIBIT 10.1

ADVISORY AGREEMENT

ADVISORY AGREEMENT

THIS ADVISORY AGREEMENT, dated as of January 30, 2002, is between WELLS REAL ESTATE INVESTMENT TRUST, INC., a Maryland corporation (the "Company"), and WELLS CAPITAL, INC., a Georgia corporation (the "Advisor").

W I T N E S S E T H

WHEREAS, the Company has issued shares of its common stock, par value $.01, to the public, has registered with the Securities and Exchange Commission certain additional shares of its common stock to be offered to the public ("Shares") and may subsequently issue securities other than such Shares ("Securities");

WHEREAS, the Company intends to continue to qualify as a REIT (as defined below), and to invest its funds in investments permitted by the terms of the Company's Articles of Incorporation and Sections 856 through 860 of the Code (as defined below);

WHEREAS, the Company desires to avail itself of the experience, sources of information, advice, assistance and certain facilities available to the Advisor and to have the Advisor undertake the duties and responsibilities hereinafter set forth, on behalf of, and subject to the supervision of, the Board of Directors of the Company all as provided herein; and

WHEREAS, the Advisor is willing to undertake to render such services, subject to the supervision of the Board of Directors, on the terms and conditions hereinafter set forth.

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

1. Definitions. As used in this Advisory Agreement (the "Agreement"), the following terms have the definitions hereinafter indicated:

Acquisition Expenses. Any and all expenses incurred by the Company, the Advisor, or any Affiliate of either in connection with the selection, acquisition or development of any Property, whether or not acquired, including, without limitation, legal fees and expenses, travel and communications expenses, costs of appraisals, nonrefundable option payments on property not acquired, accounting fees and expenses, and title insurance premiums.

Acquisition Fees. Any and all fees and commissions, exclusive of Acquisition Expenses, paid by any person or entity to any other person or entity (including any fees or commissions paid by or to any Affiliate of the Company or the Advisor) in connection with purchase, development or construction of any Property, including, without limitation, real estate commissions, acquisition fees, finder's fees, selection fees, nonrecurring management fees, consulting fees, loan fees, points, or any other fees or commissions of a similar nature.

Advisor. Wells Capital, Inc., a Georgia corporation, any successor advisor to the Company, or any person or entity to which Wells Capital, Inc. or any successor advisor subcontracts substantially all of its functions.

Affiliate or Affiliated. As to any individual, corporation, partnership, trust or other association (other than the Excess Shares Trust), (i) any Person or entity directly or indirectly; through one or more intermediaries

controlling, controlled by, or under common control with another person or entity; (ii) any Person or entity, directly or indirectly owning or controlling ten percent (10%) or more of the outstanding voting securities of another Person or entity; (iii) any officer, director, partner, or trustee of such Person or entity; (iv) any Person ten percent (10%) or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held, with power to vote, by such other Person; and (v) if such other Person or entity is an officer, director, partner, or trustee of a Person or entity, the Person or entity for which such Person or entity acts in any such capacity.

Appraised Value. Value according to an appraisal made by an Independent Appraiser.

Articles of Incorporation. The Articles of Incorporation of the Company under Title 2 of the Corporations and Associations Article of the Annotated Code of Maryland, as amended from time to time.

Average Invested Assets. For a specified period, the average of the aggregate book value of the assets of the Company invested, directly or indirectly, in Properties and Loans secured by real estate before reserves for depreciation or bad debts or other similar non-cash reserves, computed by taking the average of such values at the end of each month during such period.

Board of Directors or Board. The persons holding such office, as of any particular time, under the Articles of Incorporation of the Company, whether they be the Directors named therein or additional or successor Directors.

Bylaws. The bylaws of the Company, as the same are in effect from time to time.

Cash from Financings. Net cash proceeds realized by the Company from the financing of Company Property or from the refinancing of any Company indebtedness.

Cash from Sales. Net cash proceeds realized by the Company from the sale, exchange or other disposition of any of its assets after deduction of all expenses incurred in connection therewith. Cash from Sales shall not include Cash from Financings.

Cash from Sales and Financings. The total sum of Cash from Sales and Cash from Financings.

Cause. With respect to the termination of this Agreement, fraud, criminal conduct, willful misconduct or willful or negligent breach of fiduciary duty by the Advisor, breach of this Agreement, a default by the Sponsor under the guarantee by the Sponsor to the Company or the bankruptcy of the Sponsor.

Code. Internal Revenue Code of 1986, as amended from time to time, or any successor statute thereto. Reference to any provision of the Code shall mean such provision as in effect from time to time, as the same may be amended, and any successor provision thereto, as interpreted by any applicable regulations as in effect from time to time.

Company. Wells Real Estate Investment Trust, Inc., a corporation organized under the laws of the State of Maryland.

Company Property. Any and all property, real, personal or otherwise, tangible or intangible, which is transferred or conveyed to the Company or the Partnership (including all rents, income, profits and gains therefrom), and which is owned or held by, or for the account of, the Company or the Partnership.

Competitive Real Estate Commission. A real estate or brokerage commission for the purchase or sale of property which is reasonable, customary, and

competitive in light of the size, type, and location of the property. The total of all real estate commissions paid by the Company to all Persons (including the Subordinated Disposition Fee payable to the Advisor) in connection with any Sale of one or more of the Company's Properties shall not exceed the lesser of (i) a Competitive Real Estate Commission or (ii) 6% of the gross sales price of the Property or Properties.

Contract Purchase Price. The amount actually paid or allocated (as of the date of purchase) to the purchase, development, construction or improvement of Property, exclusive of Acquisition Fees and Acquisition Expenses.

Contract Sales Price. The total consideration received by the Company for the sale of a Company Property.

Cumulative Return. For the period for which the calculation is being made, the percentage resulting from dividing (A) the total Dividends paid on each Dividends distribution date during such period (without regard to Dividends paid out of Cash from Sales and Financings), by (B) the product of (i) the average Invested Capital for such period (calculated on a daily basis), and (ii) the number of years (including fractions thereof) elapsed during such period.

Director. A member of the Board of Directors of the Company.

Dividends. Any dividends or other distributions of money or other property by the Company to owners of Shares, including distributions that may constitute a return of capital for federal income tax purposes.

Equity Interest. The stock of or other interests in, or warrants or other rights to purchase the stock of or other interests in, any entity that has borrowed money from the Company or that is a tenant of the Company or that is a parent or controlling Person of any such borrower or tenant.

Equity Shares. Transferable shares of beneficial interest of the Company of any class or series, including common shares or preferred shares.

Good Reason. With respect to the termination of this Agreement, (i) any failure to obtain a satisfactory agreement from any successor to the Company to assume and agree to perform the Company's obligations under this Agreement; or (ii) any material breach of this Agreement of any nature whatsoever by the Company.

Gross Proceeds. The aggregate purchase price of all Shares sold for the account of the Company through an Offering, without deduction for Selling Commissions, volume discounts, the marketing support fee and due diligence expense reimbursement or Organization and Offering Expenses. For the purpose of computing Gross Proceeds, the purchase price of any Share for which reduced Selling Commissions are paid to the Managing Dealer or a Soliciting Dealer (where net proceeds to the Company are not reduced) shall be deemed to be $10.00.

Independent Appraiser. A qualified appraiser of real estate as determined by the Board. Membership in a nationally recognized appraisal society such as the American Institute of Real Estate Appraisers ("M.A.I.") or the Society of Real Estate Appraisers ("S.R.E.A.") shall be conclusive evidence of such qualification.

Independent Director. A Director who is not and within the last two years has not been directly or indirectly associated with the Advisor by virtue of (i) ownership of an interest in the Advisor or its Affiliates, (ii) employment by the Advisor or its Affiliates, (iii) service as an officer or director of the Advisor or its Affiliates, (iv) performance of services, other than as a Director, for the Company, (v) service as a director or trustee of more than three real estate investment trusts advised by the Advisor, or (vi) maintenance of a material business or professional relationship with the Advisor or any of

its Affiliates. A business or professional relationship is considered material if the gross revenue derived by the Director from the Advisor and Affiliates exceeds 5.0% of either the Director's annual gross revenue during either of the last two years or the Director's net worth on a fair market value basis. An indirect relationship shall include circumstances in which a Director's spouse, parents, children, siblings, mothers- or fathers-in-law, sons- or daughters-in-law, or brothers- or sisters-in-law is or has been associated with the Advisor, any of its Affiliates, or the Company.

Independent Expert. A person or entity with no material current or prior business or personal relationship with the Advisor or the Directors and who is engaged to a substantial extent in the business of rendering opinions regarding the value of assets of the type held by the Company.

Invested Capital. The amount calculated by multiplying the total number of Shares purchased by stockholders by the issue price, reduced by the portion of any Dividend that is attributable to Net Sales Proceeds and by any amounts paid by the Company to repurchase Shares pursuant to the Company's plan for redemption of Shares.

Joint Ventures. The joint venture or general partnership arrangements in which the Company or the Partnership is a co-venturer or general partner which are established to acquire Properties.

Listing. The listing of the Shares of the Company on a national securities exchange or over-the-counter market.

Managing Dealer. Wells Investment Securities, Inc., an Affiliate of the Advisor, or such entity selected by the Board of Directors to act as the managing dealer for an Offering. Wells Investment Securities, Inc. is a member of the National Association of Securities Dealers, Inc.

Net Income. For any period, the total revenues applicable to such period, less the total expenses applicable to such period excluding additions to reserves for depreciation, bad debts or other similar non-cash reserves; provided, however, Net Income for purposes of calculating total allowable Operating Expenses (as defined herein) shall exclude the gain from the sale of the Company's assets.

Net Sales Proceeds. In the case of a transaction described in clause (i) (A) of the definition of Sale, the proceeds of any such transaction less the amount of all real estate commissions and closing costs paid by the Company. In the case of a transaction described in clause (i) (B) of such definition, Net Sales Proceeds means the proceeds of any such transaction less the amount of any legal and other selling expenses incurred in connection with such transaction. In the case of a transaction described in clause (i) (C) of such definition, Net Sales Proceeds means the proceeds of any such transaction actually distributed to the Company from the Joint Venture. In the case of a transaction or series of transactions described in clause (i) (D) of the definition of Sale, Net Sales Proceeds means the proceeds of any such transaction less the amount of all commissions and closing costs paid by the Company. In the case of a transaction described in clause (ii) of the definition of Sale, Net Sales Proceeds means the proceeds of such transaction or series of transactions less all amounts generated thereby and reinvested in one or more Properties within 180 days thereafter and less the amount of any real estate commissions, closing costs, and legal and other selling expenses incurred by or allocated to the Company in connection with such transaction or series of transactions. Net Sales Proceeds shall also include, in the case of any Property consisting of a building only, any amounts that the Company determines, in its discretion, to be economically equivalent to proceeds of a Sale. Net Sales Proceeds shall not include any reserves established by the Company in its sole discretion.

Offering. Any public offering of Shares pursuant to a Prospectus which is registered with the SEC.

Operating Expenses. All costs and expenses incurred by the Company, as determined under generally accepted accounting principles, which in any way are related to the operation of the Company or to Company business, including advisory fees, but excluding (i) the expenses of raising capital such as Organizational and Offering Expenses, legal, audit, accounting, underwriting, brokerage, listing, registration, and other fees, printing and other such expenses and tax incurred in connection with the issuance, distribution, transfer, registration and Listing of the Shares, (ii) interest payments, (iii) taxes, (iv) non-cash expenditures such as depreciation, amortization and bad loan reserves, (v) the Advisor's subordinated 10% share of Net Sales Proceeds, (vi) the Subordinated Incentive Fee, (vii) the Property Management Fee and (viii) Acquisition Fees and Acquisition Expenses, real estate commissions on the sale of property, and other expenses connected with the acquisition, and ownership of real estate interests, mortgage loans or other property (such as the costs of foreclosure, insurance premiums, legal services, maintenance, repair and improvement of property).

Organizational and Offering Expenses. Any and all costs and expenses, other than selling commissions and the 2.5% dealer manager fee, incurred by the Advisor or any Affiliate in connection with the formation, qualification and registration of the Company and the marketing and distribution of its Shares, including, without limitation, the following: legal, accounting and escrow fees; printing, amending, supplementing, mailing and distributing costs; filing,

registration and qualification fees and taxes; telegraph and telephone costs; and all advertising and marketing expenses, including the costs related to investor and broker-dealer sales meetings. The Organizational and Offering Expenses paid by the Company in connection with any Offering will not exceed 3.0% of the Gross Proceeds raised in such Offering.

Partnership. Wells Operating Partnership, L.P., a Delaware limited partnership formed to own and operate properties on behalf of the Company.

Person. An individual, corporation, partnership, estate, trust (including a trust qualified under Section 401(a) or 501(c) (17) of the Code), a portion of a trust permanently set aside for or to be used exclusively for the purposes described in Section 642(c) of the Code, association, private foundation within the meaning of Section 509(a) of the Code, joint stock company or other entity, or any government or any agency or political subdivision thereof.

Property or Properties. (i) The real properties, including the buildings located thereon, or (ii) the real properties only, or (iii) the buildings only, which are acquired by the Company, either directly or through joint venture arrangements or other partnerships.

Prospectus. "Prospectus" has the meaning set forth in Section 2(10) of the Securities Act of 1933, as amended (the "Securities Act"), including a preliminary Prospectus, an offering circular as described in Rule 256 of the General Rules and Regulations under the Securities Act or, in the case of an intrastate offering, any document by whatever name known, utilized for the purpose of offering and selling securities to the public.

Real Estate Asset Value. The amount actually paid or allocated to the purchase, development, construction or improvement of a Property, exclusive of Acquisition Fees and Acquisition Expenses.

Registration Statement. The most currently filed Registration Statement on Form S-11 with the Securities and Exchange Commission, of which the Prospectus is a part.

REIT. A "real estate investment trust" under Sections 856 through 860 of the Code.

Sale or Sales. (i) Any transaction or series of transactions whereby: (A) the Company or the Partnership sells, grants, transfers, conveys, or relinquishes its ownership of any Property or portion thereof, including the lease of any Property consisting of the building only, and including any event with respect to any Property which gives rise to a significant amount of insurance proceeds or condemnation awards; (B) the Company or the Partnership sells, grants, transfers, conveys, or relinquishes its ownership of all or substantially all of the interest of the Company or the Partnership in any Joint Venture in which it is a co-venturer or partner; or (C) any Joint Venture in which the Company or the Partnership as a co-venturer or partner sells, grants, transfers, conveys, or relinquishes its ownership of any Property or portion thereof, including any event with respect to any Property which gives rise to insurance claims or condemnation awards, but (ii) not including any transaction or series of transactions specified in clause (i) (A), (i) (B), or (i) (C) above in which the proceeds of such transaction or series of transactions are reinvested in one or more Properties within 180 days thereafter.

Securities. Any Equity Shares, Excess Shares, as such term is defined in the Company's Articles of Incorporation, any other stock, shares or other evidences of equity or beneficial or other interests, voting trust certificates, bonds, debentures, notes or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in, temporary or interim certificates for, receipts for, guarantees of, or warrants, options or rights to subscribe to, purchase or acquire, any of the foregoing.

Shares. Any shares of the Company's common stock, par value $.01 per share, previously issued by the Company pursuant to an effective registration statement and shares currently registered with the Securities and Exchange Commission pursuant to the Registration Statement.

Soliciting Dealers. Broker-dealers who are members of the National Association of Securities Dealers, Inc., or that are exempt from broker-dealer registration, and who, in either case, have executed participating broker or other agreements with the Managing Dealer to sell Shares.

Sponsor. Any Person directly or indirectly instrumental in organizing, wholly or in part, the Company or any Person who will control, manage or participate in the management of the Company, and any Affiliate of such Person. Not included is any Person whose only relationship with the Company is that of an independent property manager of Company assets, and whose only compensation is as such. Sponsor does not include wholly independent third parties such as attorneys, accountants, and underwriters whose only compensation is for professional services.

Stockholders. The record holders of the Company's Shares as maintained in the Company's books and records.

Stockholders' 8.0% Return. As of each date, an aggregate amount equal to an 8.0% cumulative, noncompounded, annual return on Invested Capital.

Subordinated Disposition Fee. The Subordinated Disposition Fee as defined in Paragraph 9(b).

Subordinated Incentive Fee. The fee payable to the Advisor under certain circumstances if the Shares are listed on a national securities exchange or over-the-counter market as defined in Paragraph 9(d).

Subordinated Share of Net Sale Proceeds. The Subordinated Share of Net Sales Proceeds as defined in Paragraph 9(c).

Termination Date. The date of termination of the Agreement.

Total Property Cost. With regard to any Company Property, an amount equal to the sum of the Real Estate Asset Value of such Property plus the Acquisition Fees and Acquisition Expenses paid in connection with such Property.

2%/25% Guidelines. The requirement pursuant to the guidelines of the North American Securities Administrators Association, Inc. that, in any 12 month period, total Operating Expenses not exceed the greater of 2% of the Company's Average Invested Assets during such 12 month period or 25% of the Company's Net Income over the same 12 month period.

Valuation. An estimate of value of the assets of the Company as determined by an Independent Expert.

2. Appointment. The Company hereby appoints the Advisor to serve as its advisor on the terms and conditions set forth in this Agreement, and the Advisor hereby accepts such appointment.

3. Duties of the Advisor. The Advisor undertakes to use its best efforts to present to the Company potential investment opportunities and to provide a continuing and suitable investment program consistent with the investment objectives and policies of the Company as determined and adopted from time to time by the Board. In performance of this undertaking, subject to the supervision of the Board and consistent with the provisions of the Prospectus, Articles of Incorporation and Bylaws of the Company, the Advisor shall, either directly or by engaging an Affiliate:

(a) serve as the Company's investment and financial advisor and provide research and economic and statistical data in connection with the Company's assets and investment policies;

(b) provide the daily management of the Company and perform and supervise the various administrative functions reasonably necessary for the management of the Company;

(c) maintain and preserve the books and records of the Company, including stock books and records reflecting a record of the Stockholders and their ownership of the Company's uncertificated Shares and acting as transfer agent for the Company's uncertificated Shares;

(d) investigate, select, and, on behalf of the Company, engage and conduct business with such Persons as the Advisor deems necessary to the proper performance of its obligations hereunder, including but not limited to consultants, accountants, correspondents, lenders, technical advisors, attorneys, brokers, underwriters, corporate fiduciaries, escrow agents, depositaries, custodians, agents for collection, insurers, insurance agents, banks, builders, developers, property owners, mortgagors, and any and all agents for any of the foregoing, including Affiliates of the Advisor, and Persons acting in any other capacity deemed by the Advisor necessary or desirable for the performance of any of the foregoing services, including but not' limited to entering into contracts in the name of the Company with any of the foregoing;

(e) consult with the officers and the Board of the Company and assist the Board in the formulation and implementation of the Company's financial policies, and, as

necessary, furnish the Board with advice and recommendations with respect to the making of investments consistent with the investment

objectives and policies of the Company and in connection with any borrowings proposed to be undertaken by the Company;

(f) subject to the provisions of Paragraphs 3(g) and 4 hereof, (i) locate, analyze and select potential investments in Properties, (ii) structure and negotiate the terms and conditions of transactions pursuant to which investment in Properties will be made; (iii) make investments in Properties on behalf of the Company or the Partnership in compliance with the investment objectives and policies of the Company; (iv) arrange for financing and refinancing and make other changes in the asset or capital structure of, and dispose of, reinvest the proceeds from the sale of, or otherwise deal with the investments in, Property; and (v) enter into leases and service contracts for Company Property and, to the extent necessary, perform all other operational functions for the maintenance and administration of such Company Property;

(g) provide the Board with periodic reports regarding prospective investments in Properties;

(h) obtain the prior approval of the Board (including a majority of all Independent Directors) for any and all investments in Properties;

(i) negotiate on behalf of the Company with banks or lenders for loans to be made to the Company, and negotiate on behalf of the Company with investment banking firms and broker-dealers or negotiate private sales of Shares and Securities or obtain loans for the Company, but in no event in such a way so that the Advisor shall be acting as broker-dealer or underwriter; and provided, further, that any fees and costs payable to third parties incurred by the Advisor in connection with the foregoing shall be the responsibility of the Company;

(j) obtain reports (which may be prepared by the Advisor or its Affiliates), where appropriate, concerning the value of investments or contemplated investments of the Company in Properties;

(k) from time to time, or at any time reasonably requested by the Board, make reports to the Board of its performance of services to the Company under this Agreement;

(l) provide the Company with all necessary cash management services;

(m) do all things necessary to assure its ability to render the services described in this Agreement;

(n) deliver to or maintain on behalf of the Company copies of all appraisals obtained in connection with the investments in Properties; and

(o) notify the Board of all proposed material transactions before they are completed.

4. Authority of Advisor.

(a) Pursuant to the terms of this Agreement (including the restrictions included in this Paragraph 4 and in Paragraph 7), and subject to the continuing and exclusive authority of the Board over the management of the Company, the Board hereby delegates to the Advisor the authority to (1) locate, analyze and select investment opportunities, (2) structure the terms and conditions of transactions pursuant to which investments will be made or acquired for the Company or the Partnership, (3) acquire Properties in compliance with the investment objectives and policies of the Company, (4) arrange for financing or refinancing of Properties, (5) enter into leases and service contracts for the Company's Properties, including oversight of Affiliated companies that perform

property management services for the Company, (6) oversee non-affiliated property managers and other non-affiliated Persons who perform services for the Company; and (7) undertake accounting and other record-keeping functions at the Property level.

(b) Notwithstanding the foregoing, any investment in Properties, including any acquisition of Property by the Company or the Partnership (as well as any financing acquired by the Company or the Partnership in connection with such acquisition), will require the prior approval of the Board.

(c) If a transaction requires approval by the Independent Directors, the Advisor will deliver to the Independent Directors all documents required by them to properly evaluate the proposed investment in the Property.

The prior approval of a majority of the Independent Directors and a majority of the Board not otherwise interested in the transaction will be required for each transaction with the Advisor or its Affiliates.

The Board may, at any time upon the giving of notice to the Advisor, modify or revoke the authority set forth in this Paragraph 4. If and to the extent the Board so modifies or revokes the authority contained herein, the Advisor shall henceforth submit to the Board for prior approval such proposed transactions involving investments in Property as thereafter require prior approval, provided however, that such modification or revocation shall be effective upon receipt by the Advisor and shall not be applicable to investment transactions to which the Advisor has committed the Company prior to the date of receipt by the Advisor of such notification.

5. Bank Accounts. The Advisor may establish and maintain one or more bank accounts in its own name for the account of the Company or in the name of the Company and may collect and deposit into any such account or accounts, and disburse from any such account or accounts, any money on behalf of the Company, under such terms and conditions as the Board may approve, provided that no funds shall be commingled with the funds of the Advisor; and the Advisor shall from time to time render appropriate accountings of such collections and payments to the Board and to the auditors of the Company.

6. Records; Access. The Advisor shall maintain appropriate records of all its activities hereunder and make such records available for inspection by the Board and by counsel, auditors and authorized agents of the Company, at any time or from time to time during normal

business hours. The Advisor shall at all reasonable times have access to the books and records of the Company.

7. Limitations on Activities. Anything else in this Agreement to the contrary notwithstanding, the Advisor shall refrain from taking any action which, in its sole judgment made in good faith, would (a) adversely affect the status of the Company as a REIT, (b) subject the Company to regulation under the Investment Company Act of 1940, as amended, or (c) violate any law, rule, regulation or statement of policy of any governmental body or agency having jurisdiction over the Company, its Shares or its Securities, or otherwise not be permitted by the Articles of Incorporation or Bylaws of the Company, except if such action shall be ordered by the Board, in which case the Advisor shall notify promptly the Board of the Advisor's judgment of the potential impact of such action and shall refrain from taking such action until it receives further clarification or instructions from the Board. In such event the Advisor shall have no liability for acting in accordance with the specific instructions of the Board so given. Notwithstanding the foregoing, the Advisor, its directors, officers, employees and stockholders, and stockholders, directors and officers of the Advisor's Affiliates shall not be liable to the Company or to the Board

or stockholders for any act or omission by the Advisor, its directors, officers or employees, or stockholders, directors or officers of the Advisor's Affiliates except as provided in Paragraphs 20 and 21 of this Agreement.

8. Relationship with Directors. Directors, officers and employees of the Advisor or an Affiliate of the Advisor or any corporate parents of an Affiliate, or directors, officers or stockholders of any director, officer or corporate parent of an Affiliate may serve as a Director and as officers of the Company, except that no director, officer or employee of the Advisor or its Affiliates who also is a Director or officer of the Company shall receive any compensation from the Company for serving as a Director or officer other than reasonable reimbursement for travel and related expenses incurred in attending meetings of the Board.

9. Fees.

(a) Acquisition Fees and Expenses. The Advisor may receive, as compensation payable by the Company for services rendered in connection with the investigation, selection and acquisition (by purchase, investment or exchange) of Properties, Acquisition Fees in an amount equal to up to 3.0% of Gross Proceeds and Acquisition Expenses in an amount equal to up to 0.5% of Gross Proceeds.

(b) Subordinated Disposition Fee. If the Advisor or an Affiliate provides a substantial amount of the services (as determined by a majority of the Independent Directors) in connection with the Sale of one or more Properties, the Advisor or an Affiliate shall receive a Subordinated Disposition Fee equal to the lesser of (i) one-half of a Competitive Real Estate Commission or (ii) 3.0% of the sales price of such Property or Properties. The Subordinated Disposition Fee will be paid only if Stockholders have received total Dividends in an amount equal to the sum of their aggregate Invested Capital and their aggregate Stockholders' 8.0% Return. To the extent that Subordinated Disposition Fees are not paid by the Company on a current basis due to the foregoing limitation, the unpaid fees will be accrued and paid at such time as the subordination conditions have been satisfied. The Subordinated Disposition Fee may be paid in addition to real estate commissions paid to non-Affiliates, provided that the total real

estate commissions paid to all Persons by the Company shall not exceed an amount equal to the lesser of (i) 6.0% of the Contract Sales Price of a Property or (ii) the Competitive Real Estate Commission. In the event this Agreement is terminated prior to such time as the Stockholders have received total Dividends in an amount equal to 100% of Invested Capital plus an amount sufficient to pay the Stockholders' 8.0% Return through the Termination Date, an appraisal of the Properties then owned by the Company shall be made and the Subordinated Disposition Fee on Properties previously sold will be deemed earned if the Appraised Value of the Properties then owned by the Company plus total Dividends received prior to the Termination Date equals 100% of Invested Capital plus an amount sufficient to pay the Stockholders' 8.0% Return through the Termination Date. Upon Listing, if the Advisor has accrued but not been paid such Subordinated Disposition Fee, then for purposes of determining whether the subordination conditions have been satisfied, Stockholders will be deemed to have received Dividends in the amount equal to the product of the total number of Shares outstanding and the average closing price of the Shares over a period, beginning 180 days after Listing, of 30 days during which the Shares are traded.

(c) Subordinated Share of Net Sales Proceeds. The Subordinated Share of Net Sales Proceeds shall be payable to the Advisor in an amount equal to 10% of Net Sales Proceeds remaining after the Stockholders have received Dividends equal to the sum of the Stockholders' 8.0% Return and 100% of Invested Capital. Following Listing, no Subordinated Share of Net Sales Proceeds will be paid to the Advisor.

(d) Subordinated Incentive Fee. Upon Listing, the Advisor shall be entitled to the Subordinated Incentive Fee in an amount equal to 10.0% of the amount by which (i) the market value of the outstanding stock of the Company, measured by taking the average closing price or average of bid and asked price, as the case may be, over a period of 30 days during which the stock is traded, with such period beginning 180 days after Listing (the "Market Value"), plus the total of all Dividends paid to Stockholders from the Company's inception until the date of Listing, exceeds (ii) the sum of (A) 100% of Invested Capital and (B) the total Dividends required to be paid to the Stockholders in order to pay the Stockholders' 8.0% Return from inception through the date of Listing. The Company shall have the option to pay such fee in the form of cash, Shares, a promissory note or any combination of the foregoing. The Subordinated Incentive Fee will be reduced by the amount of any prior payment to the Advisor of a deferred, Subordinated Share of Net Sales Proceeds from a Sale or Sales of a Property. In the event the Subordinated Incentive Fee is paid to the Advisor following Listing, no other performance fee will be paid to the Advisor.

(e) Loans from Affiliates. If any loans are made to the Company by an Affiliate of the Advisor, the maximum amount of interest that may be charged by such Affiliate shall be the lesser of (i) 1.0% above the prime rate of interest charged from time to time by The Bank of New York and (ii) the rate that would be charged to the Company by unrelated lending institutions on comparable loans for the same purpose. The terms of any such loans shall be no less favorable than the terms available between non-Affiliated Persons for similar commercial loans.

(f) Changes to Fee Structure. In the event of Listing, the Company and the Advisor shall negotiate in good faith to establish a fee structure appropriate for a perpetual-life entity. A majority of the Independent Directors must approve the new fee structure negotiated with the

Advisor. In negotiating a new fee structure, the Independent Directors shall consider all of the factors they deem relevant, including, but not limited to: (i) the amount of the advisory fee in relation to the asset value, composition and profitability of the Company's portfolio; (ii) the success of the Advisor in generating opportunities that meet the investment objectives of the Company; (iii) the rates charged to other REITs and to investors other than REITs by Advisors performing the same or similar services; (iv) additional revenues realized by the Advisor and its Affiliates through their relationship with the Company, including loan administration, underwriting or broker commissions, servicing, engineering, inspection and other fees, whether paid by the Company or by others with whom the Company does business; (v) the quality and extent of service and advice furnished by the Advisor; (vi) the performance of the investment portfolio of the Company, including income, conversion or appreciation of capital, and number and frequency of problem investments; and (vii) the quality of the Property portfolio of the Company in relationship to the investments generated by the Advisor for its own account. The new fee structure can be no more favorable to the Advisor than the current fee structure.

10. Expenses.

(a) In addition to the compensation paid to the Advisor pursuant to Paragraph 9 hereof, the Company shall pay directly or reimburse the Advisor for all of the expenses paid or incurred by the Advisor in connection with the services it provides to the Company pursuant to this Agreement, including, but not limited to:

(i) the Company's Organizational and Offering Expenses; provided, however, that within 60 days after the end of the month in which an Offering terminates, the Advisor shall reimburse the Company for any Organizational and Offering Expenses reimbursement received by the

Advisor pursuant to this Paragraph 10, to the extent that such reimbursement exceeds 3.0% of the Gross Proceeds. The Advisor shall be responsible for the payment of all the Company's Organizational and Offering Expenses in excess of 3.0% of the Gross Proceeds;

(ii) Acquisition Expenses incurred in connection with the selection and acquisition of Properties;

(iii) the actual cost of goods and services used by the Company and obtained from entities not affiliated with the Advisor, other than Acquisition Expenses, including brokerage fees paid in connection with the purchase and sale of securities;

(iv) interest and other costs for borrowed money, including discounts, points and other similar fees;

(v) taxes and assessments on income or Property and taxes as an expense of doing business;

(vi) costs associated with insurance required in connection with the business of the Company or by the Board;

(vii) expenses of managing and operating Properties owned by the Company, whether payable to an Affiliate of the Company or a non-affiliated Person.

(viii) all expenses in connection with payments to the Board and meetings of the Board and Stockholders;

(ix) expenses associated with Listing or with the issuance and distribution of Shares and Securities, such as selling commissions and fees, advertising expenses, taxes, legal and accounting fees, Listing and registration fees, and other Organization and Offering Expenses;

(x) expenses connected with payments of Dividends in cash or otherwise made or caused to be made by the Company to the Stockholders;

(xi) expenses of organizing, revising, amending, converting, modifying, or terminating the Company or the Articles of Incorporation;

(xii) expenses of maintaining communications with Stockholders, including the cost of preparation, printing, and mailing annual reports and other Stockholder reports, proxy statements and other reports required by governmental entities;

(xiii) administrative service expenses (including personnel costs; provided, however, that no reimbursement shall be made for costs of personnel to the extent that such personnel perform services in transactions for which the Advisor receives a separate fee); and

(xiv) audit, accounting and legal fees.

(b) Expenses incurred by the Advisor on behalf of the Company and payable pursuant to this Paragraph 10 shall be reimbursed no less than monthly to the Advisor. The Advisor shall prepare a statement documenting the expenses of the Company during each quarter, and shall deliver such statement to the Company within 45 days after the end of each quarter.

11. Other Services. Should the Board request that the Advisor or any director, officer or employee thereof render services for the Company other than set forth in Paragraph 3, such services shall be separately compensated at such rates and in such amounts as are agreed by the Advisor and the Independent

Directors of the Company, subject to the limitations contained in the Articles of Incorporation, and shall not be deemed to be services pursuant to the terms of this Agreement.

12. Fidelity Bond. The Advisor shall maintain a fidelity bond for the benefit of the Company which bond shall insure the Company from losses of up to $200,000 per occurrence and shall be of the type customarily purchased by entities performing services similar to those provided to the Company by the Advisor.

13 Reimbursement to the Advisor. The Company shall not reimburse the Advisor at the end of any fiscal quarter Operating Expenses that, in the four consecutive fiscal quarters then ended (the "Expense Year") exceed (the "Excess Amount") the greater of 2% of Average Invested Assets or 25% of Net Income (the "2%/25% Guidelines") for such year. Any Excess Amount paid to the Advisor during a fiscal quarter shall be repaid to the Company. If there is an Excess Amount in any Expense Year and the Independent Directors determine that such excess

was justified, based on unusual and nonrecurring factors which they deem sufficient, the Excess Amount may be carried over and included in Operating Expenses in subsequent Expense Years, and reimbursed to the Advisor in one or more of such years, provided that Operating Expenses in any Expense Year, including any Excess Amount to be paid to the Advisor, shall not exceed the 2%/25% Guidelines. Within 60 days after the end of any fiscal quarter of the Company for which total Operating Expenses for the Expense Year exceed the 2%/25% Guidelines, there shall be sent to the stockholders a written disclosure of such fact, together with an explanation of the factors the Independent Directors considered in determining that such excess expenses were justified. Such determination shall be reflected in the minutes of the meetings of the Board of Directors. The Company will not reimburse the Advisor or its Affiliates for services for which the Advisor or its Affiliates are entitled to compensation in the form of a separate fee. All figures used in the foregoing computation shall be determined in accordance with generally accepted accounting principles applied on a consistent basis.

14. Other Activities of the Advisor. Nothing herein contained shall prevent the Advisor from engaging in other activities, including, without limitation, the rendering of advice to other Persons (including other REITs) and the management of other programs advised, sponsored or organized by the Advisor or its Affiliates; nor shall this Agreement limit or restrict the right of any director, officer, employee, or stockholder of the Advisor or its Affiliates to engage in any other business or to render services of any kind to any other partnership, corporation, firm, individual, trust or association. The Advisor may, with respect to any investment in which the Company is a participant, also render advice and service to each and every other participant therein. The Advisor shall report to the Board the existence of any condition or circumstance, existing or anticipated, of which it has knowledge, which creates or could create a conflict of interest between the Advisor's obligations to the Company and its obligations to or its interest in any other partnership, corporation, firm, individual, trust or association. The Advisor or its Affiliates shall promptly disclose to the Board knowledge of such condition or circumstance. If the Sponsor, Advisor, Director or Affiliates thereof have sponsored other investment programs with similar investment objectives which have investment funds available at the same time as the Company, it shall be the duty of the Board (including the Independent Directors) to adopt the method set forth in the Registration Statement or another reasonable method by which properties are to be allocated to the competing investment entities and to use their best efforts to apply such method fairly to the Company.

The Advisor shall be required to use its best efforts to present a continuing and suitable investment program to the Company which is consistent

with the investment policies and objectives of the Company, but neither the Advisor nor any Affiliate of the Advisor shall be obligated generally to present any particular investment opportunity to the Company even if the opportunity is of character which, if presented to the Company, could be taken by the Company. The Advisor or its Affiliates may make such an investment in a property only after (i) such investment has been offered to the Company and all public partnerships and other investment entities affiliated with the Company with funds available for such investment and (ii) such investment is found to be unsuitable for investment by the Company, such partnerships and investment entities.

In the event that the Advisor or its Affiliates is presented with a potential investment which might be made by the Company and by another investment entity which the Advisor or its

Affiliates advises or manages, the Advisor shall consider the investment portfolio of each entity, cash flow of each entity, the effect of the acquisition on the diversification of each entity's portfolio, rental payments during any renewal period, the estimated income tax effects of the purchase on each entity, the policies of each entity relating to leverage, the funds of each entity available for investment and the length of time such funds have been available for investment. In the event that an investment opportunity becomes available which is suitable for both the Company and a public or private entity which the Advisor or its Affiliates are Affiliated, then the entity which has had the longest period of time elapse since it was offered an investment opportunity will first be offered the investment opportunity. The Advisor may consider the property for private placement only if such property is deemed inappropriate for any investment entity which is advised or managed by the Advisor, including the Company.

15. Relationship of Advisor and Company. The Company and the Advisor are not partners or joint venturers with each other, and nothing in this Agreement shall be construed to make them such partners or joint venturers or impose any liability as such on either of them.

16. Term; Termination of Agreement. This Agreement shall continue in force until January 29, 2003, subject to an unlimited number of successive one-year renewals upon mutual consent of the parties. It is the duty of the Board to evaluate the performance of the Advisor or annually before renewing the Agreement, and each such renewal shall be for a term of no more than one year.

17. Termination by Either Party. This Agreement may be terminated upon 60 days written notice without Cause or penalty, by either party (upon approval of a majority of the Independent Directors of the Company or a majority of the Board of Directors of the Advisor, as the case may be).

18. Assignment to an Affiliate. This Agreement may be assigned by the Advisor to an Affiliate with the approval of a majority of the Board (including a majority of the Independent Directors). The Advisor may assign any rights to receive fees or other payments under this Agreement without obtaining the approval of the Board. This Agreement shall not be assigned by the Company without the consent of the Advisor, except in the case of an assignment by the Company to a corporation or other organization which is a successor to all of the assets, rights and obligations of the Company, in which case such successor organization shall be bound hereunder and by the terms of said assignment in the same manner as the Company is bound by this Agreement.

19. Payments to and Duties of Advisor upon Termination. Payments to the Advisor pursuant to this Section 19 shall be subject to the 2%/25% Guidelines to

the extent applicable.

(a) After the Termination Date, the Advisor shall not be entitled to compensation for further services hereunder except it shall be entitled to receive from the Company within 30 days after the effective date of such termination all unpaid reimbursements of expenses and all earned but unpaid fees payable to the Advisor prior to termination of this Agreement.

(b) The Advisor shall promptly upon termination:

(i) pay over to the Company all money collected and held for the account of the Company pursuant to this Agreement, after deducting any accrued compensation and reimbursement for its expenses to which it is then entitled;

(ii) deliver to the Board a full accounting, including a statement showing all payments collected by it and a statement of all money held by it, covering the period following the date of the last accounting furnished to the Board;

(iii) deliver to the Board all assets, including Properties, and documents of the Company then in the custody of the Advisor; and

(iv) cooperate with the Company to provide an orderly management transition.

20. Indemnification by the Company. The Company shall indemnify and hold harmless the Advisor and its Affiliates, including their respective officers, directors, partners and employees, from all liability, claims, damages or losses arising in the performance of their duties hereunder, and related expenses, including reasonable attorneys' fees, to the extent such liability, claims, damages or losses and related expenses are not fully reimbursed by insurance, subject to any limitations imposed by the laws of the State of Maryland or the Articles of Incorporation of the Company. Notwithstanding the foregoing, the Advisor shall not be entitled to indemnification or be held harmless pursuant to this paragraph 20 for any activity which the Advisor shall be required to indemnify or hold harmless the Company pursuant to paragraph 21. Any indemnification of the Advisor may be made only out of the net assets of the Company and not from Stockholders.

21. Indemnification by Advisor. The Advisor shall indemnify and hold harmless the Company from contract or other liability, claims, damages, taxes or losses and related expenses including attorneys' fees, to the extent that such liability, claims, damages, taxes or losses and related expenses are not fully reimbursed by insurance and are incurred by reason of the Advisor's bad faith, fraud, willful misfeasance, misconduct, negligence or reckless disregard of its duties, but the Advisor shall not be held responsible for any action of the Board of Directors in following or declining to follow any advice or recommendation given by the Advisor.

22. Notices. Any notice, report or other communication required or permitted to be given hereunder shall be in writing unless some other method of giving such notice, report or other communication is required by the Articles of Incorporation, the Bylaws, or accepted by the party to whom it is given, and shall be given by being delivered by hand or by overnight mail or other overnight delivery service to the addresses set forth herein:

To the Board and to the Company: Wells Real Estate Investment Trust, Inc.
6200 The Corners Parkway, Suite 250
Norcross, Georgia 30092

To the Advisor: Wells Capital, Inc.
6200 The Corners Parkway, Suite 250
Norcross, Georgia 30092

Either party may at any time give notice in writing to the other party of a change in its address for the purposes of this Paragraph 22.

23. Modification. This Agreement shall not be changed, modified, terminated, or discharged, in whole or in part, except by an instrument in writing signed by both parties hereto, or their respective successors or assignees.

24. Severability. The provisions of this Agreement are independent of and severable from each other, and no provision shall be affected or rendered invalid or unenforceable by virtue of the fact that for any reason any other or others of them may be invalid or unenforceable in whole or in part.

25. Construction. The provisions of this Agreement shall be construed and interpreted in accordance with the laws of the State of Georgia.

26. Entire Agreement. This Agreement contains the entire agreement and understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements, understandings, inducements and conditions, express or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof. The express terms hereof control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms hereof. This Agreement may not be modified or amended other than by an agreement in writing.

27. Indulgences, not Waivers. Neither the failure nor any delay on the part of a party to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any other right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

28. Gender. Words used herein regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires.

29. Titles not to Affect Interpretation. The titles of paragraphs and subparagraphs contained in this Agreement are for convenience only, and they neither form a part of this Agreement nor are they to be used in the construction or interpretation hereof.

30. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument.

This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories.

31. Name. Wells Capital, Inc. has a proprietary interest in the name "Wells." Accordingly, and in recognition of this right, if at any time the Company ceases to retain Wells Capital, Inc. or an Affiliate thereof to perform the services of Advisor, the Company will, promptly after receipt of written request from Wells Capital, Inc., cease to conduct business under or use the name "Wells" or any diminutive thereof and the Company shall use its best efforts to change the name of the Company to a name that does not contain the name "Wells" or any other word or words that might, in the sole discretion of the Advisor, be susceptible of indication of some form of relationship between the Company and the Advisor or any Affiliate thereof. Consistent with the foregoing, it is specifically recognized that the Advisor or one or more of its Affiliates has in the past and may in the future organize, sponsor or otherwise permit to exist other investment vehicles (including vehicles for investment in real estate) and financial and service organizations having "Wells" as a part of their name, all without the need for any consent (and without the right to object thereto) by the Company or its Board.

32. Initial Investment. The Advisor has contributed $200,000 (the "Initial Investment") in exchange for 20,000 units of limited partnership interest ("Units") in Wells Operating Partnership, L.P. (the "Partnership"). The Advisor or its Affiliates may not sell any of the Units purchased with the Initial Investment while the Advisor acts in such advisory capacity to the Company, provided, that such Units may be transferred in connection with the exercise of the Advisor's right under the Partnership Agreement of the Partnership to exchange its Units for Shares, in which case similar restrictions on transfer will apply to the Shares received by the Advisor. The restrictions included above shall not apply to any Shares acquired by the Advisor or its Affiliates other than the Units acquired through the Initial Investment or Shares acquired in exchange for the Units acquired through the Initial Investment. The Advisor shall not vote any Shares it now owns, or hereafter acquires, in any vote for the election of Directors or any vote regarding the approval or termination of any contract with the Advisor or any of its Affiliates.

[Signatures appear on next page.]

IN WITNESS WHEREOF, the parties hereto have executed this Advisory Agreement as of the date and year first above written.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

By: /s/ Douglas P. Williams

Name: DOUGLAS P. WILLIAMS

Title: EXECUTIVE VICE PRESIDENT

WELLS CAPITAL, INC.

By: /s/ Leo. F. Wells III

Name: LEO F. WELLS III

Title: PRESIDENT

EXHIBIT 10.23

REVOLVING CREDIT AGREEMENT

relating to

BANK OF AMERICA, N.A.

$85 MILLION REVOLVING

LINE OF CREDIT

REVOLVING CREDIT AGREEMENT

Dated as of May 11, 2001

by and among

WELLS OPERATING PARTNERSHIP, L.P.,
as Borrower,

WELLS REAL ESTATE INVESTMENT TRUST, INC.,
as Guarantor,

THE SEVERAL LENDERS FROM
TIME TO TIME PARTY HERETO,

BANK OF AMERICA, N.A.
as Administrative Agent,

and

BANC OF AMERICA SECURITIES LLC,
as Sole Lead Arranger and

as Sole Book Manager

TABLE OF CONTENTS

SCHEDULES

EXHIBITS

THIS REVOLVING CREDIT AGREEMENT is made and entered into on and as of the ____ day of May, 2001, by and among WELLS OPERATING PARTNERSHIP, L.P., a Delaware limited partnership ("Borrower"), Wells Real Estate Investment Trust, Inc., a Maryland corporation ("Guarantor"), BANK OF AMERICA, N.A., a national banking association, as administrative agent for the Lenders (in such capacity, the "Administrative Agent"), and the Lenders identified herein;

W I T N E S S E T H:

In consideration of the mutual covenants and undertakings of the parties which are hereinafter set forth, Borrower, Guarantor and Administrative Agent do hereby agree as follows as of the day and year first above written:

ARTICLE 1
Definitions

Section 1.1 Definitions. For the purposes of this Agreement:

"Acquisition Cost" shall mean the costs actually incurred or paid by Borrower incident to the acquisition of Collateral, as determined by Administrative Agent in Administrative Agent's reasonable discretion, plus the cost of any capital improvements performed by the Borrower which Administrative Agent has agreed to accept as part of the Acquisition Cost of such Collateral. For purposes of the Collateral existing as of the date hereof, "Acquisition Cost" shall mean the amount set forth beside each Property listed on Schedule 1.1(a) attached hereto.

"Additional Credit Party" shall mean each Person that becomes a Guarantor after the Closing Date by execution of a Guaranty Agreement.

"Adjusted Cash Flow" shall mean, for any Person, for any period for which the same is computed, the sum of (a) such party's net income (loss) for such period plus (b) such party's Interest Expense for such period plus (c) such party's depreciation and amortization for financial reporting purposes for such period; plus (d) such party's income tax expense for such period, computed in

each case on a consolidated basis in accordance with GAAP and adjusted as necessary to reflect any straightlining of rental income.

"Adjusted LIBOR Rate" shall mean the quotient obtained (rounded upward, if necessary, to the next higher 1/100 of 1%) by dividing (i) the applicable London Interbank Offered Rate by (ii) 1.00 minus the LIBOR Reserve Percentage, where,

"London Interbank Offered Rate" shall mean, with respect to any applicable Interest Period, the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on Telerate Page 3750 (or any successor page) as the London interbank offered rate for deposits in U.S. Dollars at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period. If for any reason such rate is not available, the term "London Interbank Offered Rate" shall

mean, for any Interest Period therefor, the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on Reuters Screen LIBO Page as the London interbank offered rate for deposits in U.S. Dollars at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period; provided, however, if more than one rate is specified on Reuters Screen LIBO Page, the applicable rate shall be the arithmetic mean of all such rates; and

"LIBOR Reserve Percentage" shall mean, with respect to any applicable Interest Period, for any day that percentage (expressed as a decimal) which is in effect on such day, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including basic, supplemental, emergency, special and marginal reserves) generally applicable to financial institutions regulated by the Federal Reserve Board whether or not applicable to any Lender, in respect of "Eurocurrency liabilities" (or in respect of any other category of liabilities which includes deposits by reference to which the interest rate on LIBOR Rate Principal is determined), whether or not any Lender has any Eurocurrency liabilities. The LIBOR Rate shall be adjusted automatically as of the effective date of each change in the LIBOR Reserve Percentage.

"Administrative Agent" shall mean Bank of America, N.A. and any assignees of Administrative Agent which hereafter become parties hereto pursuant to Article 10 hereof.

"Affiliate" shall mean any Person directly or indirectly controlling, controlled by, or under common control with Borrower excluding, however, employees of Borrower.

"Administrative Agent's Office" shall mean the office of Administrative Agent located at Bank of America Plaza, Real Estate Group, 6th Floor, 600 Peachtree Street, N.E., Atlanta, Georgia 30308, or such other office as may be designated pursuant to the provisions of Section 10.1 of this Agreement.

"Agreement" shall mean this Revolving Credit Agreement.

"Annualized Hypothetical Debt Service" shall mean the annual aggregate

installments of principal and interest which would be due and payable on a hypothetical loan in an amount equal to the outstanding principal balance of the Loans at any given time if such amount were amortized over a period of twenty-five (25) years at a fixed rate of interest equal to the Treasury Rate as of such date plus two hundred fifty (250) basis points, but in no event less than nine (9) percentage points per annum. Administrative Agent's determination of Annualized Hypothetical Debt Service shall be binding and conclusive in the absence of manifest error.

"Annualized Net Operating Income" shall mean, with respect to all assets within the Collateral Pool, the aggregate annualized recurring rental income received or to be received by Borrower from tenants under fully executed leases approved by Lender, as of any date of determination, less the aggregate annualized expenses paid or to be paid by Borrower in connection with the ownership and operation of the assets (excluding debt service on the Loans but including annualized property taxes and insurance premiums [to the extent not passed through to tenants],

capital expenditure and property replacement reserves in an aggregate amount equal to the greater of (i) actual capital expenditure and property placement reserves or (ii) fifty cents ($.50) per square foot times the aggregate net rentable area of the assets, and a property management fee equal to two percent (2.0%) of rental income). Administrative Agent's determination of Annualized Net Operating Income shall be binding and conclusive in the absence of manifest error.

"Applicable Law" shall mean, in respect of any Person, all provisions of constitutions, statutes, rules, regulations and orders of governmental bodies or regulatory agencies applicable to such Person, and all orders and decrees of all courts and arbitrators in proceedings or actions to which the Person in question is a party or by which it is bound.

"Authorized Signatory" shall mean such representatives of Borrower as may be duly authorized and designated in writing by Borrower to execute documents, agreements and instruments on behalf of Borrower in connection with this Agreement.

"Available Committed Amount" shall mean, at any time, an amount equal to the lesser of (a) the Committed Amount or (b) sixty percent (60%) of the Value of the Collateral Pool.

"Base Rate Loan" shall mean a Loan bearing interest at the Prime Rate.

"Base Rate Principal" shall mean any portion of the outstanding principal balance of the Committed Amount bearing interest at the Prime Rate.

"Borrower" shall mean Wells Operating Partnership, L.P., a Georgia limited partnership.

"Business Day" shall mean any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the laws of, or are in fact closed in, the state where Administrative Agent's Office is located or, if such day relates to any LIBOR Rate, means any such day on which dealings in dollar deposits are conducted by and between banks in the London, England interbank market.

"California Mortgage" shall mean that certain Amended and Restated Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated of even date herewith, recorded or to be recorded in the Orange County, California records on or about the date hereof, as same may have been or may be amended, restated, modified or supplemented from time to time.

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

"CERCLA" shall mean the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time (42 U.S.C. (S)(S)9601 et seq.).

"Closing Date" shall mean the date as of which this Agreement is dated.

"Code" shall mean the Internal Revenue Code of 1986, as amended, reformed or otherwise modified from time to time.

"Collateral" shall mean, collectively, the real and personal property encumbered and conveyed by the Mortgages and any additions thereto or substitutions therefor, which additions or substitutions have been approved, in writing, by Lenders in accordance with the terms hereof, less and except any Excluded Property and any property released from the lien thereof.

"Collateral Pool" shall mean a specified group of Collateral encumbered by the Mortgages which have been accepted by Lenders into the Collateral Pool to secure the Obligations.

"Commitment" means, with respect to each Lender, the commitment of such Lender in an aggregate principal amount at any time outstanding of up to such Lender's Commitment Percentage of the Committed Amount to make Loans in accordance with the provisions of Section 2.1.

"Commitment Percentage" means, for any Lender, the percentage identified as its Commitment Percentage on Schedule 2.1, as such percentage may be modified in connection with any assignment made in accordance with the provisions of Section 11.5.

"Committed Amount" shall have the meaning assigned to such term in Section 2.1.

"Consolidated Parties" shall mean a collective reference to Guarantor and its consolidated Subsidiaries, if any, and "Consolidated Party" shall mean any one of them.

"Credit Documents" shall mean, without limitation, this Agreement, the Notes, the Mortgages, the assignments of leases and other Agreements given by

Borrower to secure the obligations, all guaranties of the obligations or any part thereof, all environmental indemnity agreements given by Borrower to Administrative Agent, all legal opinions or reliance letters issued by counsel to Borrower in connection herewith, all Requests for Advance, all loan closing statements and all other documents, instruments, certificates and agreements executed or delivered in connection with or contemplated by this Agreement (in each case, as the same may be amended, modified, restated, supplemented, extended, renewed or replaced from time to time), and "Credit Document" shall mean any one of them.

"Credit Parties" shall mean a collective reference to Borrower, Guarantor and any Additional Credit Party executing a Guaranty Agreement, and "Credit Party" means any one of them.

"Daily LIBOR Rate" shall mean a fluctuating rate of interest equal to the one month rate of interest (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on Telerate Page 3750 (or any successor page) as the one month London interbank offered rate for deposits in U.S. Dollars at approximately 11:00 a.m. (London time) on the second preceding Business

Day, as adjusted from time to time in Administrative Agent's sole discretion for then applicable reserve requirements, deposit insurance assessment rates and other regulatory costs. If for any reason such rate is not available, the term "Daily LIBOR Rate" shall mean the fluctuating rate of interest equal to the one month rate of interest (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on Reuters Screen LIBO Page as the one month London interbank offered rate for deposits in U.S. Dollars at approximately 11:00 a.m. (London time) on the second preceding Business Day, as adjusted from time to time in Administrative Agent's sole discretion for then applicable reserve requirements, deposit insurance assessment rates and other regulatory costs; provided, however, if more than one rate is specified on Reuters Screen LIBO Page, the applicable rate shall be the arithmetic mean of all such rates. The term "Telerate Page 3750" means the British Bankers Association Libor Rates (determined as of 11:00 a.m. London time) that are published by Bridge Information Systems, Inc.

"Debt Service" shall mean for any Person for any period, (a) Interest Expense for such period plus (b) the aggregate amount of regularly scheduled principal payments of Indebtedness (excluding optional prepayments, current maturities of short term debt (debt maturing within twelve [12] months), and balloon principal payments due on maturity in respect of any Indebtedness) required to be made during such period by such Person plus (c) such Person's pro rata share of all such regularly scheduled principal payments required to be made during such period by any Investment Affiliate on Indebtedness (excluding optional prepayments and balloon principal payments due on maturity in respect of any Indebtedness) taken into account in calculating Interest Expense, without duplication.

"Debtor Relief Laws" shall mean the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States of America or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"Default" shall mean any Event of Default, and any of the events specified in Section 9.1 regardless of whether there shall have occurred any passage of time or giving of notice or both that would be necessary in order to

constitute such event an Event of Default.

"Derivative Exposure" shall mean the maximum liability (including costs, fees and expenses), based upon a liquidation or termination as of the date of the applicable covenant compliance test, of any Person under any interest rate swap, collar, cap or other interest rate protection agreements, treasury locks, equity forward contracts, foreign currency exchange agreements, commodity purchase or option agreements or other interest or exchange rate or commodity price hedging agreements.

"Domestic Subsidiary" shall mean, with respect to any Person, any Subsidiary of such Person which is incorporated or organized under the laws of any State of the United States or the District of Columbia.

"Eligible Assignees" shall mean (i) a Lender; (ii) an Affiliate of a Lender; and (iii) any other Person approved by Administrative Agent (such approval not to be unreasonably withheld or delayed) and, unless an Event of Default has occurred and is continuing at the time any assignment is effected in accordance with Section 11.5, Borrower (such approval not to be unreasonably withheld or delayed by Borrower and such approval to be deemed given by Borrower if no objection is received by the assigning Lender and Administrative Agent from Borrower within two (2) Business Days after notice of such proposed assignment has been provided by the assigning Lender to Borrower); provided, however, that neither Borrower nor an Affiliate of Borrower shall qualify as an Eligible Assignee.

"Environmental Laws" shall mean all present and future federal, state and local laws, including the applicable rules and regulations promulgated thereunder, all judicial interpretations thereof, all judgments, decrees, order concessions, grants, franchises, agreements, and other governmental restrictions and rules of common law relating to the environment or to health or safety risks arising therefrom, including, without limitation, CERCLA, the Resource Conservation and Recovery Act of 1976 (42 U.S.C. (S)6901 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. (S)6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. (S)1251 et seq.), the Clean Air Act (42 U.S.C. (S)7401 et seq.), the Toxic Substances Control Act (15 U.S.C. (S)2601 et seq.), the National Environmental Policy Act (42 U.S.C. (S)4321 et seq.) and the Safe Drinking Water Act (42 U.S.C. (S)300f (S)300j), as they may be amended from time to time.

"Equity Issuances" shall mean any issuance by Borrower to any Person which is not a Credit Party of (a) shares of its Capital Stock, (b) any shares of its Capital Stock pursuant to the exercise of options or warrants or (c) any shares of its Capital Stock pursuant to the conversion of any debt securities to equity.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended, and any successor statute thereto, as interpreted by the rules and regulations thereunder, all as the same may be in effect from time to time. References to sections of ERISA shall be construed also to refer to any successor sections.

"ERISA Affiliate" shall mean an entity which is under common control with any Credit Party within the meaning of Section 4001(a)(14) of ERISA, or is a member of a group which includes Borrower and which is treated as a single

employer under Sections 414(b) or (c) of the Code.

"ERISA Event" shall mean (i) with respect to any Plan, the occurrence of a Reportable Event or the substantial cessation of operations (within the meaning of Section 4062(e) of ERISA); (ii) the withdrawal by Consolidated Party or any ERISA Affiliate from a Multiple Employer Plan during a plan year in which it was a substantial employer (as such term is defined in Section 4001(a)(2) of ERISA), or the termination of a Multiple Employer Plan; (iii) the distribution of a notice of intent to terminate or the actual termination of a Plan pursuant to Section 4041(a)(2) or 4041A of ERISA; (iv) the institution of proceedings to terminate or the actual termination of a Plan by the PBGC under Section 4042 of ERISA; (v) any event or condition which might constitute

grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan; (vi) the complete or partial withdrawal of any Consolidated Party or any ERISA Affiliate from a Multiemployer Plan; (vii) the conditions for imposition of a lien under Section 302(f) of ERISA exist with respect to any Plan; or (vii) the adoption of an amendment to any Plan requiring the provision of security to such Plan pursuant to Section 307 of ERISA.

"Escrow Agreement" shall have the meaning assigned to such term in Section 2.4.

"Event of Default" shall mean any of the events specified in Section 9.1.

"Excluded Property" shall have the meaning assigned to such term in Section 2.24.

"Existing Bank of America Loan" shall mean that certain revolving credit loan heretofore made by Administrative Agent to Borrower secured by the Collateral, which Loan is being repaid by a portion of the proceeds of the Loan.

"Federal Funds Rate" shall mean, for any day, the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate charged to Administrative Agent (in its individual capacity) on such day on such transactions as determined by Administrative Agent.

"Fees" shall mean all fees payable pursuant to Section 2.5.

"Fixed LIBOR Rate" shall mean a fixed rate equal to the Adjusted LIBOR Rate plus the LIBOR Rate Margin.

"Fixed LIBOR Rate Loan" shall mean a Loan bearing interest at the Fixed LIBOR Rate.

"Fixed LIBOR Rate Principal" shall mean any portion of the outstanding principal balance of the Committed Amount bearing interest at the Fixed LIBOR Rate at the time in question.

"Funds From Operations" or "FFO" shall mean, as to any period, an amount equal to (a) income (loss) from operations of a Person for such period, excluding gain (loss) from debt restructuring and sale of any Property, plus (b) depreciation and amortization of real estate assets, after adjustment for Investment Affiliates, determined in each case on a combined basis in accordance with GAAP. Adjustments for Investment Affiliates will be calculated to reflect funds from operations on the same basis.

"GAAP" shall mean generally accepted accounting principles in the United States of America consistent with those utilized in preparing the audited financial statements of any Person required hereunder. All references in this Agreement to generally accepted accounting principles shall be to such principles as are in effect from time to time. All accounting terms used herein without definition shall be used as defined under generally accepted accounting principles.

"Governmental Authority" shall mean any federal, state, local or foreign court or governmental agency, authority, instrumentality or regulatory body.

"Guarantor" shall mean Wells Real Estate Investment Trust, Inc., a Maryland corporation.

"Guaranty Agreement" shall mean one or more Guaranty Agreement(s) substantially in the form of Exhibit 5.19 hereto, executed and delivered by (i) Guarantor on the Closing Date, and (ii) any Additional Credit Party in accordance with the provisions of Section 5.19.

"Guaranty Obligations" shall mean, with respect to any Person, without duplication, any obligations of such Person (other than endorsements in the ordinary course of business of negotiable instruments for deposit or collection) guaranteeing or intended to guarantee any Indebtedness of any other Person in any manner, whether direct or indirect, and including without limitation any obligation, whether or not contingent, (i) to purchase any such Indebtedness or any property constituting security therefor, (ii) to advance or provide funds or other support for the payment or purchase of any such Indebtedness or to maintain working capital, solvency or other balance sheet condition of such other Person (including without limitation keep well agreements, maintenance agreements, comfort letters or similar agreements or arrangements) for the benefit of any holder of Indebtedness of such other Person, (iii) to lease or purchase property, securities or services primarily for the purpose of assuring the holder of such Indebtedness, or (iv) to otherwise assure or hold harmless the holder of such Indebtedness against loss in respect thereof. The amount of any Guaranty Obligation hereunder shall (subject to any limitations set forth therein) be deemed to be an amount equal to the outstanding principal amount (or maximum principal amount, if larger) of the Indebtedness in respect of which such Guaranty Obligation is made. It is specifically understood and agreed that the Guaranty Obligations of each Guarantor include any and all obligations that such Guarantor may have as a Borrower hereunder or under any of the other Credit Documents.

"Hazardous Materials" shall mean any and all hazardous or toxic substances,

pollutants, contaminants, petroleum and gas products, including (without limitation) solid, semi-solid, liquid or gaseous substances which are toxic, ignitable, corrosive, carcinogenic or otherwise dangerous to human, plant or animal health and well-being, including (without limitation) crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas or synthetic gas usable for fuel, and including (without limitation) materials defined as hazardous wastes or substances under any of the Environmental Laws.

"Illinois Mortgage" shall mean that certain Amended and Restated Mortgage, Assignment and Security Agreement dated of even date herewith, recorded or to be recorded in the DuPage

County, Illinois records on or about the date hereof, as may have been or may be amended, restated, modified or supplemented from time to time.

"Increased Committed Amount" shall have the meaning assigned to such term in Section 2.2.

"Indebtedness" of any Person, without duplication, shall mean, in each case whether direct or contingent and inclusive of all costs and fees associated with any Derivative Exposure, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, or upon which interest payments are customarily made, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property purchased by such Person (other than customary reservations or retentions of title under agreements with suppliers entered into in the ordinary course of business), (d) all obligations of such Person issued or assumed as the deferred purchase price of property or services purchased by such Person (other than trade debt incurred in the ordinary course of business and due within six months of the incurrence thereof) which would appear as liabilities on a balance sheet of such Person, (e) all obligations of such Person under take-or-pay or similar arrangements or under commodities agreements, (f) all indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any lien on, or payable out of the proceeds of production from, property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed, (g) all guaranty obligations and other contingent liabilities of such Person excluding obligations under any Escrow Agreement to which such Person is a party, (h) the principal portion of all obligations (whether direct or contingent and inclusive of all costs and fees associated with any Derivative Exposure) of such Person under capital leases, (i) all obligations of such Person in respect of interest rate swap, collar, cap or other interest rate protection agreements, treasury locks, equity forward contracts, foreign currency exchange agreements, commodity purchase or option agreements or other interest or exchange rate or commodity price hedging agreements, (j) all obligations of such Person to repurchase any securities which repurchase obligation is related to the issuance thereof, (k) the maximum amount of all standby letters of credit issued or bankers' acceptances facilities created for the account of such Person and, without duplication, all drafts drawn thereunder (to the extent unreimbursed), (l) all preferred capital stock issued by such Person and required by the terms thereof to be redeemed, or for which mandatory sinking fund payments are due, by a fixed date, (m) all other obligations of such Person under any arrangement or financing structure classified as debt (for tax purposes) by any nationally recognized rating agency, (n) the principal portion of all obligations of such Person for any off balance sheet liabilities, and (o) such Person's pro rata share of the Indebtedness of any partnership or unincorporated joint venture in which such Person is a general partner or a joint venturer.

"Interest Expense" shall mean all interest expense of the applicable party

determined in accordance with GAAP plus (i) capitalized interest not covered by an interest reserve from a loan facility plus (ii) the allocable portion (based on liability) of any accrued or paid interest incurred on any obligation for which the applicable party is wholly or partially liable under repayment, interest carry, or performance guarantees, or other relevant liabilities plus (iii) such party's pro

rata share of any accrued or paid interest incurred on any indebtedness of any investment affiliate, whether recourse or non-recourse.

"Interest Payment Date" shall mean the first (1st) day of each calendar month (as to interest through the end of the prior calendar month) and the Maturity Date.

"Interest Period" shall mean with respect to any Fixed LIBOR Rate Principal, the period commencing on the date such Fixed LIBOR Rate Principal is disbursed or on the date on which the principal debt or any portion thereof is converted into or continued as such Fixed LIBOR Rate Principal, and ending on the date one (1), two (2), three (3) or six (6) months thereafter, as elected by Borrower in the applicable rate election notice; provided that:

(i) Each Interest Period must commence on a Business Day;

(ii) In the case of the continuation of Fixed LIBOR Rate Principal, the Interest Period applicable after the continuation of such Fixed LIBOR Rate Principal shall commence on the last day of the preceding Interest Period;

(iii) If any Interest Period applicable to Fixed LIBOR Rate Principal would otherwise end on a day which is not a Business Day, that Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the next preceding Business Day;

(iv) Any Interest Period applicable to Fixed LIBOR Rate Principal that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the last full calendar month at the end of such Interest Period; and

(v) No Interest Period shall extend beyond the Maturity Date, and any Interest Period which begins before the Maturity Date and would otherwise end after the Maturity Date shall instead end on the Maturity Date.

"Interest Rate Protection Agreement" shall mean any interest rate swap agreement, interest cap agreement, interest rate collar agreement, exchange agreement, forward currency exchange agreement, forward rate currency or interest rate option, foreign currency hedge, or any similar agreement or arrangement entered into by Borrower and Lenders in connection with the Loans evidenced by the Notes to hedge the risk of variable interest rate volatility or fluctuations of interest rates, as any such agreement or arrangement may be modified, supplemented, and in effect from time to time, and any and all cancellations, buy backs, reversals, terminations, or assignments of any of the foregoing.

"Investment" shall mean any investment made in cash or by delivery of property by any Consolidated Party (a) in any Person, whether by (i) acquisition of assets, shares of Capital Stock, Investment Security, bonds, notes, debentures, partnership, joint ventures or other

ownership interests or other securities of any Person, or (ii) any deposit with, or advance, loan or other extension of credit to, any Person (other than deposits made in connection with the purchase of equipment or other assets in the ordinary course of business), or (iii) any other capital contribution to or investment in such Person, including, without limitation, any Guaranty Obligations (including any support for a letter of credit issued on behalf of such Person) incurred for the benefit of such Person, or (b) in any property.

"Investment Affiliate" shall mean any entity in which Borrower or Guarantor, as applicable, indirectly has an ownership interest whose financial results are not consolidated under GAAP with the financial results of such party on its financial statements.

"Investment Security" shall mean "security" as defined in Section 2(1) of the Securities Act of 1933, as amended.

"LIBOR Rate Loans" shall mean, collectively, the Fixed LIBOR Rate Loans and the Variable LIBOR Rate Loans.

"LIBOR Rate Margin" shall mean one hundred eighty (180) basis points.

"Lien" shall mean, with respect to any Property, any mortgage, lien, pledge, assignment, charge, security interest, title retention agreement, levy, execution, seizure, attachment, garnishment or other encumbrance of any kind in respect of any Collateral, whether or not choate, vested or perfected.

"Loan" or "Loans" shall mean amounts advanced by Lenders to Borrower pursuant to Article 2 hereof on the occasion of any borrowing, individually or collectively, as appropriate.

"Material Adverse Effect" shall mean a materially adverse effect upon the business, assets, liabilities, financial condition, results of operations, or business prospects of Borrower or upon the ability of Borrower to perform any material obligations under this Agreement or any of the other Credit Documents; in any case, whether resulting from any single act, omission, situation, status, event, or undertaking, or several acts, omissions, situations, statuses, events, or undertakings.

"Maturity Date" shall mean May 11, 2002, or such earlier date as payment of the Loans shall be due (whether by acceleration or otherwise).

"Michigan Mortgage" shall mean that certain Mortgage, Assignment and Security Agreement dated May 10, 2001, effective of even date herewith recorded or to be recorded in the Oakland County, Michigan records, as may have been or may be amended, restated, modified or supplemented from time to time.

"Minnesota Mortgage" shall mean that certain Mortgage, Assignment and Security Agreement dated May 10, 2001, effective of even date herewith recorded or to be recorded in the

Hennepin County, Minnesota records, as may have been or may be amended, restated, modified or supplemented from time to time.

"Mortgage" or "Mortgages" shall mean, collectively, the California Mortgage, the Illinois Mortgage, the Michigan Mortgage, the Minnesota Mortgage, the New Jersey Mortgage, and the Pennsylvania Mortgage, as any of the same may have been or hereafter be amended, restated, modified or supplemented from time to time.

"Multiemployer Plan" shall mean a Plan which is a multiemployer plan as defined in Sections 3(37) or 4001(a)(3) of ERISA.

"Multiple Employer Plan" shall mean a Plan which any Consolidated Party or any ERISA Affiliate and at least one employer other than the Consolidated Party or any ERISA Affiliate are contributing sponsors.

"Net Sales Proceeds" with respect to the sale of any item of Collateral or any Non-Collateral property shall mean the gross sales price for such item of Collateral or Non-Collateral Property, paid by a purchaser of such item of Collateral or Non-Collateral Property, less the Acquisition Cost. All such sales shall be consummated only pursuant to bona fide contracts, approved by Administrative Agent, between Borrower and purchasers who are not Affiliates.

"New Jersey Mortgage" shall mean that certain Amended and Restated Mortgage, Assignment and Security Agreement dated of even date herewith recorded or to be recorded in the Middlesex County, New Jersey records, as may have been or may be amended, restated, modified or supplemented from time to time.

"Non-Collateral Property" or "Non-Collateral Properties" shall mean, individually or collectively, each item of real or personal property now owned or hereafter acquired by Borrower (including without limitation each interest in a partnership, corporation or other Person), other than an item of Collateral.

"Note" or "Notes" shall mean the revolving credit notes of Borrower in favor of each of the Lenders evidencing the Loans provided pursuant to Section 2.1, individually or collectively, as appropriate, as such revolving credit notes may be amended, modified, restated, supplemented, extended, renewed or replaced from time to time.

"Obligations" shall mean (i) all payment and performance obligations of Borrower and all other obligors to Lenders under this Agreement and the other Credit Documents, as they may be amended from time to time, or as a result of making the Loans, and (ii) the obligation to pay an amount equal to the amount of any and all damage which Lenders may suffer by reason of a breach by Borrower or any other obligor of any obligation, covenant or undertaking with respect to this Agreement or any other Credit Document.

"Other Lenders" shall have the meaning assigned to such term in Section 5.18.

"Participation Interest" shall mean a purchase by a Lender of a participation in any Loans as provided in Section 2.21.

"PBGC" shall mean the Pension Benefit Guaranty Corporation established

pursuant to Subtitle A of Title IV of ERISA and any successor thereof.

"Pennsylvania Mortgage" shall mean that certain Amended and Restated Open-End Mortgage, Assignment of Leases and Rents, Security Agreement and Financing Statement dated of even date herewith, recorded or to be recorded in the Records of the Clerk of Superior Court of Dauphin County, Pennsylvania on or about the date hereof, as may have been or may be amended, restated, modified or supplemented from time to time.

"Person" shall mean any individual, partnership, joint venture, firm, corporation, limited liability company, association, trust or other enterprise (whether or not incorporated) or any Governmental Authority.

"Plan" shall mean any employee benefit plan (as defined in Section 3(3) of ERISA) which is covered by ERISA and with respect to which any Consolidated Party or any ERISA Affiliate is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" within the meaning of Section 3(5) of ERISA.

"Preferred Stock Subsidiary" shall mean any entity (i) in which a Credit Party owns at least ninety percent (90%) of the Capital Stock but less than ten percent (10%) of the Voting Stock and (ii) with respect to which Borrower certifies in writing to Administrative Agent that such entity was formed with such an ownership structure such that its income would not adversely affect the qualification of Guarantor's status as a REIT.

"Prime Rate" shall mean, on any day, the rate of interest per annum then most recently established by Administrative Agent as its "prime rate," it being understood and agreed that such rate is set by Administrative Agent as a general reference rate of interest, taking into account such factors as Administrative Agent may deem appropriate, that it is not necessarily the lowest or best rate actually charged to any customer or a favored rate, that it may not correspond with future increases or decreases in interest rates charged by other lenders or market rates in general, and that Administrative Agent may make various business or other loans at rates of interest having no relationship to such rate. If Administrative Agent (including any subsequent Administrative Agent) ceases to exist or to establish or publish a prime rate from which the Prime Rate is then determined, the applicable variable rate from which the Prime Rate is determined thereafter shall be instead the prime rate reported in The Wall Street Journal (or the average prime rate if a high and a low prime rate are therein reported), and the Prime Rate shall change without notice with each change in such prime rate as of the date such change is reported.

"Principal Debt" shall mean the aggregated unpaid outstanding Committed Amount at the time in question.

"Property" shall mean, collectively, all Collateral and Non-Collateral Property.

"REIT" shall mean a real estate investment trust as defined in Sections 856-860 of the Code.

"Reportable Event" shall mean any of the events set forth in Section

4043(c) of ERISA, other than those events as to which the notice requirement has been waived by regulation.

"Request for Advance" shall mean any certificate signed by an Authorized Signatory requesting a Loan hereunder which will increase the aggregate amount of the Loans outstanding, which certificate shall be denominated a "Request for Advance." Each Request for Advance shall be signed by an Authorized Signatory and substantially in the form of Exhibit 1.1(a) attached hereto.

"Required Lenders" shall mean, at any time, Lenders which are then in compliance with their obligations hereunder (as determined by the Administrative Agent) and holding in the aggregate at least sixty-six and two-thirds percent (66 2/3%) of (i) the Committed Amount (and Participation Interests therein) or (ii) if the Commitments have been terminated, the outstanding Loans and Participation Interests.

"Senior Management" shall mean the Chief Executive Officer or Chief Financial Officer of a specified Person.

"Single Employer Plan" shall mean any Plan which is covered by Title IV of ERISA, but which is not a Multiemployer Plan or a Multiple Employer Plan.

"Sole Book Manager" shall mean, in such capacity, Banc of America Securities LLC.

"Sole Lead Arranger" shall mean, in such capacity, Banc of America Securities LLC.

"Subsidiary" shall mean, as to any Person, (a) any corporation more than 50% of whose Capital Stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time, any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person directly or indirectly through Subsidiaries, and (b) any partnership, association, joint venture or other entity in which such Person directly or indirectly through Subsidiaries has more than 50% equity interest at any time.

"Supermajority Lenders" shall mean at any time, Lenders which are then in compliance with their obligations hereunder (as determined by Administrative Agent) and holding in the aggregate at least seventy-five percent (75%) of (i) the Committed Amount (and Participation Interests therein) or (ii) if the Commitments have been terminated, the outstanding Loans and Participation Interests.

"Taxes" shall have the meaning assigned to such term in Section 2.18.

"Treasury Rate" shall mean a per annum rate of interest equal to the monthly average of the daily yield on all outstanding United States Treasury Bond issues (excepting such bonds as are redeemable at par for payment of Federal estate taxes) with a period of time remaining to maturity most closely approximating seven (7) years, as then most recently published by the Board of Governors of the Federal Reserve System in the monthly Federal Reserve Bulletin,

or any comparable successor rate designated by Lender, which rate shall be rounded upwards to the nearest one-eighth of one percentage point (0.125%)

"Use" shall mean use, ownership, development, construction, maintenance, management, operation or occupancy.

"Value of the Collateral Pool" shall mean, at any time, an amount equal to the lesser of (i) the aggregate Acquisition Cost of the Collateral, or (ii) the aggregate stabilized value of the Collateral, as determined by appraisals to be furnished to Administrative Agent from time to time in accordance with Article 8 of this Agreement.

"Variable LIBOR Rate" shall mean the Daily LIBOR Rate plus the LIBOR Margin.

"Variable LIBOR Rate Loan" shall mean a Loan bearing interest at the Variable LIBOR Rate.

"Variable LIBOR Rate Principal" shall mean any portion of the outstanding principal balance of the Committed Amount bearing interest at an applicable Variable LIBOR Rate at the time in question.

"Voting Stock" shall mean, with respect to any Person, Capital Stock issued by such Person the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even though the right so to vote has been suspended by the happening of such a contingency.

Each definition of an instrument or agreement in this Article 1 shall include such instrument or agreement as modified, amended or supplemented from time to time with the prior written consent of Administrative Agent, and except where the context otherwise requires, definitions imparting the singular shall include the plural and vice versa. Except where otherwise specifically restricted, reference to a party to a Credit Document includes that party and its successors and assigns. All terms used herein which are defined in Title 11, Chapter 9 of the official Code of Georgia Annotated on the date hereof and which are not otherwise defined herein shall have the same meanings herein as set forth therein. All definitions set forth in this Article 1 are cumulative of those set forth elsewhere in this Agreement.

ARTICLE 2
Loans

Section 2.1 Commitment. Subject to the terms and conditions hereof and in reliance upon the representations and warranties set forth herein, each Lender severally agrees to make

available to Borrower such Lender's Commitment Percentage of revolving credit loans requested by Borrower in Dollars ("Loans") from time to time from the Closing Date until the Maturity Date, or such earlier date as the Commitments shall have been terminated as provided herein for the purposes hereinafter set forth; provided, however, that the sum of the aggregate principal amount of outstanding Loans shall not exceed EIGHTY FIVE MILLION AND NO/100 DOLLARS ($85,000,000.00) (as such aggregate maximum amount may be increased as provided in Section 2.2, the "Committed Amount"); provided, further, (i) with regard to

each Lender individually, such Lender's outstanding Loans shall not exceed such Lender's Commitment Percentage of the Committed Amount, and (ii) with regard to the Lenders collectively, the aggregate principal amount of outstanding Loans shall not exceed the Committed Amount.

Section 2.2 Increased Loan Amount. Borrower and Administrative Agent acknowledge and agree that at any time prior to October 31, 2001 and provided no Default or Event of Default has occurred hereunder, Borrower may request in writing to Administrative Agent that Lenders increase the Committed Amount to One Hundred Ten Million and No/100 Dollars ($110,000,000.00) (the "Increased Committed Amount"), and Administrative Agent shall provide a copy of such notice to Lenders. Each Lender shall provide Administrative Agent and Borrower, not more than fifteen (15) days following Borrower's written request, with written notice regarding whether it agrees to increase its Commitment. Each decision by a Lender shall be in its sole discretion and failure by a Lender to give timely written notice hereunder shall be deemed a decision by such Lender not to increase its Commitment. If each of the Lenders timely agrees in writing to increase its Commitment, then the Committed Amount shall be increased to the Increased Committed Amount by pro rata increases in each Lender's Commitment based on each such Lender's Commitment Percentage. If one or more of the Lenders does not agree to increase its Commitment, then each participating Lender's Commitment shall be increased based upon such Lender's Commitment Percentage, and Administrative Agent shall have the right to offer to the other Lenders or to any other Person (excluding Borrower and Affiliates of Borrower) the difference between the Increased Committed Amount and the amount committed by participating Lenders. If Administrative Agent rejects the requested increase, the participating Lenders shall have the right to increase the Commitment in the manner specified above provided in no event shall any Lender's Commitment exceed Administrative Agent's Commitment. Any increase pursuant to this Section 2.2 shall be effected by a duly executed written amendment to this Agreement upon Borrower payment of a fee equal to 0.25% of the difference between the Committed Amount and the Increased Committed Amount to Administrative Agent for the pro rata benefit of the Lenders and any other participating Person.

Section 2.3 Purpose of Loan. The proceeds of the Loan shall be used solely by the Borrower (a) to repay amounts owing under the Existing Bank of America Loan, (b) to finance the acquisition of for-lease office properties approved by the Lenders, (c) to finance the development of new office properties approved by the Lenders (aggregate advances for such purpose not to exceed twenty-five percent [25%] of the Committed Amount), (d) for the purpose set forth in Section 2.4, and (e) for working capital and other general corporate purposes; each as further limited in this Agreement.

Section 2.4 Blocked Loan Funds.

(a) Terms of "1031 Exchange" Program and Bridge Loans. Borrower and Lenders acknowledge and agree that Wells Development Corporation, an affiliate of Borrower, either in its own capacity or in a wholly owned subsidiary] (in either case hereafter "Wells Exchange"), is seeking assets to acquire and place in a "1031 Exchange" program (each an "Exchange Asset"), with the intent of selling co-tenancy interests therein. Administrative Agent may elect to make short term unsecured bridge loans to Wells Exchange (each a "Bridge Loan") for the purpose of acquiring Exchange Assets, each in an amount equal to fifty percent (50%) of the acquisition cost of an Exchange Asset plus

closing costs associated therewith approved by Administrative Agent in its sole discretion. As a condition (among others) to Administrative Agent's agreement to make each Bridge Loan, Borrower must agree to purchase, upon the maturity (whether as stated in the promissory note evidencing the Bridge Loan or by acceleration) of the Bridge Loan (which maturity date is referred to herein as the "Trigger Date"), any co-tenancy interests that remain unsold as of the
---

Trigger Date. In order to assure Administrative Agent that Borrower will purchase any co-tenancy interests that remain unsold as of the Trigger Date, Borrower has executed and delivered to a mutually acceptable escrow agent (the "Escrow Agent") a Request for Advance, addressed to Administrative Agent, with
---

the date and amount of the requested Loan left blank. Lenders acknowledge and agree that such Request for Advance obligates Administrative Agent to disburse funds in an amount up to the Blocked Amount (hereinafter defined), without further approval of Lenders and even though all conditions to a Loan advance may not otherwise have been satisfied. In accordance with the terms of a Take Out Purchase and Escrow Agreement to be entered into among Borrower, Wells Exchange and Escrow Agent, and satisfactory in all respects to Lenders (the "Escrow
------

Agreement"), Administrative Agent will give written notice to Escrow Agent and
---

Borrower (a copy of which notice shall be sent to Wells Exchange) that the Trigger Date for a Bridge Loan has occurred and that such Bridge Loan has not been fully repaid (which notice shall set forth the amount of the outstanding principal balance of such Bridge Loan), and Escrow Agent will give written notice to Borrower within two (2) business days after said notice from Administrative Agent as to the amount of the remaining unsold co-tenancy interests and the aggregate purchase price with respect thereto. In the event that Borrower fails or refuses, for any reason, to remit to Escrow Agent, within five (5) business days after Escrow Agent's notice to Borrower, the amount of the aggregate purchase price for the unsold co-tenancy interests, Escrow Agent shall complete the Request for Advance promptly and in any event within seven (7) business days after Escrow Agent's notice to Borrower, by inserting the date of the Request for Advance and an amount equal to the aggregate purchase price of said unsold co-tenancy interests and shall cause the completed Request for Advance to be delivered to Administrative Agent at the address set forth herein, by facsimile and by express overnight courier, in accordance with the terms of the Escrow Agreement. Upon Administrative Agent's receipt of the completed Request for Advance, Lenders shall make Loans pro rata in accordance with their respective Commitment Percentages (without consideration as to whether all conditions to such Loans have been satisfied) in the requested amount by (i) disbursing to Administrative Agent an amount calculated in accordance with the Escrow Agreement to repay the outstanding principal balance of the Bridge Loan, and (ii) disbursing to Escrow Agent the balance, if any, of the requested Loan. Lenders shall have the right to purchase Participation Interests in each Bridge Loan in accordance with their respective

ratable shares as provided for in this Agreement. Each Lender so participating shall execute a Participation Agreement in the form attached hereto as Exhibit
----

2.4.

(b) Agreements Regarding Blocked Funds. Lenders further
---

acknowledge and agree that to ensure sufficient funds are available from the Committed Amount for the Loans described above, an amount equal to the aggregate outstanding principal balances of the Bridge Loans, but not exceeding Thirty-Five Million and No/100 Dollars ($35,000,000.00) (the "Blocked Amount")
----

of the Committed Amount, at all times prior to the repayment of the Bridge Loans in full shall be "blocked" and unavailable for use by Borrower for any purpose other than the use described above. The Blocked Amount shall be automatically

reduced from time to time, pro tanto, by the amounts of each payment received by
--- -----
Administrative Agent from the Escrow Agent and applied by Administrative Agent in reduction of the outstanding principal balance of each Bridge Loan. Notwithstanding the foregoing, in no event shall any portion of the Committed Amount be "blocked" for a Bridge Loan the Trigger Date for which may extend beyond the Maturity Date. The amount so blocked under this Section 2.4 will be treated as available and undrawn for calculation of the Unused Fee.

(c) Repayment of Bridge Loan on Trigger Date. In the event that
----
Administrative Agent gives written notice to Escrow Agent and Borrower (a copy of which notice shall be sent to Wells Exchange) in accordance with the Escrow Agreement that the Trigger Date for a Bridge Loan has occurred and that such Bridge Loan has not been fully repaid (which notice shall set forth the amount of the outstanding principal balance of such Bridge Loan) and such Bridge Loan has not been fully repaid within nine (9) business days after Administrative Agent's notice to Escrow Agent, Borrower hereby authorizes and directs Administrative Agent and Lenders to make Loans pro rata in accordance with their respective Commitment Percentages from the Committed Amount (without consideration as to whether all conditions to such Loans have been satisfied) in an amount equal to the lesser of (i) the aggregate purchase price for the unsold co-tenancy interests, calculated in the manner set forth in the Exchange Agreement or (ii) the outstanding principal balance of such Bridge Loan, to be applied by Administrative Agent in repayment of the outstanding principal balance of such Bridge Loan. Promptly after taking the actions specified in the preceding sentence of this Section 2.4(c), Administrative Agent will complete the original co-tenancy deed in favor of Borrower delivered by Borrower to Administrative Agent by inserting the date of the co-tenancy deed (which date shall be the same as the date of the Loans), and the applicable percentage of co-tenancy interests to be conveyed to Borrower (calculated in the manner set forth in the Exchange Agreement) and deliver such deed to Borrower.

(d) Repayment of Bridge Loans upon Event of Default. Upon the
----
occurrence of an Event of Default under this Agreement, Lenders will make Loans pro rata in accordance with their respective Commitment Percentages from the Committed Amount (without consideration as to whether all conditions to such Loans have been satisfied) in an amount equal to the lesser of (i) the aggregate purchase price for the unsold co-tenancy interests for all Exchange Assets, each calculated in the manner set forth in the applicable Exchange Agreement or (ii) the aggregate outstanding principal balance of the Bridge Loans, to be applied by Lenders

in repayment of the aggregate outstanding principal balance of the Bridge Loans, and complete and deliver deeds in the manner described in Subsection 2.4(c) above.

Section 2.5 Fees.
---- ----

(a) Commitment Fee. In consideration for each Lenders'
----
commitment to make Loans as provided in this Agreement and to make funds available for such Loans, each Lender has earned, and Borrower agrees to pay to each Lender a non-refundable fee in an amount equal to twenty-five one hundredths of one percent of such Lender's Commitment, which shall be due and payable on the date hereof, fully earned when due and non-refundable when paid.

(b) Unused Fee. In consideration of the Committed Amount being
----
made available by the Lenders hereunder, Borrower agrees to pay to Administrative Agent for the pro rata benefit of Lenders (based on each Lender's Commitment Percentage of the Committed Amount) a fee (the "Unused Fee") on the

last business day of each calendar quarter of Borrower following the Closing Date (and on the Maturity Date) for the immediately preceding quarter (or portion thereof), beginning with the first of such dates to occur after the Closing Date. The Unused Fee shall be equal to (i) the Committed Amount as of the first day of such calendar quarter multiplied by (ii) the applicable percentage set forth below as of the last day of the calendar quarter for which such fee is being calculated:

If the Unused Amount is:	Applicable Percentage:
Greater than or equal to 50%	0.20% (twenty basis points)
Less than 50%	0.15% (fifteen basis points)

The term Unused Amount means the difference, if any, between the Committed Amount and the outstanding principal balance of the Loans as of any given day. The Unused Fee shall commence to accrue on the Closing Date and shall be due and payable in arrears. Notwithstanding the foregoing, all accrued Unused Fees shall be due and payable on the effective date of any termination of the obligations of Lenders to make Loans hereunder. Borrower and Lenders acknowledge and agree that the Unused Fee is a bona fide commitment fee and is intended as reasonable compensation to Lenders for committing to make funds available to Borrower as described herein and for no other purpose.

Section 2.6 Borrowings. Loans may consist of Base Rate Loans, Fixed LIBOR Rate Loans, or Variable LIBOR Rate Loans or a combination thereof, as Borrower may request, and may be repaid and reborrowed in accordance with the provisions hereof; provided, however, that no more than four (4) Fixed LIBOR Rate Loans shall be outstanding hereunder at any time. For purposes hereof, Fixed LIBOR Rate Loans with different Interest Periods shall be considered as separate Fixed LIBOR Rate Loans, even if they begin on the same date, although borrowings, extensions and conversions may, in accordance with the provisions hereof, be combined at the end of existing Interest Periods to constitute a new Fixed LIBOR Rate Loan with a single Interest Period. Loans hereunder may be repaid and reborrowed in accordance with the provisions hereof.

(a) Request for Advance. Borrower shall request a Loan borrowing by delivery of a Request for Advance, together with the officer's certificate required by Section 7.3, to Administrative Agent not later than 8:30 A.M. (Atlanta, Georgia time) on the second (2nd) Business Day prior to the date of the requested borrowing in the case of Base Rate Loans or Variable LIBOR Rate Loans, and on the third (3rd) Business Day prior to the date of the requested borrowing in the case of Fixed LIBOR Rate Loans. Each such request for borrowing shall be irrevocable and shall specify (i) that a Loan is requested, (ii) the date of the requested borrowing (which shall be a Business Day), (iii) the aggregate principal amount to be borrowed, (iv) whether the borrowing shall be comprised of Base Rate Loans, Fixed LIBOR Rate Loans, Variable LIBOR Rate Loans, or a combination thereof, and if Fixed LIBOR Rate Loans are requested, the Interest Period(s) therefor, and (v) the purpose for which the requested Loans will be used by the Borrower. If Borrower shall fail to specify in any such Request for Advance the type of Loan requested, then such notice shall be deemed to be a request for a Base Rate Loan hereunder. Administrative Agent shall give notice to each Lender promptly upon receipt of each Agreement pursuant to this Section 2.6, the contents thereof and each such Lender's share of any borrowing to be made pursuant thereto.

(b) Minimum Amounts. Each Loan shall be in a minimum aggregate principal amount of $1,000,000 (or the remaining amount of the Committed Amount,

if less).

(c) Loans. Each Lender will make its Commitment Percentage of each Loan borrowing available to Administrative Agent for the account of Borrower as specified in Section 2.22, or in such other manner as the Administrative Agent may specify in writing, by 1:00 P.M. (Atlanta, Georgia time) on the date specified in the applicable Agreement in Dollars and in funds immediately available to the Administrative Agent. Such borrowing will then be made available to Borrower by Administrative Agent by crediting the account of Borrower on the books of such office with the aggregate of the amounts made available to Administrative Agent by the Lenders and in like funds as received by Administrative Agent.

Section 2.7 Repayment. The principal amount of all Loans shall be due and payable in full on the Maturity Date, unless accelerated sooner pursuant to Section 9.2.

Section 2.8 Interest.

(a) Base Rate Loans. Base Rate Loans shall bear interest at a per annum rate equal to the Prime Rate;

(b) Fixed LIBOR Rate Loans. During such periods as Loans shall be comprised in whole or in part of Fixed LIBOR Rate Loans, such Fixed LIBOR Rate Loans shall bear interest at a per annum rate equal to the Adjusted LIBOR Rate plus the LIBOR Margin; and

(c) Variable LIBOR Rate Loans. During such periods as Loans shall be comprised in whole or in part of Variable LIBOR Rate Loans, such Variable LIBOR Rate Loans shall bear interest at a per annum rate equal to the Daily LIBOR Rate plus the LIBOR Margin.

Interest on Loans shall be payable in arrears on each applicable Interest Payment Date (or at such other times as may be specified herein). All interest shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed (including the first day but excluding the last day). Administrative Agent shall determine each interest rate applicable to the Committed Amount in accordance with this Agreement, and Administrative Agent's determination thereof shall be conclusive in the absence of manifest error.

Section 2.9 Notes. The Loans made by each Lender shall be evidenced by a duly executed revolving credit note of Borrower to such Lender in substantially the form of Exhibit 2.9.

Section 2.10 Default Rate; Late Charge. Upon the occurrence, and during the continuance, of an Event of Default, the principal of and, to the extent permitted by law, interest on the Loans and any other amounts owing hereunder or under the other Credit Documents shall bear interest, payable on demand, at a per annum rate equal to the lesser of (i) 4% greater than the rate which would otherwise be applicable (or if no rate is applicable, whether in respect of interest, fees or other amounts, then the Base Rate plus 4%), or (ii) the maximum rate permitted by Applicable Law. If any principal or interest is not paid when due, Borrower shall pay, on demand, a late charge of four cents ($.04) for each dollar of each installment which becomes past due for a period

exceeding ten (10) days to help defray the added expense incurred in handling said delinquent installment, provided that in no event shall interest be due or payable in excess of the maximum rate permitted by Applicable Law.

Section 2.11 Election, Conversion and Continuation.

(a) Subject to the conditions and limitations herein, Borrower may, by written notice to Lender in the form specified by Administrative Agent (a "Rate Election Notice"):

(i) Elect, for a new Loan, that such Principal Debt will be Base Rate Principal, Fixed LIBOR Rate Principal, Variable LIBOR Rate Principal or a combination thereof;

(ii) Elect to convert, on a Business Day, all or part of Base Rate Principal into Fixed LIBOR Rate Principal or Variable LIBOR Rate Principal;

(iii) Elect to convert, on a Business Day, all or part of Variable LIBOR Rate Principal into Base Rate Principal or Fixed LIBOR Rate Principal;

(iv) Elect to convert, on the last day of the Interest Period applicable thereof, all or part of any Fixed LIBOR Rate Principal into Base Rate Principal or Variable LIBOR Rate Principal; or

(v) Elect to continue, commencing on the last day of the Interest Period applicable thereto, any Fixed LIBOR Rate Principal.

If, for any reason, an effective election is not made in accordance with the terms and conditions hereof for any principal advance or for any Fixed LIBOR Rate Principal for which the corresponding Interest Period is expiring, or to convert Base Rate Principal or Variable LIBOR Rate Principal to Fixed LIBOR Rate Principal, then the sums in question will be Base Rate Principal until an effective election is thereafter made for such sums.

(b) Each Rate Election Notice must be received by Lender not later than 10:00 a.m. on the applicable date as follows:

(i) With respect to an advance of or conversion to Base Rate Principal or Variable LIBOR Rate Principal, two (2) Business Days prior to the proposed date of advance or conversion; and

(ii) With respect to an advance of, conversion to or continuation of Fixed LIBOR Rate Principal, three (3) Business Days prior to the proposed date of advance, conversion or continuation.

(c) Loans continued as, or converted into, Fixed LIBOR Rate Loans shall be subject to the terms of the definition of "Interest Period" set forth in Section 1.1 and the limitations with respect thereto provided in Section 2.1(b)(ii). Each such continuation or conversion shall be effected by Borrower by delivery of a Rate Election Notice, together with the officer's certificate required by Section 3.1(f), to the office of Administrative Agent specified in specified in Schedule 2.1, or at such other office as Administrative Agent may designate in writing, specifying the date of the proposed continuation or conversion, the Loans to be so continued or converted, and the types of Loans into which such Loans are to be converted. Each request for continuation or conversion shall be irrevocable and shall constitute a representation and warranty by Borrower of the matters specified in subsections (b), (c), (d), (e) and (g) of Section 3.1. Administrative Agent shall give each Lender notice as

promptly as practicable of any such proposed extension or conversion affecting any Loan.

Section 2.12 Prepayments.

(a) Voluntary Prepayments. Borrower shall have the right to prepay Loans in whole or in part from time to time; provided, however, that each partial prepayment of Loans shall be in a minimum principal amount of $1,000,000. Subject to the foregoing terms, amounts prepaid under this Section 2.12(a) shall be applied as Borrower may elect; provided that if Borrower fails to specify a voluntary prepayment then such prepayment shall be applied first to Base Rate Loans, then to Variable LIBOR Rate Loans and then to Fixed LIBOR Rate Loans in direct order of Interest Period maturities starting with the earliest maturity date. All prepayments under this Section 2.12(a) shall be subject to Section 2.19, but otherwise without premium or penalty.

(b) Mandatory Prepayments. All amounts required to be repaid pursuant to Section 2.24, Section 6.1 or any other term or condition of this Agreement shall be applied in the manner set forth in Section 2.12(a).

Section 2.13 Capital Adequacy. If any Lender has determined, after the date hereof, that the adoption or the becoming effective of, or any change in, or any change by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof in the interpretation or administration of, any applicable law, rule or regulation regarding capital adequacy, or compliance by such Lender with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on such Lender's capital or assets as a consequence of its commitments or obligations hereunder to a level below that which such Lender could have achieved but for such adoption, effectiveness, change or compliance (taking into consideration such Lender's policies with respect to capital adequacy), then, upon notice from such Lender to Borrower and delivery by such Lender of a statement setting forth the reduction in the rate of return experienced by such Lender and the amount necessary to compensate the Lender under this Section 2.13, Borrower shall be obligated to pay to such Lender such additional amount or amounts as will compensate such Lender for such reduction. Each determination by any such Lender of amounts owing under this Section shall, absent manifest error, be conclusive and binding on the parties hereto.

Section 2.14 Limitation on LIBOR Rate Loans. If, at any time, for any Variable LIBOR Rate Loans, or on or prior to the first day of any Interest Period, for any Fixed LIBOR Rate Loan:

(a) Administrative Agent determines (which determination shall be conclusive) that by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the LIBOR Rate; or

(b) the Required Lenders determine (which determination shall be conclusive) and notify Administrative Agent that the LIBOR Rate will not adequately and fairly reflect the cost to the Lenders of funding LIBOR Rate Loans;

then Administrative Agent shall give Borrower prompt notice thereof, and so long as such condition remains in effect, Lenders shall be under no obligation to make additional LIBOR Rate Loans, continue LIBOR Rate Loans, or to convert Base Rate Loans into LIBOR Rate Loans, and the affected Loans shall be converted into

Base Rate Loans in accordance with the terms of this Agreement.

Section 2.15 Illegality. Notwithstanding any other provision of this Agreement, in the event that it becomes unlawful for any Lender to make, maintain, or fund LIBOR Rate Loans hereunder, then such Lender shall promptly notify Borrower thereof and such Lender's obligation to make or continue LIBOR Rate Loans and to convert Base Rate Loans into LIBOR Rate Loans shall be suspended until such time as such Lender may again make, maintain, and fund LIBOR Rate Loans (in which case the provisions of Section 2.17 shall be applicable).

Section 2.16 Requirements of Law.

(a) If, after the date hereof, the adoption of any applicable law, rule, or regulation, or any change in any applicable law, rule, or regulation, or any change in the interpretation or administration thereof by any Governmental Authority, central bank, or comparable agency charged with the interpretation or administration thereof, or compliance by any Lender with any request or directive (whether or not having the force of law) of any such Governmental Authority, central bank, or comparable agency:

(i) shall subject such Lender to any tax, duty, or other charge with respect to any LIBOR Rate Loans, its Notes, or its obligation to make LIBOR Rate Loans, or change the basis of taxation of any amounts payable to such Lender under this Agreement or its Notes in respect of any LIBOR Rate Loans (other than taxes imposed on the overall net income of such Lender by the jurisdiction in which such Lender has its principal office);

(ii) shall impose, modify, or deem applicable any reserve, special deposit, assessment, or similar requirement (other than the LIBOR reserve requirement utilized in the determination of the Adjusted LIBOR Rate) relating to any extensions of credit or other assets of, or any deposits with or other liabilities or commitments of, such Lender, including the Commitment of such Lender hereunder; or

(iii) shall impose on such Lender or on the United States market for certificates of deposit or the London interbank market any other condition affecting this Agreement or its Notes or any of such extensions of credit or liabilities or commitments;

and the result of any of the foregoing is to increase the cost to such Lender of making, converting into, continuing, or maintaining any LIBOR Rate Loans or to reduce any sum received or receivable by such Lender under this Agreement or its Notes with respect to any LIBOR Rate Loans, then Borrower shall pay to such Lender on demand such amount or amounts as will compensate such Lender for such increased cost or reduction. If any Lender requests compensation by Borrower under this Section 2.16(a), Borrower may, by notice to such Lender (with a copy to Administrative Agent), suspend the obligation of such Lender to make or continue LIBOR Rate Loans, or to convert Base Rate Loans into LIBOR Rate Loans, until the event or condition giving rise to such request ceases to be in effect (in which case the provisions of Section 2.17 shall be applicable); provided that such suspension shall not affect the right of such Lender to receive the compensation so requested with respect to any LIBOR Rate Loan as to its then current Interest Period.

(b) Each Lender shall promptly notify Borrower and Administrative Agent of any event of which it has knowledge, occurring after the date hereof, which will entitle such Lender to compensation pursuant to this Section 2.16. Any Lender claiming compensation under this Section 2.16 shall furnish to Borrower and Administrative Agent a statement setting forth the additional amount or amounts to be paid to it hereunder which shall, absent manifest error,

be conclusive and binding on the parties hereto. In determining such amount, such Lender may use any reasonable averaging and attribution methods.

Section 2.17 Treatment of Affected Loans. If the obligation of any Lender to make any LIBOR Loan or to continue, or to convert Base Rate Loans into, LIBOR Loans shall be suspended

pursuant to Section 2.15 or 2.16 hereof, such Lender's LIBOR Rate Loans shall be automatically converted into Base Rate Loans, on the last day(s) of the then current Interest Period(s) for Fixed LIBOR Rate Loans (or, in the case of a conversion required by Section 2.15 hereof, on such earlier date as such Lender may specify to Borrower with a copy to Administrative Agent), and on the next Business Day for Variable LIBOR Rate Loans and, unless and until such Lender gives notice as provided below that the circumstances specified in Section 2.15 or 2.16 hereof that gave rise to such conversion no longer exist:

(a) to the extent that such Lender's LIBOR Rate Loans have been so converted, all payments and prepayments of principal that would otherwise be applied to such Lender's LIBOR Rate Loans shall be applied instead to its Base Rate Loans; and

(b) all Loans that would otherwise be made or continued by such Lender as LIBOR Rate Loans shall be made or continued instead as Base Rate Loans, and all Base Rate Loans of such Lender that would otherwise be converted into LIBOR Rate Loans shall remain as Base Rate Loans.

Such Lender shall give notice to Borrower (with a copy to Administrative Agent) at such time as the circumstances specified in Section 2.15 or 2.16 hereof that gave rise to the conversion of such Lender's LIBOR Rate Loans pursuant to this Section 2.17 no longer exist (which such Lender agrees to do promptly upon such circumstances ceasing to exist).

Section 2.18 Taxes on Notes and Credit Documents.

(a) Any and all payments by Borrower to or for the account of any Lender or the Administrative Agent hereunder or under any other Credit Document shall be made free and clear of and without deduction for any and all present or future taxes, duties, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding, in the case of each Lender and Administrative Agent, taxes imposed on its income, and franchise taxes imposed on it, by the jurisdiction under the laws of which such Lender or the Administrative Agent (as the case may be) is organized or any political subdivision thereof (all such non-excluded taxes, duties, levies, imposts, deductions, charges, withholdings, and liabilities being hereinafter referred to as "Taxes"). If Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable under this Agreement or any other Credit Document to any Lender or Administrative Agent, (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.18) such Lender or Administrative Agent receives an amount equal to the sum it would have received had no such deductions been made, (ii) Borrower shall make such deductions, (iii) Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law, and (iv) Borrower shall furnish to Administrative Agent, at its address referred to in Section 11.1, the original or a certified copy of a receipt evidencing payment thereof.

(b) In addition, Borrower agrees to pay any and all present or future stamp or documentary taxes and any other excise or property taxes or charges or similar levies which arise from any payment made under this Agreement or any

other Credit Document or from the execution

or delivery of, or otherwise with respect to, this Agreement or any other Credit Document (hereinafter referred to as "Other Taxes").

(c) Borrower agrees to indemnify each Lender and Administrative Agent for the full amount of Taxes and Other Taxes (including, without limitation, any Taxes or Other Taxes imposed or asserted by any jurisdiction on amounts payable under this Section 2.18) paid by such Lender or Administrative Agent (as the case may be) and any liability (including penalties, interest, and expenses) arising therefrom or with respect thereto.

(d) Each Lender organized under the laws of a jurisdiction outside the United States, on or prior to the date of its execution and delivery of this Agreement in the case of each Lender listed on the signature pages hereof and on or prior to the date on which it becomes a Lender in the case of each other Lender, and from time to time thereafter if requested in writing by Borrower or Administrative Agent (but only so long as such Lender remains lawfully able to do so), shall provide Borrower and Administrative Agent with (i) Internal Revenue Service Form W-8ECI or W-8BEN, as appropriate, or any successor form prescribed by the Internal Revenue Service, certifying that such Lender is entitled to benefits under an income tax treaty to which the United States is a party which reduces the rate of withholding tax on payments of interest or certifying that the income receivable pursuant to this Agreement is effectively connected with the conduct of a trade or business in the United States, (ii) Internal Revenue Service Form W-8 or W-9, as appropriate, or any successor form prescribed by the Internal Revenue Service, and (iii) any other form or certificate required by any taxing authority (including any certificate required by Sections 871(h) and 881(c) of the Internal Revenue Code), certifying that such Lender is entitled to an exemption from or a reduced rate of tax on payments pursuant to this Agreement or any of the other Credit Documents.

(e) For any period with respect to which a Lender has failed to provide Borrower and Administrative Agent with the appropriate form pursuant to Section 2.18(d) (unless such failure is due to a change in treaty, law, or regulation occurring subsequent to the date on which a form originally was required to be provided), such Lender shall not be entitled to indemnification under Section 2.18(a) or 2.18(b) with respect to Taxes imposed by the United States; provided, however, that should a Lender, which is otherwise exempt from
-------- -------
or subject to a reduced rate of withholding tax, become subject to Taxes because of its failure to deliver a form required hereunder, Borrower shall take such steps as such Lender shall reasonably request to assist such Lender to recover such Taxes.

(f) Within thirty (30) days after the date of any payment of Taxes, Borrower shall furnish to the Administrative Agent the original or a certified copy of a receipt evidencing such payment.

(g) Without prejudice to the survival of any other agreement of Borrower hereunder, the agreements and obligations of Borrower contained in this Section 2.18 shall survive the repayment of the Loans and other obligations under the Credit Documents and the termination of the Commitments hereunder.

Section 2.19 Compensation. Upon the request of Administrative Agent,
----
Borrower shall pay to Administrative Agent, for the pro rata benefit of Lenders, such amount or amounts as shall be sufficient (in the reasonable opinion of Administrative Agent) to compensate Lenders for any loss, cost, or expense

(including loss of anticipated profits) incurred by Lenders as a result of:

(a) any payment, prepayment, or conversion of a Fixed LIBOR Rate Loan for any reason (including, without limitation, the acceleration of the Loans pursuant to Section 9.2) on a date other than the last day of the Interest Period for such Loan; or

(b) any failure by Borrower for any reason (including, without limitation, the failure of any condition precedent specified in Article 3 to be satisfied) to borrow, convert, continue, or prepay a LIBOR Rate Loan on the date for such borrowing, conversion, continuation, or prepayment specified in the relevant notice of borrowing, prepayment, continuation, or conversion under this Agreement.

With respect to LIBOR Rate Loans, such indemnification may include an amount equal to the excess, if any, of (a) the amount of interest which would have accrued on the amount so prepaid, or not so borrowed, converted or continued, for the period from the date of such prepayment or of such failure to borrow, convert or continue to the last day of the applicable Interest Period (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such LIBOR Rate Loans provided for herein over (b) the amount of interest (as reasonably determined by Administrative Agent) which would have accrued to Administrative Agent on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank LIBOR market. The covenants of Borrower set forth in this Section 2.19 shall survive the repayment of the Loans and other obligations under the Credit Documents and the termination of the Commitments hereunder.

Section 2.20 Pro Rata Treatment. Except to the extent otherwise provided herein:

(a) Loans. Each Loan, each payment or (subject to the terms of Section 2.12) prepayment of principal of any Loan, each payment of interest on the Loans, each payment of Fees and each conversion or extension of any Loan, shall be allocated pro rata among the Lenders in accordance with the respective principal amounts of their outstanding Loans and Participation Interests.

(b) Advances. No Lender shall be responsible for the failure or delay by any other Lender in its obligation to make its ratable share of a borrowing hereunder; provided, however, that the failure of any Lender to fulfill its obligations hereunder shall not relieve any other Lender of its obligations hereunder. Unless Administrative Agent shall have been notified by any Lender prior to the date of any requested borrowing that such Lender does not intend to make available to Administrative Agent its ratable share of such borrowing to be made on such date, Administrative Agent may assume that such Lender has made such amount available to Administrative Agent on the date of such borrowing, and Administrative Agent in reliance upon such assumption, may (in its sole discretion but without any obligation to do so) make available to

Borrower a corresponding amount. If such corresponding amount is not in fact made available to Administrative Agent, Administrative Agent shall be able to recover such corresponding amount from such Lender. If such Lender does not pay such corresponding amount forthwith upon Administrative Agent's demand therefor, Administrative Agent will promptly notify Borrower, and Borrower shall immediately pay such corresponding amount to Administrative Agent. Administrative Agent shall also be entitled to recover from Lender or Borrower, as the case may be, interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by Administrative

Agent to Borrower to the date such corresponding amount is recovered by Administrative Agent at a per annum rate equal to (i) from Borrower at the applicable rate for the applicable borrowing pursuant to the Request for Advance and (ii) from a Lender at the Federal Funds Rate.

Section 2.21 Sharing of Payments. Lenders agree among themselves that, in the event that any Lender shall obtain payment in respect of any Loan or any other obligation owing to such Lender under this Agreement through the exercise of a right of setoff, banker's lien or counterclaim, or pursuant to a secured claim under Section 506 of Title 11 of the United States Code or other security or interest arising from, or in lieu of, such secured claim, received by such Lender under any applicable bankruptcy, insolvency or other similar law or otherwise, or by any other means, in excess of its pro rata share of such payment as provided for in this Agreement, such Lender shall promptly purchase from the other Lenders a Participation Interest in such Loans and other obligations in such amounts, and make such other adjustments from time to time, as shall be equitable to the end that all Lenders share such payment in accordance with their respective ratable shares as provided for in this Agreement. Lenders further agree among themselves that if payment to a Lender obtained by such Lender through the exercise of a right of setoff, banker's lien, counterclaim or other event as aforesaid shall be rescinded or must otherwise be restored, each Lender which shall have shared the benefit of such payment shall, by repurchase of a Participation Interest theretofore sold, return its share of that benefit (together with its share of any accrued interest payable with respect thereto) to each Lender whose payment shall have been rescinded or otherwise restored. Borrower agrees that any Lender so purchasing such a Participation Interest may, to the fullest extent permitted by law, exercise all rights of payment, including setoff, banker's lien or counterclaim, with respect to such Participation Interest as fully as if such Lender were a holder of such Loan or other obligation in the amount of such Participation Interest. Except as otherwise expressly provided in this Agreement, if any Lender or Administrative Agent shall fail to remit to Administrative Agent or any other Lender an amount payable by such Lender or Administrative Agent to Administrative Agent or such other Lender pursuant to this Agreement on the date when such amount is due, such payments shall be made together with interest thereon for each date from the date such amount is due until the date such amount is paid to Administrative Agent or such other Lender at a rate per annum equal to the Federal Funds Rate. If under any applicable bankruptcy, insolvency or other similar law, any Lender receives a secured claim in lieu of a setoff to which this Section 2.21 applies, such Lender shall, to the extent practicable, exercise its rights in respect of such secured claim in a manner consistent with the rights of the Lenders under this Section 2.21 to share in the benefits of any recovery on such secured claim.

Section 2.22 Payments, Computations, Etc.

(a) Except as otherwise specifically provided herein, all payments hereunder shall be made to Administrative Agent in U.S. Dollars in immediately available funds, without setoff, deduction, counterclaim or withholding of any kind, at Administrative Agent's office specified in Schedule 2.1 not later than 12:00 Noon (Atlanta, Georgia time) on the date when due. Payments received after such time shall be deemed to have been received on the next succeeding Business Day. Administrative Agent may (but shall not be obligated to) debit the amount of any such payment which is not made by such time to any ordinary deposit account of Borrower maintained with Administrative Agent (with notice to Borrower). Borrower shall, at the time it makes any payment under this Agreement, specify to Administrative Agent the Loans, Fees, interest or other amounts payable by Borrower hereunder to which such payment is to be applied (and in the event that it fails so to specify, or if such application would be inconsistent with the terms hereof, Administrative Agent shall distribute such payment to the Lenders in such manner as Administrative Agent may determine to

be appropriate in respect of obligations owing by Borrower hereunder, subject to the terms of Section 2.20[a]). Administrative Agent will distribute such payments to such Lenders, if any such payment is received prior to 12:00 Noon (Atlanta, Georgia time) on a Business Day in like funds as received prior to the end of such Business Day and otherwise Administrative Agent will distribute such payment to such Lenders on the next succeeding Business Day. Whenever any payment hereunder shall be stated to be due on a day which is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day (subject to accrual of interest and for the period of such extension), except that in the case of LIBOR Rate Loans, if the extension would cause the payment to be made in the next following calendar month, then such payment shall instead be made on the next preceding Business Day. Except as expressly provided otherwise herein, all computations of interest and fees shall be made on the basis of actual number of days elapsed over a year of 360 days. Interest shall accrue from and include the date of borrowing, but exclude the date of payment. If Administrative Agent fails to distribute such payment to such Lenders on the day required by the foregoing sentence, Administrative Agent shall pay to such Lenders interest on the undistributed amount from and including the day such amount was required to be distributed to but excluding the date such amount is distributed at a per annum rate equal to the Federal Funds Rate.

(b) Allocation of Payments After Event of Default. Notwithstanding
---

any other provisions of this Agreement to the contrary, after the occurrence and during the continuance of an Event of Default, all amounts collected or received by Administrative Agent or any Lender on account of the Obligations or any other amounts outstanding under any of the Credit Documents shall be paid over or delivered as follows:

FIRST, to the payment of all reasonable out-of-pocket costs and expenses (including without limitation reasonable attorneys' fees actually incurred) of Administrative Agent in connection with enforcing the rights of the Lenders under the Credit Documents;

SECOND, to payment of any fees owed to Administrative Agent;

THIRD, to the payment of all reasonable out-of-pocket costs and expenses (including without limitation, reasonable attorneys' fees actually incurred) of each of the Lenders in

connection with enforcing its rights under the Credit Documents or otherwise with respect to the Obligations owing to such Lender;

FOURTH, to the payment of all of the Obligations consisting of accrued fees and interest;

FIFTH, to the payment of the outstanding principal amount of the Obligations;

SIXTH, to all other Obligations and other obligations which shall have become due and payable under the Credit Documents or otherwise and not repaid pursuant to clauses "FIRST" through "FIFTH" above; and

SEVENTH, to the payment of the surplus, if any, to whoever may be lawfully entitled to receive such surplus.

In carrying out the foregoing, (i) amounts received shall be applied in the numerical order provided until exhausted prior to application to the next succeeding category; and (ii) each of the Lenders shall receive an amount equal to its pro rata share (based on the proportion that the then outstanding Loans held by such Lender bears to the aggregate then outstanding Loans) of amounts available to be applied pursuant to clauses "THIRD", "FOURTH", "FIFTH" and "SIXTH" above.

Section 2.23 Evidence of Debt. Each Lender shall maintain an account or accounts evidencing each Loan made by such Lender to Borrower from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement. Each Lender will make reasonable efforts to maintain the accuracy of its account or accounts and to promptly update its account or accounts from time to time, as necessary.

Section 2.24 Collateral Pool.

(a) The Collateral shall consist primarily of cross-collateralized and cross-defaulted first priority Mortgages. Each Property in the Collateral Pool must be domestic, that is, located in the lower forty-eight (48) continental United States of America, must be encumbered with only such title exceptions as have been approved by Administrative Agent, must be wholly owned directly by Borrower, must be open for business and fully operational, must be fully leased to a single tenant under a lease for a term of not less than three (3) years from the Maturity Date and otherwise satisfactory to Lenders in all respects, the tenant under each such lease (or, subject to Lenders' sole discretion, a guarantor thereof, must have with a minimum net worth (as defined under GAAP) of $100,000,000), and such Property must otherwise be satisfactory in all respects to Lenders.

(b) In the event at any time the Required Lenders (which must include Administrative Agent) determine, in their sole discretion, that a Property (each an "Excluded Property") should be removed from the Collateral Pool, whether (i) due to environmental concerns which have changed or become known since the date of inclusion in the Collateral Pool, (ii) because a lease

on such Collateral expires in less than three (3) years, (iii) due to the occurrence of a casualty on such Collateral as to which Borrower has not satisfied the restoration requirements of Section 5.6(b) of this Agreement), (iv) due to the requirement by any governmental authority of, or commencement of any proceeding for, the demolition of any building or structure comprising a part of such Collateral, or the commencement of any proceeding to condemn or otherwise take pursuant to the power of eminent domain, or the execution of a contract for sale or a conveyance in lieu of such a taking which provides for the transfer of, a material portion of such Collateral, including but not limited to the taking (or transfer in lieu thereof) of any portion of such Collateral which would result in the blockage or substantial impairment of access or utility service to the improvements thereon or which would cause such Collateral to fail to comply with any Applicable Law, or (v) otherwise due to any failure to comply with the terms of this Agreement, or (vi) because any item required by the provisions of this Section 2.24, as to such Collateral Pool Property, is not available, or has not been provided, or is not acceptable, Administrative Agent shall so notify Borrower in writing and such Excluded Property shall thereafter no longer be considered part of the Collateral Pool, and the Available Committed Amount shall be reduced to an amount equal to sixty percent (60%) of the Value of the Collateral Pool exclusive of the Excluded Property. All amounts then outstanding in excess of the Available Committed Amount shall be repaid. In the alternative, Borrower may substitute another Property for the Excluded Property, provided such Property is acceptable to Required Lenders (which must include Administrative Agent) in all respects in Required Lenders' sole discretion and all conditions precedent to the inclusion of such Property in the Collateral Pool have been complied with, including, without limitation, the conditions set forth in this Section 2.24. Any such Excluded Property so removed from the Collateral Pool shall upon the written request from Borrower be released by Administrative Agent from the lien of any Mortgage, upon the repayment of all amounts then outstanding in excess of the Available Committed Amount and provided there is then existing no Default hereunder.

ARTICLE 3
Conditions

Section 3.1 Conditions Precedent to Each Loan. The obligation of Lenders to make Loans hereunder is subject to the fulfillment of each of the following conditions immediately prior to or contemporaneously with such Loan:

(a) All of the representations and warranties of Borrower under this Agreement, which, pursuant to Section 4.2 hereof, are made at and as of the time of such Loan, shall be true and correct at such time, both before and after giving effect to the application of the proceeds of the Loan;

(b) The incumbency of the Authorized Signatories shall be as stated in the certificate of incumbency contained in the certificate of Borrower delivered to Administrative Agent or as subsequently modified and reflected in a certificate of incumbency delivered to Administrative Agent;

(c) There shall not exist, on the date of the making of the Loan and after giving effect thereto, a Default of which Borrower has knowledge or an Event of Default hereunder and Administrative Agent shall have received a Request for Advance so stating;

(d) Administrative Agent shall have received a fully executed and properly supported Request for Advance in substantially the form attached as Exhibit 1.1(a) hereto and incorporated herein by reference and all such other certificates, reports, statements, title insurance endorsements, opinions of counsel and other documents as Administrative Agent may reasonably request including, without limitation, to the extent applicable (i) a certified copy of the purchase and sale agreement for the acquisition of such Non-Collateral Property; (ii) a certified copy of the settlement statement for the acquisition of such Non-Collateral Property; and (iii) certified copies of any invoices for related acquisition costs borne by Borrower not included in the settlement statement delivered by Borrower in accordance with subsection (ii);

(e) There shall not have been commenced against any Credit Party an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or any case, proceeding or other action for the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of such Person or for any substantial part of its property or for the winding up or liquidation of its affairs, and such involuntary case or other case, proceeding or other action shall remain undismissed, undischarged or unbonded;

(f) Concurrent with the delivery of the appropriate notice required pursuant to Section 3.1(d) above, Borrower shall have delivered a certificate of Senior Management of Borrower substantially in the form of Exhibit 7.3, (i) demonstrating compliance with the financial covenants contained in Article 6 by calculation thereof after giving effect to the making of the requested Loan (and the application of the proceeds thereof), and (ii) stating that no Default or Event of Default exists, or if any Default or Event of Default does exist, specifying the nature and extent thereof and what action the Credit Parties propose to take with respect thereto; and

(g) Borrower shall otherwise have complied with all of the terms and conditions of this Agreement and the other Credit Documents relating to such Loan.

ARTICLE 4
Representations and Warranties

Section 4.1 Representations and Warranties. Borrower and Guarantor hereby

agree, represent and warrant that:

(a) Organization; Ownership; Power; Qualification; Capitalization.
Borrower is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Delaware. Guarantor is the sole general partner of Borrower and is a corporation duly organized, validly existing and in good standing under the laws of the State of Maryland. Borrower has the power and authority to own its properties (including, without limitation, the Collateral and the Non-Collateral Properties) and to carry on its business as it is now being and is hereafter proposed to be conducted. Each Credit Party is duly qualified, in good standing and

authorized to do business in each jurisdiction in which the character of its properties or the nature of its businesses requires such qualification or authorization, including, without limitation, to the extent applicable, each jurisdiction wherein the Collateral and Non-Collateral Properties lie or shall lie.

(b) Authorization; Enforceability. Each Credit Party has the power
and has taken all necessary action to authorize it to borrow hereunder, to execute, deliver and perform this Agreement and each of the other Credit Documents to which it is a party in accordance with their respective terms, and to consummate the transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by each Credit Party and is, and each of the other Credit Documents to which each Credit Party is party, is a legal, valid and binding obligation of such Credit Party enforceable in accordance with its terms, subject, as to enforcement of remedies, to the following qualifications: (i) an order of specific performance and an injunction are discretionary remedies and, in particular, may not be available where damages are considered an adequate remedy at law, and (ii) enforcement may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other similar laws affecting enforcement of creditors' rights generally (insofar as any such law relates to the bankruptcy, insolvency or similar event of such Credit Party).

(c) Compliance with Other Credit Documents and Contemplated Transactions. The execution, delivery and performance, in accordance with their respective terms, by each Credit Party of this Agreement and each of the other Credit Documents to which it is party, and the consummation of the transactions contemplated hereby and thereby, do not and will not (i) require any consent or approval not already obtained, (ii) violate any Applicable Law respecting such Credit Party, or (iii) conflict with, result in a breach of, or constitute a default under the organizational documents of such Credit Party, or under any indenture, agreement, or other instrument to which such Credit Party is a party or by which its properties may be bound.

(d) Business. Borrower is engaged primarily in the business of
acquiring, operating and selling interests in real property, including the conduct of such business through partnerships, joint ventures, limited liability companies and other similar entities.

(e) Compliance with Law. Each Credit Party is in compliance with all
Applicable Laws, the non-compliance with which would have a Material Adverse Effect.

(f) Title to Assets. Borrower has good, legal and marketable title to
the Collateral (subject to any permitted exceptions listed in the Mortgage) and

the Non-Collateral Properties.

(g) Litigation. There is no material action, suit, proceeding or investigation pending against, or, to the best knowledge of the Credit Parties threatened against or in any other manner relating adversely to, any Credit Party or any of their properties in any court or before any arbitrator of any kind or before or by any governmental body, and no such action, suit, proceeding or investigation (i) calls into question the validity of this Agreement or any other

Credit Document, or (ii) could, if determined adversely to any such Person, have a Material Adverse Effect.

(h) Taxes. All Federal, state and other tax returns of the Credit Parties required by law to be filed have been duly filed and all Federal, state and other taxes, including, without limitation, withholding taxes, assessments and other governmental charges or levies required to be paid by a Credit Party or imposed upon a Credit Party or any of their respective properties, income, profits or assets, which are due and payable, have been paid, except any such tax (x) the payment of which a Credit Party is diligently contesting in good faith by appropriate proceedings, (y) for which adequate reserves have been provided on the books of such Credit Party, and (z) as to which no foreclosure, distraint, sale or similar proceedings have been commenced. The charges, accruals and reserves on the books of the Credit Parties in respect of taxes are, in the judgment of the Credit Parties, adequate.

(i) Financial Statements. Each Credit Party has furnished or caused to be furnished to Administrative Agent copies of the balance sheets and statements of income for such Credit Party for the most recently-ended fiscal year for which financial statements are available and for the quarter most recently ended, which are complete and correct in all material respects and present fairly the financial position of such Credit Party on and as of such dates and the results of operations for the periods then ended. No Credit Party has any material liabilities, contingent or otherwise, other than as disclosed in the financial statements referred to in the preceding sentence, and there are no material unrealized losses of any Credit Party and no material anticipated losses of any Credit Party other than those which have been previously disclosed in writing to Administrative Agent and identified to Administrative Agent as such.

(j) Compliance with Regulations G, T, U and X. No Credit Party is engaged principally or as one of its important activities in the business of extending credit for the purpose purchasing or carrying any margin stock within the meaning of Regulations G, T, U, and X of the Board of Governors of the Federal Reserve System. None of the proceeds of the Loans will be used to purchase or carry "margin stock" in contravention of such regulations.

(k) Governmental Regulation. No Credit Party is required to obtain any consent, approval, authorization, permit or license which has not already been obtained from, or effect any filing or registration which has not already been effected with, any Federal, state or local regulatory authority in connection with the execution and delivery of this Agreement or any other Credit Document or the borrowing hereunder.

(1) Absence of Default. Each Credit Party is in compliance with all of the provisions of its organizational documents and no event has occurred or failed to occur which has not been remedied or waived, the occurrence or non-occurrence of which constitutes, or with the passage of time or giving of

notice or both would constitute, (i) an Event of Default or (ii) a default by any Credit Party under any indenture, agreement or other instrument, or any judgment, decree or final order to which any such Person is a party or by which any such Person or any of its properties may be bound or affected.

(m) Accuracy and Completeness of Information. All information, reports, prospectuses and other papers and data relating to the Credit Parties and furnished by or on behalf of the Credit Parties to Administrative Agent were, at the time furnished, complete and correct in all material respects to the extent necessary to give Administrative Agent true and accurate knowledge of the subject matter. No fact or situation is currently known to the Credit Parties which has had or which could reasonably be expected to have a Material Adverse Effect.

(n) REIT Status. Guarantor is qualified as a real estate investment trust and currently is in compliance with all applicable provisions of the Code.

(o) Indebtedness. Except as otherwise permitted under Section 5.15, the Consolidated Parties have no Indebtedness.

(p) ERISA.

(i) Except as set forth in Schedule 4.1(p), during the five-year period prior to the date on which this representation is made or deemed made: (i) no ERISA Event has occurred, and, to the best knowledge of the Credit Parties, no event or condition has occurred or exists as a result of which any ERISA Event could reasonably be expected to occur, with respect to any Plan; (ii) no "accumulated funding deficiency," as such term is defined in Section 302 of ERISA and Section 412 of the Code, whether or not waived, has occurred with respect to any Plan which could individually or in the aggregate have a Material Adverse Effect; (iii) each Plan has been maintained, operated, and funded in material compliance with its own terms and in material compliance with the provisions of ERISA, the Code, and any other applicable federal or state laws; and (iv) no lien in favor of the PBGC or a Plan has arisen or is reasonably likely to arise on account of any Plan.

(ii) The actuarial present value of all "benefit liabilities" (as defined in Section 4001(a)(16) of ERISA), whether or not vested, under each Single Employer Plan, as of the last annual valuation date prior to the date on which this representation is made or deemed made (determined, in each case, in accordance with Financial Accounting Standards Board Statement 87, utilizing the actuarial assumptions used in such Plan's most recent actuarial valuation report), did not exceed as of such valuation date the fair market value of the assets of such Plan.

(iii) Except as set forth in Schedule 4.1(p), neither any Consolidated Party nor any ERISA Affiliate would become subject to any withdrawal liability under ERISA (which would have a Material Adverse Effect) if any Consolidated Party or any ERISA Affiliate were to withdraw completely from all Multiemployer Plans and Multiple Employer Plans as of the valuation date most closely preceding the date on which this representation is made or deemed made. Neither any Consolidated Party nor any ERISA Affiliate has received any notification that any Multiemployer Plan is in reorganization (within the meaning of Section 4241 of ERISA), is insolvent (within the meaning of Section 4245 of ERISA), or has been terminated (within the meaning of Title IV of ERISA), and no Multiemployer Plan is, to the best knowledge of the Credit Parties, reasonably expected to be in reorganization, insolvent, or terminated.

(iv) No prohibited transaction (within the meaning of Section 406 of ERISA or Section 4975 of the Code) or breach of fiduciary responsibility has occurred with respect to a Plan which has subjected or may subject any Consolidated Party or any ERISA Affiliate to any liability under Sections 406, 409, 502(i), or 502(l) of ERISA or Section 4975 of the Code, or under any agreement or other instrument pursuant to which any Consolidated Party or any ERISA Affiliate has agreed or is required to indemnify any person against any such liability, which could individually or in the aggregate have a Material Adverse Effect.

(v) Except as set forth in Schedule 4.1(p), neither any Consolidated Party nor any ERISA Affiliates has any material liability with respect to "expected post-retirement benefit obligations" within the meaning of the Financial Accounting Standards Board Statement 106. Each Plan which is a welfare plan (as defined in Section 3(1) of ERISA) to which Sections 601-609 of ERISA and Section 4980B of the Code apply has been administered in compliance in all material respects of such sections.

(q) Subsidiaries. Set forth on Schedule 4.1(q) is a complete and accurate list of all Subsidiaries of each Consolidated Party. Information on Schedule 4.1(q) includes (a) jurisdiction of incorporation or organization and (b) the number of shares of each class of Capital Stock outstanding, the number and percentage of outstanding shares of each class owned (directly or indirectly) by such Subsidiary, and the number and effect, if exercised, of all outstanding options, warrants, rights of conversion or purchase and all other similar rights with respect thereto. The outstanding Capital Stock of all such Subsidiaries is validly issued, fully paid and non-assessable and is owned by each such Consolidated Party, directly or indirectly, free and clear of all Liens (other than those arising under or contemplated in connection with the Credit Documents). Other than as set forth in Schedule 4.1(q), no Subsidiary has outstanding any securities convertible into or exchangeable for its Capital Stock nor does any such Person have outstanding any rights to subscribe for or to purchase or any options for the purchase of, or any agreements providing for the issuance (contingent or otherwise) of, or any calls, commitments or claims of any character relating to its Capital Stock. Schedule 4.1(q) may be updated from time to time by Borrower by giving written notice thereof to Administrative Agent.

(r) Environmental Matters.

(i) There is no violation of any Environmental Law with respect to any Property or the businesses operated on any Property which would, in the aggregate, result in anticipated clean-up costs in excess of $1,000,000.

(ii) No Consolidated Party has been notified of any material action, suit, proceeding or investigation which calls into question compliance by any Consolidated Party with any Environmental Laws or which seeks to suspend, revoke or terminate any license, permit or approval necessary for the generation, handling, storage, treatment or disposal of any Hazardous Material in any material respect of the Consolidated Parties taken as a whole.

(s) Intellectual Property. Each Consolidated Party owns, or has the legal right to use, all trademarks, tradenames, copyrights, technology, know-how and processes (the

"Intellectual Property") necessary for each of them to conduct its business as currently conducted except for those the failure to own or have such legal right to use could not have a Material Adverse Effect.

(t) Labor Matters. There are no collective bargaining agreements or Multiemployer Plans covering the employees of a Consolidated Party as of the Closing Date and none of the Consolidated Parties has suffered any strikes, walkouts, work stoppages or other material labor difficulty within the last five years.

(u) Financial Matters. Borrower is solvent after giving effect to all borrowings contemplated by the Credit Documents and no proceeding under any Debtor Relief Law is pending (or, to Borrower's knowledge, threatened) by or against Borrower, or any Affiliate of Borrower, as a debtor. All reports, statements, plans, budgets, applications, agreements and other data and information heretofore furnished or hereafter to be furnished by or on behalf of Borrower to Administrative Agent in connection with the Loan or Loans evidenced by the Credit Documents (including, without limitation, all financial statements and financial information) are and will be true, correct and complete in all material respects as of their respective dates and do not and will not omit to state any fact or circumstance necessary to make the statements contained therein not misleading. No material adverse change has occurred since the dates of such reports, statements and other data in the financial condition of Borrower or, to Borrower's knowledge, of any tenant under any lease described therein.

(v) Credit Document Matters. Borrower is not a "foreign person" within the meaning of Sections 1445 and 7701 of the Code (i.e. Borrower is not a non-resident alien, foreign corporation, foreign partnership, foreign trust or foreign estate as those terms are defined therein and in any regulations promulgated thereunder). The Committed Amount is solely for business purposes, and is not for personal, family, household or agricultural purposes. Borrower will not cause or permit any change to be made in its name, identity, or corporate or partnership structure, unless Borrower shall have notified Administrative Agent of such change prior to the effective date of such change, and shall have first taken all action required by Administrative Agent for the purpose of further perfecting or protecting the lien and security interest of Administrative Agent in the Collateral. Borrower's principal place of business and chief executive office, and the place where Borrower keeps its books and records concerning the Collateral, has for the preceding four months been and will continue to be (unless Borrower notifies Lender of any change in writing prior to the date of such change) the address of Borrower set forth in Section 11.1 of this Agreement.

Section 4.2 Survival of Representations and Warranties, etc. All representations and warranties made under this Agreement shall be deemed to be made, and shall be true and correct, at and as of the Closing Date and the date of each Loan hereunder, except to the extent previously fulfilled in accordance with the terms hereof and to the extent subsequently inapplicable. All representations and warranties made under this Agreement shall survive, and not be waived by, the execution hereof by Administrative Agent or any Lender, any investigation or inquiry by Administrative Agent or any Lender or the making of any Loan under this Agreement.

ARTICLE 5
General Covenants

So long as any of the Obligations are outstanding and unpaid or Borrower

shall have the right to borrow hereunder (whether or not the conditions to borrowing have been or can be fulfilled), and unless Lenders shall otherwise consent in writing:

Section 5.1 Preservation of Existence and Similar Matters. Each Credit Party will:

(a) preserve and maintain its existence, rights, franchises, licenses and privileges in its state of organization, and each state wherein the Collateral and Non-Collateral Properties lie or shall lie,

(b) maintain the power and authority to own the Collateral and Non-Collateral Properties and to carry on its business as now being and hereafter proposed to be conducted, and

(c) qualify and remain qualified, in good standing, and authorized to do business in each jurisdiction in which the character of its properties or the nature of its business requires such qualification or authorization, including without limitation, each jurisdiction wherein the Collateral and Non-Collateral Properties lie or shall lie.

Each Credit Party shall at all times comply with all of the provisions of its organizational documents.

Section 5.2 Business: Compliance with Applicable Law. Borrower will engage primarily in the business of acquiring, operating and selling interests in real property, and will comply with the requirements of Applicable Law, including, without limitation, Environmental Laws.

Section 5.3 Maintenance of Properties. Borrower will maintain or cause to be maintained in the ordinary course of business in good repair, working order and condition (reasonable wear and tear excepted) the Collateral and all improvements located thereon (whether owned or held under lease), and from time to time make or cause to be made all needed and appropriate repairs, renewals, replacements, additions, betterments and improvements thereto. Borrower shall maintain good, legal and marketable title to all of the Collateral except to the extent sold or otherwise disposed of in accordance herewith.

Section 5.4 Accounting Methods and Financial Records. Each Credit Party will maintain a system of accounting established and administered in accordance with GAAP, keep adequate records and books of account in which complete entries will be made in accordance with such accounting principles consistently applied and reflecting all transactions required to be reflected by such accounting principles and keep accurate and complete records of such party's properties and assets. Each Credit Party shall maintain a fiscal year ending on December 31.

Section 5.5 Payment of Taxes and Claims. Each Credit Party will pay and discharge, or cause to be paid and discharged, and cause each of its Subsidiaries to pay and discharge, all taxes, including, without limitation, withholding taxes, assessments and governmental charges or levies required to be paid by it or imposed upon it or its income or profits or upon any Collateral or the ownership, use, occupancy or enjoyment of any portion thereof, or any utility service thereto, as the same become due and payable, including but not limited to all ad valorem taxes assessed against the Collateral or any part thereof, and shall deliver promptly to Administrative Agent such evidence of the payment thereof as Administrative Agent may require, prior to the date on which penalties attach thereto, and all lawful claims for labor, materials and supplies which, if unpaid, might become a Lien or charge upon any of the Collateral, except that no such tax, assessment, charge, levy or claim need be

paid which is being diligently contested in good faith by appropriate proceedings and for which adequate reserves shall have been set aside on the appropriate books, but only so long as such tax, assessment, charge, levy or claim does not become a Lien and no foreclosure, distraint, sale or similar proceedings have been commenced. Borrower will timely file all returns required by Federal, state or local tax authorities. Borrower will maintain adequate charges, accruals and reserves on its books in respect of taxes.

Section 5.6 Insurance and Casualty.

(a) Required Insurance. Each Credit Party will, and will cause each of its Subsidiaries, at no expense to Lenders, to maintain or cause to be maintained in full force and effect at all times: (1) mortgagee title insurance issued to Administrative Agent covering the Collateral as required by Administrative Agent; (2) all-risk insurance with respect to all insurable Property, against loss or damage by fire, lightning, windstorm, explosion, hail, tornado and such hazards as are presently included in so-called "all-risk" coverage and against such other insurable hazards as Administrative Agent may require, in an amount not less than 100% of the full replacement cost, including the cost of debris removal, without deduction for depreciation and sufficient to prevent Borrower and Administrative Agent from becoming a coinsurer, such insurance to be in builder's risk (non-reporting) form during and with respect to any construction on any Property; (3) if and to the extent any portion of the improvements on any Collateral is in a special flood hazard area, a flood insurance policy in an amount equal to the lesser of the Committed Amount or the maximum amount available; (4) comprehensive general public liability insurance, on an "occurrence" basis, for the benefit of Borrower and Administrative Agent as named insureds; (5) statutory workers' compensation insurance with respect to any work on or about any Property; and (6) such other insurance on any Collateral as may from time to time be required by Lender (including but not limited to rental loss or business interruption insurance, boiler and machinery insurance, earthquake insurance, and war risk insurance) and against other insurable hazards or casualties which at the time are commonly insured against in the case of premises similarly situated, due regard being given to the height, type, construction, location, use and occupancy of buildings and improvements. All insurance policies shall be issued and maintained by insurers, in amounts, with deductibles, and in form satisfactory to Administrative Agent, and shall require not less than thirty (30) days' prior written notice to Administrative Agent of any cancellation or change of coverage. All insurance policies maintained, or caused to be maintained, by Borrower with respect to any Collateral, except for public liability insurance, shall provide that each such policy shall be primary without right of

contribution from any other insurance that may be carried by Borrower or Administrative Agent and that all of the provisions thereof, except the limits of liability, shall operate in the same manner as if there were a separate policy covering each insured. If any insurer which has issued a policy of title, hazard, liability or other insurance required pursuant to this Agreement or any other Credit Document becomes insolvent or the subject of any bankruptcy, receivership or similar proceeding or if in Administrative Agent's reasonable opinion the financial responsibility of such insurer is or becomes inadequate, Borrower shall, in each instance promptly upon the request of Administrative Agent and at no expense to Lenders, obtain and deliver to Administrative Agent a like policy (or, if and to the extent permitted by Administrative Agent, a certificate of insurance) issued by another insurer, which insurer and policy meet the requirements of this Agreement or such other Credit Document, as the case may be. Without limiting the discretion of Administrative Agent with respect to required endorsements to insurance policies, all such policies for loss of or damage to any Property shall contain a standard mortgagee clause (without contribution) naming Administrative Agent as mortgagee with loss proceeds payable to Administrative Agent notwithstanding (i) any act, failure to act or negligence of or violation of any warranty, declaration or condition

contained in any such policy by any named insured; (ii) the occupation or use of any Property for purposes more hazardous than permitted by the terms of any such policy; (iii) any foreclosure or other action by Administrative Agent under the Credit Documents; or (iv) any change in title to or ownership of any Property or any portion thereof, such proceeds to be held for application as provided in the Credit Documents. The originals of each initial insurance policy (or to the extent permitted by Administrative Agent, a copy of the original policy and a satisfactory certificate of insurance) shall be delivered to Administrative Agent at the time of execution of this Agreement, with premiums fully paid, and each renewal or substitute policy (or certificate) shall be delivered to Administrative Agent, with premiums fully paid, at least ten (10) days before the termination of the policy it renews or replaces. Borrower shall pay all premiums on policies required hereunder as they become due and payable and promptly deliver to Administrative Agent evidence satisfactory to Administrative Agent of the timely payment thereof. If any loss occurs at any time when Borrower has failed to perform Borrower's covenants and agreements in this paragraph, Administrative Agent shall nevertheless be entitled to the benefit of all insurance covering the loss and held by or for Borrower, to the same extent as if it had been made payable to Administrative Agent. Upon any foreclosure hereof or transfer of title to any Collateral in extinguishment of the whole or any part of the Obligations, all of Borrower's right, title and interest in and to the insurance policies referred to in this Section (including unearned premiums) and all proceeds payable thereunder as they relate to such Collateral shall thereupon vest in the purchaser at foreclosure or other such transferee, to the extent permissible under such policies. Administrative Agent shall have the right (but not the obligation) to make proof of loss for, settle and adjust any claim under, and receive the proceeds of, all insurance for loss of or damage to any Collateral, and the expenses incurred by Administrative Agent in the adjustment and collection of insurance proceeds shall be a part of the Obligations and shall be due and payable to Administrative Agent on demand. Administrative Agent shall not be, under any circumstances, liable or responsible for failure to collect or exercise diligence in the collection of any of such proceeds or for the obtaining, maintaining or adequacy of any insurance or for failure to see to the proper application of any amount paid over to Borrower. Subject to the terms of Subsection (b), below, any proceeds received by Administrative Agent shall, after deduction therefrom of all

reasonable expenses actually incurred by Administrative Agent, including attorneys' fees, at Administrative Agent's option be (1) released to Borrower, or (2) applied (upon compliance with such terms and conditions as may be required by Administrative Agent) to repair or restoration, either partly or entirely, of the Collateral so damaged, or (3) applied to the payment of the Obligations in accordance with Section 2.12 of this Agreement. In any event, the unpaid portion of the Obligations shall remain in full force and effect and the payment thereof shall not be excused. Borrower shall at all times comply with the requirements of the insurance policies required hereunder and of the issuers of such policies and of any board of fire underwriters or similar body as applicable to or affecting the Property.

(b) Restoration Advances.

(i) Lenders agree that in the event that all or a portion of the improvements on any Collateral shall be destroyed or damaged by fire, explosion, windstorm, hail or any other casualty against which insurance is required under this Agreement, Lenders will elect to apply the insurance proceeds which remain after payment of the expenses of collection thereof as provided in Subsection (a), above (called the "Proceeds" below in this
----
Subsection), or so much thereof as is required, to restoration of the portion of the Collateral damaged, as nearly as practicable to its value, character and condition immediately prior to such casualty (the "Restoration"), provided that
----
all of the following conditions precedent are satisfied in full not later than

ninety (90) days after the date on which the casualty loss occurs:

A) no Default shall have occurred and shall remain uncured following the expiration of any grace or cure period;

B) all tenants having present or future possessory rights under Major Leases (as defined in the applicable Mortgage), have agreed in a manner satisfactory to Administrative Agent that such Major Leases will continue in full force and effect and, if necessary, the time for taking or regaining possession of the demised premises under such Major Leases will be extended by the time necessary to complete the Restoration;

C) all parties having operating, management or franchise interests in, and arrangements concerning, the applicable Collateral have agreed that they will continue their interests and arrangements for the contract terms then in effect following the Restoration;

D) Borrower has presented evidence satisfactory to Administrative Agent, and Administrative Agent has reasonably determined, that the Restoration can be accomplished within a reasonable period of time and in any event prior to the Maturity Date;

E) Borrower has delivered or caused to be delivered to Administrative Agent, and Administrative Agent has approved, complete final plans and specifications (the "Restoration Plans") for the work to be performed in connection with the Restoration (hereinafter called the "Restoration Work") prepared and sealed by an architect (the

"Architect") acceptable to Administrative Agent, with evidence satisfactory to Administrative Agent of the approval of the Restoration Plans by all Commitment Providers and by all governmental authorities and all tenants under Major Leases whose approval is required;

F) Borrower has delivered or caused to be delivered to Administrative Agent a signed estimate approved in writing by the Architect, stating the entire cost of completing the Restoration Work;

G) Borrower has entered into, and has furnished to Administrative Agent a copy of, a fixed price construction contract satisfactory to Administrative Agent, with a contractor reasonably acceptable to Administrative Agent, bonded to the extent required by Administrative Agent, for the Restoration Work;

H) if Administrative Agent has determined that (i) the projected cost of the Restoration Work substantially in accordance with the Restoration Plans exceeds (ii) the available Proceeds held by Lender, then Borrower has deposited with Administrative Agent funds sufficient to cover the excess cost;

I) Borrower has furnished all insurance coverage required by Administrative Agent pursuant to Section 5.6(a), above; and

J) Administrative Agent has determined that no Lender will incur any liability to any person as a result of such use of the Proceeds.

If all of the foregoing conditions have not been satisfied within the time limit specified above, then Administrative Agent may, at its option, apply such Proceeds to the Obligations, whether or not due, in accordance with Section 2.12 of this Agreement.

(ii) To the extent that Administrative Agent elects to apply the

Proceeds to the restoration or reconstruction of the improvements on any Collateral, then disbursement of the Proceeds for Restoration or Restoration Work shall be subject to and shall be made in accordance with the customary practices of Administrative Agent governing the disbursement of construction loans and the terms set forth on Exhibit 2.6(a) of this Agreement regarding
---
construction disbursements. If Administrative Agent determines from time to time that (i) the estimated cost of the Restoration substantially in accordance with the Restoration Plans exceeds (ii) the available Proceeds held by Administrative Agent plus all other available funds deposited by Borrower with Administrative Agent for the purpose of the Restoration, then Borrower shall deposit additional funds with Administrative Agent to cover the excess cost before Administrative Agent shall be required to disburse any such Proceeds or other available funds for Restoration costs. Any such funds provided by Borrower to cover excess costs shall be used for the costs of Restoration prior to disbursement of any of the Proceeds for such costs.

(iii) Any such Proceeds and additional funds provided by Borrower which are held by Administrative Agent under this Subsection (b) shall be held by Administrative Agent in an interest bearing account of Administrative Agent's selection (and the

interest earned thereon shall become a part of the funds so held) until disbursed for Restoration or otherwise applied as herein provided. Administrative Agent's receipt and custody of such Proceeds or additional funds shall not constitute a repayment of any of the Obligations, unless and until such Proceeds or additional funds are actually applied against the Obligations in accordance with this Agreement. No disbursement of such Proceeds for Restoration costs shall constitute a Loan of the Commitment Amount or increase the principal amount thereof. If surplus Proceeds remain after completion of the Restoration and payment of all costs therefor, then such surplus Proceeds shall be applied against the Obligations. If surplus funds then remain from additional funds provided by Borrower to cover excess costs of Restoration, then such surplus funds shall be returned to Borrower, provided that no uncured Default shall exist hereunder.

(iv) In any event, upon the occurrence of a Default at any time, and the expiration of any applicable grace or cure period without the curing thereof, Administrative Agent may (but has no obligation to) apply all or any portion of such Proceeds or additional funds provided by Borrower in Administrative Agent's possession to the payment of the Obligations, whether or not due, in accordance with Section 2.12 of this Agreement, and/or to the cure of any Default without waiving the same.

Section 5.7 Reserve for Insurance, Taxes and Assessments. Upon request of
---
Required Lenders after a Default, to secure certain of Borrower's obligations in Sections 5.6 and 5.7 above, but not in lieu of such obligations, Borrower will deposit with Administrative Agent a sum equal to ad valorem taxes, assessments and charges (which charges for the purpose of this paragraph shall include without limitation any recurring charge which could result in a Lien against any Collateral) against any Collateral for the current year and the premiums for such policies of insurance for the current year, all as estimated by Administrative Agent and prorated to the end of the calendar month following the month during which Administrative Agent's request is made, and thereafter will deposit with Administrative Agent, on each date when an installment of principal and/or interest is due on the Committed Amount, sufficient funds (as estimated from time to time by Administrative Agent) to permit Administrative Agent to pay at least fifteen (15) days prior to the delinquency date thereof, the next maturing ad valorem taxes, assessments and charges and premiums for such policies of insurance. Administrative Agent shall have the right to rely upon tax information furnished by applicable taxing authorities in the payment of such taxes or assessments and shall have no obligation to make any protest of any such taxes or assessments. Any excess over the amounts required for such

purposes shall be held by Administrative Agent for future use, applied to any Obligations or refunded to Borrower, at Administrative Agent's option, and any deficiency in such funds so deposited shall be made up by Borrower upon demand of Administrative Agent. All such funds so deposited shall bear interest at the rate applicable to the account selected by Administrative Agent for such funds, may be mingled with the general funds of Administrative Agent and shall be applied by Administrative Agent toward the payment of such taxes, assessments, charges and premiums when statements therefor are presented to Administrative Agent by Borrower (which statements shall be presented by Borrower to Administrative Agent a reasonable time before the applicable amount is delinquent); provided, however, that, if a default shall have occurred hereunder, such funds may at Administrative Agent's option be applied to the payment of the Obligations in

accordance with Section 2.12 of this Agreement, and Administrative Agent may (but shall have no obligation) at any time, in its discretion, apply all or any part of such funds toward the payment of any such taxes, assessments, charges or premiums which are past due, together with any penalties or late charges with respect thereto. The conveyance or transfer of Borrower's interest in any Collateral for any reason (including without limitation the foreclosure of a subordinate lien or security interest or a transfer by operation of law) shall constitute an assignment or transfer of Borrower's interest in and rights to such funds held by Administrative Agent under this paragraph but subject to the rights of Administrative Agent hereunder.

Section 5.8 Condemnation. Borrower shall notify Administrative Agent immediately of any threatened or pending proceeding for condemnation affecting any Collateral or arising out of damage to any Collateral, and Borrower shall, at Borrower's expense, diligently prosecute any such proceedings. Administrative Agent shall have the right (but not the obligation) to participate in any such proceeding and to be represented by counsel of its own choice. Administrative Agent shall be entitled to receive all sums which may be awarded or become payable to Borrower for the condemnation of any Collateral, or any part thereof, for public or quasi-public use, or by virtue of private sale in lieu thereof, and any sums which may be awarded or become payable to Borrower for injury or damage to the Property. Borrower shall, promptly upon request of Administrative Agent, execute such additional assignments and other documents as may be necessary from time to time to permit such participation and to enable Administrative Agent to collect and receipt for any such sums. All such sums are hereby assigned to Administrative Agent, and shall, after deduction therefrom of all reasonable expenses actually incurred by Administrative Agent, including attorneys' fees, at Administrative Agent's option be (1) released to Borrower, or (2) applied (upon compliance with such terms and conditions as may be required by Administrative Agent) to repair or restoration of the Property so affected, or (3) applied to the payment of the Obligations in accordance with Section 2.12 of this Agreement. In any event the unpaid portion of the Obligations shall remain in full force and effect and the payment thereof shall not be excused. Administrative Agent shall not be, under any circumstances, liable or responsible for failure to collect or to exercise diligence in the collection of any such sum or for failure to see to the proper application of any amount paid over to Borrower. Administrative Agent is hereby authorized, in the name of Borrower, to execute and deliver valid acquittances for, and to appeal from, any such award, judgment or decree. All costs and expenses (including but not limited to attorneys' fees) incurred by Administrative Agent in connection with any condemnation shall be a demand obligation owing by Borrower (which Borrower hereby promises to pay) to Administrative Agent pursuant to this Agreement.

Section 5.9 Visits and Inspections. Borrower will permit representatives of Administrative Agent upon reasonable notice from Administrative Agent to (a) visit and inspect the Collateral and Non-Collateral Properties at all reasonable times, (b) inspect and make extracts from and copies of its books and records,

and (c) discuss with its principal officers and auditors its business, assets, liabilities, financial positions, results of operations and business prospects.

Section 5.10 Payment of Indebtedness; Loans. Subject to any provisions herein, referred to herein, or in any other Credit Document regarding subordination, each Credit Party

will pay any and all of its Indebtedness when and as it becomes due, other than amounts diligently disputed in good faith.

Section 5.11 Indemnity. Each Credit Party will indemnify and hold harmless Administrative Agent and the other Lenders from and against, and reimburse Administrative Agent and the other Lenders on demand for, any and all Indemnified Matters (defined below). For purposes of this Section 5.11, the term "Lenders" shall include the directors, officers, partners, employees and agents of any Lender, and any persons owned or controlled by, owning or controlling, or under common control or affiliated with any Lender. Without limitation, the foregoing indemnities shall apply to each indemnified person with respect to matters which in whole or in part are caused by or arise out of the negligence of such (and/or any other) indemnified person. However, such indemnities shall not apply to a particular indemnified person to the extent that the subject of the indemnification is caused by or arises out of the gross negligence or willful misconduct of that indemnified person. Any amount to be paid under this Section 5.11 by any Credit Party to any Lender shall be a demand obligation owing by such Credit Party (which such Credit Party hereby promises to pay) to any Lender pursuant to this Agreement. Nothing in this paragraph, elsewhere in this Agreement or in any other Credit Document shall limit or impair any rights or remedies of any Lender (including without limitation any rights of contribution or indemnification) against any Credit Party or any other person under any other provision of this Agreement, any other Credit Document, any other agreement or Applicable Law, except as expressly provided in this Section 5.11. As used herein, the term "Indemnified Matters" means any and all claims, demands, liabilities (including strict liability), losses, damages (including consequential damages), causes of action, judgments, penalties, costs and expenses (including without limitation, reasonable fees and expenses of attorneys and other professional consultants and experts, and of the investigation and defense of any claim, whether or not such claim is ultimately defeated, and the settlement of any claim or judgment including all value paid or given in settlement) of every kind, known or unknown, foreseeable or unforeseeable, which may be imposed upon, asserted against or incurred or paid by any Lender at any time and from time to time, whenever imposed, asserted or incurred, because of, resulting from, in connection with, or arising out of any transaction, act, omission, event or circumstance in any way connected with any Collateral or with this Agreement or any other Credit Document, including but not limited to any bodily injury or death or property damage occurring in or upon or in the vicinity of any Collateral through any cause whatsoever at any time on or before the Release Date, any act performed or omitted to be performed hereunder or under any other Credit Document, any breach by any Credit Party of any representation, warranty, covenant, agreement or condition contained in this Agreement or in any other Credit Document, any Default as defined herein or any claim under or with respect to any Major Lease (as defined in any Mortgage) or arising under the Environmental Agreement (as defined in any Mortgage). The term "Release Date" as used herein means the earlier of the following two dates: (i) the date on which the Committed Amount has been repaid and all Obligations have been paid and performed in full and this Agreement has been canceled, or (ii) as to any Collateral the date on which the Mortgage encumbering such Collateral is fully and finally foreclosed or a conveyance by deed in lieu of such foreclosure is fully and finally effective, and possession of such Collateral has been given to the purchaser or grantee free of occupancy and claims to occupancy by Borrower and Borrower's heirs, devisees, representatives, successors and

assigns;

provided, that if such payment, performance, release, foreclosure or conveyance is challenged, in bankruptcy proceedings or otherwise, the Release Date shall be deemed not to have occurred until such challenge is rejected, dismissed or withdrawn with prejudice. The indemnities in this Section 5.11 shall not terminate upon the Release Date or upon the cancellation, satisfaction, foreclosure or other termination of this Agreement but will survive the Release Date, foreclosure of any applicable Mortgage or conveyance in lieu of foreclosure of any Collateral, the repayment of the Committed Amount, the discharge, cancellation and satisfaction of this Agreement and the other Credit Documents, any bankruptcy or other debtor relief proceeding, and any other event whatsoever. The provisions of this Section shall survive the termination of this Agreement.

Section 5.12 Accuracy and Completeness of Information. All information, reports, prospectuses, notices and other papers and data relating to any Credit Party and furnished by or on behalf of any Credit Party, to Administrative Agent and Lenders, shall be, at the time furnished, complete and correct in all material respects to the extent necessary to give Administrative Agent and such Lenders true and accurate knowledge of the subject matter.

Section 5.13 Dividends. Provided there is not a continuing Default under this Agreement, Guarantor shall be permitted to declare and pay dividends and similar distributions on its Capital Stock from time to time in amounts determined by Guarantor but not to exceed in any event one hundred percent (100%) of Funds From Operations, provided Guarantor delivers to Administrative Agent contemporaneously with the declaration of any such dividend or distribution a certification from Senior Management of Guarantor that Guarantor shall continue to be in compliance with all applicable provisions of the Code and its bylaws and operating covenants after giving effect to such dividend or distribution. Notwithstanding the foregoing, Guarantor shall be permitted to distribute whatever amount of dividends is necessary to maintain its tax status as a real estate investment trust.

Section 5.14 Liens. No Credit Party will create, incur, or suffer to exist any Lien in, of or on their Property, except:

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

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

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

(d) Utility easements, building restrictions, zoning restrictions, easements and such other encumbrances or charges against real property as are of

a nature generally existing with respect to properties of a similar character and which do not in any material way affect the marketability of the same or interfere with the use thereof in their businesses;

(e) Liens of Borrower in favor of Administrative Agent or, as to Non-Collateral Property, Liens (i) securing the Indebtedness permitted under Section 5.15 of this Agreement, or (ii) in favor of the holder of any purchase money security interest;

(f) Liens existing on the date hereof and described in Schedule 5.14 hereto; and

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

Liens permitted pursuant to this Section 5.14 shall be deemed to be "Permitted Liens".

Section 5.15 Limit on Additional Indebtedness. No Credit Party will incur any additional Indebtedness in excess of Fifty Million Dollars ($50,000,000) in the aggregate for all Credit Parties combined after the date hereof without the prior written approval of Lenders, which Lenders may grant or withhold in its sole discretion. Notwithstanding the foregoing, so long as no Default exists hereunder, the restriction set forth in the preceding sentence of this Section 5.15 shall not apply with respect to the Committed Amount, that certain $72,140,000 SouthTrust Bank line of credit, that certain $8,000,000 Richter-Schroeder Company purchase money loan, and that certain $35,900,000 loan from Guaranty Federal Bank, each of which shall be in addition to the amount set forth in the preceding sentence of this Section 5.15.

Section 5.16 Limitation on Investments. No Consolidated Party will acquire, develop or otherwise make any Investment in any raw land or non-office building real or personal property of any type or kind, or other prohibited Investments described on Page 64 of Borrower's December 20, 2000 Prospectus, other than Investments in raw land which are fully leased under single-tenant, build-to-suit leases meeting all lease requirements of Section 2.24, which Investments do not exceed in the aggregate fifteen percent (15%) of the aggregate value of all Collateral Pool and Non-Collateral Pool Property, without the prior written approval of Required Lenders, which approval may be granted or withheld in the sole discretion of the Required Lenders. Further, no Consolidated Party will lend money or extend credit or make advances to any Person or purchase or acquire stocks, obligations or securities of, or any other interests in, or make any capital contributions to, or otherwise make Investments in, any Person other than a Consolidated Party or any Property other than Property wholly owned directly by a Consolidated Party, which Investments exceed in the aggregate twenty percent (20%) of the total assets of the Consolidated Parties, as evidenced by Guarantor's Forms 10k and 10q filed with the Securities Exchange Commission, and provided to Administrative Agent in accordance with Section 7.1 hereof.

Section 5.17 Management. With respect to the management of Borrower and its properties:

(a) Wells Real Estate Investment Trust, Inc. shall remain the sole general partner of Borrower;

(b) Leo F. Wells, III shall remain actively involved in the day to day management and operation of Borrower and Guarantor; and

(c) Borrower shall give immediate notice to Administrative Agent of any material change in the management or ownership of any Credit Party or any Subsidiary of a Credit Party.

Section 5.18 Incorporation of Covenants Benefiting Other Lenders.

Notwithstanding any term or provision of this Agreement to the contrary, Borrower hereby represents and warrants to Lenders that the financial covenants and other performance terms and conditions to which Borrower has agreed in this Agreement, specifically including without limitation the covenants set forth in Article 6, are at least as restrictive as those to which Borrower has agreed with the lenders described in Section 5.15 and any other lender from which Borrower has borrowed money or otherwise has incurred Indebtedness ("Other Lenders"). Borrower further covenants and agrees that Borrower shall not agree to more restrictive covenants, terms or conditions with any Other Lender after the Closing Date unless Administrative Agent is advised of such covenant, term or condition and, at Required Lenders' option, Lenders are given the benefit of each such covenant, term and condition offered to each such Other Lender, commencing no later than the date such terms become effective for such Other Lender. Without limiting the generality of the foregoing, Borrower covenants and agrees with Lenders that each covenant or provision for terms more restrictive than those set forth in this Agreement, including, without limitation, those contained in Article 6 hereof, made by Borrower to or with any other person or entity who is or hereafter becomes an Other Lender, at Required Lenders' option, shall inure to the benefit of Lenders as if made directly to Lenders and be deemed incorporated in this Agreement. Upon request of Administrative Agent, Borrower shall provide Administrative Agent with copies of all instruments and documents entered into with any Other Lender.

Section 5.19 Additional Credit Parties. If any Person having recourse Indebtedness becomes a Subsidiary or Preferred Stock Subsidiary of any Credit Party, Borrower shall (a) if such Person is a Domestic Subsidiary of a Credit Party or a Preferred Stock Subsidiary, cause such Person to execute a Guaranty Agreement in substantially the same form as Exhibit 5.19 on or before the deadline for delivery of the next quarterly Compliance Certificate delivered in accordance with Section 7.3 of this Agreement, (b) provide Administrative Agent with notice thereof on a quarterly basis by delivering a Compliance Certificate and other documentation as required in Section 7.9, and (c) cause such Person to deliver such other documentation as Administrative Agent may reasonably request in connection with the foregoing, including, without limitation, certified resolutions and other organizational and authorizing documents of such Person, favorable opinions of counsel to such Person (which shall cover, among other

things, the legality, validity, binding effect and enforceability of the documentation referred to above), all in form, content and scope reasonably satisfactory to Administrative Agent.

ARTICLE 6
Financial Covenants

So long as any of the Obligations are outstanding and unpaid or Borrower shall have the right to borrow hereunder (whether or not the conditions to borrowing have been or can be fulfilled) and unless Administrative Agent shall otherwise consent in writing, Borrower and Guarantor will do all things necessary to observe and comply with the following financial covenants which shall be satisfied at all times and reported quarterly in accordance with Section 7.1 hereof:

Section 6.1 Covenants of Borrower.

a. Loan to Value. The ratio (expressed as a percentage) of the total aggregate outstanding balance of the Loans to the Value of the Collateral Pool shall not exceed sixty percent (60%) at any time; and if at any time such loan to value ratio exceeds sixty percent (60%), Borrower shall promptly upon demand repay the principal amount of the Loans in a sum sufficient to eliminate such condition.

b. Minimum Debt Service Coverage. Borrower shall maintain a Debt Service Coverage Ratio of at least 1.4:1.00 at all times, where Debt Service Coverage Ratio means the ratio of Annualized Net Operating Income to Annualized Hypothetical Debt Service.

Section 6.2 Guarantor Covenants.

a. Minimum Net Worth. Guarantor will maintain a minimum net worth (as defined under GAAP) equal to or greater than Two Hundred Fifty Million Dollars ($250,000,000), as evidenced by Guarantor's forms 10k and 10q filed with the Securities Exchange Commission, and provided to Administrative Agent in accordance with Section 7.1 hereof.

b. Limitation on Indebtedness. The ratio of the sum of (i) Guarantor's Indebtedness plus (ii) all contingent liabilities of Guarantor under any Escrow Agreement to Guarantor's net worth shall not exceed at any time 0.5:1.00.

c. Interest Coverage. Guarantor's ratio of Adjusted Cash Flow to Interest Expense shall be least 2.00:1.00 during a trailing twelve (12) month period at all times.

d. Fixed Charge Coverage. Guarantor shall maintain a minimum fixed charge coverage ratio of 1.75:1.00 at all times. This ratio shall be calculated by dividing Adjusted Cash Flow during a trailing twelve (12) month period by the sum of (i) Debt Service on Guarantor's Indebtedness during such trailing twelve (12) month period plus (ii) preferred dividends (if any) paid during such trailing twelve (12) month period.

ARTICLE 7
Information Covenants

So long as any of the Obligations are outstanding and unpaid or Borrower shall have the right to borrow hereunder (whether or not the conditions to borrowing have been or can be fulfilled) and unless Administrative Agent shall otherwise consent in writing, the Credit Parties will furnish or cause to be furnished to Administrative Agent at Administrative Agent's Office for distribution to the Lenders:

Section 7.1 Financial Reports and Information.

(a) Annual Financial Statements. As soon as available, and in

any event within one hundred twenty (120) days after the close of each fiscal year of the Consolidated Parties, (i) a consolidated balance sheet and income statement of the Consolidated Parties, as of the end of such fiscal year, together with related consolidated statements of operations and retained earnings and of cash flows for such fiscal year, setting forth in comparative form consolidated figures for the preceding fiscal year, all such financial information described above to be in reasonable form and detail and audited by independent certified public accountants of recognized national standing reasonably acceptable to Administrative Agent and whose opinion shall be to the effect that such financial statements have been prepared in accordance with GAAP (except for changes with which such accountants concur) and shall not be limited as to the scope of the audit or qualified as to the status of the Consolidated Parties as a going concern, (ii) a schedule of the Properties identifying each Property by name and summarizing total revenues, expenses, net operating income, total square footage and occupancy rates as of the last day of the applicable fiscal year and (iii) a projection of capital expenditures for the next fiscal year for each Property of a Consolidated Party.

(b) Quarterly Financial Statements. As soon as available, and in any event within forty-five (45) days after the close of each fiscal quarter of the Consolidated Parties (other than the fourth fiscal quarter, in which case one hundred twenty [120] days after the end thereof), (i) a consolidated balance sheet and income statement of the Consolidated Parties, as of the end of such fiscal quarter, together with related consolidated statements of operations and retained earnings and of cash flows for such fiscal quarter in each case setting forth in comparative form consolidated figures for the corresponding period of the preceding fiscal year, all such financial information described above to be in reasonable form and detail and reasonably acceptable to Administrative Agent, and accompanied by a certificate of Senior Management of Borrower to the effect that such quarterly financial statements fairly present in all material respects the financial condition of the Consolidated Parties and have been prepared in accordance with GAAP, subject to changes resulting from audit and normal year-end audit adjustments and the omission of footnotes, and (ii) a schedule of the Properties identifying each Property by name and summarizing total revenues, expenses, net operating income, total square footage and occupancy rates as of the last day of the applicable quarter.

(c) Income Tax Returns. Copies of filed federal and state income tax returns of each Credit Party for each taxable year, within twenty (20) days after filing but in any event not later than one hundred fifty (150) days after the close of each such taxable year.

(d) Financial Projections. Commencing with the semi-annual period ending as of June 30, 2001, as soon as available, and in any event within forty-five (45) days after such date and after the end of every other semi-annual period thereafter (or, in the case of a semi-annual period in which such reporting is required and which coincides with the end of a fiscal year, one hundred twenty [120] days), (i) a pro forma balance sheet and income statement of the Consolidated Parties for each of the eight (8) succeeding fiscal quarters, together with related pro forma consolidated statements of operations and retained earnings and of cash flows for each such succeeding fiscal quarter and (ii) a certificate of Senior Management of Borrower demonstrating compliance on a pro forma basis for each of the eight (8) succeeding fiscal quarters with (A) the financial covenants contained in Article 6, and (B) the financial covenants contained in each of the indentures or other agreements relating to any publicly issued debt securities of any Consolidated Party, by detailed calculation thereof (which calculations shall be in form satisfactory to the Administrative Agent and which shall include, among other things, an explanation of the methodology used in such calculations and a breakdown of the components of such calculations).

(e) Certificate Regarding Equity Issuances. Within one hundred twenty (120) days after the end of each fiscal year of Guarantor, a certificate of Senior Management of Guarantor containing information regarding the amount of all Equity Issuances that were made during the prior fiscal year.

Section 7.2 Collateral Records and Financial Reports. Each Credit Party will keep accurate books and records in accordance with sound accounting principles in which full, true and correct entries shall be promptly made with respect to its Property and the operation thereof, and will permit all such books and records to be inspected and copied, and the Collateral to be inspected and photographed, by Administrative Agent and its representatives during normal business hours and at any other reasonable times. Without limitation of other or additional requirements in any of the other Credit Documents, Borrower will furnish to Administrative Agent for distribution to Lenders current operating statements itemizing all income and expenses of each Property within the Collateral Pool for each quarter (and for the fiscal year through the end of such quarter) as soon as reasonably practicable but in any event within thirty (30) days after the end of such quarter and for the fiscal year of Borrower within sixty (60) days after the end thereof including also a projection of such operations for the next fiscal year. Any inspection or audit of the Property within the Collateral Pool or the books and records of Borrower with respect thereto, or the procuring of documents and financial and other information, by or on behalf of Lender shall be for Lenders' protection only, and shall not constitute any assumption of responsibility to Borrower or anyone else with regard to the condition, construction, maintenance or operation of such Property nor Lenders' approval of any certification given to Administrative Agent for distribution to Lenders nor relieve Borrower of any of Borrower's obligations.

Section 7.3 Compliance Certificates. At the time the financial statements are furnished pursuant to Section 7.1, a Compliance Certificate in the form attached hereto as Exhibit 7.3

executed by Senior Management of each Credit Party in form and substance satisfactory to Administrative Agent:

(a) setting forth as at the end of such quarter or fiscal year, as the case may be, the arithmetical calculations required to establish whether or not Borrower or Guarantor, as applicable, was in compliance with (I) the requirements of Article 6 hereof, and (II) the financial covenants contained in each of the indentures or other agreements relating to any publicly issued debt securities of any Consolidated Party, in each case by detailed calculation thereof (which calculation shall be in form satisfactory to Administrative Agent and which shall include, among other things, an explanation of the methodology used in such calculation and a breakdown of the components of such calculation);

(b) stating that Borrower or Guarantor, as applicable, is in compliance with all of the terms of the Credit Documents and such party's authority and organizational documents;

(c) stating that no Default or Event of Default under any Credit Document to which Borrower or Guarantor, as applicable, is a party, has occurred as at the end of such quarter or year, as the case may be, or, if a Default or an Event of Default has occurred, disclosing each such Default or Event of Default and its nature, when it occurred, whether it is continuing and the steps being taken by Borrower or Guarantor, as applicable, with respect to such Default or Event of Default; and

(d) confirming that, as of the date of the Compliance Certificate, there exist no Subsidiaries that should be, but have not yet been,

joined as Credit Parties in accordance with Section 5.19 and attaching copies of any Guaranty Agreements executed during the immediately preceding fiscal quarter.

Section 7.4 Copies of Other Reports.

(a) Promptly upon receipt thereof, copies of all reports, if any, submitted to any Credit Party by its independent public accountants regarding such Credit Party, including, without limitation, any management report prepared in connection with Guarantor's financial reports.

(b) From time to time and promptly upon each request, such data, certificates, reports, statements, opinions of counsel, documents or further information regarding the business, assets, liabilities, financial position, projections, results of operations, business prospects of the Credit Parties, the Collateral, any Non-Collateral Property, or any real property which a Credit Party proposes to acquire or develop or acquire an interest in, as Administrative Agent may request.

(c) As soon as publicly available, but in no event later than the date such reports are to be filed with the Securities Exchange Commission, copies of all Form 10Ks, 10Qs, 8Ks, and any other annual, quarterly, monthly or other reports, copies of all registration

statements and any other public information filed with the Securities Exchange Commission along with all other materials received from S&P, Moodys, or any other nationally recognized rating agency, if applicable, all financial or operational information sent to S&P, Moodys, or any other nationally recognized rating agency, if applicable, and all financial or operational information distributed to shareholders or limited partners generally by Guarantor, including a copy of Guarantor's annual report.

(d) Promptly upon receipt thereof, any notice of any past, present or future events, conditions, circumstances, activities, practices, incidents, actions or plans which, with respect to any Credit Party, may interfere with or prevent compliance or continued compliance in any material respect with Environmental Laws, or may give rise to any common law or legal material liability, or otherwise form the basis of any material claim, action, demand, suit, proceeding, hearing, study or investigation, based on or related to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling, or the emission, discharge, release or threatened release into the environment, of any pollutant, contaminant, chemical, or industrial, toxic or hazardous substances or waste.

(e) Promptly upon receipt thereof, any notice or claim of any civil, criminal or administrative action, suit, demand, claim, hearing, notice or demand letter, notice of violation, investigation, or proceeding pending or threatened against Borrower relating in any way to Environmental Laws.

(f) From time to time promptly after Administrative Agent's request, such additional information, reports and statements respecting the business operations and financial condition of each reporting party as Administrative Agent may reasonably request.

Section 7.5 Notice of Litigation and Other Matters. Prompt notice of any of the following events as to which any Credit Party has received notice or has otherwise become aware thereof:

(i) the commencement of all proceedings and investigations by or before any governmental body and all actions and proceedings in any court or before any arbitrator against or, to the extent known to any Credit Party, in any other way relating adversely and directly to a Credit Party, or which calls

into question the validity of this Agreement or any other Credit Document;

(ii) any material adverse change with respect to the business, assets, liabilities, financial position, or results of operations of any Credit Party, other than changes in the ordinary course of business which have not had and are not likely to have a Material Adverse Effect;

(iii) any Default or default by any Credit Party under any agreement (other than this Agreement) to which such Credit Party is party or by which the Collateral is bound or the occurrence of any event which could have a Material Adverse Effect, giving in each case the details thereof and specifying the action proposed to be taken with respect thereto; or

(iv) the occurrence of any event subsequent to the Closing Date which, if such event had occurred prior to the Closing Date, would have constituted an exception to the representation and warranty in Section 4.1(1) of this Agreement.

Section 7.6 Matters Affecting the Collateral. Copies of all existing and proposed leases (and amendments thereto), easements, liens and contracts of sale (whether or not recorded of public record) affecting any item of Collateral as requested by Administrative Agent.

Section 7.7 Notices from Borrower Regarding Environmental Matters. Written advice to Administrative Agent, promptly after a Credit Party's knowledge thereof, of (i) any and all enforcement, cleanup, remedial, removal or other governmental or regulatory actions instituted or threatened, orally or in writing, pursuant to any of the Environmental Laws affecting any item of Collateral or any obligation of any Credit Party hereunder including, without limitation, any notice of inspection, potential liability under CERCLA, abatement or noncompliance; (ii) all claims made or threatened in writing by any third party against any Credit Party, any item of Collateral for damages, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials or asserting or alleging a violation of or liability under any of the Environmental Laws or under any common law theory of liability involving environmental or health safety matters; (iii) any Credit Party's discovery of any occurrence or condition on any item of Collateral or any real property adjoining or in the vicinity of any item of Collateral which could subject any Credit Party or any item of Collateral to a claim under any of the Environmental Laws; (iv) any restrictions imposed or threatened on ownership, occupancy, transferability or Use of any item of Collateral under any of the Environmental Laws; or (v) any remedial action taken by any Credit Party with respect to any Hazardous Materials affecting any item of Collateral. Credit Parties shall deliver to Administrative Agent any documentation or records in connection with any of the foregoing matters which Administrative Agent may reasonably request and which are susceptible of being obtained by any Credit Party without undue cost or expense.

Section 7.8 Notices Regarding ERISA Matters. Upon obtaining knowledge thereof, any Credit Party will give written notice to Administrative Agent promptly (and in any event within five [5] business days) of: (i) of any event or condition, including, but not limited to, any Reportable Event, that constitutes, or might reasonably lead to, an ERISA Event; (ii) with respect to any Multiemployer Plan, the receipt of notice as prescribed in ERISA or otherwise of any withdrawal liability assessed against Borrower or any of its ERISA Affiliates, or of a determination that any Multiemployer Plan is in reorganization or insolvent (both within the meaning of Title IV of ERISA); (iii) the failure to make full payment on or before the due date (including extensions) thereof of all amounts which any Consolidated Party or any ERISA Affiliate is required to contribute to each Plan pursuant to its terms and as required to meet the minimum funding standard set forth in ERISA and the Code

with respect thereto; or (iv) any change in the funding status of any Plan, provided that the foregoing events individually or in combination could
---
reasonably be expected to have a Material Adverse Effect, together with a description of any such event or condition or a copy of any such notice and a statement by Senior Management of Borrower briefly setting forth the details regarding such event, condition, or notice, and the action, if any, which has been or is being taken or is proposed to be taken by the Credit Parties with respect thereto.

Promptly upon request, the Credit Parties shall furnish Administrative Agent and the Lenders with such additional information concerning any Plan as may be reasonably requested, including, but not limited to, copies of each annual report/return (Form 5500 series), as well as all schedules and attachments thereto required to be filed with the Department of Labor and/or the Internal Revenue Service pursuant to ERISA and the Code, respectively, for each "plan year" (within the meaning of Section 3(39) of ERISA).

Section 7.9 Other Information. With reasonable promptness upon any such
---
request, such other information regarding the business, properties or financial condition of any Consolidated Party as Administrative Agent or the Required Lenders through Administrative Agent may reasonably request.

ARTICLE 8
Appraisal of Collateral

Administrative Agent shall have the right from time to time, as Administrative Agent may reasonably determine to be appropriate, but not more than one (1) time in any twelve (12) calendar month period unless (i) there has occurred a Default or Event of Default, (ii) there has occurred a material adverse change in any Collateral Property or (iii) an appraisal is required by applicable bank regulations, to appraise or have appraised each item of Collateral for purposes of determining the Collateral's then current value, which appraisals shall be subject to review and adjustment by Administrative Agent and further subject to Administrative Agent's customary requirements and the requirements of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) requiring all appraisals to conform with the Uniform Standards of Professional Appraisal Practice (USPAP) published by the "The Appraisal Foundation". Credit Parties and Lenders acknowledge that Administrative Agent may, at Administrative Agent's option, utilize "in-house" appraisers to conduct the appraisals which may be conducted hereunder. Borrower shall reimburse Administrative Agent on demand for all of the reasonable costs and expenses which Administrative Agent shall incur in connection with all appraisals or reappraisals of each item of Collateral. Borrower's obligation to make such reimbursement payment to Administrative Agent shall be deemed to constitute part of the Obligations.

ARTICLE 9
Default

Section 9.1 Events of Default. Subject to the terms of any provision of
---
the Credit Documents regarding notice and right to cure, each of the following shall constitute an Event of Default, whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment or order of any court or any order, rule or regulation of any governmental or non-governmental body:

(a) Failure to Pay Indebtedness. Any of the Indebtedness
---
evidenced by the Notes and this Agreement is not paid when due, regardless of how such amount may have

become due, and such failure is not cured within the applicable grace or cure period provided for in Section 9.2 of this Agreement.

(b) Nonperformance of Covenants. Any covenant, agreement or condition herein or in any other Credit Document (other than the financial covenants listed in Section 9.1(t) and covenants otherwise addressed in another paragraph of this Section, such as covenants to pay the Indebtedness evidenced by the Notes and this Agreement) is not fully and timely performed, observed or kept, and such failure is not cured within the applicable grace or cure period provided for in Section 9.2 of this Agreement.

(c) Representations. Any statement, representation or warranty in any of the Credit Documents, or in any financial statement or any other writing heretofore or hereafter delivered to Administrative Agent or any Lender in connection with this Agreement is false, misleading or erroneous in any material respect on the date hereof or on the date as of which such statement, representation or warranty is made.

(d) Bankruptcy or Insolvency. A Credit Party or any person liable, directly or indirectly, for any of the Indebtedness evidenced by the Notes and this Agreement, or any Affiliate or Subsidiary of a Credit Party:

(1) (i) Executes an assignment for the benefit of creditors, or takes any action in furtherance thereof; or (ii) admits in writing its inability to pay, or fails to pay, its debts generally as they become due; or (iii) as a debtor, files a petition, case, proceeding or other action pursuant to, or voluntarily seeks the benefit or benefits of, Title 11 of the United States Code as now or hereafter in effect or any other Debtor Relief Law, or takes any action in furtherance thereof; or (iv) seeks the appointment of a receiver, trustee, custodian or liquidator of any Collateral or any part thereof or of any significant portion of its other Property; or

(2) Suffers the filing of a petition, case, proceeding or other action against it as a debtor under any Debtor Relief Law or seeking appointment of a receiver, trustee, custodian or liquidator of the Collateral or any part thereof or of any significant portion of its other Property, and (i) admits, acquiesces in or fails to contest diligently the material allegations thereof, or (ii) the petition, case, proceeding or other action results in entry of any order for relief or order granting relief sought against it, or (iii) in a proceeding under the Federal Bankruptcy Code, the case is converted from one chapter to another, or (iv) fails to have the petition, case, proceeding or other action permanently dismissed or discharged on or before the earlier of trial thereon or sixty (60) days next following the date of its filing; or

(3) Conceals, removes, or permits to be concealed or removed, any part of its Property, with intent to hinder, delay or defraud its creditors or any of them, or makes or suffers a transfer of any of its Property which may be fraudulent under any bankruptcy, fraudulent conveyance or similar law; or makes any transfer of its Property to or for the benefit of a creditor at a time when other creditors similarly situated have not been paid; or suffers or permits, while insolvent, any creditor to obtain a lien (other than as described in subparagraph (4) below) upon any of its Property through legal proceedings which are not vacated and such

lien discharged prior to enforcement thereof and in any event within sixty (60) days from the date thereof; or

(4) Fails to have discharged within a period of ten (10) days any attachment, sequestration, or similar writ levied upon any of its Property; or

(5) Fails to pay immediately any final money judgment against it.

(e) Transfer of any Collateral. There occurs any sale, lease, conveyance, assignment, pledge, encumbrance, or transfer of all or any part of the Collateral or any interest therein, voluntarily or involuntarily, whether by operation of law or otherwise, except: (i) sales or transfers of items of the Accessories (as defined in the Mortgage with respect to such Collateral) which have become obsolete or worn beyond practical use and which have been replaced by adequate substitutes, owned by Borrower, having a value equal to or greater than the replaced items when new; and (ii) the grant, in the ordinary course of business, of a leasehold interest in a part of the improvements on a Collateral Pool Property to a tenant for occupancy, not in contravention of any provision of this Agreement or of any other Credit Document.

(f) Transfer of Ownership of Borrower. There occurs any sale, pledge, encumbrance, assignment or transfer, voluntarily or involuntarily, whether by operation of law or otherwise, of any interest in Borrower, directly or indirectly, without the prior written consent of Lenders, other than transfer of up to twenty percent (20%) of ownership interests in Borrower provided (i) Guarantor remains at all times qualified as a real estate investment trust and in compliance with all applicable provisions of the Code and (ii) Guarantor at all times controls Borrower and holds not less than eighty percent (80%) of the legal and beneficial interests in Borrower.

(g) Grant of Easement, Etc. Without the prior written consent of Lender, which will not be unreasonably withheld, Borrower grants any easement or dedication, files any plat, condominium declaration, or restriction, or otherwise encumbers any Collateral, or seeks or permits any zoning reclassification or variance, unless such action is expressly permitted by the Credit Documents or does not affect any Collateral.

(h) Abandonment. The owner of any Collateral abandons all or any portion of such Collateral.

(i) Default Under Other Lien. A default or event of default occurs and is continuing under any lien, security interest or assignment covering any Collateral or any part thereof (whether or not Lenders have consented, and without hereby implying Lenders' consent, to any such lien, security interest or assignment not created hereunder), or the holder of any such lien, security interest or assignment declares a default or institutes foreclosure or other proceedings for the enforcement of its remedies thereunder.

(j) Intentionally omitted.

(k) Intentionally omitted.

(l) Liquidation, Etc. There occurs a liquidation, termination, dissolution, merger, consolidation or failure to maintain good standing in the State of Georgia (and any state in which such Collateral is located) of the owner of any Collateral or any Credit Party.

(m) Material, Adverse Change. In Lenders' reasonable opinion, the prospect of payment of all or any part of the Indebtedness evidenced by the Notes and this Agreement has been impaired because of a material, adverse change in the financial condition, results of operations, business or properties of any Credit Party.

(n) Enforceability; Priority. Any Credit Document shall for any reason without Lenders' specific written consent cease to be in full force and effect, or shall be declared null and void or unenforceable in whole or in part, or the validity or enforceability thereof, in whole or in part, shall be challenged or denied by any party thereto other than Lenders; or the liens, interests, security agreements or security interests of Lenders in any of the Collateral become unenforceable in whole or in part, or cease to be of the priority herein required, or the validity or enforceability thereof, in whole or in part, shall be challenged or denied by Borrower or any person obligated to pay any part of the secured indebtedness.

(o) Other Credit Documents. A default or event of default occurs under any Credit Document, other than this Agreement, and the same is not remedied within the applicable period of grace (if any) provided in such document.

(p) Default Under Interest Rate Protection Agreement. A default or event of default occurs under any Interest Rate Protection Agreement, or Borrower fails to pay any sum due under any Interest Rate Protection Agreement when due.

(q) Final Judgment. A final judgment (the payment of which is not covered by insurance) shall be entered by any court against any Credit Party for the payment of money which exceeds $250,000, or a warrant of attachment or execution or similar process shall be issued or levied against property of any Credit Party which exceeds in value $250,000, and if, within thirty (30) days after the entry, issue or levy thereof, such judgment, warrant or process shall not have been paid or discharged or stayed pending appeal, or if, after the expiration of any such stay, such judgment, warrant or process shall not have been paid or discharged; or

(r) Default Under Other Indebtedness. There shall occur any default under any indenture, agreement or instrument evidencing Indebtedness of any Credit Party to any Person in an amount in excess of $250,000 which continues beyond the expiration of any applicable grace or cure period.

(s) Default Under Major Lease. There shall occur a default under any Major Lease (as defined in any Mortgage) which continues beyond the expiration of any applicable grace or cure period.

(t) Default Under Financial Covenants. A Default occurs under any covenant, agreement or condition under Section 5.13, Section 5.14, Section 5.15, Section 5.16 or Article 6 of this Agreement.

Section 9.2 Notice and Cure; Remedies. If an Event of Default shall have occurred and shall be continuing unless and until such Event of Default has been waived by the Required Lenders, the Supermajority Lenders or all of the Lenders, as applicable (pursuant to the voting requirements of Section 11.14), or cured to the satisfaction of the Required Lenders, the Supermajority Lenders

or all of the Lenders, as applicable (pursuant to the voting procedures of Section 11.14), Administrative Agent shall, upon request and direction of Required Lenders, take any of the following actions:

(a) Lenders agree, by acceptance of this Agreement, that notwithstanding anything to the contrary contained herein or in any of the other Credit Documents, upon the occurrence of any default of the type described in Subparagraphs (a) or (b) of Section 9.1 of this Agreement, Lenders will not accelerate the maturity of the Notes or the secured indebtedness and will not exercise any of their other rights and remedies hereunder or under the other Credit Documents until and unless Administrative Agent has first given notice of such default to Borrower, in the manner prescribed in Section 11.1 of this Agreement, and Borrower has failed to cure such default within the following periods of time:

(i) If such default is a default of the type described in Subparagraph (a) of Section 9.1 of this Agreement, Borrower shall have a period of five (5) days from and after the effective date of such notice within which to cure such default; or

(ii) If such default is a default of the type described in Subparagraph (b) of Section 9.1 of this Agreement, Borrower shall have a period of thirty (30) days from and after the effective date of such notice within which to cure such default; provided, however, if such default (other than a default under Section 5.17) cannot be cured within the thirty (30) day period, but Borrower has commenced and is diligently pursuing its cure, Borrower shall have an additional reasonable period to complete such cure not to exceed, in any event, ninety (90) days from the occurrence of such default.

After the occurrence of three (3) such defaults, and the giving of notice thereof by Administrative Agent, Administrative Agent shall not be obligated to give to Borrower any further notice of default or opportunity to cure the same. The agreements set forth in this Section 9.2(a) do not and shall not be deemed to prevent or prohibit Lenders from terminating Lenders' Commitment to make Loans hereunder, following the occurrence of a default, until and unless such default shall have been cured.

If Lenders shall fail to give such notice and right to cure to Borrower as provided herein, the sole and exclusive remedy of Borrower for such failure shall be to seek appropriate equitable relief to enforce the agreement to give such notice and right to cure and to have any acceleration of the maturity of the Notes and the secured indebtedness postponed or revoked and foreclosure or other proceedings in connection therewith delayed or terminated pending or upon the curing of

such default in the manner and during the period of time permitted by such agreement, and Borrower shall have no right to damages or any other type of relief not herein specifically set out against any Lender, all of which damages or other relief are hereby waived by Borrower. Nothing herein or in any of the other Credit Documents shall operate or be construed to add on or make cumulative any cure or grace periods specified in any of the Credit Documents.

(b) Upon the occurrence and continuance of an Event of Default specified in Section 9.1(d), such principal, interest and other amounts shall thereupon and concurrently therewith become due and payable and Lenders' Commitment to make Loans hereunder shall forthwith terminate, all without any action by Administrative Agent, Lenders or the holders of the Notes and without presentment, demand, protest or other notice of any kind, all of which are expressly waived, anything in this Agreement or in the Notes to the contrary notwithstanding.

(c) With the exception of an Event of Default specified in Section 9.1(d), and after expiration of any notice and cure periods to which Borrower is entitled pursuant to Subsection (a) of this Section 9.2, Lenders

shall, at Lenders' sole option, have the right to (i) terminate the Commitment to lend hereunder or (ii) declare the principal of and interest on the Loans and the Notes and all other amounts owed under this Agreement or the Notes to be forthwith due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived, anything in this Agreement or in the Notes to the contrary notwithstanding, or both.

(d) Administrative Agent shall exercise all of the post-default rights granted under the Credit Documents or under Applicable Law.

(e) The rights and remedies of Administrative Agent hereunder shall be cumulative, and not exclusive.

ARTICLE 10
Agency Provisions

Section 10.1 Appointment, Powers and Immunities. Each Lender hereby irrevocably appoints and authorizes Administrative Agent to act as its Administrative Agent under this Agreement and the other Credit Documents with such powers and discretion as are specifically delegated to Administrative Agent by the terms of this Agreement and the other Credit Documents, together with such other powers as are reasonably incidental thereto. Administrative Agent (which term as used in this sentence and in Section 10.5 and the first sentence of Section 10.6 hereof shall include its Affiliates and its own and its Affiliates' officers, directors, employees, and agents): (a) shall not have any duties or responsibilities except those expressly set forth in this Agreement and shall not be a trustee or fiduciary for any Lender; (b) shall not be responsible to the Lenders for any recital, statement, representation, or warranty (whether written or oral) made in or in connection with any Credit Document or any certificate or other document referred to or provided for in, or received by any of them under, any Credit Document, or for the value, validity, effectiveness, genuineness, enforceability, or sufficiency of any Credit Document, or any other document referred to or provided for therein or for any failure by any Credit Party or

any other Person to perform any of its obligations thereunder; (c) shall not be responsible for or have any duty to ascertain, inquire into, or verify the performance or observance of any covenants or agreements by any Credit Party or the satisfaction of any condition or to inspect the property (including the books and records) of any Credit Party or any of its Subsidiaries or Affiliates; (d) shall not be required to initiate or conduct any litigation or collection proceedings under any Credit Document; and (e) shall not be responsible for any action taken or omitted to be taken by it under or in connection with any Credit Document, except for its own gross negligence or willful misconduct. Administrative Agent may employ agents and attorneys-in-fact and shall not be responsible for the negligence or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care.

Section 10.2 Reliance by Administrative Agent. Administrative Agent shall be entitled to rely upon any certification, notice, instrument, writing, or other communication (including, without limitation, any thereof by telephone or telecopy) believed by it to be genuine and correct and to have been signed, sent or made by or on behalf of the proper Person or Persons, and upon advice and statements of legal counsel (including counsel for any Credit Party), independent accountants, and other experts selected by Administrative Agent. Administrative Agent may deem and treat the payee of any Note as the holder thereof for all purposes hereof unless and until Administrative Agent receives and accepts an Assignment and Acceptance executed in accordance with Section 11.5(b) hereof. As to any matters not expressly provided for by this Agreement, Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of

the Required Lenders, and such instructions shall be binding on all of the Lenders; provided, however, that Administrative Agent shall not be required to take any action that exposes Administrative Agent to personal liability or that is contrary to any Credit Document or applicable law or unless it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking any such action.

Section 10.3 Defaults. Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of a Default or Event of Default (except for the non-payment of interest, principal and any fees payable under the Loan) unless Administrative Agent has received written notice from a Lender or one of the Credit Parties specifying such Default or Event of Default and stating that such notice is a "Notice of Default". In the event that Administrative Agent receives such a notice of the occurrence of a Default or Event of Default, Administrative Agent shall give prompt notice thereof to Lenders. Administrative Agent shall (subject to Section 10.2 hereof) take such action with respect to such Default or Event of Default as shall reasonably be directed by the Required Lenders, provided that, unless and until Administrative Agent shall have received such directions, Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interest of the Lenders.

Section 10.4 Rights as a Lender. With respect to its Commitment and the Loans made by it, Bank of America, N.A. (and any successor acting as Administrative Agent) in its capacity as a Lender hereunder shall have the same rights and powers hereunder as any other Lender and

may exercise the same as though it were not acting as Administrative Agent, and the term "Lender" or "Lenders" shall, unless the context otherwise indicates, include Administrative Agent in its individual capacity. Bank of America, N.A. (and any successor acting as Administrative Agent) and its Affiliates may (without having to account therefor to any Lender) accept deposits from, lend money to, make investments in, provide services to, and generally engage in any kind of lending, trust, or other business with any Credit Party or any of its Subsidiaries or Affiliates as if it were not acting as Administrative Agent, and Bank of America, N.A. (and any successor acting as Administrative Agent) and its Affiliates may accept fees and other consideration from any Credit Party or any of its Subsidiaries or Affiliates for services in connection with this Agreement or otherwise without having to account for the same to Lenders.

Section 10.5 Indemnification. Lenders agree to indemnify the Administrative Agent only in its capacity as Administrative Agent (to the extent not reimbursed under Section 11.5 hereof, but without limiting the obligations of Borrower under such Section) ratably in accordance with their respective Commitments, for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including attorneys' fees), or disbursements of any kind and nature whatsoever that may be imposed on, incurred by or asserted against Administrative Agent (including by any Lender) in any way relating to or arising out of any Credit Document or the transactions contemplated thereby or any action taken or omitted by Administrative Agent under any Credit Document; provided that no Lender shall be liable for any of the foregoing to the extent they arise from the gross negligence or willful misconduct of the Person to be indemnified. Without limitation of the foregoing, each Lender agrees to reimburse Administrative Agent promptly upon demand for its ratable share of any costs or expenses payable by Borrower under Section 11.5, to the extent that Administrative Agent is not promptly reimbursed for such costs and expenses by Borrower. The

agreements in this Section 10.5 shall survive the repayment of the Loans and other obligations under the Credit Documents and the termination of the Commitments hereunder.

Section 10.6 Non-Reliance on Administrative Agent and Other Lenders.

Each Lender agrees that it has, independently and without reliance on Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own credit analysis of the Credit Parties and their Subsidiaries and decision to enter into this Agreement and that it will, independently and without reliance upon Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own analysis and decisions in taking or not taking action under the Credit Documents. Except for notices, reports, and other documents and information expressly required to be furnished to Lenders by Administrative Agent hereunder, Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the affairs, financial condition, or business of any Credit Party or any of its Subsidiaries or Affiliates that may come into the possession of Administrative Agent or any of its Affiliates.

Section 10.7 Successor Administrative Agent. Administrative Agent may resign at any time by giving thirty (30) days written notice thereof to the Lenders and Borrower. Administrative Agent may be removed at any time for cause by a majority of the Lenders,

provided that Borrower and the other Lenders shall be promptly notified thereof. Upon any such resignation or removal, the Required Lenders shall have the right to appoint a successor Administrative Agent with the consent of Borrower, such consent not to be unreasonably withheld or delayed; provided, however, that Borrower shall have no right to consent to such appointment to the extent an Event of Default is continuing at the time of such appointment. If no successor Administrative Agent shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent's giving of notice of resignation or notice of removal by a majority of the Lenders, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent which shall be a commercial bank organized or licensed under the laws of the United States of America having combined capital and surplus of at least $100,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor, such successor shall thereupon succeed to and become vested with all the rights, powers, discretion, privileges, and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. After any retiring Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this Article 10 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Administrative Agent.

Section 10.8 Minimum Commitments by Agent. Subsequent to the Closing Date, Bank of America, N.A. agrees to maintain a Commitment in the amount equal to or greater than $25,000,000 for so long as (i) no Event of Default has occurred and is continuing and (ii) Bank of America, N.A. remains as Administrative Agent; provided that Bank of America, N.A. may participate or assign any of such amount to a Federal Reserve Bank or a majority owned subsidiary of Bank of America, N.A.

ARTICLE 11

Section 11.1 Notices. All notices, requests, consents, demands and other communications required or which any party desires to give hereunder or under any other Credit Document shall be in writing and, unless otherwise specifically provided in such other Credit Document, shall be deemed sufficiently given or furnished if delivered by personal delivery, by courier, or by registered or certified United States mail, postage prepaid, addressed to the party to whom directed at the address, in the case of Borrower, Guarantor and Administrative Agent, set forth below, and in the case of Lenders, set forth on Schedule 2.1 (unless changed by similar notice in writing given by the particular party whose address is to be changed) or by facsimile. Any such notice or communication shall be deemed to have been given and to be effective either at the time of personal delivery or, in the case of courier or mail, as of the date of first attempted delivery at the address and in the manner provided herein, or, in the case of facsimile, when transmitted (as evidence by written confirmation and provided a hard copy thereof is delivered by another means as herein provided). Notwithstanding the foregoing, no notice of change of address shall be effective except upon receipt. This Section shall not be construed in any way to affect or impair any waiver of notice or demand provided in any Credit Document or to require giving of notice or demand to or upon any person in any situation or for any reason.

All notices and other communications to Administrative Agent shall be given at the following address:

Bank of America, N.A.
Real Estate Banking Group
Bank of America Plaza, Sixth Floor
600 Peachtree Street, N.E.
Atlanta, Georgia 30308
Attn.: Gerald R. Massey, Jr.
Facsimile: (404) 607-4145

All notices and other communications to Borrower shall be given at the following address:

Wells Operating Partnership, L.P.
6200 The Corners Parkway, Suite 250
Norcross, Georgia 30092

All notices and other communications to Guarantor shall be given at the following address:

Wells Real Estate Investment Trust, Inc.
c/o 6200 The Corners Parkway, Suite 250
Norcross, Georgia 30092

Any party hereto may change the address to which notices shall be directed under this Section 11.1 by giving ten (10) days' written notice of such change to the other party.

Section 11.2 Fees and Expenses. To the extent not prohibited by applicable law, Borrower will promptly pay, and will reimburse to Administrative Agent and Lenders on demand to the extent paid by Administrative Agent or any Lender:

(a) all fees and expenses of Administrative Agent in connection with the preparation, negotiation, syndication, execution and delivery of this Agreement and the other Credit Documents, and the transactions contemplated hereunder and thereunder and the making of any Loan hereunder,

including, but not limited to, recording fees, title insurance premiums, environmental consulting fees, surveyors' fees and the fees and disbursements of counsel for Administrative Agent;

(b) all fees and expenses incurred by Administrative Agent in connection with the appraisal of each item of Collateral;

(c) all out-of-pocket expenses of Administrative Agent in connection with the administration of the transactions contemplated in this Agreement or the other Credit Documents, the preparation, negotiation, execution and delivery of any waiver, amendment or consent by Administrative Agent or Lenders relating to this Agreement or the other Credit Documents, including, but not limited to, the fees and disbursements of counsel for Administrative Agent; and all costs and expenses, including reasonable attorneys' fees and expenses, incurred or expended in connection with the exercise of any right or remedy, or the enforcement of any obligation of Borrower, hereunder or under any other Credit Document;

(d) all taxes, assessments, general or special, and other charges levied on, or assessed, placed or made against any of the Collateral, the Notes or the Obligations;

(e) all out-of-pocket costs and expenses of any restructuring, refinancing or "work out" of the transactions contemplated by this Agreement, and of obtaining performance under this Agreement or the other Credit Documents, and all out-of-pocket costs and expenses of collection if default is made in the payment of the Note, which in each case shall include those reasonable fees and out-of-pocket expenses of counsel for Administrative Agent, and the reasonable fees and out-of-pocket expenses of any experts, agents, or consultants of Administrative Agent, actually incurred; and

(f) all appraisal fees, filing and recording fees, taxes, brokerage fees and commissions, abstract fees, title search or examination fees, title policy and endorsement premiums and fees, uniform commercial code search fees, escrow fees, reasonable attorneys' fees, architect fees, construction consultant fees, environmental inspection fees, survey fees, and all other out-of-pocket costs and expenses of every character incurred by Borrower or Administrative Agent or any Lender in connection with the preparation of the Credit Documents, and any and all amendments and supplements to this Agreement or any other Credit Documents or any approval, consent, waiver, release or other matter requested or required hereunder or thereunder, or otherwise attributable or chargeable to Borrower as owner of the Property.

Section 11.3 Waivers. The rights and remedies of Administrative Agent and Lenders under this Agreement and the other Credit Documents shall be cumulative and not exclusive of any rights or remedies which they would otherwise have. No failure or delay by Administrative Agent or any Lender in exercising any right shall operate as a waiver of such right. Lenders expressly reserve the right to require strict compliance with the terms of this Agreement in connection with any funding of a request for a Loan. In the event Lenders decide to fund a Loan at a time when Borrower is not in strict compliance with the terms of this Agreement, such decision by Lenders shall not be deemed to constitute an undertaking by Lenders to fund any further requests for Loans or preclude Lenders from exercising any rights available to Lenders under the Credit Documents or at law or equity. Any waiver or indulgence granted by Lenders shall not constitute a modification of this Agreement, except to the extent expressly provided in such waiver or indulgence, or constitute a course of dealing by Administrative Agent or Lenders at variance with the terms of this Agreement such as to require further notice by Administrative Agent of Lenders' intent to require strict adherence to the terms of this Agreement in the future. Any such actions shall not in any way affect the ability of Lenders, in Lenders' discretion, to exercise any rights available to Lenders under this Agreement or under any other agreement, whether or not any Lender is a party, relating to

Borrower.

Section 11.4 Set-Off. In addition to any rights now or hereafter granted under Applicable Law and not by way of limitation of any such rights, upon the occurrence of an Event of Default and during the continuation thereof, subject to the written consent of all Lenders, each Lender and any subsequent holder of the Notes is hereby authorized by Borrower at any time or from time to time, without notice to Borrower or to any other Person, any such notice being hereby expressly waived, to set off and to appropriate and to apply any and all deposits (general or special, time or demand, including, but not limited to, Indebtedness evidenced by certificates of deposit, in each case whether matured or unmatured) and any other Indebtedness at any time held or owing by such Lender or such holder to or for the credit or the account of Borrower, against and on account of the obligations and liabilities of Borrower, to such Lender or such holder under this Agreement, the Notes and any other Credit Document, including, but not limited to, all claims of any nature or description arising out of or connected with this Agreement, the Notes or any other Credit Document, irrespective of whether or not (a) Lenders or the holder of the Notes shall have made any demand hereunder or (b) Lenders shall have declared the principal of and interest on the Loans and Notes and other amounts due hereunder to be due and payable as permitted by Section 9.2 and although said obligations and liabilities or any of them, shall be contingent or unmatured. Any sums obtained by any Lender or by any subsequent holder of the Notes shall be subject to the application of payments provisions of Article 2 hereof.

Section 11.5 Benefit of Agreement; Assignments.

(a) This Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto; provided that none of the Credit Parties may assign or transfer any of its interests and obligations without prior written consent of Administrative Agent and, unless an Event of Default has occurred and is continuing at the time any assignment is effected, Borrower, which consent shall not be unreasonably withheld;

provided further that the rights of each Lender to transfer, assign or grant participations in its rights and/or obligations hereunder shall be limited as set forth in this Section 11.5.

(b) Each Lender may assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Loans, its Notes, and its Commitment); provided, however, that

(i) each such assignment shall be to an Eligible Assignee;

(ii) except in the case of an assignment to another Lender or an assignment of all of a Lender's rights and obligations under this Agreement, any such partial assignment shall be in an amount at least equal to $10,000,000 (or, if less, the remaining amount of the Commitment being assigned by such Lender) or an integral multiple of $1,000,000 in excess thereof (provided that such assigning Lender must, at the time of such partial assignment, retain a Commitment in an amount at least equal to $10,000,000);

(iii) each such assignment by a Lender shall be of a constant, and not varying, percentage of all of its rights and obligations under this Agreement and the Notes; and

(iv) the parties to such assignment shall execute and

deliver to Administrative Agent for its acceptance an Assignment and Acceptance in the form of Exhibit 11.5(b) hereto, together with any Note subject to such assignment and a processing fee of $2,500.

Upon execution, delivery, and acceptance of such Assignment and Acceptance, the assignee thereunder shall be a party hereto and, to the extent of such assignment, have the obligations, rights, and benefits of a Lender hereunder and the assigning Lender shall, to the extent of such assignment, relinquish its rights and be released from its obligations under this Agreement. Upon the consummation of any assignment pursuant to this Section 11.5(b), the assignor, Administrative Agent and Borrower shall make appropriate arrangements so that, if required, new Notes are issued to the assignor and the assignee. If the assignee is not incorporated under the laws of the United States of America or a state thereof, it shall deliver to Borrower and Administrative Agent certification as to exemption from deduction or withholding of Taxes in accordance with Section 2.18.

(c) Administrative Agent shall maintain at its address referred to in Section 11.1 a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of Lenders and the Commitment of, and principal amount of the Loans owing to, each Lender from time to time (the "Register"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and Borrower, Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(d) Upon its receipt of an Assignment and Acceptance executed by the parties thereto, together with any Note subject to such assignment and payment of the processing fee, Administrative Agent shall, if such Assignment and Acceptance has been completed and is in substantially the form of Exhibit 11.5(b) hereto, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the parties thereto.

(e) Each Lender may sell participations (each in an amount at least equal to $10,000,000 or an integral multiple of $1,000,000 in excess thereof) to one or more Persons (which may include other Lenders or an affiliate of a Lender but shall exclude Credit Parties and any affiliate of any Credit Party) in all or a portion of its rights, obligations or rights and obligations under this Agreement (including all or a portion of its Commitment or its Loans); provided, however, that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the participant shall be entitled to the benefit of the yield protection provisions contained in Sections 2.14 through 2.19, inclusive, and the right of set-off contained in Section 11.4, and (iv) Borrower shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, and such Lender shall retain the sole right to enforce the obligations of Borrower relating to its Loans and its Notes and to approve any amendment, modification, or waiver of any provision of this Agreement (other than amendments, modifications, or waivers decreasing the amount of principal of or the rate at which interest is payable on such Loans or Notes, extending any scheduled principal payment date or date fixed for the payment of interest on such Loans or Notes, or extending its Commitment).

(f) Notwithstanding any other provision set forth in this

Agreement, any Lender may at any time assign and pledge all or any portion of its Loans and its Notes to any Federal Reserve Bank as collateral security pursuant to Regulation A and any Operating Circular issued by such Federal Reserve Bank. No such assignment shall release the assigning Lender from its obligations hereunder.

(g) Any Lender may furnish any information concerning Borrower or any of its Subsidiaries in the possession of such Lender from time to time to assignees and participants (including prospective assignees and participants), subject, however, to the provisions of Section 11.15 hereof.

Section 11.6 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument.

Section 11.7 Governing Law; Submission to Jurisdiction; Venue.

(a) THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE

WITH THE LAWS OF THE STATE OF GEORGIA. Any legal action or proceeding with respect to this Agreement or any other Credit Document may be brought in the courts of the State of Georgia in Fulton County, or of the United States for the Northern District of Georgia, and, by execution and delivery of this Agreement, each of the Credit Parties hereby irrevocably accepts for itself and in respect of its property, generally and unconditionally, the nonexclusive jurisdiction of such courts. Each of the Credit Parties further irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to it at the address set out for notices pursuant to Section 11.1, such service to become effective three (3) days after such mailing. Nothing herein shall affect the right of Administrative Agent or any Lender to serve process in any other manner permitted by law or to commence legal proceedings or to otherwise proceed against any Credit Party in any other jurisdiction.

(b) Each of the Credit Parties hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions or proceedings arising out of or in connection with this Agreement or any other Credit Document brought in the courts referred to in subsection (a) above and hereby further irrevocably waives and agrees not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum.

(c) TO THE EXTENT PERMITTED BY LAW, EACH OF ADMINISTRATIVE AGENT, LENDERS, BORROWER AND ANY OTHER CREDIT PARTIES HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OF THE OTHER CREDIT DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 11.8 Severability. Any provision of this Agreement which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 11.9 Headings. Headings used in this Agreement are for convenience only and shall not be used in connection with the interpretation of any provision hereof.

Section 11.10 Interest. In no event shall the amount of interest due or payable hereunder or under the Notes exceed the maximum rate of interest allowed by Applicable Law, and in the event any such payment is inadvertently made by Borrower or inadvertently received by Administrative Agent or any Lender, then such excess sum shall be credited as a payment of principal, unless Borrower shall notify Administrative Agent in writing that it elects to have such excess sum returned forthwith. It is the express intent hereof that Borrower not pay and Administrative Agent and Lenders not receive, directly or indirectly in any manner whatsoever, interest in excess of that which may legally be paid by Borrower under Applicable Law.

Section 11.11 Entire Agreement. Except as otherwise expressly provided herein, this Agreement and the other documents described or contemplated herein embody the entire Agreement and understanding among the parties hereto and thereto and supersede all prior agreements, understandings, and conversations relating to the subject matter hereof and thereof. Borrower represents and warrants to Administrative Agent that it has read the provisions of this Section and discussed the provisions of this Section and the rest of this Agreement with counsel for Borrower, and Borrower acknowledges and agrees that Administrative Agent is expressly relying upon such representations and warranties of Borrower (as well as the other representations and warranties of Borrower set forth in Article 4 hereof) in entering into this Agreement.

Section 11.12 Amendment and Restatement. This Agreement amends and restates that certain Amended and Restated Revolving Loan Agreement dated as of January 31, 2001 among Borrower, Guarantor and Administrative Agent in its capacity as lender, and is intended to supersede and replace the prior agreement.

Section 11.13 Other Relationships. No relationship created hereunder or under any other Credit Document shall in any way affect the ability of Administrative Agent to enter into or maintain business relationships with Borrower, or any of its Affiliates, beyond the relationships specifically contemplated by this Agreement and the other Credit Documents.

Section 11.14 Amendment, Waivers and Consents. Neither this Agreement nor any other Credit Document nor any of the terms hereof or thereof may be amended, changed, waived, discharged or terminated unless such amendment, change, waiver, discharge or termination is in writing entered into by, or approved in writing by, Required Lenders and Borrower, provided, however, that:

(a) without the consent of each Lender affected thereby, neither this Agreement nor any of the other Credit Documents may be amended, supplemented or modified to:

(i) extend the final maturity of any Loan,

(ii) reduce the rate or extend the time of payment of interest (other than as a result of waiving the applicability of any post-default increase in interest rates) thereon or Fees hereunder,

(iii) reduce or waive the principal amount of any Loan,

(iv) increase the Committed Amount or the Commitment of a Lender over the amount thereof in effect (it being understood and agreed that a waiver of any Default or Event of Default or mandatory reduction in the Commitments shall not constitute a change in the terms of any Commitment of any

Lender),

(v) release (i) Borrower, or (ii) Guarantor or any other Credit Party, from its or their obligations under the Credit Documents, or modify the Guaranty Agreement,

(vi) amend, modify or waive any provision of this Section 11.14,

(vii) reduce any percentage specified in, or otherwise modify, the definition of Required Lenders and Supermajority Lenders;

(viii) consent to the assignment or transfer by any Borrower (or another Credit Party) of any of its rights and obligations under (or in respect of) the Credit Documents except as permitted thereby, or

(ix) consent to the addition of Collateral to the Collateral Pool;

(b) without the consent of the Supermajority Lenders, no provision of Section 6.1(a), Section 6.2(a) or Section 6.2(b) or the definitions utilized therein may be amended, modified, supplemented or deleted; and

(c) without the consent of Administrative Agent, no provision of Section 10 may be amended, modified, supplemented or deleted.

Notwithstanding the fact that the consent of all the Lenders is required in certain circumstances as set forth above, (x) each Lender is entitled to vote as such Lender sees fit on any bankruptcy reorganization plan that affects the Loans, and each Lender acknowledges that the provisions of Section 1126(c) of the Bankruptcy Code supersedes the unanimous consent provisions set forth herein and (y) Required Lenders may consent to allow a Credit Party to use cash collateral in the context of a bankruptcy or insolvency proceeding.

Section 11.15 Confidentiality. Administrative Agent and each Lender (each, a "Lending Party") agrees to keep confidential any information furnished or made available to it by Borrower and Guarantor pursuant to this Agreement that is marked confidential; provided that nothing herein shall prevent any Lending Party from disclosing such information (a) to any other Lending Party or any Affiliate of any Lending Party, or any officer, director, employee, agent, or advisor of any Lending Party or Affiliate of any Lending Party, (b) to any other Person if reasonably incidental to the administration of the credit facility provided herein, (c) as required by any law, rule, or regulation, (d) upon the order of any court or administrative agency, (e) upon the request or demand of any regulatory agency or authority, (f) that is or becomes available to the public or that is or becomes available to any Lending Party other than as a result of a disclosure by any Lending Party prohibited by this Agreement, (g) in connection with any litigation to which such Lending Party or any of its Affiliates may be a party as necessary to fully assert its claims or to defend itself with respect to such litigation or as otherwise required in connection with any other litigation to which such Lending Party or any of its Affiliates may be a party, (h) to the extent necessary in connection with the exercise of any remedy under this Agreement or any other Credit Document, and (i) subject to provisions substantially similar to those contained in this Section 11.15, to any actual or proposed participant or assignee.

Section 11.16 Conflict. To the extent that there is a conflict or

inconsistency between any provision hereof, on the one hand, and any provision of any Credit Document, on the other hand, this Agreement shall control.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused it to be executed under seal by their duly authorized officers, all as of the day and year first above written.

BORROWER: WELLS OPERATING PARTNERSHIP, L.P.,
a Delaware limited partnership

By: Wells Real Estate Investment Trust, Inc.,
a Maryland corporation,
General Partner

By:/s/ Leo F. Wells
Name: Leo F. Wells, III
Title: President

[CORPORATE SEAL]

GUARANTOR: WELLS REAL ESTATE INVESTMENT TRUST, INC.,
a Maryland corporation, General Partner

By:/s/ Leo F. Wells
Name: Leo F. Wells, III
Title: President
[CORPORATE SEAL]

[SIGNATURES CONTINUED ON NEXT PAGE]

[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

LENDERS: BANK OF AMERICA, N.A., a national banking association,
individually in its capacity as a Lender and in its capacity as
Administrative Agent

By: /s/ Gerald R Massey, JR.
Name: GERALD R. MASSEY, JR.
Title: SENIOR VICE PRESIDENT

[BANK SEAL]

[SIGNATURES CONTINUED ON NEXT PAGE]

[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

GUARANTY BANK,
a national banking association

By: /s/ Richard V. Thompson
Name: Richard V. Thompson
Title: Senior Vice President

[BANK SEAL]

[SIGNATURES CONTINUED ON NEXT PAGE]

[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

WELLS FARGO BANK, NATIONAL ASSOCIATION,
individually in its capacity as a Lender

By: /s/ Samuel Wammock
Name: Samuel Wammock
Title: Vice President

[BANK SEAL]

SCHEDULE 1.1(a)

ACQUISITION COST OF EXISTING COLLATERAL

California Property	$18,400,000
Illinois Property	$16,900,000
New Jersey Property	$35,100,000
Pennsylvania Property	$9,825,000
Michigan Property	$18,710,000
Minnesota Property	$52,800,000

SCHEDULE 1.1 (a)

SCHEDULE 2.1

LENDERS

LENDER:	COMMITMENT PERCENTAGE:
Bank of America, N.A. Real Estate Banking Group Bank of America Plaza - Sixth Floor 600 Peachtree Street, N.E. Atlanta, Georgia 30308 Facsimile No.: 404-607-4145	41.1764706%
Guaranty Bank 833 Douglas Avenue Suite 1000 Dallas, Texas 75225 Facsimile No.: 214-360-1661	29.4117647%
Wells Fargo Bank, National Association 2859 Paces Ferry Road Suite 1805 Atlanta, Georgia 30339 Facsimile No.: 770-435-2262	29.4117647%

SCHEDULE 2.1

EXHIBIT 10.24

CONSTRUCTION LOAN AGREEMENT

CONSTRUCTION LOAN AGREEMENT

(Syndication)

THIS CONSTRUCTION LOAN AGREEMENT ("Agreement") is made by and among each lender from time to time a party hereto (individually, a "Lender" and collectively, the "Lenders"), and BANK OF AMERICA, N.A., a national banking association as Administrative Agent, and WELLS OPERATING PARTNERSHIP, L.P., a Delaware limited partnership ("Borrower"), who agree as follows:

ARTICLE 1 - THE LOAN

1.1 General Information and Exhibits. This Agreement includes the Exhibits listed below which are marked by an "X", all of which Exhibits are attached hereto and made a part hereof for all purposes. Borrower and Lenders agree that if any Exhibit to be attached to this Agreement contains blanks, the same shall be completed correctly and in accordance with this Agreement prior to or at the time of the execution and delivery thereof.

X	Exhibit "A"	-	Legal Description of the Land
X	Exhibit "B"	-	Basic Information
X	Exhibit "C"	-	Certain Conditions Precedent to the First Advance
X	Exhibit "D"	-	Budget
X	Exhibit "E"	-	Plans
X	Exhibit "F"	-	Advances
X	Exhibit "F-1"	-	Draw Request
X	Exhibit "G"	-	Survey Requirements
	Exhibit "H"	-	Permanent Loan
X	Exhibit "I"	-	Leasing and Tenant Matters
X	Exhibit "J"	-	List of Required Bonds
	Exhibit "K"	-	Letters of Credit
X	Exhibit "L"	-	Assignment and Acceptance
X	Exhibit "M"	-	Promissory Note
X	Exhibit "N"	-	Schedule of Lenders

The Exhibits contain other terms, provisions and conditions applicable to the Loan. Capitalized terms used in this Agreement shall have the meanings assigned to them in the Basic Information set forth in Exhibit "B" (the "Basic Information"). This Agreement and the other Loan Documents, which must be in

form, detail and substance satisfactory to Lenders, evidence the agreements of Borrower and Lenders with respect to the Loan. Borrower shall comply with all of the Loan Documents.

1.2 Purpose. The proceeds of the Loan shall be used by Borrower to pay (i) the cost of the construction of the Improvements on the Land and (ii) other fees, costs and expenses relating to the Property if and to the extent that such costs are specifically provided for in the Loan Allocation column in the Budget.

1.3 Commitment to Lend. Borrower agrees to borrow from each Lender, and each Lender severally agrees to make advances of its Pro Rata Share of the Loan proceeds to Borrower in amounts

at any one time outstanding not to exceed such Lender's Pro Rata Share of the Loan and (except for Administrative Agent with respect to Administrative Agent Advances), on the terms and subject to the conditions set forth in this Agreement and Exhibit "C" and Exhibit "F" attached to this Agreement. Lender's commitment to lend shall expire and terminate (a) automatically on the Advance Termination Date; (b) automatically if the Loan is prepaid in full; and (c) automatically upon the occurrence of a Default. The Loan is not revolving. Any amount repaid may not be reborrowed.

1.4 Budget. Loan funds are allocated to payment of the costs of the Project shown in the "Loan Allocation" column of the Budget attached to this Agreement as Exhibit "D". Borrower shall not amend the Budget, or otherwise reallocate Loan funds from one Budget line item to another, without the prior written approval of Administrative Agent in its sole discretion. The Budget has been prepared by Borrower, and Borrower represents to Administrative Agent and Lenders that the Budget includes all costs incident to the Loan and the Project through the maturity date of the Loan (collectively, the "Aggregate Cost") after taking into account the requirements of this Agreement, including "hard" and "soft" costs, fees and expenses. Unless approved by Administrative Agent in its sole discretion, no advance shall be made (a) for any cost not set forth in the Budget, (b) from any line item in the Budget that, when added to all prior advances from that line item, would exceed the lesser of (i) the actual cost incurred by Borrower for such line item, or (ii) the sum shown in the "Loan Allocation" column in the Budget for such line item, (c) from any contingency line item, or (d) to pay interest on the Loan after commencement of operations in the Improvements if and to the extent that, subject to the provisions of Exhibit "I", there is sufficient net operating income from the Property to pay such interest. Advances from any line item in the Budget for purposes other than those for which amounts are initially allocated to such line item, or changes in the relative amounts allocated to particular line items in the Budget may only be made as Administrative Agent in its sole discretion deems necessary or advisable.

1.5 Borrower's Deposit. If at any time Administrative Agent determines that the sum of: (i) any unadvanced portion of the Loan to which Borrower is entitled, plus (ii) the portions of the Aggregate Cost that are to be paid by Borrower from other funds that, to Administrative Agent's satisfaction, are available, set aside and committed, is or will be insufficient to pay the actual unpaid Aggregate Cost, Borrower shall, within seven (7) days after written notice from Administrative Agent, deposit with Administrative Agent the amount of the deficiency ("Borrower's Deposit") in an interest-bearing account of

Administrative Agent's selection with interest earned thereon to be part of Borrower's Deposit. Such Borrower's Deposit is hereby pledged to Administrative Agent and Lenders as additional security for the Loan, and Borrower hereby grants and conveys to Administrative Agent for the ratable benefit of Administrative Agent and Lenders a security interest in all funds so deposited with Administrative Agent, as additional security for the Loan. Administrative Agent may advance all or a portion of the Borrower's Deposit prior to the Loan proceeds. Administrative Agent may (but shall have no obligation to) apply all or any part of Borrower's Deposit against the unpaid Indebtedness in such order as Administrative Agent determines.

1.6 Evidence of Debt. Amounts of the Loan made by each Lender shall be
---

evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Loan made by the Lenders to the Borrower and the interest and payments thereon. Any failure so to record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to

pay any amount owing with respect to the Loans. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of Administrative Agent shall control. Each Lender may attach schedules to its Note(s) and endorse thereon the date, amount and maturity of the applicable Note and payments with respect thereto.

1.7 Interest Rates.

(a) The unpaid principal balance of this Loan from day to day outstanding which is not past due, shall bear interest at a fluctuating rate of interest equal to the lesser of (I) the maximum non-usurious rate of interest allowed by applicable law or (II) the LIBOR Daily Rate plus two hundred (200) basis points per annum. The "LIBOR Daily Rate" shall mean a fluctuating rate of
---

interest equal to the one month rate of interest (rounded upwards, if necessary to the nearest 1/100 of 1%) appearing on Telerate Page 3750 (or any successor page) as the one month London interbank offered rate for deposits in U.S. Dollars at approximately 11:00 a.m. (London time) on the second preceding Business Day, as adjusted from time to time in Lender's sole discretion for then applicable reserve requirements, deposit insurance assessment rates and other regulatory costs. If for any reason such rate is not available, the term "LIBOR

Daily Rate" shall mean the fluctuating rate of interest equal to the one month
---

rate of interest (rounded upwards, if necessary to the nearest 1/100 of 1%) appearing on Reuters Screen LIBO Page as the one month London interbank offered rate for deposits in U.S. Dollars at approximately 11:00 a.m. (London time) on the second preceding Business Day, as adjusted from time to time in Administrative Agent's sole discretion for then applicable reserve requirements, deposit insurance assessment rates and other regulatory costs; provided, however, if more than one rate is specified on Reuters Screen LIBO Page, the applicable rate shall be the arithmetic mean of all such rates. "Telerate Page
----

3750" means the British Bankers Association Libor Rates (determined as of 11:00
----

a.m. London time) that are published by Bridge Information Systems, Inc. Interest shall be computed for the actual number of days which have elapsed, on the basis of a 360-day year.

(b) If Administrative Agent determines that no adequate basis exists for determining the LIBOR Daily Rate or that the LIBOR Daily Rate will not

adequately and fairly reflect the cost to Lenders of funding the Loan, or that any applicable law or regulation or compliance therewith by any Lender prohibits or restricts or makes impossible the charging of interest based on the LIBOR Daily Rate and such Lender so notifies Administrative Agent and Borrower, then until Administrative Agent notifies Borrower that the circumstances giving rise to such suspension no longer exist, interest shall accrue and be payable on the unpaid principal balance of this Loan from the date Administrative Agent so notifies Borrower until the Maturity Date of this Loan (whether by acceleration, declaration, extension or otherwise) at a fluctuating rate of interest equal to the Prime Rate of Administrative Agent. Each Lender agrees to designate a different Lending Office if such designation will avoid the need for such notice and will not, in the good faith judgment of such Lender, otherwise be materially disadvantageous to such Lender. Each time the Prime Rate changes, the per annum rate of interest on this Loan shall change immediately and contemporaneously with such change in the Prime Rate. If Administrative Agent (including any subsequent Administrative Agent) ceases to exist or to establish or publish a prime rate which the Prime Rate is then determined, the applicable variable rate from which the Prime Rate is determined thereafter shall be instead the prime rate reported in The Wall Street Journal (or the average prime

rate if a high and a low prime rate are therein reported), and the Prime Rate shall change without notice with each change in such prime rate as of the date such change is reported.

1.7.1 Past Due Rate. Any principal of, and to the extent permitted by applicable law, any interest on this Loan, and any other sum payable hereunder, which is not paid when due shall bear interest, from the date due and payable until paid, payable on demand, at a rate per annum (the "Past Due Rate") equal to the lesser of (I) the maximum non-usurious rate of interest allowed by applicable law or (II) the LIBOR Daily Rate plus six hundred (600) basis points.

1.8 Prepayment. Borrower may prepay the principal balance of this Loan, in full at any time or in part from time to time, without fee, premium or penalty, provided that: (a) no prepayment may be made which in Administrative Agent's judgment would contravene or prejudice funding under any applicable Permanent Loan Commitment or Tri-party Agreement or the like; (b) Administrative Agent shall have actually received from Borrower prior written notice of (i) Borrower's intent to prepay, (ii) the amount of principal which will be prepaid (the "Prepaid Principal"), and (iii) the date on which the prepayment will be made; (c) each prepayment shall be in a Minimum Amount multiple of $1,000 (unless the prepayment retires the outstanding balance of this Loan in full); and (d) each prepayment shall be in the amount of 100% of the Prepaid Principal, plus accrued unpaid interest thereon to the date of prepayment, plus any other sums which have become due to Administrative Agent and Lenders under the Loan Documents on or before the date of prepayment but have not been paid. If this Loan is prepaid in full, any commitment of Lenders for further advances shall automatically terminate.

1.9 Consequential Loss. Within fifteen (15) days after request by any Lender (or at the time of any prepayment), Borrower shall pay to such Lender such amount or amounts as will compensate such Lender for any loss, cost, expense, penalty, claim or liability, including any loss incurred in obtaining, prepaying, liquidating or employing deposits or other funds from third parties and any loss of revenue, profit or yield, as determined by such Lender in its judgment reasonably exercised (together, "Consequential Loss") incurred by such Lender with respect to any LIBOR Rate, including any LIBOR Rate Election or LIBOR Rate Principal as a result of: (a) the failure of Borrower to make payments on the date specified under this Agreement or in any notice from

Borrower to Administrative Agent; (b) the failure of Borrower to borrow, continue or convert into LIBOR Rate Principal on the date or in the amount specified in a notice given by Borrower to Administrative Agent pursuant to this Agreement or the Loan Agreement; (c) the early termination of any Interest Period for any reason; or (d) the payment or prepayment of any amount on a date other than the date such amount is required or permitted to be paid or prepaid, whether voluntarily or by reason of acceleration, including, but not limited to, acceleration upon any transfer or conveyance of any right, title or interest in the Property giving Administrative Agent on behalf of Lenders the right to accelerate the maturity of the Loan as provided in the Deed of Trust. The foregoing notwithstanding, the amounts of the Consequential Loss shall never be less than zero or greater than is permitted by applicable law. If any Consequential Loss will be due, the Lender shall deliver to Borrower a notice as to the amount of the Consequential Loss, which notice shall be conclusive in the absence of manifest error. Neither Administrative Agent nor the Lenders shall have any obligation to purchase, sell and/or match funds in connection with the funding or maintaining of the Loan or any portion thereof. The obligations of Borrower under this Section shall survive any termination of the Loan Documents and payment of this Loan and shall not be waived by any delay by Administrative Agent or Lenders in seeking such compensation.

1.10 Late Charge. If Borrower shall fail to make any payment due hereunder
or under the terms of any Note within fifteen (15) days after the date such payment is due, Borrower shall pay to the applicable Lender or Lenders on demand a late charge equal to four percent (4%) of such payment. Such fifteen (15) day period shall not be construed as in any way extending the due date of any payment. The "late charge" is imposed for the purpose of defraying the expenses of a Lender incident to handling such defaulting payment. This charge shall be in addition to, and not in lieu of, any other remedy Lenders may have and is in addition to any fees and charges of any agents or attorneys which Administrative Agent or Lenders may employ upon the occurrence of a Default, whether authorized herein or by law.

1.11 Taxes.

(a) Any and all payments by Borrower to or for the account of Administrative Agent or any Lender under any Loan Document shall be made free and clear of and without deduction for any and all present or future taxes, duties, levies, imposts, deductions, assessments, fees, withholdings or similar charges, and all liabilities with respect thereto, excluding, in the case of Administrative Agent and any Lender, taxes imposed on or measured by its net income, and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the Laws of which Administrative Agent or such Lender, as the case may be, is organized or maintains a lending office (all such non-excluded taxes, duties, levies, imposts, deductions, assessments, fees, withholdings or similar charges, and liabilities being hereinafter referred to as "Taxes"). If Borrower shall be required by any Laws to deduct any Taxes from or in respect of any sum payable under any Loan Document to Administrative Agent or any Lender, (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section), Administrative Agent and such Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) Borrower shall make such deductions, (iii) Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable Laws, and (iv) within 30 days after the date of such payment, Borrower shall furnish to Administrative Agent (which shall forward the same to such Lender) the original or a certified copy of a receipt evidencing payment thereof.

(b) In addition, Borrower agrees to pay any and all present or future

stamp, court or documentary taxes and any other excise or property taxes or charges or similar levies which arise from any payment made under any Loan Document or from the execution, delivery, performance, enforcement or registration of, or otherwise with respect to, any Loan Document (hereinafter referred to as "Other Taxes").

(c) If Borrower shall be required by the Laws of any jurisdiction outside the United States to deduct any Taxes from or in respect of any sum payable under any Loan Document to Administrative Agent or any Lender, Borrower shall also pay to Administrative Agent (for the account of such Lender) or to such Lender, at the time interest is paid, such additional amount that such Lender specifies as necessary to preserve the after-tax yield (after factoring in United States (federal and state) taxes imposed on or measured by net income) the Lender would have received if such deductions (including deductions applicable to additional sums payable under this Section) had not been made.

(d) Borrower agrees to indemnify Administrative Agent and each Lender for the full amount of Taxes and Other Taxes (including any Taxes or Other Taxes imposed or asserted by any jurisdiction on amounts payable under this Section) paid by Administrative Agent and such Lender and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, in each case whether or not such Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Tribunal. Payment under this subsection (d) shall be made within 30 days after the date the Lender or the Administrative Agent makes a demand therefor.

(e) Without prejudice to the survival of any other agreement of Borrower hereunder, the agreements and obligations of Borrower contained in this Section shall survive the termination of the Commitments and the payment in
----
full of all the other Obligations.

1.12 Payment Schedule and Maturity Date. The entire principal balance
----
of the Loan then unpaid and all accrued interest then unpaid shall be due and payable in full on the Maturity Date. Accrued unpaid interest shall be due and payable on the first (1st) day of the calendar month after the date of this Agreement and on the same day of each succeeding calendar month thereafter until all principal and accrued interest owing on this Loan shall have been fully paid and satisfied.

1.13 Advances and Payments.

(a) Following receipt of a Draw Request, Administrative Agent shall promptly provide each Lender with a copy of the Draw Request Form in the form of Exhibit "F-1", the related AIA Document G-702 and G-703, the related
----
written certification by Borrower's Architect and if available the related written certification of the Construction Consultant. Administrative Agent shall notify each Lender telephonically (with confirmation by facsimile) or by facsimile (with confirmation by telephone) not later than 1:00 p.m. Administrative Agent's Time two (2) Business Days prior to the advance Funding Date for LIBOR Rate Principal advances, and one (1) Business Day prior to the advance Funding Date for all other advances, of its Pro Rata Share of the Amount Administrative Agent has determined shall be advanced in connection therewith ("Advance Amount"). In the case of an advance of the Loan, each Lender shall
----
make the funds for its Pro Rata Share of the Advance Amount available to Administrative Agent not later than 11:00 a.m. Administrative Agent's Time on the Funding Date thereof. After Administrative Agent's receipt of the Advance Amount from Lenders, Administrative Agent shall make proceeds of the Loan in an amount equal to the Advance Amount (or, if less, such portion of the Advance

Amount that shall have been paid to Administrative Agent by Lenders in accordance with the terms hereof) available to Borrowers on the applicable Funding Date by advancing such funds to Borrowers in accordance with the provisions of Exhibit "F".

(b) All payments by Borrower shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by Borrower hereunder shall be made to Administrative Agent not later than 12:00 p.m. Administrative Agent's Time on the date specified herein. Administrative Agent shall promptly distribute to each Lender, such funds as it may be entitled to receive hereunder.

(c) Except as otherwise provided herein, all payments by Borrower or any Lender shall be made to Administrative Agent at Administrative Agent's Office not later than the time for such type of payment specified in this Agreement. All payments received after such time

shall be deemed received on the next succeeding Business Day. All payments shall be made in immediately available funds in lawful money of the United States of America.

(d) Upon satisfaction of any applicable terms and conditions set forth herein, Administrative Agent shall promptly make any amounts received in accordance with the prior subsection available in like funds received as follows: (i) if payable to Borrower, in accordance with Exhibit "F", except as
                                                                    ----
otherwise specified herein, and (ii) if payable to any Lender, by wire transfer to such Lender at the address specified in the Schedule of Lenders.

(e) Unless Borrower or any Lender has notified Administrative Agent prior to the date any payment is required to be made by it to Administrative Agent, that Borrower or such Lender, as the case may be, will not make such payment, Administrative Agent may assume that Borrower or such Lender, as the case may be, has timely made such payment and may (but shall not be required to do so) in reliance thereon, make available a corresponding amount to the person or entity entitled thereto. If and to the extent that such payment was not in fact made to Administrative Agent in immediately available funds, then:

(i) if Borrower failed to make such payment, each Lender shall forthwith on demand repay to Administrative Agent the portion of such assumed payment that was made available to such Lender in immediately available funds, together with interest thereon in respect of each day from and including the date such amount was made available by Administrative Agent to such Lender to the date such amount is repaid to Administrative Agent in immediately available funds at the Federal Funds Rate from time to time in effect; and

(ii) if any Lender failed to make such payment, such Lender or, if applicable, Electing Lender or Lenders shall forthwith on demand pay to Administrative Agent the amount thereof in immediately available funds, together with interest thereon for the period from the date amount was made available by Administrative Agent to Borrower to the date such amount is recovered by Administrative Agent (the "Compensation Period") at a rate per annum equal to the interest rate
                                                                    ----
applicable to such amount under the Loan. If such Lender pays such amount to Administrative Agent, then such amount shall constitute such Lender's Pro Rata Share, included in the applicable Loan advance. If such Lender does not pay such amount forthwith upon Administrative Agent's demand therefor, Administrative Agent may make a demand therefor upon Borrower, and the Borrower shall pay such amount to

Administrative Agent, together with interest thereon for the Compensation Period at a rate per annum equal to the rate of interest applicable to such amount under the Loan. Nothing herein shall be deemed to relieve any Lender from its obligation to fulfill its Commitment or to prejudice any rights which Administrative Agent or Borrower may have against any Lender as a result of any default by such Lender hereunder.

A notice of the Administrative Agent to any Lender with respect to any amount owing under this subsection shall be conclusive, absent manifest error.

(f) If any Lender makes available to the Administrative Agent funds for any Loan advance to be made by such Lender as provided in the foregoing provisions of this Section, and the funds are not advanced to Borrower or otherwise used to satisfy any Obligations of Lender

hereunder, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest, within two (2) business days.

(g) Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan advance in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan advance in any particular place or manner.

1.14. Administrative Agent Advances.

(a) Administrative Agent is hereby authorized by Borrower and Lenders, from time to time, in Administrative Agent's sole discretion, (i) after the occurrence of a Default (but without constituting a waiver of such Default), (ii) at any time that any of the other applicable conditions precedent set forth in Exhibit "C" and Exhibit "F" to the making of advances have been satisfied to the extent required by Administrative Agent, or (iii) after acquisition of all or a portion of the Loan collateral by foreclosure or deed in lieu of foreclosure, to make advances of the Loan to Borrowers or otherwise expend funds on behalf of Lenders which Administrative Agent, in its reasonable business judgment, deems necessary or desirable (x) to preserve or protect the Loan collateral (including those with respect to property taxes, insurance premiums, completion of construction, operation, management, improvements, maintenance, repair, sale and disposition), or any portion thereof, or (y) to pay any costs, fees and expenses as described in Section 6.10 herein (any of the advances described in this Section being herein referred to as "Administrative Agent Advances"). Notwithstanding anything herein to the contrary, advances for the completion of the construction, operation, management, improvements, maintenance, repair, sale and disposition shall only be considered protective advances as described in this paragraph in the event that such advances do not exceed the sum of One Million Dollars ($1,000,000) in the cumulative. In the event that such advances exceed One Million Dollars ($1,000,000) any further advances shall require the prior consent of the Required Lenders.

(b) Administrative Agent Advances shall constitute obligatory advances of Lenders under this Agreement, shall be repayable on demand and secured by the Loan collateral, and shall bear interest at the rate applicable to such amount under the Loan or otherwise at the Prime Rate. Administrative Agent shall notify each Lender in writing of each Administrative Agent Advance. Upon receipt of notice from Administrative Agent of its making of an Administrative Agent Advance, each Lender shall make the amount of such Lender's Pro Rata Share of the outstanding principal amount of the Administrative Agent Advance available to Administrative Agent, in same day funds, to such account of

Administrative Agent as Administrative Agent may designate, (i) on or before 3:00 p.m. (Administrative Agent's Time) on the day Administrative Agent provides Lenders with notice of the making of such Administrative Agent Advance if Administrative Agent provides such notice on or before 12:00 p.m. (Administrative Agent's Time), or (ii) on or before 12:00 p.m. on the Business Day immediately following the day Administrative Agent provides Lenders with notice of the making of such advance if Administrative Agent provides notice after 12:00 p.m. (Administrative Agent's Time).

1.15 Defaulting Lender.

1.15.1 Notice and Cure of Lender Default; Election Period; Electing Lenders. Administrative Agent shall notify (such notice being referred to as the "Default Notice") Borrower

(for Loan advances) and each non-Defaulting Lender if any Lender is a Defaulting Lender. Each non-Defaulting Lender shall have the right, but in no event or under any circumstance the obligation, to fund such Defaulting Lender Amount, provided that, within twenty (20) days of the date of the Default Notice (the "Election Period"), such non-Defaulting Lender or Lenders (each such Lender, an "Electing Lender") irrevocably commit(s) by notice in writing (an "Election Notice") to Administrative Agent, the other Lenders and Borrower to fund the Defaulting Lender Amount. If Administrative Agent receives more than one Election Notice within the Election Period, then the commitment to fund the Defaulting Lender Amount shall be apportioned pro rata among the Electing Lenders in the proportion that the amount of each such Electing Lender's Commitment bears to the total Commitments of all Electing Lenders. If the Defaulting Lender fails to pay the Defaulting Lender Payment Amount within the Election Period, the Electing Lender or Lenders, as applicable, shall be automatically obligated to fund the Defaulting Lender Amount (and Defaulting Lender shall no longer be entitled to fund such Defaulting Lender Amount) within three (3) Business Days after such notice to Administrative Agent for reimbursement to Administrative Agent or payment to Borrower as applicable. Notwithstanding anything to the contrary contained herein, if Administrative Agent has funded the Defaulting Lender Amount, Administrative Agent shall be entitled to reimbursement for its portion of the Defaulting Lender Payment Amount pursuant to Section 5.11.

1.15.2 Removal of Rights; Indemnity. Administrative Agent shall not be obligated to transfer to a Defaulting Lender any payments made by or on behalf of Borrower to Administrative Agent for the Defaulting Lender's benefit; nor shall a Defaulting Lender be entitled to the sharing of any payments hereunder or under any Note until all Defaulting Lender Payment Amounts are paid in full. Administrative Agent shall hold all such payments received or retained by it for the account of such Defaulting Lender; Amounts payable to a Defaulting Lender shall be paid by Administrative Agent to reimburse Administrative Agent and any Electing Lender pro rata for all Funds Defaulting Lender Payment Amounts. Solely for the purposes of voting or consenting to matters with respect to the Loan Documents, a Defaulting Lender shall be deemed not to be a "Lender" and such Defaulting Lender's Commitment shall be deemed to be zero. A Defaulting Lender shall have no right to participate in any discussions among and/or decisions by Lenders hereunder and/or under the other Loan Documents. Further, any Defaulting Lender shall be bound by any amendment to, or waiver of, any provision of, or any action taken or omitted to be taken by Administrative Agent and/or the non-Defaulting Lenders under, any Loan

Document which is made subsequent to the Defaulting Lender's becoming a Defaulting Lender. This Section shall remain effective with respect to a Defaulting Lender until such time as the Defaulting Lender shall no longer be in default of any of its obligations under this Agreement by curing such default by payment of all Defaulting Lender Payment Amounts (i) within the Election Period, or (ii) after the Election Period with the consent of the non-Defaulting Lenders. Such Defaulting Lender nonetheless shall be bound by any amendment to or waiver of any provision of, or any action taken or omitted to be taken by Administrative Agent and/or the non-Defaulting Lenders under any Loan Document which is made subsequent to that Lender's becoming a Defaulting Lender and prior to such cure or waiver. The operation of this Section shall not be construed to increase or otherwise affect the Commitment of any non-Defaulting Lender, or relieve or excuse the performance by Borrower of their duties and obligations hereunder or under any of the other Loan Documents. Furthermore, nothing contained in this Section shall release or in any way limit a Defaulting Lender's obligations as a Lender hereunder and/or under any other of the Loan Documents. Further, a Defaulting Lender shall indemnify and hold harmless Administrative Agent and each of the non-Defaulting Lenders from any claim, loss, or costs incurred

by Administrative Agent and/or the non-Defaulting Lenders as a result of a Defaulting Lender's failure to comply with the requirements of this Agreement, including, without limitation, any and all additional losses, damages, costs and expenses (including, without limitation, attorneys' fees) incurred by Administrative Agent and any non-Defaulting Lender as a result of and/or in connection with (i) a non-Defaulting Lender's acting as an Electing Lender, (ii) any enforcement action brought by Administrative Agent against a Defaulting Lender, and (iii) any action brought against Administrative Agent and/or Lenders. The indemnification provided above shall survive any termination of this Agreement.

1.15.3 Commitment Adjustments. In connection with the adjustment of the amounts of the Loan Commitments of the Defaulting Lender and Electing Lender(s) upon the expiration of the Election Period as aforesaid, Borrower, Administrative Agent and Lenders shall execute such modifications to the Loan Documents as shall, in the reasonable judgment of Administrative Agent, be necessary or desirable in connection with the adjustment of the amounts of Commitments in accordance with the foregoing provisions of this Section. For the purpose of voting or consenting to matters with respect to the Loan Documents such modifications shall also reflect the removal of voting rights of the Defaulting Lender and increase in voting rights of Electing Lenders to the extent an Electing Lender has funded the Defaulting Lender Amount. In connection with such adjustments, Defaulting Lenders shall execute and deliver an Assignment and Acceptance covering that Lender's Commitment and otherwise comply with Section 6.5. If a Lender refuses to execute and deliver such Assignment and Acceptance or otherwise comply with Section 6.5, such Lender hereby appoints Administrative Agent to do so on such Lender's behalf. Administrative Agent shall distribute an amended Schedule of Lenders, which shall thereafter be incorporated into this Agreement, to reflect such adjustments. However, all such Defaulting Lender Amounts funded by Administrative Agent or Electing Lenders shall continue to be Defaulting Lender Amounts of the Defaulting Lender pursuant to its obligations under this Agreement.

1.15.4 No Election. In the event that no Lender elects to commit to fund the Defaulting Lender Amount within the Election Period, Administrative Agent shall, upon the expiration of the Election Period, so notify Borrower and each Lender.

1.16 Several Obligations; No Liability, No Release. Notwithstanding

that certain of the Loan Documents now or hereafter may have been or will be executed only by or in favor of Administrative Agent in its capacity as such, and not by or in favor of Lenders, any and all obligations on the part of Administrative Agent (if any) to make any advances of the Loan or reimbursements for other Payment Amounts shall constitute the several (and not joint) obligations of the respective Lenders on a ratable basis, according to their respective Pro Rata Shares. Except as may be specifically provided in this Agreement, no Lenders shall have any liability for the acts of any other Lenders. No Lenders shall be responsible to Borrower or any other person for any failure by any other Lenders to fulfill its obligations to made advances of the Loan or reimbursements for other Payment Amounts, nor to take any other action on its behalf hereunder or in connection with the financing contemplated herein. The failure of any Lender to pay to Administrative Agent its Pro Rata Share of a Payment Amount shall not relieve any other Lender of any obligation hereunder to pay to Administrative Agent its Pro Rata Share of such Payment Amounts as and when required herein, but no Lender shall be responsible for the failure of any other Lender to so fund its Pro Rata Share of the Payment Amount. In furtherance of the foregoing, Lenders shall comply with their obligation to pay Administrative Agent their Pro Rata Share of such Payment Amounts regardless of

(i) the occurrence of any Default hereunder or under any Loan Document; (ii) a default by Borrowers under the Permanent Loan Commitment, if applicable, (iii) any failure of consideration, absence of consideration, misrepresentation, fraud, or any other event, failure, deficiency, breach or irregularity of any nature whatsoever in the Loan Documents; (iv) any bankruptcy, insolvency or other like event with regard to any Borrower; Permanent Lender, if any, or Guarantor. The obligation of Lenders to pay to such Payment Amounts are in all regards independent of any claims between Administrative Agent and any Lender.

ARTICLE 2 - ADDITIONAL COVENANTS AND AGREEMENTS

2.1 Construction of the Improvements. Borrower shall commence construction of the Improvements on or before the Construction Commencement Date, and shall prosecute the construction of the Improvements with diligence and continuity, in a good and workmanlike manner, and in accordance with sound building and engineering practices, all applicable laws and governmental requirements, the Plans and the Loan Documents. Borrower shall not permit cessation of work for a period in excess of ten (10) days (whether or not consecutive), except for Excusable Delays. Borrower shall complete construction of the Improvements free and clear of all liens (except liens created by the Loan Documents), and shall obtain a certificate of occupancy and all other permits, licenses and approvals from all applicable governmental authorities required for the occupancy, use and operation of the Improvements, in each case satisfactory to Administrative Agent, on or before the Completion Date. Borrower shall promptly correct (a) any material defect in the Improvements, (b) any material departure from the Plans, law or governmental requirements, or (c) any encroachment by any Improvements or structure on any building setback line, easement, property line or restricted area.

2.2 Plans and Changes. No construction shall be undertaken on the Land except as shown in the Plans. Borrower assumes full responsibility for ensuring that the Plans contain all necessary detail and are adequate for construction of the Improvements, and for the compliance of the Plans and the Property with all laws, restrictive covenants, governmental requirements and sound building and engineering practices. No plans or specifications, or any changes thereto, shall be included as part of the Plans until approved by Administrative Agent, Construction Consultant, Nissan, the Foundations, the Association, Developer, as defined in the Development Agreement and to the extent required thereby, all applicable governmental authorities, and all other parties required under the Loan Documents. Without Administrative Agent's prior written consent, Borrower shall not change or modify the Plans, agree to any change order, or allow any extras to any contractor or any subcontractor, except that Borrower may make

Permitted Changes if: (a) Borrower notifies Administrative Agent in writing of the change or extra with appropriate supporting documentation and information; (b) Borrower obtains the approval of the applicable contractor, Borrower's architect and all sureties; (c) the structural integrity, quality and standard of workmanship of the Improvements is not impaired by such change or extra; (d) no substantial change in architectural appearance is effected by such change or extra; (e) no default in any obligation to any person or violation of any law or governmental requirement would result from such change or extra; (f) Borrower complies with Section 1.5 of this Agreement to cover any excess cost resulting
from the change or extra; and (g) completion of the Improvements by the Completion Date will not be affected. Administrative Agent shall not be obligated to review a proposed change unless it has received all documents necessary to review such change, including the change order, cost estimates, plans and specifications, and evidence that all required approvals other than that of Administrative Agent have been obtained.

2.3 Contracts. Without Administrative Agent's prior written approval as to parties, terms, and all other matters, Borrower shall not (a) enter into any material contract (hereinafter defined) for the performance of any work or the supplying of any labor, materials or services for the design or construction of the Improvements, (b) enter into any management, leasing, maintenance or other contract pertaining to the Property not described in clause (a) that is not unconditionally terminable by Borrower or any successor owner without penalty or payment on not more than thirty (30) days notice to the other party thereunder, or (c) modify, amend, or terminate any such contracts. All such contracts shall provide that all rights and liens of the applicable contractor, architect, engineer, supplier, surveyor or other party and any right to remove removable Improvements are subordinate to Lender's rights and liens, shall require all subcontracts and purchase orders to contain a provision subordinating the subcontractors' and mechanics' and materialmen's liens and any right to remove removable Improvements to Lender's rights and liens, and shall provide that no change order shall be effective without the prior written consent of Administrative Agent, except for change orders which implement Permitted Changes. Borrower shall not default under any contract, Borrower shall not permit any contract to terminate by reason of any failure of Borrower to perform thereunder, and Borrower shall promptly notify Administrative Agent of any default thereunder. Borrower will deliver to Administrative Agent, upon request of Administrative Agent, the names and addresses of all persons or entities with whom each contractor has contracted or intends to contract for the construction of the Improvements or for the furnishing of labor or materials therefor. With respect to contracts for the performance of any work or the supplying of any labor, materials or services, a "material" contract is one which exceeds $100,000.00 in total price.

2.4 Assignment of Contracts and Plans. As additional security for the Obligations, Borrower hereby transfers and assigns to Administrative Agent for the ratable benefit of Administrative Agent and Lenders all of Borrower's right, title and interest, but not its liability, in, under, and to all construction, architectural and design contracts, and the Plans, and agrees that all of the same are covered by the security agreement provisions of the Deed of Trust. Borrower agrees to deliver to Administrative Agent from time to time upon Administrative Agent's request such consents to the foregoing assignment from parties contracting with Borrower as Administrative Agent may require. Neither this assignment nor any action by Administrative Agent or Lenders shall constitute an assumption by Administrative Agent or Lenders of any obligation under any contract or with respect to the Plans, Borrower hereby agrees to perform all of its obligations under any contract, and Borrower shall continue to be liable for all obligations of Borrower with respect thereto. Administrative Agent shall have the right at any time (but shall have no obligation) to take in its name or in the name of Borrower such action as Administrative Agent may determine to be necessary to cure any default under any

contract or with respect to the Plans or to protect the rights of Borrower, Administrative Agent or Lenders with respect thereto. Borrower irrevocably constitutes and appoints Administrative Agent as Borrower's attorney-in-fact, which power of attorney is coupled with an interest and irrevocable, to enforce in Borrower's name or in Administrative Agent's and Lender's name all rights of Borrower under any contract or with respect to the Plans. Administrative Agent shall incur no liability if any action so taken by it or on its behalf shall prove to be inadequate or invalid. Borrower indemnifies and holds Administrative Agent and Lenders harmless against and from any loss, cost, liability or expense (including, but not limited to, consultants' fees and expenses and attorneys' fees and expenses) incurred in connection with Borrower's failure to perform such contracts or any action taken by Administrative Agent or Lenders. Administrative Agent may use the Plans for any purpose relating to the Improvements. Borrower represents and warrants to Administrative Agent and Lenders that the copy of any contract furnished or to be furnished to Administrative Agent is and shall be a true and complete

copy thereof, that the copies of the Plans delivered to Administrative Agent are and shall be true and complete copies of the Plans, that there have been no modifications thereof which are not fully set forth in the copies delivered, and that Borrower's interest therein is not subject to any claim, setoff, or encumbrance.

2.5 Storage of Materials. Borrower shall cause all materials supplied for, or intended to be utilized in the construction of the Improvements, but not yet affixed to or incorporated into the Improvements or the Land, to be stored on the Land with adequate safeguards to prevent loss, theft, damage or commingling with materials for other projects. Borrower shall not purchase or order materials for delivery more than forty-five (45) days prior to the scheduled incorporation of such materials into the Improvements.

2.6 Construction Consultant. Administrative Agent may retain the services of a Construction Consultant, whose duties may include, among others, reviewing the Plans and any proposed changes to the Plans, performing construction cost analyses, observing work in place and reviewing Draw Requests. The duties of Construction Consultant run solely to Administrative Agent for the ratable benefit of Lenders, and Construction Consultant shall have no obligations or responsibilities whatsoever to Borrower, Borrower's architect, engineer, contractor or any of their agents or employees. Unless prohibited by applicable law, all fees, costs, and expenses of Construction Consultant shall be paid by Borrower. Borrower shall cooperate with Construction Consultant and will furnish to Construction Consultant such information and other material as Construction Consultant considers necessary or useful in performing its duties.

2.7 Inspection. Administrative Agent and its agents, including Construction Consultant, may enter upon the Property to inspect the Property, the Project and any materials at any reasonable time, unless Administrative Agent deems such inspection is of an emergency nature, in which event Borrower shall provide Administrative Agent with immediate access to the Property. Borrower will furnish to Administrative Agent and its agents, including Construction Consultant, for inspection and copying, all Plans, shop drawings, specifications, books and records, and other documents and information that Administrative Agent may request from time to time.

2.8 Notice to Lenders. Borrower shall promptly within five (5) days after the occurrence of any of the following events, notify each Lender in writing thereof, specifying in each case the action Borrower has taken or will take with respect thereto: (a) any violation of any law or governmental requirement; (b) any litigation, arbitration or governmental investigation or proceeding instituted or threatened against Borrower or any Guarantor or the Property, and

any material development therein; (c) any actual or threatened condemnation of any portion of the Property, any negotiations with respect to any such taking, or any loss of or substantial damage to the Property; (d) any labor controversy pending or threatened against Borrower or any contractor, and any material development in any labor controversy; (e) any notice received by Borrower with respect to the cancellation, alteration or non-renewal of any insurance coverage maintained with respect to the Property; (f) any failure by Borrower or any contractor, subcontractor or supplier to perform any material obligation under any construction contract, any event or condition which would permit termination of a construction contract or suspension of work thereunder, or any notice given by Borrower or any contractor with respect to any of the foregoing; (g) any lien filed against the Property or any stop notice served on Borrower in connection with construction of the Improvements; or (h) any required permit, license, certificate or approval with respect to the Property lapses or ceases to be in full force and effect.

2.9 Financial Statements. Borrower shall deliver to Administrative Agent with sufficient copies for each Lender the Financial Statements and other statements and information at the times and for the periods described in (a) the Basic Information and (b) any other Loan Document, and Borrower shall deliver to Administrative Agent with sufficient copies for each Lender from time to time such additional financial statements and information as Administrative Agent may at any time request. Borrower will make all of its books, records and accounts available to Administrative Agent and its representatives at the Property upon request and will permit them to review and copy the same. Borrower shall promptly notify Administrative Agent of any material adverse change in the financial condition of Borrower and, if known by Borrower, Guarantor, or in the construction progress of the Improvements. Administrative Agent shall provide a copy of such Financial Statements to each Lender upon receipt.

2.10 Other Information. Borrower shall furnish to Administrative Agent from time to time upon Administrative Agent's request (i) copies of all subcontracts entered into by contractors or subcontractors and the names and addresses of all persons or entities with whom Borrower or any contractor has contracted or intends to contract for the construction of the Improvements or the furnishing of labor or materials in connection therewith; (ii) copies of all contracts, bills of sale, statements, receipts or other documents under which Borrower claims title to any materials, fixtures or articles of personal property incorporated or to be incorporated into the Improvements or subject to the lien of the Deed of Trust; (iii) a list of all unpaid bills for labor and materials with respect to construction of the Improvements and copies of all invoices therefor; (iv) budgets of Borrower and revisions thereof showing the estimated costs and expenses to be incurred in connection with the completion of construction of the Improvements; (v) current or updated detailed Project schedules or construction schedules; and (vi) such other information relating to Borrower, Guarantor, the Improvements, the Property, or any indemnitor or other person or party connected with Borrower, the Loan, the construction of the Improvements or any security for the Loan.

2.11 Reports and Testing. Borrower shall (a) promptly deliver to Administrative Agent copies of all reports, studies, inspections and tests made on the Land, the Improvements or any materials to be incorporated into the Improvements; (b) make such additional tests on the Land, the Improvements or any materials to be incorporated into the Improvements as Administrative Agent reasonably requires. Borrower shall immediately notify Administrative Agent of any report, study, inspection or test that indicates any adverse condition relating to the Land, the Improvements or any such materials.

2.12 Advertising by Lenders. At Administrative Agent's request and at Borrower's expense (not to exceed $1,000), Borrower shall erect and maintain on

the Property one or more advertising signs approved by Administrative Agent indicating that the construction financing for the Property has been provided by Lenders.

2.13 Appraisal. Administrative Agent may obtain from time to time, an appraisal of all or any part of the Property prepared in accordance with written instructions from Administrative Agent by a third-party appraiser engaged directly by Administrative Agent. Each such appraiser and appraisal shall be satisfactory to Administrative Agent (including satisfaction of applicable regulatory requirements). The cost of any such appraisal shall be borne by Borrower if such appraisal is the first appraisal in any calendar year and in all events if Administrative Agent obtains such appraisal after the

occurrence of a Default, and such cost is due and payable by Borrower on demand and shall be secured by the Loan Documents. Administrative Agent shall provide a copy of such Appraisal to each Lender upon receipt.

2.14 Payment of Withholding Taxes. Borrower shall not use, or knowingly permit any contractor or subcontractor to use, any portion of the proceeds of any Loan advance to pay the wages of employees unless a portion of the proceeds or other funds are also used to make timely payment to or deposit with (a) the United States of all amounts of tax required to be deducted and withheld with respect to such wages under the Internal Revenue Code, and (b) any state and/or local Tribunal or agency having jurisdiction of all amounts of tax required to be deducted and withheld with respect to such wages under any applicable state and/or local laws.

2.15 ERISA and Prohibited Transaction Taxes. As of the date hereof and throughout the term of this Loan Agreement, (a) Borrower is not and will not be (i) an "employee benefit plan", as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"); or (ii) a "plan" within the meaning of Section 4975(e) of the Internal Revenue Code, as amended (the "Code"); (b) the assets of Borrower do not and will not constitute "plan assets" within the meaning of the United States Department of Labor Regulations set forth in 29 C.F.R. (S)2510.3-101; (c) Borrower is not and will not be a "governmental plan" within the meaning of Section 3(32) of ERISA; (d) transactions by or with Borrower are not and will not be subject to state statutes applicable to Borrower regulating investments of fiduciaries with respect to governmental plans; and (e) Borrower shall not engage in any transaction which would cause any obligation, or action taken or to be taken, hereunder (or the exercise by Administrative Agent of any of Lender's rights under this Agreement, any Note or the other Loan Documents) to be a non-exempt (under a statutory or administrative class exemption) prohibited transaction under ERISA or Section 4975 of the Code. Borrower further agrees to deliver to Administrative Agent such certifications or other evidence of compliance with the provisions of this Section 2.15 as Administrative Agent may from time to time request.

ARTICLE 3 - REPRESENTATIONS AND WARRANTIES

To induce Lenders to make the Loan, Borrower hereby represents and warrants to Administrative Agent and Lenders that except as otherwise disclosed to Administrative Agent in writing (a) Borrower has complied with any and all laws and regulations concerning its organization, existence and the transaction of its business, and has the right and power to own the Property and to develop the Improvements as contemplated in this Agreement and the other Loan Documents; (b)

Borrower is authorized to execute, deliver and perform all of its obligations under the Loan Documents; (c) the Loan Documents are valid and binding obligations of Borrower; (d) Borrower is not in violation of any law, regulation or ordinance, or any order of any court or Tribunal, and no provision of the Loan Documents violates any applicable law, any covenants or restrictions affecting the Property, any order of any court or Tribunal or any contract or agreement binding on Borrower or the Property; (e) to the extent required by applicable law, Borrower and Guarantor have filed all necessary tax returns and reports and have paid all taxes and governmental charges thereby shown to be owing; (f) intentionally omitted; (g) the Land is not part of a larger tract of
---

land owned by Borrower or any of its affiliates or any Guarantor, is not otherwise included under any unity of title or similar covenant with other lands not encumbered by the Deed of Trust, and constitutes a separate tax lot or lots with a separate tax assessment or assessments for the Land and Improvements, independent of those for any other lands or improvements; (h) the Land and Improvements comply with all laws and governmental requirements,

including all subdivision and platting requirements, without reliance on any adjoining or neighboring property; (i) the Plans do, and the Improvements when constructed will, comply with all legal requirements regarding access and facilities for handicapped or disabled persons; (j) Borrower has not directly or indirectly conveyed, assigned or otherwise disposed of or transferred (or agreed to do so) any development rights, air rights or other similar rights, privileges or attributes with respect to the Property, including those arising under any zoning or land use ordinance or other law or governmental requirement; (k) the construction schedule for the Project is realistic and the Completion Date is a reasonable estimate of the time required to complete the Project; (l) the Financial Statements delivered to Administrative Agent are true, correct, and complete in all material respects, and there has been no material change of Borrower's or Guarantor's financial condition from the financial condition of Borrower or Guarantor (as the case may be) indicated in such Financial Statements; (m) all utility services necessary for the development of the Land and the construction of the Improvements and the operation thereof for their intended purpose are available at the boundaries of the Land, including electric and natural gas facilities, telephone service, water supply, storm and sanitary sewer facilities; (n) except as otherwise provided for in the Loan Documents, the Borrower has made no contract or arrangement of any kind the performance of which by the other party thereto would give rise to a lien on the Property; (o) the current and anticipated use of the Property complies with all applicable zoning ordinances, regulations and restrictive covenants affecting the Land without the existence of any variance, non-complying use, nonconforming use or other special exception, all use restrictions of any Tribunal having jurisdiction have been satisfied, and no violation of any law or regulation exists with respect thereto; (p) attached hereto as Exhibit "J" is a list of all
---

bonds required in connection with completion of the Improvements, and to the best of Borrower's knowledge, no other bonds or other security are currently required or will be required prior to completion of the Improvements; (q) prior to the recordation of the Deed of Trust, except as disclosed to Administrative Agent in writing, no work of any kind (including destruction or removal of any existing improvements, site work, clearing, grading, grubbing, draining or fencing of the Land) has been or will be commenced or performed on the Land, no equipment or material has been or will be delivered to or placed upon the Land for any purpose whatsoever, and no contract (or memorandum or affidavit thereof) for the supplying of labor, materials, or services for the design or construction of the Improvements, or the surveying of the Land or Improvements, nor any affidavit or notice of commencement of construction of the Improvements, has been or will be executed or recorded, which could cause a mechanic's or materialman's lien or similar lien to achieve priority over the Deed of Trust or the rights of Administrative Agent and Lenders thereunder.

ARTICLE 4 - DEFAULT AND REMEDIES

4.1 Events of Default. The occurrence of any one of the following shall be a default under this Agreement ("Default"): (a) any of the Indebtedness is not paid when due, whether on the scheduled due date or upon acceleration, maturity or otherwise; (b) any covenant, agreement, condition, representation or warranty in this Agreement (other than covenants to pay the Indebtedness and other than Defaults expressly listed in this Section) is not fully and timely performed, observed or kept; (c) the occurrence of a Default under any other Loan Document (taking into account any applicable notice and cure period set forth in such Loan Document); (d) the execution and/or filing of any affidavit of commencement stating construction on the Land actually commenced prior to the day after the date on which the Deed of Trust was duly filed for record; (e) construction of the Improvements ceases for more than ten (10) days (whether or not consecutive) except for Excusable Delays; (f) the construction of the Improvements, or any materials for which an advance has been requested, fails to comply with

the Plans, the Loan Documents, any laws or governmental requirements, or any applicable restrictive covenants; (g) Borrower fails to satisfy any condition precedent to the obligation of Lenders to make an advance; (h) construction of the Improvements is abandoned, Administrative Agent determines that construction of the Improvements in accordance with this Agreement will not be completed on or before the Completion Date, or Borrower fails to complete construction of the Improvements (and obtain all applicable permits, licenses, certificates and approvals) in accordance with this Agreement on or before the Completion Date; (i) any required permit, license, certificate or approval with respect to the Property lapses or ceases to be in full force and effect; (j) a Borrower's Deposit is not made with Administrative Agent within seven (7) days after Administrative Agent's request therefor in accordance with Section 1.5; (k) construction is enjoined or Borrower, Administrative Agent or a Lender is enjoined or prohibited from performing any of its respective obligations under any of the Loan Documents; (l) the owner of the Property enters into any lease of part or all of the Property which does not comply with the Loan Documents; (m) a lien for the performance of work or the supply of materials which is established against the Property, or any stop notice served on Borrower, the general contractor, Administrative Agent or a Lender, remains unsatisfied or unbonded for a period of twenty (20) days after the date of filing or service; (n) the occurrence of any condition or situation which, in the sole determination of Administrative Agent, constitutes a danger to or impairment of the Property or the lien of the Deed of Trust, if such condition or situation is not remedied within ten (10) days after written notice to the Borrower thereof; (o) the entry of a judgment against Borrower or any Guarantor or the issuance of any attachment, sequestration, or similar writ levied upon any of its property which is not discharged within a period of ten (10) days; (p) Administrative Agent determines that a material adverse change has occurred in the financial condition of Borrower or any Guarantor or in the condition of the Property; (q) there occurs (1) any default under the Nissan Lease which remains uncured beyond any applicable cure period set forth in the Nissan Lease, or (2) any termination, cancellation, modification or amendment of the Nissan Lease without the express prior written consent of Lender; (r) the dissolution or insolvency of Borrower or any Guarantor; (s) a default occurs under the Development Agreement and/or the Developer's Completion Guaranty which is not cured within any applicable notice and cure period (if any) provided in such document; and (t) a default occurs under any other Loan Document which is not cured within any applicable notice and cure period provided therein.

4.2 Remedies. Upon a Default, subject to the terms and conditions of Section 4.2 of the Deed of Trust, Administrative Agent at its election may (but shall not be obligated to), and at the direction of the Required Lenders shall, without notice, do any one or more of the following: (a) terminate Lenders' Commitment to lend and any obligation to disburse any Borrower's Deposit

hereunder; (b) declare any and all Indebtedness immediately due and payable; (c) reduce any claim to judgment; (d) exercise any and all rights and remedies afforded by this Agreement, the other Loan Documents, law, equity or otherwise, including obtaining appointment of a receiver (to which Borrower hereby consents) and/or judicial or nonjudicial foreclosure under the Deed of Trust; (e) in its own name on behalf of the Lenders or in the name of Borrower, enter into possession of the Property, perform all work necessary to complete construction of the Improvements substantially in accordance with the Plans (as modified as deemed necessary by Administrative Agent), the Loan Documents, and all applicable laws, governmental requirements and restrictive covenants, and continue to employ Borrower's architect, engineer and any contractor pursuant to the applicable contracts or otherwise; or (f) set-off and apply, to the extent thereof and to the maximum extent permitted by law, any and all deposits, funds, or assets at any time held and any and all other indebtedness at any time owing by Administrative Agent or any Lender to or for the credit or account of Borrower against any Indebtedness. Further, L/C Issuer may, with the approval of Administrative Agent on behalf of the

Required Lenders, demand immediate payment by Borrower of an amount equal to the aggregate amount of all outstanding Letters of Credit to be held in a deposit account with Administrative Agent to secure amounts due from Borrower under Letters of Credit and when no Letters of Credit exist, the Loan.

Borrower hereby appoints Administrative Agent as Borrower's attorney-in-fact, which power of attorney is irrevocable and coupled with an interest, with full power of substitution if Administrative Agent so elects, to do any of the following in Borrower's name upon the occurrence of a Default: (i) use such sums as are necessary, including any proceeds of the Loan and any Borrower's Deposit, make such changes or corrections in the Plans, and employ such architects, engineers, and contractors as may be required, or as Lenders may otherwise consider desirable, for the purpose of completing construction of the Improvements substantially in accordance with the Plans (as modified as deemed necessary by Administrative Agent), the Loan Documents, and all applicable laws, governmental requirements and restrictive covenants; (ii) execute all applications and certificates in the name of Borrower which may be required for completion of construction of the Improvements; (iii) endorse the name of Borrower on any checks or drafts representing proceeds of any insurance policies, or other checks or instruments payable to Borrower with respect to the Property; (iv) do every act with respect to the construction of the Improvements that Borrower may do; (v) prosecute or defend any action or proceeding incident to the Property, (vi) pay, settle, or compromise all bills and claims so as to clear title to the Property; and (vii) take over and use all or any part of the labor, materials, supplies and equipment contracted for, owned by, or under the control of Borrower, whether or not previously incorporated into the Improvements. Any amounts expended by Administrative Agent itself or on behalf of Lenders to construct or complete the Improvements or in connection with the exercise of its remedies herein shall be deemed to have been advanced to Borrower hereunder as a demand obligation owing by Borrower to Administrative Agent or Lenders as applicable and shall constitute a portion of the Indebtedness, regardless of whether such amounts exceed any limits for Indebtedness otherwise set forth herein. Neither Administrative Agent nor Lenders shall have any liability to Borrower for the sufficiency or adequacy of any such actions taken by Administrative Agent.

No delay or omission of Administrative Agent or Lenders to exercise any right, power or remedy accruing upon the happening of a Default shall impair any such right, power or remedy or shall be construed to be a waiver of any such Default or any acquiescence therein. No delay or omission on the part of Administrative Agent or Lenders to exercise any option for acceleration of the maturity of the Indebtedness, or for foreclosure of the Deed of Trust following any Default as aforesaid, or any other option granted to Administrative Agent and Lenders hereunder in any one or more instances, or the acceptances by Administrative Agent or Lenders of any partial payment on account of the Indebtedness, shall constitute a waiver of any such Default, and each such

option shall remain continuously in full force and effect. No remedy herein conferred upon or reserved to Administrative Agent and/or Lenders is intended to be exclusive of any other remedies provided for in any Note or any of the other Loan Documents, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder, or under any Note or any of the other Loan Documents, or now or hereafter existing at law or in equity or by statute. Every right, power and remedy given to Administrative Agent and Lenders by this Agreement, any Note or any of the other Loan Documents shall be concurrent, and may be pursued separately, successively or together against Borrower, or the Property or any part thereof, or any personal property granted as security under the Loan Documents, and every right, power and remedy given by this Agreement,

any Note or any of the other Loan Documents may be exercised from time to time as often as may be deemed expedient by the Required Lenders.

Regardless of how a Lender may treat payments received from the exercise of remedies under the Loan Documents for the purpose of its own accounting, for the purpose of computing the Obligations, payments shall be applied as elected by Lenders. No application of payments will cure any Event of Default, or prevent acceleration, or continued acceleration, of amounts payable under the Loan Documents, or prevent the exercise, or continued exercise, of rights or remedies of Administrative Agent and Lenders hereunder or thereunder or at Law or in equity.

ARTICLE 5 - ADMINISTRATIVE AGENT

5.1 Appointment and Authorization of Administrative Agent.

(a) Each Lender hereby irrevocably (subject to Section 5.9) appoints, designates and authorizes Administrative Agent to take such action on its behalf under the provisions of this Agreement and each other Loan Document and to exercise such powers and perform such duties as are expressly delegated to it by the terms of this Agreement or any other Loan Document, together with such powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary contained elsewhere herein or in any other Loan Document, Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, nor shall Administrative Agent have or be deemed to have any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against Administrative Agent. Without limiting the generality of the foregoing sentence, the use of the term "agent" herein and in the other Loan Documents with reference to Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

(b) Except as expressly otherwise provided in this Agreement or the other Loan Documents, Administrative Agent shall have and may use its sole discretion with respect to exercising or refraining from exercising any discretionary rights, or taking or refraining from taking any actions which Administrative Agent is expressly entitled to exercise or take under this Agreement and the other Loan Documents, including, without limitation, (i) the determination if and to what extent matters or items subject to Administrative Agent's satisfaction are acceptable or otherwise within its discretion, (ii) the making of Administrative Agent Advances, and (iii) the exercise of remedies pursuant to, but subject to, Article 4 or pursuant to any other Loan Document,
----
or the exercise of rights and remedies pursuant to the Tri-Party Agreement, if applicable, and any action so taken or not taken shall be deemed consented to by Lenders. Notwithstanding the foregoing, the appointment of a property manager

after foreclosure or the acceptance of a deed in lieu of foreclosure shall require the approval of Administrative Agent and the Required Lenders.

5.2 Delegation of Duties. Administrative Agent may execute any of its duties under this Agreement or any other Loan Document by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel and other consultant experts concerning all matters pertaining

to such duties. Administrative Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects with reasonable care.

5.3 Liability of Administrative Agent. No Agent-Related Persons shall (i) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby (except for its own gross negligence or willful misconduct), or (ii) be responsible in any manner to any of Lenders for any recital, statement, representation or warranty made by Borrower or any subsidiary or Affiliate of Borrower, or any officer thereof, contained herein or in any other Loan Document, or in any certificate, report, statement or other document referred to or provided for in, or received by Administrative Agent under or in connection with, this Agreement or any other Loan Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document, or for any failure of Borrower or any other party to any Loan Document to perform its obligations hereunder or thereunder. No Agent-Related Person shall be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of Borrower, Guarantor, Permanent Lender, if applicable, or any of their Affiliates.

5.4 Reliance by Administrative Agent. Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex or telephone message, statement or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper person or persons, and upon advice and statements of legal counsel (including counsel to any party to the Loan Documents), independent accountants and other experts selected by Administrative Agent. Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Required Lenders or all Lenders if required hereunder as it deems appropriate and, if it so requests, it shall first be indemnified to its satisfaction by Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Loan Document in accordance with a request or consent of the Required Lenders or all Lenders, if required hereunder, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and participants. Where this Agreement expressly permits or prohibits an action unless the Required Lenders or all Lenders, if required hereunder, otherwise determine, the Administrative Agent shall and in all other instances, Administrative Agent may, but shall not be required to, initiate any solicitation for the consent or a vote of Lenders. In the absence of written instructions from the Required Lenders or all Lenders, if required hereunder, Administrative Agent may take or not take any action, at its discretion, unless this Agreement specifically requires the consent of the Required Lenders or all Lenders.

5.5 Notice of Default. Administrative Agent shall not be deemed to have

knowledge or notice of the occurrence of any Default, unless (i) the account officers of Administrative Agent servicing the Loan have actual knowledge thereof, or (ii) Administrative Agent shall have received written notice from a Lender, Permanent Lender, if applicable, or Borrower referring to this Agreement, describing such Default, and Administrative Agent determines that such Default will have a Material Adverse Effect. Administrative Agent will notify Lenders of its receipt of any such

notice. Administrative Agent shall take such action with respect to such Default as may be requested by the Required Lenders in accordance with Article 4; provided, however, that unless and until Administrative Agent has received any such request, Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default as it shall deem advisable or in the best interest of Lenders.

5.6 Credit Decision; Disclosure of Information by Administrative Agent.

(a) Each Lender acknowledges that none of Agent-Related Persons has made any representation or warranty to it, and that no act by Administrative Agent hereinafter taken, including any consent to and acceptance of any assignment or review of the affairs of Borrower, Permanent Lender, if applicable, and Guarantor, shall be deemed to constitute any representation or warranty by any Agent-Related Person to any Lenders as to any matter, including whether Agent-Related Persons have disclosed material information in their possession. Each Lender, represents to Administrative Agent that it has, independently and without reliance upon any Agent-Related Person and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of Borrower, Permanent Lender, if applicable, and Guarantor, and all applicable bank or other regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to Borrower hereunder. Each Lender also represents that it will, independently and without reliance upon any Agent-Related Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of Borrower, Permanent Lender, if applicable, and Guarantor.

(b) Administrative Agent upon its receipt shall provide each Lender such notices, reports and other documents expressly required to be furnished to Lenders by Administrative Agent herein. To the extent not already available to a Lender, Administrative Agent shall also provide the Lender and/or make available for the Lender's inspection during reasonable business hours and at the Lender's expense, upon the Lender's written request therefor: (i) copies of the Loan Documents; (ii) such information as is then in Administrative Agent's possession in respect of the current status of principal and interest payments and accruals in respect of the Loan; (iii) copies of all current financial statements in respect of Borrower, or any Guarantor or other person liable for payment or performance by Borrower of any obligations under the Loan Documents, then in Administrative Agent's possession with respect to the Loan; and (iv) other current factual information then in Administrative Agent's possession with respect to the Loan and bearing on the continuing creditworthiness of Borrower, Permanent Lender, if applicable, or any Guarantor, or any of their respective Affiliates; provided that nothing contained in this section shall impose any liability upon Administrative Agent for its failure to provide a Lender any of such Loan Documents, information, or financial statements, unless such failure

constitutes willful misconduct or gross negligence on Administrative Agent's part; and provided, further, that Administrative Agent shall not be obligated to provide any Lender with any information in violation of law or any contractual restrictions on the disclosure thereof thereof (provided such contractual restrictions shall not apply to distributing to a Lender factual and financial information expressly required to be provided herein). Except as set forth above, Administrative Agent shall not have any duty or responsibility to provide any Lenders with any credit or other information

concerning the business, prospects, operations, property, financial and other condition or creditworthiness of Borrower, Permanent Lender, if applicable, or Guarantor or any of their respective Affiliates which may come into the possession of any of Agent-Related Persons.

5.7 Indemnification of Administrative Agent. Whether or not the transactions contemplated hereby are consummated, Lenders shall indemnify upon demand each Agent-Related Person (to the extent not reimbursed by or on behalf of Borrower and without limiting the obligation of Borrower to do so), pro rata, and hold harmless each Agent-Related Person from and against any and all Indemnified Liabilities incurred by it; provided, however, that no Lenders shall be liable for the payment to any Agent-Related Person of any portion of such Indemnified Liabilities resulting from such person's gross negligence or willful misconduct; provided, however, that no action taken in accordance with the directions of the Required Lenders shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section. Without limitation of the foregoing, to the extent that Administrative Agent is not reimbursed by or on behalf of Borrower, each Lender shall reimburse Administrative Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including attorney fees) incurred by Administrative Agent as described in Section 6.10. The undertaking in this Section shall survive the payment of all Obligations hereunder and the resignation or replacement of Administrative Agent.

5.8 Administrative Agent in Individual Capacity. Administrative Agent, in its individual capacity, and its Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, acquire equity interests in and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with any party to the Loan Documents and their respective Affiliates as though Administrative Agent were not Administrative Agent hereunder and without notice to or consent of Lenders. Lenders acknowledge that Borrower and Bank of America, N.A., as Lender, ("Swap Bank") or an Affiliate of Swap Bank have entered or may enter into Swap Contract. A portion of the Loan may be funded to honor Borrower's payment obligations to Swap Bank or such Affiliate under the terms of such agreement, and Lenders shall have no right to share in any portion of such payments. Lenders acknowledge that, pursuant to such activities, Bank of America, N.A. or its Affiliates may receive information regarding any party to the Loan Documents, or their respective Affiliates (including information that may be subject to confidentiality obligations in favor of such parties or such parties' Affiliates) and acknowledge that Administrative Agent shall be under no obligation to provide such information to them. With respect to its ProRata Share of the Loan, Bank of America, N.A. shall have the same rights and powers under this Agreement as any other Lenders and may exercise such rights and powers as though it were not Administrative Agent, Swap Bank or L/C Issuer, and the terms "Lender" and "Lenders" include Bank of America, N.A. in its individual capacity.

5.9 Successor Administrative Agent. Administrative Agent may, and at

the request of the Required Lenders, or upon its ceasing also to be a Lender hereunder, for good cause shall, resign as Administrative Agent upon 30 days' notice to Lenders. If Administrative Agent resigns under this Agreement, the Required Lenders shall appoint from among Lenders a successor administrative agent for Lenders which successor administrative agent shall be consented to by the Borrower at all times other than during the existence of Default (which consent of the Borrower shall not be unreasonably withheld or delayed). If no successor administrative agent is appointed prior to the effective date of the resignation of Administrative Agent, Administrative Agent may appoint, after consulting with Lenders and Borrower, a successor administrative agent from among Lenders. Upon

the acceptance of its appointment as successor administrative agent hereunder, such successor administrative agent shall succeed to all the rights, powers and duties of the retiring Administrative Agent and the term "Administrative Agent" shall mean such successor administrative agent and the retiring Administrative Agent's appointment, powers and duties as Administrative Agent shall be terminated. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Article and other applicable Sections of this Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement. If no successor administrative agent has accepted appointment as Administrative Agent by the date which is 30 days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective and Lenders shall perform all of the duties of Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above.

5.10 Releases; Acquisition and Transfers of Collateral.

(a) Lenders hereby irrevocably authorize Administrative Agent to transfer or release any lien on, or after foreclosure or other acquisition of title by Administrative Agent on behalf of the Lenders to transfer or sell, any Loan collateral (i) upon the termination of the Commitments and payment and satisfaction in full of all Indebtedness; (ii) unless a Lender elects to purchase the collateral as provided in Section 5.10(d) below, after foreclosure or other acquisition of title for a purchase price of 90% of the value indicated in the most recent appraisal of the collateral obtained by Administrative Agent made in accordance with regulations governing Administrative Agent, less any reduction indicated in the appraisal estimated by experts in such areas, or (iii) if approved by the Required Lenders.

(b) If all or any portion of the Loan collateral is acquired by foreclosure or by deed in lieu of foreclosure, Administrative Agent shall take title to the collateral in its name or by an Affiliate of Administrative Agent, but for the benefit of all Lenders in their Pro Rata Shares on the date of the foreclosure sale or recordation of the deed in lieu of foreclosure (the "Acquisition Date"). Administrative Agent and all Lenders hereby expressly waive and relinquish any right of partition with respect to any collateral so acquired. After any collateral is acquired, Administrative Agent shall appoint and retain one or more Persons (individually and collectively, "Property Manager") experienced in the management, leasing, sale and/or dispositions of similar properties.

(c) Upon request by Administrative Agent or Borrowers at any time, Lenders will confirm in writing Administrative Agent's authority to sell, transfer or release any such liens of particular types or items of Loan collateral pursuant to this Section; provided, however, that (i) Administrative

Agent shall not be required to execute any document necessary to evidence such release, transfer or sale on terms that, in Administrative Agent's opinion, would expose Administrative Agent to liability or create any obligation or entail any consequence other than the transfer, release or sale without recourse, representation or warranty, and (ii) such transfer, release or sale shall not in any manner discharge, affect or impair the obligations of Borrower other than those expressly being released.

(d) If Administrative Agent or any Lender receives a purchase offer for Loan collateral for which one of the Lenders does not consent within ten (10) Business Days after notification from Administrative Agent or such other Lender, the consenting Lenders may offer

("Purchase Offer") to purchase all of the non-consenting Lenders' right, title and interest in the collateral for a purchase price equal to the non-consenting Lenders' Pro Rata Share of the net proceeds anticipated from such sale of such collateral (as reasonably determined by Administrative Agent) ("Net Proceeds"). Within ten (10) Business Days thereafter each non-consenting Lender shall be deemed to have accepted such Purchase Offer unless such non-consenting Lender notifies Administrative Agent that it elects to purchase all of the consenting Lenders' right, title and interest in the collateral for a purchase price payable by such non-consenting Lender in an amount equal to the consenting Lenders' Pro Rata Share of the Net Proceeds. If more than one non-consenting Lender elects to purchase the consenting Lenders' interest in the collateral, the consenting Lenders' interest shall be divided among such non-consenting Lenders based upon the Pro Rata Shares of such non-consenting Lenders. Any amount payable hereunder by a Lender shall be due on the earlier to occur of the closing of the sale of the collateral or ninety (90) days after the Purchase Offer, regardless of whether the collateral has been sold. Notwithstanding anything in this Agreement to the contrary, if more than two (2) Lenders exist at the time Administrative Agent or any Lender receives a Purchase Offer that Administrative Agent or such Lender wishes to accept, the Purchase Offer must contain a purchase price of not less than 90% of the value indicated in the most recent appraisal of the collateral obtained by Administrative Agent made in accordance with regulations governing Administrative Agent, less any reduction indicated in the appraisal estimated by experts in such areas, for this subparagraph (d) to apply.

5.11 Application of Payments. Except as otherwise provided below with respect to Defaulting Lenders, aggregate principal and interest payments, payments for Indemnified Liabilities, proceeds from the Permanent Lender, if applicable, and/or foreclosure or sale of the collateral, and net operating income from the collateral during any period it is owned by Administrative Agent on behalf of the Lenders ("Payments") shall be apportioned pro rata among Lenders and payments of any fees (other than fees designated for Administrative Agent's separate account) shall, as applicable, be apportioned pro rata among Lenders. Notwithstanding anything to the contrary in this Agreement, all Payments due and payable to Defaulting Lenders shall be due and payable to and be apportioned pro rata among Administrative Agent and Electing Lenders. Such apportionment shall be in the proportion that the Defaulting Lender Payment Amounts paid by them bears to the total Defaulting Lender Payment Amounts of such Defaulting Lender. Such apportionment shall be made until the Administrative Agent and Lenders have been paid in full for the Defaulting Payment Amounts. All pro rata Payments shall be remitted to Administrative Agent and all such payments not constituting payment of specific fees, and all proceeds of the Loan collateral received by Administrative Agent, shall be applied first, to pay any fees, indemnities, or costs, expenses (including those in Section 5.7) and reimbursements then due to Administrative Agent from

Borrower under the Loan Documents; second, to pay any fees or costs and expenses then due to Lenders from Borrower under the Loan Documents; third, to pay pro rata interest due in respect of the Loan and Administrative Agent Advances; fourth, to pay or prepay pro rata principal of the Loan and Administrative Agent Advances; fifth, pro rata, to pay any other Indebtedness due to Administrative Agent or any Lender by Borrower; and sixth pro rata, to pay any remaining Indebtedness due under the Loan to Defaulting Lenders.

5.12 Benefit. The terms and conditions of this Article are inserted for the sole benefit of Administrative Agent and Lenders; the same may be waived in whole or in part, with or without terms or conditions, without prejudicing Administrative Agent's or Lenders' rights to later assert them in whole or in part.

ARTICLE 6 - GENERAL TERMS AND CONDITIONS

6.1 Consents; Borrower's Indemnity. Except where otherwise expressly provided in the Loan Documents, in any instance where the approval, consent or the exercise of Administrative Agent or Lender's judgment is required, the granting or denial of such approval or consent and the exercise of such judgment shall be (a) within the sole discretion of Administrative Agent or Lenders; (b) deemed to have been given only by a specific writing intended for the purpose given and executed by Administrative Agent or Lender's; and (c) free from any limitation or requirement of reasonableness. Notwithstanding any approvals or consents by Administrative Agent or Lenders, neither Administrative Agent nor any Lender has any obligation or responsibility whatsoever for the adequacy, form or content of the Plans, the Budget, any contract, any change order, any lease, or any other matter incident to the Property or the construction of the Improvements. Administrative Agent's or Lender's acceptance of an assignment of the Plans for the benefit of Administrative Agent and Lenders shall not constitute approval of the Plans. Any inspection or audit of the Property or the books and records of Borrower, or the procuring of documents and financial and other information, by or on behalf of Administrative Agent shall be for Administrative Agent and Lender's protection only, and shall not constitute an assumption of responsibility to Borrower or anyone else with regard to the condition, construction, maintenance or operation of the Property, or relieve Borrower of any of Borrower's obligations. Borrower has selected all surveyors, architects, engineers, contractors, materialmen and all other persons or entities furnishing services or materials to the Project. Neither Administrative Agent nor any Lender has any duty to supervise or to inspect the Property or the construction of the Improvements nor any duty of care to Borrower or any other person to protect against, or inform Borrower or any other person of the existence of, negligent, faulty, inadequate or defective design or construction of the Improvements. Neither Administrative Agent nor any Lender shall be liable or responsible for, and Borrower shall indemnify each Agent-Related Person and each Lender and their respective Affiliates, directors, officers, agents, attorneys and employees (collectively, the "Indemnities") from and against: (a) any claim, action, loss or cost (including attorney's fees and costs arising from or relating to (i) any defect in the Property or the Improvements, (ii) the performance or default of Borrower, Borrower's surveyors, architects, engineers, contractors, the Construction Consultant, or any other person, (iii) any failure to construct, complete, protect or insure the Improvements, (iv) the payment of costs of labor, materials, or services supplied for the construction of the Improvements, (v) in connection with the protection and preservation of the Loan collateral (including those with respect to property taxes, insurance premiums, completion of construction, operation, management, improvements, maintenance,

repair, sale and disposition), or (vi) the performance of any obligation of Borrower whatsoever, (b) any and all claims, demands, actions or causes of action that are asserted against any Indemnitee by any person (other than the Administrative Agent or any Lender) relating directly or indirectly to a claim, demand, action or cause of action that such person asserts or may assert against Borrower, Permanent Lender, if applicable, Guarantor, or any of their Affiliates or any of their officers or directors; (c) any and all claims, demands, actions or causes of action arising out of or relating to, the Loan Documents, any predecessor loan documents, the Commitments, the use or contemplated use of the proceeds of any Loan, or the relationship of Borrower, Guarantor, Permanent Lender, if applicable, the Administrative Agent and Lenders under this Agreement; (d) any and all claims, demands, actions or causes of action arising out of or relating to the use of Information (as defined in Section 6.6) or other materials obtained through internet, Intralinks or other similar information transmission systems in connection with this Agreement; (e) any administrative or investigative proceeding by any Tribunal arising out of or related to a claim, demand, action or cause of action described in subsection (a) (b) (c) or (d) above; and (e) any and all

liabilities, losses, costs or expenses (including attorney fees) that any Indemnitee suffers or incurs as a result of the assertion of any foregoing claim, demand, action, cause of action or proceeding, or as a result of the preparation of any defense in connection with any foregoing claim, demand, action, cause of action or proceeding, in all cases, whether or not an Indemnitee is a party to such claim, demand, action, cause of action or proceeding and whether it is defeated, successful or withdrawn, (all the foregoing, collectively, the "Indemnified Liabilities"); provided that no
Indemnitee shall be entitled to indemnification for any loss caused by its own gross negligence or willful misconduct or for any loss asserted against it by another Indemnitee. Nothing, including any advance or acceptance of any document or instrument, shall be construed as a representation or warranty, express or implied, to any party by Administrative Agent or Lenders. Inspection shall not constitute an acknowledgment or representation by Administrative Agent, any Lender or the Construction Consultant that there has been or will be compliance with the Plans, the Loan Documents, or applicable laws, governmental requirements and restrictive covenants, or that the construction is free from defective materials or workmanship. Inspection, whether or not followed by notice of Default, shall not constitute a waiver of any Default then existing, or a waiver of Administrative Agent and Lender's right thereafter to insist that the Improvements be constructed in accordance with the Plans, the Loan Documents, and all applicable laws, governmental requirements and restrictive covenants. Administrative Agent's failure to inspect shall not constitute a waiver of any of Administrative Agent or Lender's rights under the Loan Documents or at law or in equity.

6.2 Miscellaneous. This Agreement may be executed in several counterparts, all of which are identical, and all of which counterparts together shall constitute one and the same instrument. The Loan Documents are for the sole benefit of Administrative Agent, Lenders and Borrower and are not for the benefit of any third party. A determination that any provision of this Agreement is unenforceable or invalid shall not affect the enforceability or validity of any other provision and the determination that the application of any provision of this Agreement to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to other persons, entities or circumstances. Time shall be of the essence with respect to Borrower's obligations under the Loan Documents. This Agreement, and its validity, enforcement and interpretation, shall be governed by Georgia law (without regard to any conflict of laws principles) and applicable United States federal law.

6.3 Notices.

6.3.1 Modes of Delivery; Changes. Except as otherwise provided herein, all notices, requests, consents, demands and other communications required or which any party desires to give under this Agreement or any other Loan Document shall be in writing and, unless otherwise specifically provided in such other Loan Document, shall be deemed sufficiently given or furnished if delivered by personal delivery, by courier, by registered or certified United States mail, postage prepaid, or by facsimile (with, subject to subsection 6.3.2 below, a confirmatory duplicate copy sent by first class United States mail), addressed to the party to whom directed at the addresses set forth at the end of this Agreement or by (subject to subsection 6.3.3 below) electronic mail address specified for notices on the Schedule of Lenders (unless changed by similar notice in writing given by the particular party whose address is to be changed). Any such notice or communication shall be deemed to have been given and received either at the time of personal delivery or, in the case of courier or mail, as of the date of first attempted delivery at the address and in the manner provided herein, or, in the case of facsimile, upon receipt; provided, however, that service of a notice required by any applicable statute shall be

considered complete when the requirements of that statute are met. Notwithstanding the foregoing, no notice of change of address shall be effective except upon actual receipt. This Section shall not be construed in any way to affect or impair any waiver of notice or demand provided in any Loan Document or to require giving of notice or demand to or upon any person in any situation or for any reason.

6.3.2 Effectiveness of Facsimile Documents and Signatures. Loan Documents may be transmitted and/or signed by facsimile. The effectiveness of any such documents and signatures shall, subject to applicable law, have the same force and effect as manually-signed originals and shall be binding on all parties to the Loan Documents. The Administrative Agent may also require that any such documents and signatures be confirmed by a manually-signed original thereof; provided, however, that the failure to request or deliver the same
shall not limit the effectiveness of any facsimile document or signature.

6.3.3 Limited Use of Electronic Mail. Electronic mail and internet and intranet websites may be used only to distribute routine communications, such as financial statements and other information, and to distribute Loan Documents for execution by the parties thereto, and may not be used for any other purpose.

6.3.4 Reliance by Administrative Agent and Lenders. The Administrative Agent and the Lenders shall be entitled to rely and act upon any notices (including telephonic Loan advance notices) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify each Agent-Related Person and each Lender from all losses, costs, expenses and liabilities resulting from the reliance by such person on each notice purportedly given by or on behalf of the Borrower. All telephonic notices to and other communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording. If a Lender does not notify or inform Administrative Agent of whether or not it consents to, or approves of or agrees to any matter of any nature whatsoever with respect to which its consent, approval or agreement is required under the express provisions of this Agreement or with respect to which its consent, approval or agreement is otherwise requested by Administrative Agent, in connection with the Loan or any matter pertaining to the Loan, within ten (10) Business Days (or such longer period as may be specified by Administrative Agent) after such consent, approval or agreement is requested by Administrative Agent, the Lender shall be deemed to have given its consent, approval or agreement, as the case may be, with respect to the matter in question.

6.4 Payments Set Aside. To the extent that the Borrower makes a payment to the Administrative Agent or any Lender, or the Administrative Agent or any Lender exercises its right of set-off, and such payment or the proceeds of such set-off or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such set-off had not occurred, and (b) each Lender severally agrees to pay to the

Administrative Agent upon demand its applicable share of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect.

6.5 Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, the Indemnitees) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Any Lender may assign to one or more Eligible Assignees all, but not less than all, of its rights and obligations under this Agreement (including all or a portion of its Commitment and Pro Rata Share of the Loan at the time owing to it); provided that:

(i) each assignment shall be made as an assignment of one hundred percent (100%) of the assigning Lender's rights and obligations under this Agreement with respect to its Pro Rata Share of the Loan and the Commitment assigned, and

(ii) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of $3,500, plus the cost of any applicable endorsement of the Title Insurance or new Title Insurance.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of this Agreement with respect to Borrower's obligation surviving termination of this Agreement. Upon request, Administrative Agent shall prepare and the Borrower shall execute and deliver new or replacement Notes ("Replacement Notes") to the assigning Lender and the assignee Lender evidencing

their respective Pro Rata Shares of the Loan. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall forward the Assignment and Acceptance and the Replacement Notes to the Title Insurer for issuance of an applicable endorsement to the Title Insurance or new Title Insurance, and

shall maintain at the Administrative Agent's Office a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of each Lender's Pro Rata Share of the Loan and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Any Lender may, without the consent of, but with prior notice to the Administrative Agent, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or its Pro Rata Share of the Loan owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, and (iv) except to the extent consented by Administrative Agent and the Required Lenders in their sole discretion with respect to each participation, any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement.

(e) A Participant shall not be entitled to receive any greater payment under Sections 1.7, 1.8 or 1.9 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant.

(f) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Notes, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) If the consent of the Borrower to an assignment or to an assignee is required hereunder (including a consent to an assignment which does not meet the minimum assignment threshold specified in clause (i) of the provision to the first sentence of subsection (b) above), the Borrower shall be deemed to have given its consent five Business Days after the date notice

thereof has been delivered by the assigning Lender (through the Administrative Agent) unless such consent is expressly refused by the Borrower prior to such fifth Business Day.

(h) As used herein, the following terms have the following meanings:

"Eligible Assignee" means (a) a Lender; (b) an Affiliate of a Lender; (c) an Approved Fund; and (d) any other person (other than a natural person) approved by the Administrative Agent, and, unless a Default has occurred and is continuing, the Borrower (each such approval not to be unreasonably withheld or delayed).

"Fund" means any person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial real estate loans and similar extensions of credit in the ordinary course of its business.

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

6.6 Confidentiality. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (b) to the extent requested by any regulatory authority; (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process; (d) to any other party to this Agreement; (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder; (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or participant in, or any prospective assignee of or participant in, any of its rights or obligations under this Agreement or (ii) any direct or indirect contractual counterparty or prospective counterparty (or such contractual counterparty's or prospective counterparty's professional advisor) to any Swap Agreement or credit derivative transaction relating to obligations of the Borrower; (g) with the consent of the Borrower; (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent or any Lender on a nonconfidential basis from a source other than the Borrower; or (i) to the National Association of Insurance Commissioners or any other similar organization or any nationally recognized rating agency that requires access to information about a Lender's or its Affiliates' investment portfolio in connection with ratings issued with respect to such Lender or its Affiliates. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower; provided that, in the case of information received from the Borrower after the date hereof, such information is clearly identified in writing at the time of delivery as confidential. Any person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such person has exercised the same degree of care to

maintain the confidentiality of such Information as such person would accord to its own confidential information. The Administrative Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry, and service providers to the Administrative Agent and the Lenders in connection with the administration and management of this Agreement, the Loan and Loan Documents.

6.7 Set-off. In addition to any rights and remedies of Administrative Agent and Lenders provided by law, upon the occurrence and during the continuance of any Event of Default, Administrative Agent and each Lender is authorized at any time and from time to time, without prior notice to Borrower or any other party to the Loan Documents, any such notice being waived by

Borrower (on its own behalf and on behalf of each party to the Loan Documents to the fullest extent permitted by law, to set-off and apply any and all deposits, general or special, time or demand, provisional or final, any time owing by Administrative Agent or such Lender to or for the credit or the account of such parties to the Loan Documents against any and all Obligations, irrespective of whether or not the Administrative Agent or such Lender shall have made demand under this Agreement or any other Loan Document and although such Obligations may be contingent or unmatured. Each Lender agrees promptly to notify Borrower and Administrative Agent after any such set-off and application made by such Lender; provided, however, that the failure to give such notice shall not affect the validity of such set-off and application.

6.8 Sharing of Payments. If, other than as expressly provided elsewhere herein, any Lender shall obtain on account of the portions of the Loan advanced by it, any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) in excess of its ratable share (or other share contemplated hereunder) thereof, such Lender shall immediately (a) notify the Administrative Agent of such fact, and (b) purchase from the other Lenders such participations in the portions of the Loan made by them and/or such subparticipations in the participations in L/C Obligations held by them, as the case may be, as shall be necessary to cause such purchasing Lender to share the excess payment in respect of such portions of the Loan or such participations, as the case may be, pro rata with each of them; provided, however, that if all or any portion of such excess payment is thereafter recovered from the purchasing Lender, such purchase shall to that extent be rescinded and each other Lender shall repay to the purchasing Lender the purchase price paid therefor, together with an amount equal to such paying Lender's ratable share (according to the proportion of (i) the amount of such paying Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off, but subject to Section 6.7 with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation. The Administrative Agent will keep records (which shall be conclusive and binding in the absence of manifest error) of participations purchased under this Section and will in each case notify the Lenders following any such purchases or repayments. Each Lender that purchases a participation pursuant to this Section shall from and after such purchase have the right to give all notices, requests, demands, directions and other communications under this Agreement with respect to the portion of the Obligations purchased to the same extent as though the purchasing Lender were the original owner of the Obligations purchased.

6.9 Amendments; Survival. Administrative Agent and Lenders shall be

entitled to amend (whether pursuant to a separate intercreditor agreement or otherwise) any of the terms, conditions or agreements set forth in Article 5 or as to any other matter in the Loan Documents respecting payments to Administrative Agent or Lenders or the required number of the Lenders to approve or disapprove any matter or to take or refrain from taking any action, without the consent of Borrower or any other Person or the execution by Borrower or any other Person of any such amendment or intercreditor agreement. Subject to the foregoing, Administrative Agent may amend or waive any provision of this Agreement or any other Loan Document, or consent to any departure by any party to the Loan Documents therefrom which amendment, waiver or consent in Administrative Agent's reasonable determination shall not have a Material Adverse Affect, or is otherwise intended to be within Administrative Agent's discretion or determination; provided however, otherwise no such

amendment, waiver or consent shall be effective unless in writing, signed by the Required Lenders and Borrower or the applicable party to the Loan Documents, as the case may be, and acknowledged by Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided further however, no such amendment, waiver or consent shall, unless in writing and signed by each of the Lenders directly affected thereby and by the Borrower, and acknowledged by the Administrative Agent, do any of the following:

(a) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 4.2) (it being understood that a waiver of a Default shall not constitute an extension or increase in any Lender's Commitment);

(b) postpone any date fixed by this Agreement or any other Loan Document for any payment or mandatory prepayment of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder or under any other Loan Document;

(c) reduce the principal of, or the rate of interest specified herein on, any Loan or any fees or other amounts payable hereunder or under any other Loan Document; provided, however, that the Administrative Agent may waive any obligation of the Borrower to pay interest at the Past Due Rate and/or late charges for periods of up to thirty days, and only the consent of the Required Lenders shall be necessary to waive any obligation of the Borrower to pay interest at the Past Due Rate or late charges thereafter, or to amend the definition of "Past Due Rate" or "late charges";

(d) change the percentage of the combined Commitments or of the aggregate unpaid principal amount of the Loan which is required for the Lenders or any of them to take any action hereunder;

(e) change the definition of "Pro Rata Share" or "Required Lender";

(f) amend this Section, or Section 6.8, or any provision herein providing for consent or other action by all the Lenders;

(g) release the liability of Borrower or any existing Guarantor or terminate the Tri-Party Agreement, if applicable;

(h) permit the sale, transfer, pledge, mortgage or assignment of any Loan collateral or any direct or indirect interest in Borrower, except as

expressly permitted under the Loan Documents; or

(i) transfer or release any lien on, or after foreclosure or other acquisition of title by Administrative Agent on behalf of the Lenders transfer or sell, any Loan collateral except as permitted in Section 5.10.

and, provided further, that no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Required Lenders or all the Lenders, as the case may be, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document. Notwithstanding anything to the contrary herein, any Lender that has failed to fund any

portion of its Pro Rata Share of the Loan or participations in L/C Obligations required to be funded by it hereunder shall not have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Pro Rata Share of such Lender may not be increased without the consent of such Lender.

This Agreement shall continue in full force and effect until the Indebtedness is paid in full and all of Administrative Agent and Lender's obligations under this Agreement are terminated; and all representations and warranties and all provisions herein for indemnity of the Indemnitees, Administrative Agent and Lenders (and any other provisions herein specified to survive) shall survive payment in full of the Indebtedness and any release or termination of this Agreement or of any other Loan Documents.

6.10 Costs and Expenses. Without limiting any Loan Document and TO the extent not prohibited by applicable laws, Borrower shall pay when due, shall reimburse to Administrative Agent for the benefit of itself and Lenders on demand and shall indemnify Administrative Agent and Lenders from, all out-of-pocket fees, costs, and expenses paid or incurred by Administrative Agent in connection with the negotiation, preparation and execution of this Agreement and the other Loan Documents (and any amendments, approvals, consents, waivers and releases requested, required, proposed or done from time to time), or in connection with the disbursement, administration or collection of the Loan or the enforcement of the obligations of Borrower or the exercise of any right or remedy of Administrative Agent, including (a) all fees and expenses of Administrative Agent's counsel; (b) fees and charges of each Construction Consultant, inspector and engineer; (c) appraisal, re-appraisal and survey costs; (d) title insurance charges and premiums; (e) title search or examination costs, including abstracts, abstractors' certificates and uniform commercial code searches; (f) judgment and tax lien searches for Borrower and each Guarantor; (g) escrow fees; (h) fees and costs of environmental investigations site assessments and remediations; (i) recordation taxes, documentary taxes, transfer taxes and mortgage taxes; (j) filing and recording fees; and (k) loan brokerage fees. Borrower shall pay all costs and expenses incurred by Administrative Agent, including attorneys' fees, if the obligations or any part thereof are sought to be collected by or through an attorney at law, whether or not involving probate, appellate, administrative or bankruptcy proceedings. Borrower shall pay all costs and expenses of complying with the Loan Documents, whether or not such costs and expenses are included in the Budget. Borrower's obligations under this Section shall survive the delivery of the Loan Documents, the making of advances, the payment in full of the obligations, the release or reconveyance of any of the Loan Documents, the foreclosure of the Deed of Trust or conveyance in lieu of foreclosure, any bankruptcy or other debtor relief proceeding, and any other event whatsoever.

6.11 Foreign Lenders and Participants. Each Lender, and each holder of a participation interest herein, that is a "foreign corporation, partnership or trust" within the meaning of the Internal Revenue Code of 1986, as amended from

time to time ("Code") shall deliver to Administrative Agent, prior to receipt of
any payment subject to withholding (or after accepting an assignment or receiving a participation interest herein), two duly signed completed copies of either Form W-8BEN or any successor thereto (relating to such person and entitling it to a complete exemption from withholding on all payments to be made to such person by Borrower pursuant to this Agreement) or Form W-8ECI or any successor thereto (relating to all payments to be made to such person by Borrower pursuant to this Agreement) of the United States Internal Revenue Service or such other evidence satisfactory to Borrower and Administrative Agent that no withholding under the federal income tax laws is required with respect to such person. Thereafter and from time to time, each such

person shall (a) promptly submit to Administrative Agent such additional duly completed and signed copies of one of such forms (or such successor forms as shall be adopted from time to time by the relevant United States taxing authorities) as may then be available under then current United States laws and regulations to avoid, or such evidence as is satisfactory to Borrower and Administrative Agent of any available exemption from, United States withholding taxes in respect of all payments to be made to such person by Borrower pursuant to this Agreement and (b) take such steps as shall not be materially disadvantageous to it, in the reasonable judgment of such Lenders, and as may be reasonably necessary (including the re-designation of its lending office, if any) to avoid any requirement of applicable laws that Borrower make any deduction or withholding for taxes from amounts payable to such person. If such persons fails to deliver the above forms or other documentation, then Administrative Agent may withhold from any interest payment to such person an amount equivalent to the applicable withholding tax imposed by Sections 1441 and 1442 of the Code, without reduction. If any Tribunal asserts that Administrative Agent did not properly withhold any tax or other amount from payments made in respect of such person, such person shall indemnify Administrative Agent therefor, including all penalties and interest and costs and expenses (including attorney fees) of Administrative Agent. The obligation of Lenders under this subsection shall survive the payment of all Obligations and the resignation or replacement of Administrative Agent.

6.12 Further Assurances. Borrower will, upon Administrative Agent's request, (a) promptly correct any defect, error or omission in any Loan Document; (b) execute, acknowledge, deliver, procure, record or file such further instruments and do such further acts as Administrative Agent deems necessary, desirable or proper to carry out the purposes of the Loan Documents and to identify and subject to the liens and security interest of the Loan Documents any property intended to be covered thereby, including any renewals, additions, substitutions, replacements, or appurtenances to the Property; (c) execute, acknowledge, deliver, procure, file or record any document or instrument Administrative Agent deems necessary, desirable, or proper to protect the liens or the security interest under the Loan Documents against the rights or interests of third persons; and (d) provide such certificates, documents, reports, information, affidavits and other instruments and do such further acts deemed necessary, desirable or proper by Administrative Agent to comply with the requirements of any agency having jurisdiction over Administrative Agent.

6.13 Inducement to Lenders; Indemnity. The representations and warranties contained in this Agreement and the other Loan Documents (a) are made to induce Lenders to make the Loan and extend any other credit to or for the account of the Borrower pursuant hereto, and Administrative Agent and Lenders are relying thereon, and will continue to rely thereon, and (b) shall survive any bankruptcy proceedings involving Borrower, Guarantor or the Property, foreclosure, or conveyance in lieu of foreclosure.

6.14 Forum. Borrower hereby irrevocably submits generally and unconditionally for itself and in respect of its property to the jurisdiction of any state court, or any United States federal court, sitting in the State specified in Section 6.2 of this Agreement and to the jurisdiction of any state court or any United States federal court, sitting in the state in which any of the Property is located, over any suit, action or proceeding arising out of or relating to this Agreement or the Indebtedness. Borrower hereby irrevocably waives, to the fullest extent permitted by law, any objection that Borrower may now or hereafter have to the laying of venue in any such court and any claim that any such court is an inconvenient forum. Borrower hereby agrees and consents that, in addition to any methods of service or process provided for under applicable law, all service of process in any such suit, action or

proceeding in any state court, or any United States federal court, sitting in the state specified in Section 6.2 may be made by certified or registered mail, return receipt requested, directed to Borrower at its address for notice stated in the Loan Documents, or at a subsequent address of which Administrative Agent received actual notice from Borrower in accordance with the Loan Documents, and service so made shall be complete five (5) days after the same shall have been so mailed. Nothing herein shall affect the right of Administrative Agent to serve process in any manner permitted by law or limit the right of Administrative Agent to bring proceedings against Borrower in any other court or jurisdiction.

6.15 Interpretation. References to "Dollars," "$," "money," "payments" or other similar financial or monetary terms are references to lawful money of the United States of America. References to Articles, Sections, and Exhibits are, unless specified otherwise, references to articles, sections and exhibits of this Agreement. Words of any gender shall include each other gender. Words in the singular shall include the plural and words in the plural shall include the singular. References to Borrower or Guarantor shall mean, each person comprising same, jointly and severally. References to "persons" shall include both natural persons and any legal entities, including public or governmental bodies, agencies or instrumentalities. The words "include" and "including" shall be interpreted as if followed by the words "without limitation". Captions and headings in the Loan Documents are for convenience only and shall not affect the construction of the Loan Documents.

6.16 No Partnership, etc. The relationship between Lenders (including Administrative Agent) and Borrower is solely that of lender and borrower. Neither Administrative Agent nor Lender has any fiduciary or other special relationship with or duty to Borrower and none is treated by the Loan Documents. Nothing contained in the Loan Documents, and no action taken or omitted pursuant to the Loan Documents, is intended or shall be construed to create any partnership, joint venture, association, or special relationship between Borrower and Administrative Agent or any Lender or in any way make Administrative Agent or any Lender a co-principal with Borrower with reference to the Project, the Property or otherwise. In no event shall Administrative Agent or Lender's rights and interests under the Loan Documents be construed to give Administrative Agent or any Lender the right to control, or be deemed to indicate that Administrative Agent or any Lender is in control of, the business, properties, management or operations of Borrower.

6.17 Records. The unpaid amount of the Loan and the amount of any other credit extended by Administrative Agent or Lenders to or for the account of

Borrower set forth on the books and records of Administrative Agent shall be presumptive evidence of the amount thereof owing and unpaid, but failure to record any such amount on Administrative Agent's books and records shall not limit or affect the obligations of Borrower under the Loan Documents to make payments on the Loan when due.

6.18 Commercial Purpose. Borrower warrants that the Loan is being made solely to acquire or carry on a business or commercial enterprise, and/or Borrower is a business or commercial organization. Borrower further warrants that all of the proceeds of this Loan shall be used for commercial purposes and stipulates that the Loan shall be construed for all purposes as a commercial loan, and is made for other than personal, family, household or agricultural purposes.

6.19 WAIVER OF JURY TRIAL. BORROWER WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH BORROWER AND LENDER MAY BE PARTIES, ARISING

OUT OF, IN CONNECTION WITH OR IN ANY WAY PERTAINING TO, ANY NOTE, THE LOAN AGREEMENT, THE DEED OF TRUST OR ANY OF THE OTHER LOAN DOCUMENTS. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTION OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO ANY NOTE. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY BORROWER, AND BORROWER HEREBY REPRESENTS THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. BORROWER FURTHER REPRESENTS AND WARRANTS THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF ALL NOTES AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED BY INDEPENDENT LEGAL COUNSEL SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

6.20 Service of Process. Borrower hereby consents to process being served in any suit, action, or proceeding instituted in connection with this Loan by (a) the mailing of a copy thereof by certified mail, postage prepaid, return receipt requested, to Borrower and (b) serving a copy thereof upon CT Corporation in Atlanta, Fulton County, Georgia, the agent hereby designated and appointed by Borrower as Borrower's agent for service of process. Borrower irrevocably agrees that such service shall be deemed to be service of process upon Borrower in any such suit, action, or proceeding. Nothing in any Note shall affect the right of Administrative Agent to serve process in any manner otherwise permitted by law and nothing in any Note will limit the right of Administrative Agent on behalf of the Lenders otherwise to bring proceedings against Borrower in the courts of any jurisdiction or jurisdictions.

6.21 Entire Agreement. The Loan Documents constitute the entire understanding and agreement between Borrower, Administrative Agent and Lenders with respect to the transactions arising in connection with the Loan, and supersede all prior written or oral understandings and agreements between Borrower, Administrative Agent and Lenders with respect to the matters addressed in the Loan Documents. In particular, and without limitation, the terms of any commitment letter, letter of intent or quote letter by Administrative Agent or any Lender to make the Loan are merged into the Loan Documents. Neither Administrative Agent nor any Lender has made any commitments to extend the term of the Loan past its stated maturity date or to provide Borrower with financing except as set forth in the Loan Documents. Except as incorporated in writing into the Loan Documents, there are not, and were not, and no persons are or were authorized by Administrative Agent or any Lender to make, any representations, understandings, stipulations, agreements or promises, oral or written, with respect to the matters addressed in the Loan Documents.

6.22 Mandatory Arbitration. Any controversy or claim between or among the parties hereto including but not limited to those arising out of or relating to this Agreement or any related agreements or instruments, including any claim based on or arising from an alleged tort, shall be determined by binding arbitration in accordance with the Federal Arbitration Act (or if not applicable, the applicable state law), the Rules of Practice and Procedure for the Arbitration of Commercial Disputes of Judicial Arbitration and Mediation Services, Inc. ("J.A.M.S.") and the "Special Rules" set forth below. In the event of any inconsistency, the Special Rules shall control. Judgment upon any arbitration award may

be entered in any court having jurisdiction. Any party to this Agreement may bring an action, including a summary or expedited proceeding, to compel arbitration of any controversy or claim to which this agreement applies in any court having jurisdiction over such action.

a. Special Rules. The arbitration shall be conducted in Atlanta, Georgia, and administered by J.A.M.S. who will appoint an arbitrator; if J.A.M.S. is unable or legally precluded from administering the arbitration, then the American Arbitration Association will serve. All arbitration hearings will be commenced within ninety (90) days of the demand for arbitration; further, the arbitrator shall only, upon a showing of cause, be permitted to extend the commencement of such hearing for up to an additional sixty (60) days.

b. Reservations of Rights. Nothing in this Agreement shall be deemed to (i) limit the applicability of any otherwise applicable statutes of limitation or repose and any waivers contained in this Agreement; or (ii) be a waiver by Administrative Agent or any Lender of the protection afforded to it by 12 U.S.C. Sec. 91 or any substantially equivalent state law; or (iii) limit the right of (A) any Lender (subject to Section 1.8 and Article 5) to exercise self help remedies such as (but not limited to) setoff, or (B) Administrative Agent on behalf of the Lenders to foreclose against any real or personal property collateral, or (C) Administrative Agent on behalf of the Lenders to obtain from a court provisional or ancillary remedies such as (but not limited to) injunctive relief or the appointment of a receiver. Lenders may exercise such self help rights, and Administrative Agent on behalf of the Lenders may foreclose upon such property or obtain such provisional or ancillary remedies before, during or after the pendency of any arbitration proceeding brought pursuant to this Agreement. At the option of the Administrative Agent on behalf of the Lenders, foreclosure under a deed of trust or mortgage may be accomplished by any of the following: the exercise of a power of sale under the deed of trust or mortgage, or by judicial sale under the deed of trust or mortgage, or by judicial foreclosure. Neither the exercise of self help remedies nor the institution or maintenance of an action for foreclosure or provisional or ancillary remedies shall constitute a waiver of the right of any party, including the claimant in any such action, to arbitrate the merits of the controversy or claim occasioning resort to such remedies. No provision in the Loan Documents regarding submission to jurisdiction and/or venue in any court is intended or shall be construed to be in derogation of the provisions in any Loan Document for arbitration of any controversy or claim.

THE WRITTEN LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

[SIGNATURES BEGIN ON NEXT PAGE]

EXECUTED and DELIVERED UNDER SEAL as of November 30 , 2001.

BORROWER:

WELLS OPERATING PARTNERSHIP, L.P.,
a Delaware limited partnership

By: Wells Real Estate Investment Trust, Inc.,
a Maryland corporation, general partner

By: /s/ Douglas P. Williams
Name: Douglas P. Williams
Title: Executive Vice President

Attest: /s/ M. Scott Meadows
Name: M. Scott Meadows
Title: Sr. Vice President

[CORPORATE SEAL]

Borrower's Address for Notices:
6200 The Corners Parkway, Suite 250
Norcross, Georgia 30092

The Federal Tax Identification Number of Borrower:
58-2368838

[SIGNATURES CONTINUED ON NEXT PAGE]

[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

BANK OF AMERICA, N.A., a national banking
association, individually as Administrative Agent
and a Lender

By: /s/ Gerald R. Masey
Name: Gerald R. Masey
Title: Senior Vice President

[BANK SEAL]

Lender's Address for Notices:
Bank of America, N.A.
Real Estate Banking Group
Bank of America Plaza - Sixth Floor
600 Peachtree Street, N.E.

Atlanta, Georgia 30308-3318

[SIGNATURES CONTINUED ON NEXT PAGE]

[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

GUARANTY BANK, as a Lender

By: /s/ John B. Lirgl (SEAL)

Name: John B. Lirgl, Jr.

Title: Vice President

[SIGNATURES CONTINUED ON NEXT PAGE]

[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

SOUTHTRUST BANK, as a Lender

By: /s/ Eric Overton (SEAL)

Name: Eric Overton

Title: AVP

EXHIBIT "A"

BEING a tract of land situated in the CORDELIA BOWEN SURVEY, ABSTRACT NO. 56, DALLAS County, Texas, and being all of Lot 7, Block C, DFW FREEPORT, 12TH INSTALLMENT, an Addition to the City of Irving, Texas, recorded in Volume 86246, Page 317, Deed Records, DALLAS County, Texas, as conveyed to H. L. Hunt Foundation by Correction General Warranty Deed as recorded in volume 89017, Page 1545, Deed Records, DALLAS County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2 inch iron rod found for corner at the North end of a corner clip at the intersection of the Northeast line of Esters Boulevard (80 foot right-of-way) and the Southeast line of Freeport Parkway (100 foot right-of-way);

THENCE North 54 degrees 19 minutes 10 seconds East, with said Southeast line, a distance of 57.16 feet to a 1/2 inch iron rod found for corner at the beginning of a curve to the left having a central angle of 44 degrees 00 minutes 00 seconds, a radius of 880.59 feet and a chord bearing and distance of North 32 degrees 19 minutes 10 seconds East, 659.75 feet;

THENCE along said curve to the left and continuing with said Southeast line, an arc distance of 676.24 feet to a 1/2 inch iron rod found for corner;

THENCE North 10 degrees 19 minutes 10 seconds East; continuing along said South-east line, a distance of 87.55 feet to a 1/2 inch iron rod found for corner at the Southwest end of a corner clip at the intersection of said Southeast line and the South line of Regent Boulevard (100 foot right-of-way);

THENCE North 55 degrees 19 minutes 10 seconds East; along said corner clip; a distance of 25.00 feet to a 1/2 inch iron rod found for corner in said South line of Regent Boulevard;

THENCE South 79 degrees 40 minutes 50 seconds East, along said South line, a distance of 402.27 feet to a 1/2 inch iron rod found for corner at the beginning of a curve to the right having a central angle of 43 degrees 56 minutes 12 seconds, a radius of 549.97 feet and a chord bearing and distance of South 57 degrees 42 minutes 45 seconds East, 411.48 feet;

THENCE along said curve to the right and continuing along said South line, an arc distance of 421.74 feet to a 1/2 inch iron rod found for corner;

THENCE South 35 degrees 44 minutes 26 seconds East, continuing along said South line, a distance of 88.38 feet to a 1/2 inch iron rod found for corner, said corner also being the most Northerly corner of Lot 6, Block C, of the above-mentioned DFW Freeport Addition;

THENCE South 54 degrees 19 minutes 10 seconds west, along the North line of said Lot 6, a distance of 1208.41 feet to an "x' cut found for corner in the aforementioned Northeast line of Esters Boulevard;

THENCE North 35 degrees 40 minutes 50 seconds West, along said Northeast line, a distance of 433.97 feet to a 1/2 inch iron rod found for a corner at the South end of the aforementioned corner clip at the intersection of said

(Continued)

Northeast line of Esters Boulevard and the aforementioned Southeast line of Freeport Parkway;

Thence North 09 degrees 19 minutes 10 seconds East, along said corner clip, a distance of 25.00 feet to the POINT OF BEGINNING and CONTAINING 647,837 square feet or 14.8723 acres of land, more or less.

EXHIBIT "B"

BASIC INFORMATION

A. DEFINITIONS: As used in this Agreement and the attached exhibits, the following terms shall have the following meanings:

1. "Administrative Agent" means Bank of America, N.A., in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

2. "Administrative Agent Advances" means advances as set forth in Section 1 of this Agreement.

3. "Administrative Agent's Office" means Administrative Agent's address and, as appropriate, account as set forth on the Schedule of Lenders, or such other address or account as Administrative Agent hereafter may from time to time notify to Borrower and Lenders.

4. "Administrative Agent's Time" means the time of day observed in the city where Administrative Agent's office is located.

5. "Advance Termination Date" means the Maturity Date.

6. "Affiliate" means any person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such person. A person shall be deemed to be "controlled by" any other person if such other person possesses, directly or indirectly, power (a) to vote 10% or more of the securities (on a fully diluted basis) having ordinary voting power for the election of directors or managing general partners; or (b) to direct or cause the direction of the management and policies of such person whether by contract or otherwise.

7. "Agent-Related Persons" means Administrative Agent (including any successor administrative agent), together with its Affiliates (including Arranger), and the officers, directors, employees, agents and attorneys-in-fact of such persons and Affiliates.

8. "Aggregate Cost" has the meaning set forth in Section 1.4 of this Agreement.

9. "Agreement" has the meaning set forth in the introductory paragraph of this Agreement, and includes all exhibits attached hereto and referenced in Section 1.1.

10. "Appraised Value" means at least $42,750,000.00.

11. "Arranger" means Banc of America Securities LLC, in its capacity as sole arranger and sole book manager.

12. "Assignment and Acceptance" means an Assignment and Acceptance substantially in the form of Exhibit "L".

13. "Association" means Freeport Property Owners Association, Inc., a Texas non-profit corporation.

EXHIBIT "B"

14. "Basic Information" has the meaning set forth in Section 1.1 of this Agreement.

15. "Borrower" has the meaning set forth in the introductory paragraph of this Agreement.

16. "Borrower's Deposit" has the meaning set forth in Section 1.5 of this Agreement.

17. "Budget" means the budget and cost itemization for the Project attached as Exhibit "D".

18. "Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the laws of, or are in fact closed in, the state where Administrative Agent's Office is located or, if such day relates to any LIBOR Rate, means any such day on which dealings in dollar deposits are conducted by and between banks in the London, England interbank market.

19. "Commitment" means, as to each Lender, its obligation to advance its Pro Rata Share of the Loan in an aggregate principal amount not exceeding the amount set forth opposite such Lender's name on the Schedule of Lenders at any one time outstanding, as such amount may be reduced or adjusted from time to time in accordance with this Agreement (collectively, the "combined Commitments").

20. "Completion Date" means the earlier of (i) that date which is fourteen (14) months from the Construction Commencement Date, or (ii) any earlier date required by the Nissan Lease for completion of the Improvements.

21. "Construction Commencement Date" means on or before February 1, 2002.

22. "Construction Consultant" means the construction consultant, if any, engaged by Administrative Agent with respect to the Project.

23. "Debtor Relief Laws" means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States of America or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

24. "Deed of Trust" means the Deed of Trust, Assignment and Security Agreement dated November 30, 2001, from the Borrower to certain trustees for Administrative Agent and Lender's benefit, securing repayment of the Indebtedness and Borrower's performance of its other obligations to Administrative Agent and Lenders under the Loan Documents, as amended, modified, supplemented, restated and replaced from time to time.

25. "Default" has the meaning set forth in Section 4.1 of this Agreement.

26. "Defaulting Lender" means a Lender that fails to pay its Pro Rata Share of a Payment Amount within five (5) Business Days after notice from Administrative Agent, until such Lender cures such failure as permitted in this Agreement.

EXHIBIT "B"

27. "Defaulting Lender Amount" means the Defaulting Lender's Pro Rata Share of a Payment Amount.

28. "Defaulting Lender Payment Amounts" means a Defaulting Lender Amount plus interest from the date such Defaulting Lender Amount was funded by Administrative Agent and/or an Electing Lender, as applicable, to the date such amount is repaid to Administrative Agent and/or such Electing Lender, as applicable, at the rate per annum applicable to such Defaulting Lender Amount under the Loan or otherwise at the Prime Rate.

29. "Development Agreement" has the meaning set forth in the Deed of Trust.

30. "Draw Request" means a properly completed and executed written application by Borrower to Lenders in the form of Exhibit "F-1" (or in another form approved by Administrative Agent) setting forth the amount of Loan proceeds desired, together with such schedules, affidavits, releases, waivers, statements, invoices, bills and other documents, certificates and information Lenders require.

31. "Eligible Assignee" has the meaning set forth in Section 6.5.

32. "Environmental Agreement" means the Environmental Indemnity Agreement of even date herewith by and among Borrower, Guarantor and Administrative Agent for the benefit of Lenders.

33. "Excusable Delay" means a delay, not to exceed a total of ten (10) days, caused by unusually adverse weather conditions which have not been taken into account in the construction schedule, fire, earthquake or other acts of God, strikes, lockouts, acts of public enemy, riots or insurrections or any other unforeseen circumstances or events beyond the control of Borrower (except financial circumstances or events or matters which may be resolved by the payment of money), and as to which Borrower notifies Administrative Agent in writing within five (5) days after such occurrence; provided, however, no Excusable Delay shall extend the Completion Date or suspend or abate any obligation of Borrower or any Guarantor or any other person to pay any money.

34. "Federal Funds Rate" means, for any day, the rate per annum (rounded upwards to the nearest 1/100 of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate charged to Bank of America on such day on such transactions as determined by Administrative Agent.

35. "Financial Statements" means (i) for each reporting party other than an individual, a balance sheet, income statement, statements of cash flow and amounts and sources of contingent liabilities, a reconciliation of changes in equity and liquidity verification, and unless Administrative Agent otherwise consents, consolidated and consolidating statements if the reporting party is a holding company or a parent of a subsidiary entity; and (ii) for each reporting party who is an individual, a balance sheet, statements of amount and sources of contingent liabilities, sources and uses of cash and liquidity verification and,

unless Administrative Agent otherwise consents, Financial Statements for each entity owned or jointly owned by the reporting party. For purposes of this definition and any

EXHIBIT "B"

covenant requiring the delivery of Financial Statements, each party for whom Financial Statements are required is a "reporting party" and a specified period to which the required Financial Statements relate is a "reporting period".

36. "Foundations" means The Ruth Ray and H.L. Hunt Foundation, a Texas non-profit corporation and The Ruth Foundation, a Texas non-profit corporation.

37. "Funding Date" means the date on which an advance of Loan proceeds or Borrower's Deposit shall occur.

38. "Guarantor" means Wells Real Estate Investment Trust, Inc., a Maryland corporation.

39. "Improvements" means all on-site and off-site improvements to the Land for an approximately 268,290 square foot, three-story office building with accessory parking, child care facilities, fitness center, kitchen, dining areas, warehouse space, training rooms, document preparation areas and telecommunications room, to be constructed on the Land, together with all fixtures, tenant improvements, and appurtenances now or later to be located on the Land and/or in such improvements.

40. "Indebtedness" means any and all indebtedness to Administrative Agent or Lenders evidenced, governed or secured by, or arising under, any of the Loan Documents, including the Loan, Swap Contracts and all Letters of Credit.

41. "Indemnified Liabilities" has the meaning set forth in Section 6.1.

42. "Land" means the real property described in Exhibit "A".

43. "Laws" means all constitutions, treaties, statutes, laws, ordinances, regulations, rules, orders, writs, injunctions, or decrees of the United States of America, any state or commonwealth, any municipality, any foreign country, any territory or possession, or any Tribunal.

44. "Lender" means each lender from time to time party to this Agreement.

45. "Lending Office" means, as to any Lender, the office or offices of such Lender described as such on the Schedule of Lenders, or such other office or offices as such Lender may from time to time notify Borrower and Administrative Agent.

46. "Loan" means the loan by Lenders to Borrower, in the maximum amount of $34,200,000.00, but not to exceed, in the aggregate, the payment of 80.9% of the costs incident to the Project as specified in the Budget. In the event the aggregate amount of the actual costs incident to the Project are less than the

aggregate amount specified in the Budget, the maximum amount described above shall be reduced by the difference between the aggregate amount specified in the Budget and the aggregate amount of such actual costs.

47. "Loan Documents" means this Agreement (including all exhibits), the Deed of Trust, any Note, the Environmental Agreement, any guaranty, financing statements, Swap Contracts, the Budget, each Draw Request, and such other documents evidencing, securing or pertaining to the Loan as shall, from time to time, be executed and/or delivered by Borrower, Guarantor, or any other party to Administrative Agent or any Lender pursuant to this Agreement, as they may be amended, modified, restated, replaced and supplemented from time to time.

EXHIBIT "B"

48. "Material Adverse Effect" means (a) a material adverse change in, or a material adverse effect upon, the Project, or the operations, business, properties, condition (financial or otherwise) or prospects of the Borrower or the Borrower and its Subsidiaries taken as a whole; (b) a material impairment of the ability of any party to the Loan Documents to perform its obligations under any Loan Document to which it is a party; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against any party to the Loan Documents of any Loan Document to which it is a party.

49. "Maturity Date" means July 30, 2003, as it may be earlier terminated or extended in accordance with the terms hereof.

50. "Nissan" means Nissan Motor Acceptance Corporation, a California corporation.

51. "Nissan Lease" means that certain Lease Agreement dated September 19, 2001 by and between Borrower, as landlord, and Nissan, as tenant, with respect to the Improvements.

52. "Notes" means the Promissory Notes each dated November 30, 2001 executed by Borrower and payable to the order of each Lender in the amount of each Lender's Commitment and collectively in the maximum principal amount of the Loan, substantially in the form of Exhibit "M" as amended, modified, replaced, restated, extended or renewed from time to time.

53. "Obligations" means all advances to, and debts, liabilities, obligations, covenants and duties of, any party to a Loan Document arising under any Loan Document, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest that accrues after the commencement by or against any party to a Loan Document or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such person as the debtor in such proceeding.

54. "Payment Amount" means an advance of the Loan, an unreimbursed Administrative Agent Advance, an unreimbursed Indemnified Liability, or any other amount that a Lender is required to fund under this Agreement.

55. "Permitted Changes" means changes to the Plans or Improvements, provided the cost of any single change or extra does not exceed $50,000.00 and the aggregate amount of all such changes and extras (whether positive or negative) does not exceed $500,000.00.

56. "Permitted Lender" means [intentionally omitted].

57. "Plans" means the plans and specifications listed in Exhibit "E" and all modifications thereof and additions thereto that are included as part of the Plans as the same shall be approved by Administrative Agent in the exercise of its sole discretion in accordance with the terms of this Agreement.

58. "Potential Default" means any condition or event which with the giving of notice or lapse of time or both would, unless cured or waived, become a Default.

EXHIBIT "B"

59. "Prime Rate" means, on any day, the rate of interest per annum then most recently established by Administrative Agent as its "prime rate," it being understood and agreed that such rate is set by Administrative Agent as a general reference rate of interest, taking into account such factors as Administrative Agent may deem appropriate, that it is not necessarily the lowest or best rate actually charged to any customer or a favored rate, that it may not correspond with future increases or decreases in interest rates charged by other lenders or market rates in general, and that Administrative Agent may make various business or other loans at rates of interest having no relationship to such rate. If Administrative Agent (including any subsequent Administrative Agent) ceases to exist or to establish or publish a prime rate from which the Prime Rate is then determined, the applicable variable rate from which the Prime Rate is determined thereafter shall be instead the prime rate reported in The Wall Street Journal (or the average prime rate if a high and a low prime rate are therein reported), and the Prime Rate shall change without notice with each change in such prime rate as of the date such change is reported.

60. "Principal Debt" means the aggregate unpaid principal balance of this Loan at the time in question.

61. "Pro Rata Share" means, with respect to each Lender, the percentage of the Loan set forth opposite the name of that Lender on the Schedule of Lenders, as such share may be adjusted pursuant to Section 6.5.

62. "Project" means the acquisition of the Land, the construction of the Improvements, and if applicable, the leasing and operation of the Improvements.

63. "Property" means the Land, the Improvements and all other property constituting the "Deed of Trust Property," as described in the Deed of Trust, or subject to a right, lien or security interest to secure the Loan pursuant to any other Loan Document.

64. "Required Lenders" means as of any date of determination at least two Lenders (excluding Defaulting Lenders) holding Pro Rata Shares of the Loan aggregating more than 50% of the aggregate outstanding principal amount of the Loan (excluding that portion of the Loan held by a Defaulting Lender or Defaulting Lenders).

65. "Rights" means rights, remedies, powers and privileges.

------

66. "Schedule of Lenders" means the schedule of Lenders party to this
Agreement as set forth on Exhibit "N", as it may be modified from time to time
in accordance with this Agreement.

67. "Stored Materials Advance Limit" means $0.00.

68. "Subsidiary" means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries.

69. "Survey" means a survey prepared in accordance with Exhibit "G" or as otherwise approved by Administrative Agent in its sole discretion.

EXHIBIT "B"

70. "Swap Contract" means (a) any and all rate swap transactions, basis swaps, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, or (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., or any other master agreement (any such master agreement, together with any related schedules, as amended, restated, extended, supplemented or otherwise modified in writing from time to time, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

71. "Telerate Page 3750" means the British Bankers Association Libor Rates (determined at 11:00 a.m. London, England time) that are published by Bridge Information Systems, Inc.

72. "Title Insurance" means the loan policy or policies of title insurance issued to Administrative Agent for the benefit of Lenders by the Title Insurer, in an amount equal to the maximum principal amount of the Loan, insuring the validity and priority of the Deed of Trust encumbering the Land and Improvements for the benefit of Administrative Agent and Lenders.

73. "Title Insurer" means Lawyers Title Insurance Corporation.

74. "Tribunal" means any state, commonwealth, federal, foreign, territorial or other court or governmental department, commission, board, bureau, district, authority, agency, central bank, or instrumentality, or any arbitration authority.

B. FINANCIAL STATEMENTS:

Borrower shall provide or cause to be provided to Administrative Agent with a copy for each Lender all of the following:

(a) Financial Statements of Borrower, and, if Borrower is a partnership of each general partner of Borrower for each fiscal year of such reporting party, as soon as reasonably practicable and in any event within one hundred twenty (120) days after the close of each fiscal year, and for each fiscal quarter of each such reporting party, as soon as reasonably practicable and in any event within forty-five (45) days after the close of each such reporting period.

(b) Financial Statements of Guarantor for each fiscal year of Guarantor, as soon as reasonably practicable and in any event within one hundred twenty (120) days after the close of each fiscal year, and for each fiscal quarter of Guarantor, as soon as reasonably practicable and in any event within forty-five (45) days after the close of each such reporting period.

(c) Prior to commencement of operations of the Improvements, a capital and operating budget for the Property for its first fiscal year (or portion thereof) of operations; and after commencement of operations in the Improvements: (i) prior to the beginning of each fiscal year of

Borrower, a capital and operating budget for the Property; and (ii) for each month (and for the fiscal year through the end of that month) (A) a statement of all income and expenses in connection with the Property, and (B) a current leasing status report (including tenants' names, occupied tenant space, lease terms, rents, vacant space and proposed rents), including in each case a comparison to the budget, as soon as reasonably practicable but in any event within thirty (30) days after the end of each such month, certified in writing as true and correct by a representative of Borrower satisfactory to Administrative Agent. Items provided under this paragraph shall be in form and detail satisfactory to Administrative Agent.

(d) Copies of filed federal and state income tax returns of Borrower and Guarantor for each taxable year, within twenty (20) days after filing but in any event not later than one hundred fifty (150) days after the close of each such taxable year.

(e) From time to time promptly after Administrative Agent's request, such additional information, reports and statements respecting the Property and the Improvements, or the business operations and financial condition of each reporting party, as Administrative Agent may reasonably request.

All Financial Statements shall be in form and detail satisfactory to Administrative Agent and shall contain or be attached to the signed and dated written certification of the reporting party in form specified by Administrative Agent to certify that the Financial Statements are furnished to Administrative Agent in connection with the extension of credit by Lenders and constitute a true and correct statement of the reporting party's financial position. All certifications and signatures on behalf of corporations, partnerships or other entities shall be by a representative of the reporting party satisfactory to Administrative Agent. All Financial Statements for a reporting party who is an individual shall be on Administrative Agent's then-current personal financial statement form or in another form satisfactory to Administrative Agent. All fiscal year-end Financial Statements of Borrower and Guarantor shall be audited and certified, without any qualification or exception not acceptable to Administrative Agent, by independent certified public accountants acceptable to Administrative Agent, and shall contain all reports and disclosures required by generally accepted accounting principles for a fair presentation.

EXHIBIT "B"

PROMISSORY NOTE

(BANK OF AMERICA, N.A.)

$11,400,000.00 November 30, 2001

FOR VALUE RECEIVED, WELLS OPERATING PARTNERSHIP, L.P., a Delaware limited partnership ("Borrower"), hereby promises to pay to the order of BANK OF AMERICA, N.A., a national banking association (together with any and all of its successors and assigns and/or any other holder of this Note, "Lender"), in accordance with that certain Loan Agreement (defined below) among Borrower, Bank of America, N.A., a national banking association (together with any and all of its successors and assigns, "Administrative Agent"), as agent for the benefit of the Lenders from time to time a party to that certain Construction Loan Agreement (Syndication) (the "Loan Agreement") dated of even date herewith, without offset, in immediately available funds in lawful money of the United States of America, at Bank of America Plaza, 600 Peachtree Street, N.E., in the City of Atlanta, Fulton County, Georgia, the principal sum of ELEVEN MILLION FOUR HUNDRED THOUSAND AND NO/100 DOLLARS ($11,400,000.00) (or the unpaid balance of all principal advanced against this Note, if that amount is less), together with interest on the unpaid principal balance of this Note from day to day outstanding as hereinafter provided.

1. Note; Interest; Payment Schedule and Maturity Date. This Note is one of the Notes referred to in the Loan Agreement and is entitled to the benefits thereof and subject to prepayment in whole or part as provided therein. The entire principal balance of this Note then unpaid shall be due and payable at the times as set forth in the Loan Agreement. Accrued unpaid interest shall be due and payable at the times and at the interest rate as set forth in the Loan Agreement until all principal and accrued interest owing on this Note shall have been fully paid and satisfied. Any amount not paid when due and payable hereunder shall, to the extent permitted by applicable law, bear interest and if applicable a late charge as set forth in the Loan Agreement.

2. Security; Loan Documents. The security for this Note includes a Deed of Trust, Assignment, Security Agreement and Financing Statement (which, as it may have been or may be amended, restated, modified or supplemented from time to time, is herein called the "Deed") of even date herewith from Borrower to Administrative Agent, for itself and as Administrative Agent for the lenders from time to time a party to that certain Construction Loan Agreement (Syndication) among Borrower, Lender and such other Lenders dated of even date herewith (the "Loan Agreement"), conveying and encumbering certain property in Irving, Dallas County, Texas described therein (the "Property"). This Note, the Deed, the Loan Agreement and all other documents now or hereafter securing, guaranteeing or executed in connection with the loan evidenced by this Note (the "Loan"), are, as the same have been or may be amended, restated, modified or supplemented from time to time, herein sometimes called individually a "Loan Document" and together the "Loan Documents."

3. Defaults.

(a) It shall be a default ("Default") under this Note and each of
----
the other Loan Documents if (i) any principal, interest or other amount of money due under this Note is not paid in full when due, regardless of how such amount may have become due; (ii) any covenant, agreement, condition, representation or warranty herein or in any other Loan Document is not fully and timely performed, observed or kept; or (iii) there shall occur any default or event of default under the Deed or any other Loan Document that extends beyond any applicable cure or grace period. Upon the occurrence of a Default, subject to the terms of Section 4.2 of the Deed, Administrative Agent on behalf of the Lenders shall have the rights to declare the unpaid principal balance and accrued but unpaid interest on this Note, and all other amounts due hereunder and under the other Loan Documents, at once due and payable (and upon such declaration, the same shall be at once due and payable), to foreclose any liens and security interests securing payment hereof and to exercise any of its other rights, powers and remedies under this Note, under any other Loan Document, or at law or in equity.

(b) All of the rights, remedies, powers and privileges (together, "Rights") of Administrative Agent on behalf of the Lenders provided for in this
------
Note and in any other Loan Document are cumulative of each other and of any and all other Rights at law or in equity. The resort to any Right shall not prevent the concurrent or subsequent employment of any other appropriate Right. No single or partial exercise of any Right shall exhaust it, or preclude any other or further exercise thereof, and every Right may be exercised at any time and from time to time. No failure by Administrative Agent or any Lender to exercise, nor delay in exercising any Right, including but not limited to the right to accelerate the maturity of this Note, shall be construed as a waiver of any Default or as a waiver of any Right. Without limiting the generality of the foregoing provisions, the acceptance by Lender from time to time of any payment under this Note which is past due or which is less than the payment in full of all amounts due and payable at the time of such payment, shall not (i) constitute a waiver of or impair or extinguish the right of Administrative Agent or any Lender to accelerate the maturity of this Note or to exercise any other Right at the time or at any subsequent time, or nullify any prior exercise of any such Right, or (ii) constitute a waiver of the requirement of punctual payment and performance or a novation in any respect.

(c) If Lender retains an attorney in connection with any Default or at maturity or to collect, enforce or defend this Note or any other Loan Document in any lawsuit or in any probate, reorganization, bankruptcy, arbitration or other proceeding, or if Borrower sues Lender in connection with this Note or any other Loan Document and does not prevail, then Borrower agrees to pay to Lender, in addition to principal, interest and any other sums owing to Lender hereunder and under the other Loan Documents, all costs and expenses incurred by Lender in trying to collect this Note or in any such suit or proceeding, including, without limitation, reasonable attorneys' fees and expenses actually incurred by Lender, investigation costs and all court costs, whether or not suit is filed hereon, whether before or after the Maturity Date, or whether in connection with bankruptcy, insolvency or appeal, or whether collection is made against Borrower or any guarantor or endorser or any other person primarily or secondarily liable hereunder.

4. Heirs, Successors and Assigns. The terms of this Note and of the other
----
Loan Documents shall bind and inure to the benefit of the successors and assigns of the parties. The foregoing sentence shall not be construed to permit Borrower to assign the Loan except as otherwise permitted under the Loan Documents. As further provided in the Loan Agreement, a Lender may, at any time, sell, transfer, or assign all or a portion of its interest in this Note, the Deed and

the other Loan Documents, as set forth in the Loan Agreement.

5. General Provisions. Time is of the essence with respect to Borrower's obligations under this Note. If more than one person or entity executes this Note as Borrower, all of said parties shall be jointly and severally liable for payment of the indebtedness evidenced hereby. Borrower and all sureties, endorsers, guarantors and any other party now or hereafter liable for the payment of this Note in whole or in part, hereby severally (a) waive demand, presentment for payment, notice of dishonor and of nonpayment, protest, notice of protest, notice of intent to accelerate, notice of acceleration and all other notices (except any notices which are specifically required by this Note or any other Loan Document), filing of suit and diligence in collecting this Note or enforcing any of the security herefor; (b) agree to any substitution, subordination, exchange or release of any such security or the release of any party primarily or secondarily liable hereon; (c) agree that Lender shall not be required first to institute suit or exhaust its remedies hereon against Borrower or others liable or to become liable hereon or to perfect or enforce its rights against them or any security herefor; (d) consent to any extensions or postponements of time of payment of this Note for any period or periods of time and to any partial payments, before or after maturity, and to any other indulgences with respect hereto, without notice thereof to any of them; and (e) submit (and waive all rights to object) to non-exclusive personal jurisdiction of any state or federal court sitting in the State of Georgia, and venue in the county in which payment is to be made as specified in Section 1 of this Note, for the enforcement of any and all obligations under this Note and the Loan Documents; (f) waive the benefit of all homestead and similar exemptions as to this Note; (g) agree that their liability under this Note shall not be affected or impaired by any determination that any title, security interest or lien taken by Lender to secure this Note is invalid or unperfected; and (h) hereby subordinate to the Loan and the Loan Documents any and all rights against Borrower and any of the security for the payment of this Note, whether by subrogation, agreement or otherwise, until this Note is paid in full. A determination that any provision of this Note is unenforceable or invalid shall not affect the enforceability or validity of any other provision and the determination that the application of any provision of this Note to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to other persons or circumstances. This Note may not be amended except in a writing specifically intended for such purpose and executed by the party against whom enforcement of the amendment is sought. Captions and headings in this Note are for convenience only and shall be disregarded in construing it. THIS NOTE, AND ITS VALIDITY, ENFORCEMENT AND INTERPRETATION, SHALL BE GOVERNED BY GEORGIA LAW (WITHOUT REGARD TO ANY CONFLICT OF LAWS PRINCIPLES) AND APPLICABLE UNITED STATES FEDERAL LAW.

6. Notices. Any notice, request or demand to or upon Borrower or Lender shall be deemed to have been properly given or made when delivered in accordance with the Loan Agreement.

7. No Usury. It is expressly stipulated and agreed to be the intent of Borrower, Administrative Agent and Lenders at all times to comply with applicable state law or applicable United States federal law (to the extent that it permits Lender to contract for, charge, take, reserve, or receive a greater amount of interest than under state law) and that this Section shall control every other covenant and agreement in this Note and the other Loan Documents. If applicable state or federal law should at any time be judicially interpreted so as to render usurious any amount called for under this Note or under any of the other Loan Documents, or contracted for, charged, taken, reserved, or received with respect to the Loan, or if Lender's exercise of the option to accelerate the Maturity Date, or if any prepayment by Borrower results in Borrower having paid any interest in excess of that permitted by applicable law, then it is Lender's express intent that all excess amounts theretofore collected by Lender

shall be credited on the principal balance of this Note and all other indebtedness secured by the Deed, and the provisions of this Note and the other Loan Documents shall immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new documents, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder or thereunder. All sums paid or agreed to be paid to Lender for the use or forbearance of the Loan shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term of the Loan.

THE LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO ORAL AGREEMENTS BETWEEN THE PARTIES.

IN WITNESS WHEREOF, Borrower has duly executed this Note under seal as of the date first above written.

BORROWER:

WELLS OPERATING PARTNERSHIP, L.P.,
a Delaware limited partnership

By: WELLS REAL ESTATE INVESTMENT
TRUST, INC., a Maryland corporation

By: /S/ Douglas P. Williams

Douglas P. Williams
Executive Vice President

[CORPORATE SEAL]

PROMISSORY NOTE

(GUARANTY BANK)

$11,400,000.00 November 30, 2001

FOR VALUE RECEIVED, WELLS OPERATING PARTNERSHIP, L.P., a Delaware limited partnership ("Borrower"), hereby promises to pay to the order of GUARANTY BANK, a national banking association (together with any and all of its successors and assigns and/or any other holder of this Note, "Lender"), in accordance with that certain Loan Agreement (defined below) among Borrower, Bank of America, N.A., a national banking association (together with any and all of its successors and assigns, "Administrative Agent"), as agent for the benefit of the Lenders from time to time a party to that certain Construction Loan Agreement (Syndication) (the "Loan Agreement") dated of even date herewith, without offset, in immediately available funds in lawful money of the United States of America, at Bank of America Plaza, 600 Peachtree Street, N.E., in the City of Atlanta, Fulton County, Georgia, the principal sum of ELEVEN MILLION FOUR HUNDRED THOUSAND AND NO/100 DOLLARS ($11,400,000.00) (or the unpaid balance of all

principal advanced against this Note, if that amount is less), together with interest on the unpaid principal balance of this Note from day to day outstanding as hereinafter provided.

1. Note; Interest; Payment Schedule and Maturity Date. This Note is one of the Notes referred to in the Loan Agreement and is entitled to the benefits thereof and subject to prepayment in whole or part as provided therein. The entire principal balance of this Note then unpaid shall be due and payable at the times as set forth in the Loan Agreement. Accrued unpaid interest shall be due and payable at the times and at the interest rate as set forth in the Loan Agreement until all principal and accrued interest owing on this Note shall have been fully paid and satisfied. Any amount not paid when due and payable hereunder shall, to the extent permitted by applicable law, bear interest and if applicable a late charge as set forth in the Loan Agreement.

2. Security; Loan Documents. The security for this Note includes a Deed of Trust, Assignment, Security Agreement and Financing Statement (which, as it may have been or may be amended, restated, modified or supplemented from time to time, is herein called the "Deed") of even date herewith from Borrower to Administrative Agent, for itself and as Administrative Agent for the lenders from time to time a party to that certain Construction Loan Agreement (Syndication) among Borrower, Lender and such other Lenders dated of even date herewith (the "Loan Agreement"), conveying and encumbering certain property in Irving, Dallas County, Texas described therein (the "Property"). This Note, the Deed, the Loan Agreement and all other documents now or hereafter securing, guaranteeing or executed in connection with the loan evidenced by this Note (the "Loan"), are, as the same have been or may be amended, restated, modified or supplemented from time to time, herein sometimes called individually a "Loan Document" and together the "Loan Documents."

PAGE 1

3. Defaults.

(a) It shall be a default ("Default") under this Note and each of the other Loan Documents if (i) any principal, interest or other amount of money due under this Note is not paid in full when due, regardless of how such amount may have become due; (ii) any covenant, agreement, condition, representation or warranty herein or in any other Loan Document is not fully and timely performed, observed or kept; or (iii) there shall occur any default or event of default under the Deed or any other Loan Document that extends beyond any applicable cure or grace period. Upon the occurrence of a Default, subject to the terms of Section 4.2 of the Deed, Administrative Agent on behalf of the Lenders shall have the rights to declare the unpaid principal balance and accrued but unpaid interest on this Note, and all other amounts due hereunder and under the other Loan Documents, at once due and payable (and upon such declaration, the same shall be at once due and payable), to foreclose any liens and security interests securing payment hereof and to exercise any of its other rights, powers and remedies under this Note, under any other Loan Document, or at law or in equity.

(b) All of the rights, remedies, powers and privileges (together, "Rights") of Administrative Agent on behalf of the Lenders provided for in this Note and in any other Loan Document are cumulative of each other and of any and all other Rights at law or in equity. The resort to any Right shall not prevent the concurrent or subsequent employment of any other appropriate Right. No

single or partial exercise of any Right shall exhaust it, or preclude any other or further exercise thereof, and every Right may be exercised at any time and from time to time. No failure by Administrative Agent or any Lender to exercise, nor delay in exercising any Right, including but not limited to the right to accelerate the maturity of this Note, shall be construed as a waiver of any Default or as a waiver of any Right. Without limiting the generality of the foregoing provisions, the acceptance by Lender from time to time of any payment under this Note which is past due or which is less than the payment in full of all amounts due and payable at the time of such payment, shall not (i) constitute a waiver of or impair or extinguish the right of Administrative Agent or any Lender to accelerate the maturity of this Note or to exercise any other Right at the time or at any subsequent time, or nullify any prior exercise of any such Right, or (ii) constitute a waiver of the requirement of punctual payment and performance or a novation in any respect.

(c) If Lender retains an attorney in connection with any Default or at maturity or to collect, enforce or defend this Note or any other Loan Document in any lawsuit or in any probate, reorganization, bankruptcy, arbitration or other proceeding, or if Borrower sues Lender in connection with this Note or any other Loan Document and does not prevail, then Borrower agrees to pay to Lender, in addition to principal, interest and any other sums owing to Lender hereunder and under the other Loan Documents, all costs and expenses incurred by Lender in trying to collect this Note or in any such suit or proceeding, including, without limitation, reasonable attorneys' fees and expenses actually incurred by Lender, investigation costs and all court costs, whether or not suit is filed hereon, whether before or after the Maturity Date, or whether in connection with bankruptcy, insolvency or appeal, or whether collection is made against Borrower or any guarantor or endorser or any other person primarily or secondarily liable hereunder.

4. Heirs, Successors and Assigns. The terms of this Note and of the other Loan Documents shall bind and inure to the benefit of the successors and assigns of the parties. The foregoing sentence shall not be construed to permit Borrower to assign the Loan except as otherwise permitted under the Loan Documents. As further provided in the Loan Agreement, a Lender may, at any time, sell, transfer, or assign all or a portion of its interest in this Note, the Deed and the other Loan Documents, as set forth in the Loan Agreement.

5. General Provisions. Time is of the essence with respect to Borrower's obligations under this Note. If more than one person or entity executes this Note as Borrower, all of said parties shall be jointly and severally liable for payment of the indebtedness evidenced hereby. Borrower and all sureties, endorsers, guarantors and any other party now or hereafter liable for the payment of this Note in whole or in part, hereby severally (a) waive demand, presentment for payment, notice of dishonor and of nonpayment, protest, notice of protest, notice of intent to accelerate, notice of acceleration and all other notices (except any notices which are specifically required by this Note or any other Loan Document), filing of suit and diligence in collecting this Note or enforcing any of the security herefor; (b) agree to any substitution, subordination, exchange or release of any such security or the release of any party primarily or secondarily liable hereon; (c) agree that Lender shall not be required first to institute suit or exhaust its remedies hereon against Borrower or others liable or to become liable hereon or to perfect or enforce its rights against them or any security herefor; (d) consent to any extensions or postponements of time of payment of this Note for any period or periods of time and to any partial payments, before or after maturity, and to any other indulgences with respect hereto, without notice thereof to any of them; and (e) submit (and waive all rights to object) to non-exclusive personal jurisdiction of any state or federal court sitting in the State of Georgia, and venue in the county in which payment is to be made as specified in Section 1 of this Note, for the enforcement of any and all obligations under this Note and the Loan Documents; (f) waive the benefit of all homestead and

similar exemptions as to this Note; (g) agree that their liability under this Note shall not be affected or impaired by any determination that any title, security interest or lien taken by Lender to secure this Note is invalid or unperfected; and (h) hereby subordinate to the Loan and the Loan Documents any and all rights against Borrower and any of the security for the payment of this Note, whether by subrogation, agreement or otherwise, until this Note is paid in full. A determination that any provision of this Note is unenforceable or invalid shall not affect the enforceability or validity of any other provision and the determination that the application of any provision of this Note to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to other persons or circumstances. This Note may not be amended except in a writing specifically intended for such purpose and executed by the party against whom enforcement of the amendment is sought. Captions and headings in this Note are for convenience only and shall be disregarded in construing it. THIS NOTE, AND ITS VALIDITY, ENFORCEMENT AND INTERPRETATION, SHALL BE GOVERNED BY GEORGIA LAW (WITHOUT REGARD TO ANY CONFLICT OF LAWS PRINCIPLES) AND APPLICABLE UNITED STATES FEDERAL LAW.

6. Notices. Any notice, request or demand to or upon Borrower or Lender shall be deemed to have been properly given or made when delivered in accordance with the Loan Agreement.

7. No Usury. It is expressly stipulated and agreed to be the intent of Borrower, Administrative Agent and Lenders at all times to comply with applicable state law or applicable United States federal law (to the extent that it permits Lender to contract for, charge, take, reserve, or receive a greater amount of interest than under state law) and that this Section shall control every other covenant and agreement in this Note and the other Loan Documents. If applicable state or federal law should at any time be judicially interpreted so as to render usurious any amount called for under this Note or under any of the other Loan Documents, or contracted for, charged, taken, reserved, or received with respect to the Loan, or if Lender's exercise of the option to accelerate the Maturity Date, or if any prepayment by Borrower results in Borrower having paid any interest in excess of that permitted by applicable law, then it is Lender's express intent that all excess amounts theretofore collected by Lender shall be credited on the principal balance of this Note and all other indebtedness secured by the Deed, and the provisions of this Note and the other Loan Documents shall immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new documents, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder or thereunder. All sums paid or agreed to be paid to Lender for the use or forbearance of the Loan shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term of the Loan.

THE LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO ORAL AGREEMENTS BETWEEN THE PARTIES.

IN WITNESS WHEREOF, Borrower has duly executed this Note under seal as of the date first above written.

BORROWER:

WELLS OPERATING PARTNERSHIP, L.P.,

a Delaware limited partnership

By: WELLS REAL ESTATE INVESTMENT
TRUST, INC., a Maryland corporation

By: /s/ Douglas P. Williams

Douglas P. Williams
Executive Vice President

[CORPORATE SEAL]

PROMISSORY NOTE

(SOUTHTRUST BANK)

$11,400,000.00 November 30, 2001

FOR VALUE RECEIVED, WELLS OPERATING PARTNERSHIP, L.P., a Delaware limited partnership ("Borrower"), hereby promises to pay to the order of SOUTHTRUST BANK, a national banking association (together with any and all of its successors and assigns and/or any other holder of this Note, "Lender"), in accordance with that certain Loan Agreement (defined below) among Borrower, Bank of America, N.A., a national banking association (together with any and all of its successors and assigns, "Administrative Agent"), as agent for the benefit of the Lenders from time to time a party to that certain Construction Loan Agreement (Syndication) (the "Loan Agreement") dated of even date herewith, without offset, in immediately available funds in lawful money of the United States of America, at Bank of America Plaza, 600 Peachtree Street, N.E., in the City of Atlanta, Fulton County, Georgia, the principal sum of ELEVEN MILLION FOUR HUNDRED THOUSAND AND NO/100 DOLLARS ($11,400,000.00) (or the unpaid balance of all principal advanced against this Note, if that amount is less), together with interest on the unpaid principal balance of this Note from day to day outstanding as hereinafter provided.

1. Note; Interest; Payment Schedule and Maturity Date. This Note is one of the Notes referred to in the Loan Agreement and is entitled to the benefits thereof and subject to prepayment in whole or part as provided therein. The entire principal balance of this Note then unpaid shall be due and payable at the times as set forth in the Loan Agreement. Accrued unpaid interest shall be due and payable at the times and at the interest rate as set forth in the Loan Agreement until all principal and accrued interest owing on this Note shall have been fully paid and satisfied. Any amount not paid when due and payable hereunder shall, to the extent permitted by applicable law, bear interest and if applicable a late charge as set forth in the Loan Agreement.

2. Security; Loan Documents. The security for this Note includes a Deed of Trust, Assignment, Security Agreement and Financing Statement (which, as it may have been or may be amended, restated, modified or supplemented from time to time, is herein called the "Deed") of even date herewith from Borrower to Administrative Agent, for itself and as Administrative Agent for the lenders from time to time a party to that certain Construction Loan Agreement (Syndication) among Borrower, Lender and such other Lenders dated of even date herewith (the "Loan Agreement"), conveying and encumbering certain property in

Irving, Dallas County, Texas described therein (the "Property"). This Note, the
Deed, the Loan Agreement and all other documents now or hereafter securing, guaranteeing or executed in connection with the loan evidenced by this Note (the "Loan"), are, as the same have been or may be amended, restated, modified or supplemented from time to time, herein sometimes called individually a "Loan Document" and together the "Loan Documents."

3. Defaults.

(a) It shall be a default ("Default") under this Note and each of the other Loan Documents if (i) any principal, interest or other amount of money due under this Note is not paid in full when due, regardless of how such amount may have become due; (ii) any covenant, agreement, condition, representation or warranty herein or in any other Loan Document is not fully and timely performed, observed or kept; or (iii) there shall occur any default or event of default under the Deed or any other Loan Document that extends beyond any applicable cure or grace period. Upon the occurrence of a Default, subject to the terms of Section 4.2 of the Deed, Administrative Agent on behalf of the Lenders shall have the rights to declare the unpaid principal balance and accrued but unpaid interest on this Note, and all other amounts due hereunder and under the other Loan Documents, at once due and payable (and upon such declaration, the same shall be at once due and payable), to foreclose any liens and security interests securing payment hereof and to exercise any of its other rights, powers and remedies under this Note, under any other Loan Document, or at law or in equity.

(b) All of the rights, remedies, powers and privileges (together, "Rights") of Administrative Agent on behalf of the Lenders provided for in this Note and in any other Loan Document are cumulative of each other and of any and all other Rights at law or in equity. The resort to any Right shall not prevent the concurrent or subsequent employment of any other appropriate Right. No single or partial exercise of any Right shall exhaust it, or preclude any other or further exercise thereof, and every Right may be exercised at any time and from time to time. No failure by Administrative Agent or any Lender to exercise, nor delay in exercising any Right, including but not limited to the right to accelerate the maturity of this Note, shall be construed as a waiver of any Default or as a waiver of any Right. Without limiting the generality of the foregoing provisions, the acceptance by Lender from time to time of any payment under this Note which is past due or which is less than the payment in full of all amounts due and payable at the time of such payment, shall not (i) constitute a waiver of or impair or extinguish the right of Administrative Agent or any Lender to accelerate the maturity of this Note or to exercise any other Right at the time or at any subsequent time, or nullify any prior exercise of any such Right, or (ii) constitute a waiver of the requirement of punctual payment and performance or a novation in any respect.

(c) If Lender retains an attorney in connection with any Default or at maturity or to collect, enforce or defend this Note or any other Loan Document in any lawsuit or in any probate, reorganization, bankruptcy, arbitration or other proceeding, or if Borrower sues Lender in connection with this Note or any other Loan Document and does not prevail, then Borrower agrees to pay to Lender, in addition to principal, interest and any other sums owing to Lender hereunder and under the other Loan Documents, all costs and expenses incurred by Lender in trying to collect this Note or in any such suit or proceeding, including, without limitation, reasonable attorneys' fees and expenses actually incurred by Lender, investigation costs and all court costs, whether or not suit is filed hereon, whether before or after the Maturity Date, or whether in connection with bankruptcy, insolvency or appeal, or whether

collection is made against Borrower or any guarantor or endorser or any other person primarily or secondarily liable hereunder.

4. Heirs, Successors and Assigns. The terms of this Note and of the other Loan Documents shall bind and inure to the benefit of the successors and assigns of the parties. The foregoing sentence shall not be construed to permit Borrower to assign the Loan except as otherwise permitted under the Loan Documents. As further provided in the Loan Agreement, a Lender may, at any time, sell, transfer, or assign all or a portion of its interest in this Note, the Deed and the other Loan Documents, as set forth in the Loan Agreement.

5. General Provisions. Time is of the essence with respect to Borrower's obligations under this Note. If more than one person or entity executes this Note as Borrower, all of said parties shall be jointly and severally liable for payment of the indebtedness evidenced hereby. Borrower and all sureties, endorsers, guarantors and any other party now or hereafter liable for the payment of this Note in whole or in part, hereby severally (a) waive demand, presentment for payment, notice of dishonor and of nonpayment, protest, notice of protest, notice of intent to accelerate, notice of acceleration and all other notices (except any notices which are specifically required by this Note or any other Loan Document), filing of suit and diligence in collecting this Note or enforcing any of the security herefor; (b) agree to any substitution, subordination, exchange or release of any such security or the release of any party primarily or secondarily liable hereon; (c) agree that Lender shall not be required first to institute suit or exhaust its remedies hereon against Borrower or others liable or to become liable hereon or to perfect or enforce its rights against them or any security herefor; (d) consent to any extensions or postponements of time of payment of this Note for any period or periods of time and to any partial payments, before or after maturity, and to any other indulgences with respect hereto, without notice thereof to any of them; and (e) submit (and waive all rights to object) to non-exclusive personal jurisdiction of any state or federal court sitting in the State of Georgia, and venue in the county in which payment is to be made as specified in Section 1 of this Note, for the enforcement of any and all obligations under this Note and the Loan Documents; (f) waive the benefit of all homestead and similar exemptions as to this Note; (g) agree that their liability under this Note shall not be affected or impaired by any determination that any title, security interest or lien taken by Lender to secure this Note is invalid or unperfected; and (h) hereby subordinate to the Loan and the Loan Documents any and all rights against Borrower and any of the security for the payment of this Note, whether by subrogation, agreement or otherwise, until this Note is paid in full. A determination that any provision of this Note is unenforceable or invalid shall not affect the enforceability or validity of any other provision and the determination that the application of any provision of this Note to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to other persons or circumstances. This Note may not be amended except in a writing specifically intended for such purpose and executed by the party against whom enforcement of the amendment is sought. Captions and headings in this Note are for convenience only and shall be disregarded in construing it. THIS NOTE, AND ITS VALIDITY, ENFORCEMENT AND INTERPRETATION, SHALL BE GOVERNED BY GEORGIA LAW (WITHOUT REGARD TO ANY CONFLICT OF LAWS PRINCIPLES) AND APPLICABLE UNITED STATES FEDERAL LAW.

6. Notices. Any notice, request or demand to or upon Borrower or Lender shall be deemed to have been properly given or made when delivered in accordance with the Loan Agreement.

7. No Usury. It is expressly stipulated and agreed to be the intent of Borrower, Administrative Agent and Lenders at all times to comply with applicable state law or applicable United States federal law (to the extent that it permits Lender to contract for, charge, take, reserve, or receive a greater amount of interest than under state law) and that this Section shall control every other covenant and agreement in this Note and the other Loan Documents. If applicable state or federal law should at any time be judicially interpreted so as to render usurious any amount called for under this Note or under any of the other Loan Documents, or contracted for, charged, taken, reserved, or received with respect to the Loan, or if Lender's exercise of the option to accelerate the Maturity Date, or if any prepayment by Borrower results in Borrower having paid any interest in excess of that permitted by applicable law, then it is Lender's express intent that all excess amounts theretofore collected by Lender shall be credited on the principal balance of this Note and all other indebtedness secured by the Deed, and the provisions of this Note and the other Loan Documents shall immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new documents, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder or thereunder. All sums paid or agreed to be paid to Lender for the use or forbearance of the Loan shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term of the Loan.

THE LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO ORAL AGREEMENTS BETWEEN THE PARTIES.

IN WITNESS WHEREOF, Borrower has duly executed this Note under seal as of the date first above written.

BORROWER:

WELLS OPERATING PARTNERSHIP, L.P.,
a Delaware limited partnership

By: WELLS REAL ESTATE INVESTMENT TRUST, INC., a Maryland corporation

By: /s/ Douglas P. Williams

Douglas P. Williams
Executive Vice President

[CORPORATE SEAL]

EXHIBIT 23.2

CONSENT OF ARTHUR ANDERSEN LLP

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our reports and to all references to our Firm included in or made a part of this registration statement.

/s/ ARTHUR ANDERSEN LLP

Atlanta, Georgia
April 5, 2002

EXHIBIT 24.1

POWER OF ATTORNEY

POWER OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Leo F. Wells, III and Douglas P. Williams, or either of them acting singly, as his true and lawful attorney-in-fact, for him and in his name, place and stead, to execute and sign any and all amendments, including any post-effective amendments, to the Registration Statement on Form S-11 of Wells Real Estate Investment Trust, Inc. or any additional Registration Statement filed pursuant to Rule 462 and to cause the same to be filed with the Securities and Exchange Commission hereby granting to said attorneys-in-fact and each of them full power and authority to do and perform all and every act and thing whatsoever requisite or desirable to be done in and about the premises as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all acts and things that said attorneys-in-fact or either of them may do or cause to be done by virtue of these presents.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Power of Attorney has been signed below, effective as of April 5, 2002, by the following persons and in the capacities indicated below.

Signatures	Title
/s/ Leo F. Wells, III	President and Director
Leo F. Wells, III	(Principal Executive Officer)
/s/ Douglas P. Williams	Executive Vice President and Director
Douglas P. Williams	(Principal Financial and Accounting Officer)
/s/ John L. Bell	Director
John L. Bell	
/s/ Richard W. Carpenter	Director
Richard W. Carpenter	
/s/ Bud Carter	Director
Bud Carter	
/s/ William H. Keogler, Jr.	Director
William H. Keogler, Jr.	
/s/ Donald S. Moss	Director
Donald S. Moss	
/s/ Walter W. Sessoms	Director
Walter W. Sessoms	
/s/ Neil H. Strickland	Director
Neil H. Strickland	