As filed with the Securities and Exchange Commission on June 10, 2002

Registration No. 333-85848

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

_____

AMENDMENT NO. 1 TO
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	Proposed Maximum Offering	Proposed Maximum Aggregate	Amount of Registration

	Registered	Price Per Share	Offering Price	Fee (3)
Common Stock, $.01 par value	330,000,000	$ 10.00	$3,300,000,000	
Common Stock, $.01 par value\\(1)\\	6,600,000	$ 12.00	$ 79,200,000	$310,887
Soliciting Dealer Warrants\\(2)\\	6,600,000	$0.0008	$ 5,280	

(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 6,600,000 shares pursuant to the Warrant Purchase Agreement.

(3) Registrant previously paid a registration fee of $318,174 upon its initial filing of the Registration Statement which included an original registration of 13,200,000 warrants, so the Registrant overpaid its filing fee by $7,287 and no amounts need to be remitted with this filing.

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 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. We are registering an additional 6,600,000 shares 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

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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 having a net worth in excess of $100,000,000 on a triple-net basis. 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
Agilent Boston	Agilent Technologies, Inc.	Office Building	Boxborough, MA
Experian/TRW	Experian Information Solutions, Inc.	Office Building	Allen, TX
BellSouth Ft. Lauderdale	BellSouth Advertising and Publishing Corporation	Office Building	Ft. Lauderdale, FL

Agilent Atlanta	Agilent Technologies, Inc. Koninklijke Philips Electronics N.V.	Office Building	Alpharetta, GA
Travelers Express Denver	Travelers Express Company, Inc.	Office Building	Lakewood, CO
Dana Kalamazoo	Dana Corporation	Office and Industrial Building	Kalamazoo, MI
Dana Detroit	Dana Corporation	Office and Research and Development Building	Farmington Hills, MI
Novartis Atlanta	Novartis Opthalmics, Inc.	Office Building	Duluth, GA
Transocean Houston	Transocean Deepwater Offshore Drilling, Inc. and Newpark Drilling Fluids, Inc.	Office Building	Houston, TX
Arthur Andersen	Arthur Andersen L.P.	Office Building	Sarasota, FL
Windy Point I	TCI Great Lakes, Inc., The Apollo Group, Inc., and Global Knowledge Network, Inc.	Office Building	Schaumburg, IL
Windy Point II	Zurich American Insurance Company, Inc.	Office Building	Schaumburg, IL
Convergys	Convergys Customer Management Group, Inc.	Office Building	Tamarac, FL
Lucent	Lucent Technologies, Inc.	Office Building	Cary, NC
Ingram Micro	Ingram Micro L.P.	Office and Distribution Facility	Millington, TN
Nissan	Nissan Motor Acceptance Corporation	Office Building	Irving, TX
IKON	IKON Office Solutions, Inc.	Office Building	Houston, TX
State Street	SSB Realty LLC	Office Building	Quincy, MA
Metris Minnesota	Metris Direct, Inc.	Office Building	Minnetonka, MN
Stone & Webster	Stone & Webster, Inc. and SYSCO Corporation	Office Building	Houston, TX
Motorola Plainfield	Motorola, Inc.	Office Building	S. Plainfield, NJ
Delphi	Delphi Automotive Systems, Inc.	Office Building	Troy, MI
Avnet	Avnet, Inc.	Office Building	Tempe, AZ
Motorola Tempe	Motorola, Inc.	Office Building	Tempe, AZ
ASML	ASM Lithography, Inc.	Office and Warehouse Building	Tempe, AZ
Dial	Dial Corporation	Office Building	Scottsdale, AZ
Metris Tulsa	Metris Direct, Inc.	Office Building	Tulsa, OK
Cinemark	Cinemark USA, Inc. and The Coca-Cola Company	Office Building	Plano, TX
Videojet Technologies Chicago	Videojet Technologies, Inc.	Office, Assembly and Manufacturing Building	Wood Dale, IL
Alstom Power Richmond	Alstom Power, Inc.	Office Building	Midlothian, VA

Matsushita	Matsushita Avionics Systems Corporation	Office Building	Lake Forest, CA
AT&T Pennsylvania	Pennsylvania Cellular Telephone Corp.	Office Building	Harrisburg, PA
PwC	PricewaterhouseCoopers	Office Building	Tampa, FL

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

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

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 years. "Triple-net" means that the tenant is responsible for the cost of repairs, maintenance, property taxes, utilities, insurance and other operating costs. In most of our leases, we are responsible 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 our 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 - Former President and Chairman of the Board of Southmark Properties, an Atlanta-based REIT which invested in commercial properties;
- 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
Atlanta, Georgia 30092
Calling from Outside State of Georgia (800) 557-4830
Calling from State of Georgia (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, Atlanta, 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 our 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 our shares will bind all of the stockholders as to certain matters such as the election of our 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. As we acquire new properties, we will provide supplements to this prospectus to describe these properties.

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 our 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 the Wells REIT or another Wells program or joint venture should acquire 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.

Leo F. Wells, III
President

Owns 100% of

Wells Real Estate Funds, Inc.

Owns 100% of	Owns 100% of	Owns 100% of
Wells Management Company, Inc. (Property Manager)	Wells Investment Securities, Inc. (Dealer Manager)	Wells Capital, Inc. (Advisor)
Owns 100% of		Advisory Agreement
Wells Development Corporation		Wells REIT

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 6,600,000 shares to broker-dealers pursuant to warrants whereby participating broker-dealers will have the right to purchase one share for every 50 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	

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 our 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 selling our properties and liquidating 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. Our board of directors reserves the right to amend or terminate the share redemption program at any time. 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. You will have no right to request redemption of your shares should our 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 are required to send us an executed transfer form. We will provide you the required form 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 restrictions on ownership of the shares that prevents one person from owning more than 9.8% of the outstanding shares. These restrictions are designed to enable us to comply with share accumulation restrictions imposed on REITs by the Internal Revenue Code. (See "Description of Shares - Restriction on Ownership of Shares.")

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 our 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. None of our key personnel are currently subject to employment agreements, nor do we maintain any key person life

insurance on our key personnel. 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, securities issued by 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 any such program would have sufficient funds to exercise its 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 our 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 our stockholders, including the election of our directors. However, you will be bound by the majority vote on matters requiring approval of a majority of our 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 our 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. Our 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 our 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 our 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.

You will not have the benefit of independent due diligence review in connection with this offering

Since Wells Investment Securities, our Dealer Manager, is an affiliate of Wells Capital, you will not have the benefit of independent due diligence review and investigation of the type normally performed by unaffiliated, independent underwriters in connection with securities offerings.

The indictment of Arthur Andersen LLP and recent events related thereto may adversely affect your ability to recover potential claims against Arthur Andersen in connection with their audits of our financials statements.

In March, 2002, the Department of Justice indicted our former independent auditor, Arthur Andersen LLP (Andersen), on federal obstruction of justice charges arising from the government's investigation of Enron Corporation. Events arising out of the indictment or other events relating to Andersen may adversely affect the ability of Andersen to satisfy any potential claims that may arise out of Andersen's audits of the financial statements contained in this prospectus. In addition, Andersen has recently notified us that it will be unable to provide us with the necessary consents related to including previously audited financial statements in our prospectus. Our inability to obtain such consents may also adversely affect your ability to pursue claims against Andersen.

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 dependent 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 one or more 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.

Our most substantial tenants based on rental income are 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.

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 current source of funding to repair or reconstruct the damaged property and cannot assure you that any such source 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 we acquire properties 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.

We may not be able to immediately invest proceeds in real estate

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

Uncertain market conditions and Wells Capital's broad discretion 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 the approval of our board of directors, 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. We may be potentially liable for such costs in connection with the acquisition and ownership of our properties. 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.

We generally secure the loans we obtain to fund property acquisitions with 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 a reduction in the value of the shares and the dividends payable to our stockholders. (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 that 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 (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 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 Wells Exchange acquires pursuant to the Section 1031 Exchange Program, we anticipate that 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 may subject 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, we anticipate 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 that 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 that 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 you may have difficulty selling 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 fewer 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.

Missouri, 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 in all cases 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 desiring to 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 165,000,000 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.

	165,000,000 Shares		330,000,000 Shares	
	Amount(1)	Percent	Amount(2)	Percent
Gross Offering Proceeds	$1,650,000,000	100%	$3,300,000,000	100.0%
Less Public Offering Expenses:				
Selling Commissions and Dealer Manager Fee (3)	156,750,000	9.5%	313,500,000	9.5%
Organization and Offering Expenses (4)	49,500,000	3.0%	49,500,000	1.5%
Amount Available for Investment (5)	$1,443,750,000	87.5%	$2,937,000,000	89.0%
Acquisition and Development:				
Acquisition and Advisory Fees (6)	49,500,000	3.0%	99,000,000	3.0%
Acquisition Expenses (7)	8,250,000	0.5%	16,500,000	0.5%
Initial Working Capital Reserve (8)	(8)	--	(8)	--
Amount Invested in Properties (5)(9)	$1,386,000,000	84.0%	$2,821,500,000	85.5%

_____
(Footnotes to "Estimated Use of Proceeds")

1. Assumes that an aggregate of $1,650,000,000 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 6,600,000 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 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, based upon such factors as the volume of sales of such Participating Dealer, the level of marketing support provided by such Participating Dealer and the assistance of such Participating Dealer in marketing the offering, or to reimburse representatives of such Participating Dealers the 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. Notwithstanding the above, in no event shall organization and offering expenses, including selling commissions, the dealer manager fee and all other underwriting compensation, exceed 15% of the gross offering proceeds.

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 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.

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.

Our 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 may require. Our directors will meet quarterly or more frequently if necessary in order to discharge their duties as directors. We do not expect that our directors will be required to devote a substantial portion of their time in discharging such duties. Consequently, in the exercise of their fiduciary responsibilities, our directors will be relying heavily on Wells Capital. Our 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.

Our 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 licensed with the NASD 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 formerly served as President and Chairman of the Board of Southmark Properties, an Atlanta-based REIT which invested 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 Coporation 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, 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, our 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 our stockholders. Indemnification could reduce the legal remedies available to us and our stockholders against the indemnified individuals, however.

This provision does not reduce the exposure of our directors and officers to liability under federal or state securities laws, nor does it limit our 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. Wells Capital has contractual responsibilities to the Wells REIT and its stockholders pursuant to the advisory agreement. Some of our officers and directors are also officers and directors of Wells Capital. (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
David H. Steinwedell	42	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 is primarily responsible for developing, implementing and monitoring initiatives furthering the strategic objectives 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.

David H. Steinwedell is a Vice President of Wells Capital. He is primarily responsible for the acquisition of real estate properties. Prior to joining Wells Capital in 2001, Mr. Steinwedell served as a principal in Steinwedell and Associates, a capital markets advisory firm specializing in transactions and strategic planning for commercial real estate firms. His background also includes experience as the Executive Vice President of Investment Banking at Jones Lang LaSalle and as Managing Director for Real Estate Investments at Aetna Life and Casualty. He graduated from Hamilton College with a B.S. in Economics. Mr. Steinwedell is a licensed real estate broker in Georgia and is a member of the Urban Land Institute and NAIOP.

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 Wells Capital or 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 consists of the average book value of our real estate properties, both equity interests in and loans secured by real estate, before reserves for depreciation or bad debts or other similar non-cash reserves, or (2) 25% of our net income, which is defined as our total revenues less total operating expenses for any given period. Operating expenses includes all expenses paid or incurred by the Wells REIT as determined by generally accepted accounting principles, such as (1) real estate operating costs, net of reimbursements, (2) management and leasing fees, (3) general and administrative expenses, and (4) legal and accounting expenses, but excludes (1) expenses of raising capital such as organizational and offering expenses, (2) interest payments, (3) taxes, (4) non-cash expenditures such as depreciation, amortization and bad debt reserves, and (5) amounts payable out of capital contributions which are not treated as operating expenses under generally accepted accounting principles 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 Oliver	58	Vice President
Michael L. Watson	59	Vice President

The background of Mr. Wells is described in the "Management - Executive Officers and Directors" 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 that 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, Atlanta, 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	$82,500,000

fee of up to 1.5% of the gross offering proceeds to be paid to such participating broker-dealers.

Form of Compensation and Entity Receiving	Determination of Amount	Estimated Maximum Dollar Amount(1)
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 Leasing Fees - Wells Management	For the management and leasing of our properties, we will pay Wells Management, our Property Manager, property management and 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).	Actual amounts are dependent upon results of operations and therefore cannot be determined at the present time.

Form of Compensation and Entity Receiving	Determination of Amount	Estimated Maximum Dollar Amount(1)
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; provided however, in no event will the amounts paid under (A) or (B) exceed an amount equal to 6.0% of the contract sales price when combined with real estate commissions paid to unaffiliated third parties.	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	Actual amounts are dependent upon results of operations and therefore cannot

the amount of cash flow necessary to generate an 8.0% per year cumulative, noncompounded return to investors. 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.	be determined at the present time.

(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 March 31, 2002, 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 Atlanta, GA 30092	698	*
Douglas P. Williams 6200 The Corners Parkway, Suite 250 Atlanta, 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	*
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 March 31, 2002.

(2) Includes options to purchase an aggregate of up to 10,500 shares of common stock, which are exercisable within 60 days of March 31, 2002.

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 that 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 that, 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 Index Fund). The REIT Index 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 the 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 various 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 our 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 our 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: (1) not acquired for the purpose of producing rental or other operating income, or (2) with no development or construction in process or planned in good faith to commence within one year will be considered unimproved 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, 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 that 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 one year 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 in addition to making its lease payments, 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.

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. We may also enter into joint ventures, partnerships, co-tenancies and other co-ownership arrangements or participations with real estate developers, owners and other affiliated third-parties 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 enters 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 investment transaction. We may only enter into joint ventures with other Wells programs for the acquisition of properties if:

- 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, intends to form a series of 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 limited liability companies 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, we anticipate that 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 Tax 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, most of which are required by various provisions of the NASAA Guidelines. These limitations cannot be changed unless our articles of incorporation are amended, which requires approval of our 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 for exceeding such limit because of the presence of other underwriting criteria;

- invest in equity securities unless a majority of Directors (including a majority of Independent Directors) not otherwise interested in the transaction approve such investment as being fair, competitive and commercially reasonable;

- 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 oursuant to our share redemption program;

- grant warrants or options to purchase shares to Wells Capital or its affiliates or to officers or directors affiliated with Wells Capital 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 our 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
Agilent Boston	Agilent Technologies, Inc.	Boxborough, MA	100%	$31,742,274	174,585	$3,578,993
Experian/TRW	Experian Information Solutions, Inc.	Allen, TX	100%	$35,150,000	292,700	$3,438,277
BellSouth Ft. Lauderdale	BellSouth Advertising and Publishing Corporation	Ft. Lauderdale, FL	100%	$ 6,850,000	47,400	$ 747,033

Property Name	Tenant	Property Location	% Owned	Purchase Price	Square Feet	Annual Rent
Agilent Atlanta	Agilent Technologies, Inc. Koninklijke Philips Electronics N.V.	Alpharetta, GA	100%	$ 15,100,000	101,207	$1,344,905 $ 692,391
Travelers Express Denver	Travelers Express Company, Inc.	Lakewood, CO	100%	$ 10,395,845	68,165	$1,012,250
Dana Kalamazoo	Dana Corporation	Kalamazoo, MI	100%	$ 41,950,000	147,004	$1,842,800
Dana Detroit	Dana Corporation	Farmington Hills, MI	100%	(see above)(1)	112,480	$2,330,600
Novartis Atlanta	Novartis Opthalmics, Inc.	Duluth, GA	100%	$ 15,000,000	100,087	$1,426,240
Transocean Houston	Transocean Deepwater Offshore Drilling, Inc. Newpark Drilling Fluids, Inc.	Houston, TX	100%	$ 22,000,000	103,260 52,731	$2,110,035 $1,153,227
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%	$ 32,225,000 (2)	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%	$ 57,050,000 (2)	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 (3)	Nissan Motor Acceptance Corporation	Irving, TX	100%	$ 5,545,700	268,290	$4,225,860(4)
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	$2,458,638
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 Company	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

Property Name	Tenant	Property Location	% Owned	Purchase Price	Square Feet	Annual Rent
Videojet Technologies Chicago	Videojet Technologies, 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 (3)	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 (3)	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
Cort Furniture	Cort Furniture Rental Corporation	Fountain Valley, CA	44.0%	$ 6,400,000	52,000	$ 834,888
Fairchild	Fairchild Technologies U.S.A., Inc.	Fremont, CA	77.5%	$ 8,900,000	50,756	$ 849,744
Avaya	Avaya, Inc.	Oklahoma City, OK	3.7%	$ 5,504,276	57,186	$ 536,977
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	$ 849,744
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
TOTALS				$929,427,664	7,448,095	$99,665,006(4)

(1) Dana Kalamazoo and Dana Detroit were purchased for an aggregate purchase price of $41,950,000.

(2) Windy Point I and Windy Point II were purchased for an aggregate purchase price of $89,275,000.

(3) 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.

(4) 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 49 real estate investments we owned as of May 25, 2002, grouped by the state where each of our investments are located.

State	No. of Properties	Aggregate Purchase Price	Approx. %	Aggregate Square Feet	Approx. %	Aggregate Annual Rent	Approx. %
Arizona	4	$60,855,000	6.5%	490,117	6.6%	$6,675,458	6.7%
California	4	$40,924,206	4.4%	312,668	4.2%	$4,977,215	5.0%
Colorado	4	$41,950,058	4.5%	375,094	5.0%	$4,089,197	4.1%
Florida	6	$83,452,854	9.0%	582,591	7.8%	$8,210,767	8.2%
Georgia	2	$30,100,000	3.2%	201,294	2.7%	$3,403,536	3.4%
Illinois	2	$121,905,940	13.1%	738,779	9.9%	$11,555,060	11.6%
Kansas	1	$9,500,000	1.0%	68,900	0.9%	$999,048	1.0%
Massachusetts	2	$81,305,274	8.7%	409,213	5.5%	$10,501,699	10.5%
Michigan	4	$76,015,000	8.2%	443,731	6.0%	$7,449,995	7.5%
Minnesota	1	$52,800,000	5.7%	300,633	4.0%	$4,960,445	5.0%
New Jersey	1	$33,648,156	3.6%	236,710	3.2%	$3,324,428	3.3%
North Carolina	1	$17,650,000	1.9%	120,000	1.6%	$1,800,000	1.8%
Oklahoma	3	$33,504,276	3.6%	286,786	3.9%	$3,261,402	3.3%
Pennsylvania	2	$20,291,200	2.2%	211,859	2.8%	$2,270,866	2.3%
South Carolina	1	$5,085,000	0.5%	169,510	2.3%	$550,908	0.6%
Tennessee	3	$53,900,000	5.8%	987,460	13.3%	$5,600,433	5.6%
Texas	6	$150,115,700	16.2%	1,305,443	17.5%	*$18,101,357	18.2%
Utah	1	$5,025,000	0.5%	108,250	1.5%	$659,868	0.7%
Virginia	1	$11,400,000	1.2%	99,057	1.3%	$1,213,324	1.2%
Total	49	$929,427,664	100%	7,448,095	100%	$99,665,006	100%

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* - Does not include $4,225,860 annual rent from the Nissan Project, located in Irving, Texas, which is not yet completed.

Lease Expiration Table

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

Year of Lease Expiration	Number of Leases Expiring	Square Feet Expiring	Annualized Gross Base Rent (1)	Wells REIT 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 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.	AmeriCredit Building ADIC Buildings
Fund XII-REIT Joint Venture	Wells Operating Partnership, L.P. Wells Real Estate Fund XII, L.P.	Siemens Building AT&T Oklahoma Buildings 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.	EYBL CarTex Building Sprint Building Johnson Matthey Building Gartner Building
Fund IX-X-XI-REIT Joint Venture	Wells Operating Partnership, L.P. Wells Real Estate Fund IX, L.P. Wells Real Estate Fund X, L.P. Wells Real Estate Fund XI, L.P.	Alstom Power Knoxville Building Ohmeda Building Interlocken Building Avaya Building Iomega Building
Wells/Freemont Associates Joint Venture (Freemont Joint Venture)	Wells Operating Partnership, L.P. Fund X-XI Joint Venture	Fairchild Building
Wells/Orange County Associates Joint Venture (Orange County Joint Venture)	Wells Operating Partnership, L.P. Fund X-XI Joint Venture	Cort Furniture Building
Fund VIII-IX-REIT Joint Venture	Wells Operating Partnership, L.P. Fund VIII-IX Joint Venture	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 Contributions	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 Contributions	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 Contributions	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 Contributions	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 Contributions	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 Contributions	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 Contributions	Equity Interest
Wells OP	$1,282,111	15.1%
Wells Fund VIII	$3,608,109	42.4%
Wells Fund IX	$3,620,316	42.5%

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

Agilent Boston Building

Wells OP purchased the Agilent Boston Building on May 3, 2002 for a purchase price of $31,742,274. The Agilent Boston Building, which was built in 2002, is a three-story office building containing 174,585 rentable square feet located in Boxborough, Middlesex County, Massachusetts. Wells OP assumed the obligation, as the landlord, to provide Agilent $3,407,496 for tenant improvements.

The entire Agilent Boston Building is leased to Agilent Technologies, Inc. (Agilent). Agilent is a major producer of measuring and monitoring devices, semiconductor products and chemical analysis tools for communications and life sciences companies, such as Internet service providers and biopharmaceutical companies. Agilent reported a net worth, as of January 31, 2002, of approximately $5.4 billion.

The Agilent Boston lease is a net lease that commenced in May 2001 and expires in May 2011. The current annual base rent payable under the Agilent Boston lease is $3,578,993. Agilent, at its option, has the right to extend the initial term of its lease for one additional five-year period at a rate equal to the greater of (1) the then-current market rental rate, or (2) 75% of the annual base rent in the final year of the initial term of the Agilent Boston lease. In addition, Agilent may terminate the lease at the end of the seventh lease year by paying a $4,190,000 termination fee.

Experian/TRW Buildings

Wells OP purchased the Experian/TRW Buildings on May 1, 2002 for a purchase price of $35,150,000. The Experian/TRW Buildings, which were built in 1982 and 1993 respectively, are two two-story office buildings containing 292,700 rentable square feet located in Allen, Texas.

The Experian/TRW Buildings are both leased to Experian Information Solutions, Inc. (Experian). Experian is an information services company that uses decision-making software and comprehensive databases of information on consumers, businesses, motor vehicles and property to provide companies with information about their customers. TRW, Inc. (TRW), who remains an obligor on the Experian lease, is a global technology, manufacturing and service company that provides advanced technology, systems, and services to customers worldwide. TRW reported a net worth, as of March 31, 2002, of approximately $2.24 billion.

The Experian lease is a net lease that commenced in April 1993 and expires in October 2010. The current annual base rent payable under the Experian lease is $3,438,277. Experian, at its option, has the right to extend the initial term of its lease for four additional five-year periods at 95% of the then-current market rental rate. TRW, Inc., the original tenant on the Experian lease, assigned its interest in the Experian lease to Experian in 1996 but remains as an obligor of the Experian lease.

BellSouth Ft. Lauderdale Building

Wells OP purchased the BellSouth Ft. Lauderdale Building on April 18, 2002 for a purchase price of $6,850,000. The BellSouth Ft. Lauderdale Building, which was built in 2001, is a one-story office building containing 47,400 rentable square feet located in Ft. Lauderdale, Florida.

The entire BellSouth Ft. Lauderdale Building is leased to BellSouth Advertising and Publishing Corporation (BellSouth). BellSouth is a major provider of print directories throughout the southeastern states and markets served by BellSouth Corporation, which is BellSouth's parent.

The BellSouth lease is a net lease that commenced in July 2001 and expires in July 2008. The current annual base rent payable under the BellSouth lease is $747,033. BellSouth, at its option, has the right to extend the initial term of its lease for three additional five-year periods at 95% of the then-current market rental rate.

Agilent Atlanta Building

Wells OP purchased the Agilent Atlanta Building on April 18, 2002 for a purchase price of $15,100,000. The Agilent Atlanta Building, which was built in 2001, is a two-story office building containing 101,207 rentable square feet located in Alpharetta, Georgia.

Agilent Technologies, Inc. (Agilent) leases 66,811 rentable square feet of the Agilent Atlanta Building (66%). Agilent is a major producer of measuring and monitoring devices, semiconductor products and chemical analysis tools for communications and life sciences companies, such as Internet service providers and biopharmaceutical companies. Agilent reported a net worth, as of January 31, 2002, of approximately $5.4 billion.

The Agilent Atlanta lease commenced in September 2001 and expires in September 2011. The initial annual base rent payable under the Agilent Atlanta lease is $1,344,905. Agilent, at its option, has the right to extend the initial term of its lease for either (1) one additional three-year period, or (2) one additional five-year period, at the then-current market rental rate. In addition, Agilent may terminate the lease at the end of the seventh lease year by paying a $763,650 termination fee.

Koninklijke Philips Electronics N.V. (Philips) leases 34,396 rentable square feet of the Agilent Atlanta Building (34%). Philips is one of the world's largest electronics companies and is a global leader in color television sets, lighting, electric shavers, medical diagnostic imaging, patient monitoring and one-chip TV products. Philips reported a net worth, as of March 31, 2002, of approximately $16.47 billion.

The Philips lease commenced in September 2001 and expires in September 2011. The current annual base rent payable under the Philips lease is $692,391. Philips, at its option, has the right to extend the initial term of its lease for either (1) one additional three-year period, or (2) one additional five-year period, at the then-current market rental rate. In addition, Philips may terminate the lease at the end of the seventh lease year by paying a $393,146 termination fee.

Travelers Express Denver Buildings

Wells OP purchased the Travelers Express Denver Buildings on April 10, 2002 for a purchase price of $10,395,845. The Travelers Express Buildings, which were built in 2002, are two connected one-story office buildings containing 68,165 rentable square feet located in Lakewood, Metropolitan Denver, Colorado.

The Travelers Express Denver Buildings are leased to Travelers Express Company, Inc. (Travelers). Travelers is the largest money order processor and second largest money-wire transfer company in the nation, processing more than 775 million transactions per year, including official checks and share drafts for financial institutions. Travelers is a wholly owned subsidiary of Viad Corporation, a public company whose shares are traded on the NYSE.

The Travelers lease commenced in April 2002 and expires in March 2012. The current annual base rent payable under the Travelers lease is $1,012,250. Travelers, at its option, has the right to extend the initial term of its lease for two additional five-year periods. The annual base rent for the first three years of the first renewal term shall be $19 per rentable square foot and the annual base rent for the last

two years shall be $20.50 per rentable square foot. The annual base rent for the second renewal term shall be at the then-current market rental rate for each year of the renewal term. In addition, Travelers may terminate the Travelers lease at the end of the seventh lease year by paying a termination fee of $1,040,880. Travelers also has the right to expand the Travelers Express Denver Buildings between 10% and 20% by providing notice on or before May 1, 2004,

subject to certain limitations and potential acceleration.

Dana Corporation Buildings

Wells OP purchased the Dana Corporation Buildings on March 29, 2001 for a purchase price of $41,950,000. The Dana Kalamazoo Building, which was built in 1999, is a two-story office and industrial building containing 147,004 rentable square feet located in Kalamazoo, Michigan. The Dana Detroit Building, which was built in 1999, is a three-story office and research and development building containing 112,480 rentable square feet located in Farmington Hills, Michigan. Wells OP purchased the Dana Corporation Buildings by purchasing all of the membership interests in two Delaware limited liability companies each of which owned one of the buildings.

The Dana Corporation Buildings are leased to Dana Corporation (Dana). Dana is one of the world's largest suppliers of components, modules and complete systems to global vehicle manufacturers and their related aftermarkets. Dana operates approximately 300 major facilities in 34 countries and employs approximately 70,000 people. Dana reported a net worth, as of December 31, 2001, of approximately $1.9 billion.

The Dana Kalamazoo lease commenced in October 2001 and expires in October 2021. The current annual base rent payable under the Dana Kalamazoo lease is $1,842,800. Dana, at its option, has the right to extend the initial term of its lease for six additional five-year periods at the then-current market rental rate. Dana may terminate the lease at any time during the initial lease term after the sixth lease year and before the 19th lease year, subject to certain conditions.

The Dana Detroit lease commenced in October 2001 and expires in October 2021. The current annual base rent payable under the Dana Detroit lease is $2,330,600. Dana, at its option, has the right to extend the initial term of its lease for six additional five-year periods at the then-current market rental rate. Dana may terminate the lease at any time during the initial lease term after the 11th lease year, subject to certain conditions.

Novartis Atlanta Building

Wells OP purchased the Novartis Atlanta Building on March 28, 2002 for a purchase price of $15,000,000. The Novartis Atlanta Building, which was built in 2001, is a four-story office building containing 100,087 rentable square feet located in Duluth, Metropolitan Atlanta, Georgia.

The Novartis Atlanta Building is leased to Novartis Opthalmics, Inc. (Novartis). The Novartis lease is guaranteed by Novartis' parent company, Novartis Corporation. Novartis Corporation, a public company whose shares are traded on the NYSE, is a world leader in healthcare with core businesses in pharmaceuticals, consumer health, generics, eye-care and animal health. Novartis Corporation reported a net worth, as of December 31, 2001, of approximately $28.1 billion.

The Novartis lease commenced in August 2001 and expires in July 2011. The current annual base rent payable under the Novartis lease is $1,426,240. Novartis, at its option, has the right to extend the initial term of its lease for three additional five-year periods at the then-current market rental rate. In

addition, Novartis may terminate the lease at the end of the fifth lease year by paying a $1,500,000 termination fee.

Transocean Houston Building

Wells OP purchased the Transocean Houston Building on March 15, 2002 for a purchase price of $22,000,000. The Transocean Houston Building, which was built in 1999, is a six-story office building containing 155,991 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 52,731 rentable square feet. The current annual base rent payable under the Transocean lease is $2,110,035.

Newpark Drilling Fluids, Inc. (Newpark) leases the remaining 52,731 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 Resources, Inc., which provides drilling fluids services to the oil and gas production 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 October 2009. The current annual base rent payable for the Newpark lease is $1,153,227.

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. Wells OP purchased the Arthur Andersen Building from Sarasota Haskell, LLC, which is not in any way affiliated with the Wells REIT, our Advisor or Arthur Andersen, LLP, the tenant at the property.

The Arthur Andersen Building is leased to Arthur Andersen LLP (Andersen). In March, 2002, the Department of Justice indicted Andersen on federal obstruction of justice charges arising from the government's investigation of Enron Corporation. It is possible that events arising out of the indictment or other events relating to Andersen may adversely affect the ability of Andersen to fulfill its obligations as tenant under the Andersen lease. 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 certain portions of 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 commenced 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 February 28, 2002, of approximately $559 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 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 NYSE 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 Corporation reported a net worth, as of December 31, 2001, of approximately $1.23 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 January 31, 2002, of approximately $335 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 Technologies) 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 Technologies, whose shares are traded on the NYSE and has its corporate headquarters in Murray Hill, New Jersey. Lucent Technologies designs, develops and manufactures communications systems, software and other products. Lucent Technologies 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 Technologies 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 NYSE, 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 December 29, 2001, of approximately $1.87 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 located in Irving Texas which we purchased on September 19, 2001 for a purchase price of $5,545,700. We commenced construction on a three-story office building containing approximately 268,000 rentable square feet (Nissan Project) in January 2002. 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 Project.

Wells OP entered into a development agreement, an architect agreement and a design and build agreement to construct the 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 is paying a development fee of $1,250,000. The fee is 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 September 30, 2001, of approximately $8.9 billion.

The Nissan lease 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 December 31, 2001, of approximately $1.43 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 NYSE. 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 $2,458,638. 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 NYSE (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 December 31, 2001, of approximately $1.14 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 two years 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 global engineering and construction company offering managerial and technical resources for solving complex energy, environmental, infrastructure and industrial challenges. 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. The Shaw Group reported a net worth, as of February 28, 2002, of approximately $612 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 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 approximately 100 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 two years 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, Inc. (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 two years 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. If Motorola exercises its expansion option, upon completion of the expansion, the term of the Motorola lease shall be extended an additional 10

years after Motorola occupies the expansion space. The base rent for the expansion space shall be determined by the construction costs and fees for the expansion. The base rent for the original building for the extended 10-year period shall be the greater of (1) the then-current base rent, or (2) 95% of the then-current fair market rental rate.

Quest Building

The VIII-IX Joint Venture purchased the Quest Building on January 10, 1997 for a purchase price of $7,193,000. On July 1, 2000, the VIII-IX Joint Venture

contributed the Quest Building to the VIII-IX-REIT Joint Venture. The Quest Building, which was built in 1984 and refurbished in 1996, is a two-story office building containing 65,006 rentable square feet located in Irvine, California.

The Quest Building is currently leased to Quest Software, Inc. (Quest). Quest is a publicly traded corporation that provides software database management and disaster recovery services for its clients. Quest was established in April 1987 to develop and market software products to help insure uninterrupted, high performance access to enterprise and custom computing applications and databases. Quest reported a net worth, as of December 31, 2001, of approximately $441 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 three years 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 December 31, 2001, of approximately $2.22 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 two years 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 December 28, 2001, of approximately $1.77 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 two years of ownership.

Siemens Building

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

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

The 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 two years 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 two years 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 30th year and prior to the expiration of each subsequent 10-year period thereafter. The current annual ground lease payment pursuant to the Motorola ground lease is $243,825.

ASML Building

Wells OP purchased the ASML Building on March 29, 2000 for a purchase price of $17,355,000. The ASML Building, which was built in 2000, is a two-story office and warehouse building containing 95,133 rentable square feet located in Tempe, Arizona. The ASML Building is 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, a guarantor of the ASML lease, reported a net worth, as of December 31, 2002, 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 two years 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 two years 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). Metris Companies, Inc., the parent company of Metris, has guaranteed the Metris lease. See the property description for the Metris Minnesota Building above for a detailed description of Metris and Metris Companies, Inc.

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 two years 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 one additional five-year period of time and a subsequent additional ten-year period 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 two years 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 three years of ownership.

Videojet Technologies Chicago Building

Wells OP purchased the Videojet Technologies Chicago Building on September

10, 1999 for a purchase price of $32,630,940. The Videojet Technologies Chicago 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 Videojet Technologies Chicago 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 Videojet Technologies Chicago Building is leased to Videojet Technologies, Inc. (Videojet). Videojet is one of the largest manufacturers of digital imaging, process control, and asset management systems worldwide. In February 2002, Videojet was acquired by Danaher Corporation (Danaher), a publicly traded company on the New York Stock Exchange. Danaher is a leading manufacturer of process and environmental controls and tools and components.

The Videojet lease commenced in November 1991 and expires in November 2011. Videojet has the right to extend the Videojet lease for one additional five-year period of time. The current annual base rent payable for the Videojet lease is $3,376,746. The average effective annual rental rate per square foot at the Videojet Technologies Chicago Building was $13.23 for 2001 and $13.18 for 2000 and 1999, the first three years 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 September 30, 2001, of approximately $1.16 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 three years 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 September 30, 2001, of approximately $1.8 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 two years 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 $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 three years 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 $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 three years of ownership.

Matsushita Building

Wells OP purchased an 8.8 acre tract of land on March 15, 1999, for a purchase price of $4,450,230. Wells OP completed construction of the Matsushita Building in 2000 at an aggregate cost of $18,431,206, including the cost of the land. The Matsushita Building is a two-story office building containing 144,906 rentable square feet.

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

The 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 24th and 48th 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 two years 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 three years 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 three years 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.

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, 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 three years of ownership.

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 three years of ownership.

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 has not been released from its obligations as tenant 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 Technologies reported a net worth, as of December 31, 2001, of approximately $10.63 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 four years 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.

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 three years 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 51,975 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 three years 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 (Instrumentarium), a Finnish company, acquired the division of Ohmeda that occupies the Ohmeda Building. Instrumentarium, a guarantor on the Ohmeda lease, is an international health care company concentrating on selected fields of medical technology manufacturing, marketing and distribution. Instrumentarium reported a net worth, as of December 31, 2001, of approximately $480 million.

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 three years 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 September 30, 2001, of approximately $1.8 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 currently estimated to be approximately $1,800,000 based upon certain assumptions.

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. In addition, Wells OP may increase the BOA Line of Credit up to an amount of $110,000,000 with the lender's approval. The interest rate on the BOA Line of Credit is 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, 2004. 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 Videojet Technologies Chicago 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 the fiscal year ended December 31, 2001.

During the three months ended March 31, 2002, we received aggregate gross offering proceeds of $255,702,943 from the sale of 25,570,294 shares of our common stock. After payment of $8,843,134 in acquisition and advisory fees and acquisition expenses, payment of $27,106,265 in selling commissions and organization and offering expenses, and common stock redemptions of $3,041,981 pursuant to our share redemption program, we raised net offering proceeds of $216,711,563 during the first quarter of 2002, of which $185,291,196 remained

available for investment in properties at quarter end.

During the three months ended March 31, 2001, we received aggregate gross offering proceeds of $66,174,704 from the sale of 6,617,470 shares of our common stock. After payment of $2,288,933 in acquisition and advisory fees and acquisition expenses, payment of $8,175,768 in selling commissions and organizational and offering expenses, and common stock redemptions of $776,555 pursuant to our share redemption program, we raised net offering proceeds of $54,933,448, of which $5,952,930 was available for investment in properties at quarter end.

The net increase in cash and cash equivalents during the fiscal year ended December 31, 2001, as compared to the fiscal year ended December 31, 2000, and for the three months ended March 31, 2002, as compared to the three months ended March 31, 2001, is primarily the result of raising increased amounts of capital from the sale of shares of common stock, offset by the acquisition of properties during 2001 and the first quarter of 2002, and the payment of acquisition and advisory fees and acquisition expenses, commissions and, organization and offering costs.

As of March 31, 2002, we owned interests in 44 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 $0.76 per share and $0.73 per share, respectively. Dividends declared for the first quarter of 2002 and the first quarter of 2001 were approximately $0.194 and $0.188 per share, respectively.

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 the fiscal year ended December 31, 2001, $7,319,639 for the fiscal year ended December 31, 2000 and $4,008,275 for the fiscal year ended December 31, 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.

Our net cash provided by operating activities was $13,117,293 and $8,235,314 for the three months ended March 31, 2002 and 2001, respectively. The increase in net cash provided by operating activities was due primarily to the net income generated by additional properties acquired during 2002 and 2001.

Cash Flows From Investing Activities

Our net cash used in investing activities was $274,605,735 for the fiscal year ended December 31, 2001, $249,316,460 for the fiscal year ended December 31, 2000 and $105,394,956 for the fiscal year ended December 31, 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.

Our net cash used in investing activities was $111,821,692 and $4,264,257 for the three months ended March 31, 2002 and 2001, respectively. The increase in net cash used in investing activities was due primarily to investments in properties and the payment of related deferred project costs, partially offset by distributions received from joint ventures.

Cash Flows From Financing Activities

Our net cash provided by financing activities was $303,544,260 for the fiscal year ended December 31, 2001, $243,365,318 for the fiscal year ended December 31, 2000, and $96,337,082 for the fiscal year ended December 31, 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.

Our net cash provided by financing activities was $210,144,548 for the three months ended March 31, 2002 and net cash used in financing activities for the three months ended March 31, 2001 was $113,042. The increase in net cash provided by financing activities was due primarily to the raising of additional capital and the related repayment of notes payable. We raised $255,702,943 in offering proceeds for the three months ended March 31, 2002, as compared to $66,174,705 for the same period in 2001.

Results of Operations

Comparison of Fiscal Years Ended December 31, 2001, 2000 and 1999

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 for the fiscal year ended December 31, 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 fiscal year ended December 31, 2001, $14,820,239 for the fiscal year ended December 31, 2000 and $2,610,746 for the fiscal 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.

Comparison of First Quarter 2002 and 2001

As of March 31, 2002, our real estate properties were 100% leased to tenants. Gross revenues were $19,192,803 and $10,669,713 for the three months ended March 31, 2002 and 2001, respectively. Gross revenues for the three months ended March 31, 2002 and 2001 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 2002 was primarily attributable to the purchase of additional properties for $104,051,998 during 2002 and the purchase of additional properties for $227,933,858 in the last three quarters of 2001. The purchase of additional properties also resulted in an increase in expenses which totaled $8,413,139 for the three months ended March 31, 2002, as compared to $7,394,368 for the three months ended March 31, 2001. Expenses in 2002 and 2001 consisted primarily of depreciation,

interest expense, management and leasing fees and general and administrative costs. As a result, our net income also increased from $3,275,345 for the three months ended March 31, 2001 to $10,779,664 for the three months ended March 31, 2002.

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	$ 10,975,784	$ 7,195,036	$8,977,529	$ 6,803,936	$ 4,135,443	$3,720,960	$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 performance 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

The following table reflects the calculation of FFO and AFFO for the three months ended March 31, 2002 and 2001, respectively:

	Three Months Ended March 31, 2002	Three Months Ended March 31, 2001
FUNDS FROM OPERATIONS:		
Net income	$ 10,779,745	$ 3,275,345
Add:		
Depreciation of real assets	5,744,452	3,187,179
Amortization of deferred leasing costs	72,749	75,837
Depreciation and amortization - unconsolidated partnerships	613,034	299,094
Funds from operations (FFO)	17,209,979	6,837,455
Adjustments:		
Loan cost amortization	175,462	214,757
Straight line rent	(348,808)	(616,465)
Straight line rent - unconsolidated partnerships	(52,995)	(39,739)
Lease acquisition fees paid	400,000	0
Lease acquisition fees paid- unconsolidated partnerships	0	(2,356)
Adjusted funds from operations (AFFO)	$ 17,383,639	$ 6,393,653
WEIGHTED AVERAGE SHARES:		
BASIC AND DILUTED	95,130,210	34,359,444

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

We record acquisition and advisory fees and acquisition expenses payable to Wells Capital, Inc., our advisor, 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 have sponsored three prior public offerings 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. Accordingly, as of _____, 2002, we had received aggregate gross offering proceeds of approximately $_____ from the sale of approximately _____ shares in our three prior public offerings.

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 Index Fund). The REIT Index 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 Index Fund began its offering on January 12, 1998 and, as of _____, 2002, 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 December 31, 2001, 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 December 31, 2001, 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 14 publicly offered limited partnerships, as of December 31, 2001, was $697,161,047. Of this amount, approximately 90.2% was spent on acquiring or developing office buildings, and approximately 9.8% was spent on acquiring or developing shopping centers. Of this amount, approximately 22.6% was or will be spent on new properties, 57.1% on existing or used properties and 20.3% 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 December 31, 2001:

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 condominium interest in 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	% Ownwership	Net Sale Proceeds	Taxable Gain
Aug. 31, 2000	One of two buildings at 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 center 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 center 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 substantially identical 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 substantially identical 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.

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 multi-tenant building in Boulder County, Colorado; and
- a 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 1,812 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 multi-tenant 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 multi-tenant 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 units). 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 Wells Capital and its affiliates. 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 (Holland & Knight) 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. We must emphasize that all opinions issued by Holland & Knight are based on various assumptions and are 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. 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 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 derived 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 on 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 trusts 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 be treated as a partnership for federal income tax purposes, since it will not elect to be taxable as a corporation under the Check-the-Box Regulations, it could still be taxed as a corporation if it were 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 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 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 be allocated (1) 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) 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 recognize 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 individual retirement account (IRA). This summary is based on provisions of the Employee Retirement Income Security Act of 1974, as amended (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 well in excess of 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 that it is more likely than not that our shares will be deemed to 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 that 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 that 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 our 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 our 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 our 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 so 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 dividends in our shares would cause the percentage ownership limitation contained in our articles of incorporation to be exceeded. In addition, you may terminate your participation in the dividend reinvestment plan at any time by providing us with written notice.

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 withheld and reinvested 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.

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.

The Operating Partnership Agreement

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 will be 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 6,600,000 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 336,600,000 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 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, based upon such factors as the volume of sales of such Participating Dealer, the level of marketing support provided by such Participating Dealer and the assistance of such Participating Dealer in marketing the offering, or to reimburse representatives of such Participating Dealers the costs and expenses of attending our educational conferences and seminars. In addition, unless otherwise agreed with the Dealer Manager, Participating Dealers will be reimbursed for bona fide due diligence expenses, not to exceed 0.5% of gross offering proceeds in the aggregate.

We will also award to the Dealer Manager one soliciting dealer warrant for every 50 shares sold to the public or issued to stockholders pursuant to our dividend reinvestment plan during the offering period. The Dealer Manager intends to reallow these warrants to Participating Dealers by awarding one soliciting dealer warrant for every 50 shares sold during the offering period, 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.

In no event shall the total aggregate underwriting compensation, including sales commissions, the dealer manager fee and underwriting expense reimbursements, exceed 9.5% of gross offering proceeds in the aggregate, except for the soliciting dealer warrants described above and bona fide due diligence expenses not to exceed 0.5% of gross offering proceeds in the aggregate.

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, certain volume discounts resulting in reductions in selling commissions payable with respect to such sales are available to investors. In such event, any 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:

		Commissions on Sales per Incremental Share in Volume Discount Range	
Number of Shares Purchased	Purchase Price 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, Wells Capital, our advisor, may 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 (Holland & Knight). The statements under the caption "Federal Income Tax Consequences" as they relate to federal income tax matters have been reviewed by Holland & Knight, and Holland & Knight has opined as to certain income tax matters relating to an investment in shares of the Wells REIT. Holland & Knight has also represented Wells Capital, our advisor, as well as various other affiliates of Wells Capital, in other matters and may continue to do so in the future. (See "Conflicts of Interest.")

Experts

Audited 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.

Unaudited Financial Statements

The Schedule III - Real Estate Investments and Accumulated Depreciation as of December 31, 2001, which is included in this prospectus, has not been audited.

The financial statements of the Wells REIT, as of March 31, 2002, and for the three month period ended March 31, 2002, which are included in this prospectus, have 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 facility in Washington, D.C. at Judiciary Plaza, Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549. In addition, the Commission maintains a Web site at http://www.sec.gov that contains reports, proxy and information statements and other information regarding registrants that file electronically with the Commission.

Glossary

The following are definitions of certain terms used in this prospectus and not otherwise defined in this prospectus:

"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.

"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.

/s/ 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	Cumulative Distributions in Excess	Retained	Treasury Stock		Total Shareholders'
	Shares	Amount	Capital	of Earnings	Earnings	Shares	Amount	Equity
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

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

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

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

WELLS REAL ESTATE INVESTMENT TRUST, INC.
AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

ASSETS

	March 31, 2002	December 31, 2001
REAL ESTATE ASSETS, at cost:		
Land	$ 94,273,542	$ 86,246,985
Building and improvements, less accumulated depreciation of $30,558,906 in 2002 and $24,814,454 in 2001	563,639,005	472,383,102
Construction in progress	8,827,823	5,738,573
Total real estate assets	666,740,370	564,368,660
INVESTMENT IN JOINT VENTURES	76,811,543	77,409,980
CASH AND CASH EQUIVALENTS	187,022,573	75,586,168
INVESTMENT IN BONDS	22,000,000	22,000,000
ACCOUNTS RECEIVABLE	7,697,487	6,003,179
DEFERRED PROJECT COSTS	7,739,896	2,977,110
DEFERRED LEASE ACQUISITION COSTS, net	1,868,674	1,525,199
DUE FROM AFFILIATES	1,820,241	1,692,727
PREPAID EXPENSES AND OTHER ASSETS, net	1,584,942	718,389
DEFERRED OFFERING COSTS	244,761	0
Total assets	$973,530,487	$752,281,412

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES:		
Notes payable	$ 11,071,586	$ 8,124,444
Obligation under capital lease	22,000,000	22,000,000
Accounts payable and accrued expenses	8,570,735	8,727,473
Dividends payable	3,657,498	1,059,026
Due to affiliates	990,923	2,166,161
Deferred rental income	1,567,241	661,657
Total liabilities	47,857,983	42,738,761
MINORITY INTEREST OF UNIT HOLDER IN OPERATING PARTNERSHIP	200,000	200,000
SHAREHOLDERS' EQUITY:		
Common shares, $.01 par value; 125,000,000 shares authorized, 109,331,764 shares issued and 108,472,526 shares outstanding at March 31, 2002, and 83,761,469 shares issued and 83,206,429 shares outstanding at December 31, 2001	1,093,317	837,614
Additional paid-in capital	966,577,500	738,236,525
Cumulative distributions in excess of earnings	(33,555,824)	(24,181,092)
Treasury stock, at cost, 859,238 shares at March 31, 2002 and 555,040 shares at December 31, 2001	(8,592,377)	(5,550,396)
Other comprehensive loss	(50,112)	0
Total shareholders' equity	925,472,504	709,342,651
Total liabilities and shareholders' equity	$973,530,487	$752,281,412

The accompanying condensed notes are an integral part of these consolidated financial statements

WELLS REAL ESTATE INVESTMENT TRUST, INC.
AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended	
	March 31, 2002	March 31, 2001
REVENUES:		
Rental income	$ 16,738,163	$ 9,860,085
Equity in income of joint ventures	1,206,823	709,713
Interest income	1,113,715	99,915
Take out fee	134,102	0
	19,192,803	10,669,713
EXPENSES:		
Depreciation	5,744,452	3,187,179
Management and leasing fees	899,495	565,714
Operating costs, net of reimbursements	624,698	1,091,185
General and administrative	529,031	175,107
Interest expense	440,001	2,160,426
Amortization of deferred financing costs	175,462	214,757
	8,413,139	7,394,368
NET INCOME	$ 10,779,664	$ 3,275,345
EARNINGS PER SHARE		
Basic and diluted	$ 0.11	$ 0.10

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

WELLS REAL ESTATE INVESTMENT TRUST, INC.
AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2001

AND FOR THE THREE MONTHS ENDED MARCH 31, 2002

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Cumulative Distributions in Excess of Earnings	Retained Earnings	Treasury Stock Shares
BALANCE, December 31, 2000	31,509,807	$ 315,097	$ 275,573,339	$ (9,133,855)	$ 0	$ (141,297)
Issuance of common stock	52,251,662	522,517	521,994,103	0	0	0
Treasury stock purchased	0	0	0	0	0	(413,743)
Net income	0	0	0	0	21,723,967	0
Dividends ($.76 per share)	0	0	0	(15,047,237)	(21,723,967)	0
Sales commissions and discounts	0	0	(49,246,118)	0	0	0
Other offering expenses	0	0	(10,084,799)	0	0	0
BALANCE, December 31, 2001	83,761,469	837,614	738,236,525	(24,181,092)	0	(555,040)
Issuance of common stock	25,570,295	255,703	255,447,240	0	0	0
Treasury stock purchased	0	0	0	0	0	(304,198)
Net income	0	0	0	0	10,779,664	0
Dividends ($.19 per share)	0	0	0	(9,374,732)	(10,779,664)	0
Sales commissions and discounts	0	0	(24,579,655)	0	0	0
Other offering expenses	0	0	(2,526,610)	0	0	0
Gain/(loss) on interest rate swap	0	0	0	0	0	0
BALANCE, March 31, 2002	109,331,764	$ 1,093,317	$ 966,577,500	$ (33,555,824)	$ 0	$ (859,238)

	Treasury Stock Amount	Other Comprehensive Income	Total Shareholders' Equity
BALANCE, December 31, 2000	$ (1,412,969)	$ 0	$ 265,341,612
Issuance of common stock	0	0	522,516,620
Treasury stock purchased	(4,137,427)	0	(4,137,427)
Net income	0	0	21,723,967
Dividends ($.76 per share)	0	0	(36,771,204)
Sales commissions and discounts	0	0	(49,246,118)
Other offering expenses	0	0	(10,084,799)
BALANCE, December 31, 2001	(5,550,396)	0	709,342,651
Issuance of common stock	0	0	255,702,943
Treasury stock purchased	(3,041,981)	0	(3,041,981)
Net income	0	0	10,779,664
Dividends ($.19 per share)	0	0	(20,154,396)

Sales commissions and discounts	0	0	(24,579,655)
Other offering expenses	0	0	(2,526,610)
Gain/(loss) on interest rate swap	0	(50,112)	(50,112)
BALANCE, March 31, 2002	$ (8,592,377)	$ (50,112)	$ 925,472,504

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

WELLS REAL ESTATE INVESTMENT TRUST, INC.
AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended	
	March 31, 2002	March 31, 2001
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 10,779,664	$ 3,275,345
Adjustments to reconcile net income to net cash provided by operating activities:		
Equity in income of joint ventures	(1,206,823)	(709,713)
Depreciation	5,744,452	3,187,179
Amortization of deferred financing costs	175,462	214,757
Amortization of deferred leasing costs	72,749	75,837
Deferred lease acquisition costs paid	(400,000)	0
Changes in assets and liabilities:		
Accounts receivable	(1,694,308)	(264,416)
Due from affiliates	(13,740)	0
Deferred rental income	905,584	(142,888)
Prepaid expenses and other assets, net	(1,092,127)	2,481,643
Accounts payable and accrued expenses	(156,738)	96,828
Due to affiliates	(626)	20,742
Net cash provided by operating activities	13,113,549	8,235,314
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investments in real estate	(104,051,998)	(2,703,858)
Investment in joint ventures	0	(5,749)
Deferred project costs paid	(9,461,180)	(2,288,936)
Distributions received from joint ventures	1,691,486	734,286
Net cash used in investing activities	(111,821,692)	(4,264,257)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable	2,947,142	5,800,000
Repayment of notes payable	0	(56,923,187)
Dividends paid to shareholders	(17,555,924)	(6,213,236)
Issuance of common stock	255,702,943	66,174,705
Sales commissions paid	(24,579,655)	(6,212,824)
Offering costs paid	(3,327,977)	(1,961,945)
Treasury stock purchased	(3,041,981)	(776,555)
Net cash (used in) provided by financing activities	210,144,548	(113,042)
NET INCREASE IN CASH AND CASH EQUIVALENTS	111,436,405	3,858,015
CASH AND CASH EQUIVALENTS, beginning of year	75,586,168	4,298,301
CASH AND CASH EQUIVALENTS, end of period	$ 187,022,573	$ 8,156,316
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING ACTIVITIES:		
Deferred project costs applied to real estate assets	$ 4,080,388	$ 1,430,111
Deferred project costs due to affiliate	$ 496,134	$ 0
Interest rate swap	$ (50,112)	$ 0
Deferred offering costs due to affiliate	$ 244,761	$ 0
Other offering costs due to affiliate	$ 141,761	$ 0
Write-off of deferred offering costs due to affiliate	$ 0	$ 709,686

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

WELLS REAL ESTATE INVESTMENT TRUST, INC.
AND SUBSIDIARY

CONDENSED NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2002

1. Summary of Significant Accounting Policies

(a) General

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

On January 30, 1998, the Company commenced its initial public offering of up to 16,500,000 shares of common stock at $10 per share pursuant to a Registration Statement on Form S-11 filed under the Securities Act of 1933. The Company commenced active operations on June 5, 1998, upon receiving and accepting subscriptions for 125,000 shares. The Company terminated its initial public offering on December 19, 1999 at which time gross proceeds of approximately $132,181,919 had been received from the sale of approximately 13,218,192 shares. The Company commenced its second public offering of shares of common stock on December 20, 1999, which was terminated on December 19, 2000 after receipt of gross proceeds of approximately $175,229,193 from the sale of approximately 17,522,919 shares from the second public offering. The Company commenced its third public offering of the shares of common stock on December 20, 2000. As of March 31, 2002, the Company has received gross proceeds of approximately $785,906,526 from the sale of approximately 78,590,653 shares from its third public offering. Accordingly, as of March 31, 2002, the Company has received aggregate gross offering proceeds of approximately $1,093,317,638 from the sale of 109,331,764 shares of its common stock to 27,900 investors. After payment of $37,965,419 in acquisition and advisory fees and acquisition expenses, payment of $125,647,820 in selling commissions and organization and offering expenses, capital contributions to joint ventures and acquisitions expenditures by Wells OP of $735,821,825 for property acquisitions, and common stock redemptions of $8,592,377 pursuant to the Company's share redemption program, the Company was holding net offering proceeds of $185,290,197 available for investment in properties, as of March 31, 2002.

WELLS REAL ESTATE INVESTMENT TRUST, INC. AND SUBSIDIARY

(A Georgia Public Limited Partnership)

SCHEDULE III--REAL ESTATE INVESTMENTS AND ACCUMULATED DEPRECIATION

DECEMBER 31, 2001

			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	Construct in Progress	Total
ALSTOM POWER--KNOXVILLE PROPERTY (a)	4%	None	$ 582,897	$ 744,164	$6,744,547	$ 607,930	$ 7,463,678	$ 0	$ 8,071,608
AVAYA BUILDING	4	None	1,002,723	4,386,374	242,241	1,051,138	4,580,200	0	5,631,338
360 INTERLOCKEN (c)	4	None	1,570,000	6,733,500	437,266	1,650,070	7,090,696	0	8,740,766
IOMEGA PROPERTY (d)	4	None	597,000	4,674,624	876,459	641,988	5,506,095	0	6,148,083

OHMEDA PROPERTY (e)	4	None	2,613,600	7,762,481	528,415	2,746,894	8,157,602	0	10,904,496
FAIRCHILD PROPERTY (f)	78	None	2,130,480	6,852,630	374,300	2,219,251	7,138,159	0	9,357,410
ORANGE COUNTY PROPERTY (g)	44	None	2,100,000	4,463,700	287,916	2,187,501	4,664,115	0	6,851,616
PRICEWATER-HOUSECOOPERS PROPERTY (h)	100	None	1,460,000	19,839,071	825,560	1,520,834	20,603,797	0	22,124,631
EYBL CARTEX PROPERTY (i)	57	None	330,000	4,791,828	213,411	343,750	4,991,489	0	5,335,239
SPRINT BUILDING (j)	57	None	1,696,000	7,850,726	397,783	1,766,667	8,177,842	0	9,944,509
JOHNSON MATTHEY (k)	57	None	1,925,000	6,131,392	335,685	2,005,209	6,386,868	0	8,392,077
GARTNER PROPERTY (l)	57	None	895,844	7,451,760	347,820	933,171	7,762,253	0	8,695,424
AT&T--PA PROPERTY (m)	100	None	662,000	11,836,368	265,740	689,583	12,074,525	0	12,764,108
MARCONI PROPERTY (n)	100	None	5,000,000	28,161,665	1,381,747	5,208,335	29,335,077	0	34,543,412

Description	Accumulated Depreciation	Date of Construction	Date Acquired	Life on Which Depreciation is Computed (dd)
ALSTOM POWER--KNOXVILLE PROPERTY (a)	$1,844,482	1997	12/10/96	20 to 25 years
AVAYA BUILDING	656,495	1998	6/24/98	20 to 25 years
360 INTERLOCKEN (c)	1,098,339	1996	3/20/98	20 to 25 years
IOMEGA PROPERTY (d)	742,404	1998	7/01/98	20 to 25 years
OHMEDA PROPERTY (e)	1,278,024	1998	2/13/98	20 to 25 years
FAIRCHILD PROPERTY (f)	999,301	1998	7/21/98	20 to 25 years
ORANGE COUNTY PROPERTY (g)	651,780	1988	7/31/98	20 to 25 years
PRICEWATER-HOUSECOOPERS PROPERTY (h)	2,469,792	1998	12/31/98	20 to 25 years
EYBL CARTEX PROPERTY (i)	532,416	1998	5/18/99	20 to 25 years
SPRINT BUILDING (j)	817,785	1998	7/2/99	20 to 25 years
JOHNSON MATTHEY (k)	617,438	1973	8/17/99	20 to 25 years
GARTNER PROPERTY (l)	724,477	1998	9/20/99	20 to 25 years
AT&T--PA PROPERTY (m)	1,408,686	1998	2/4/99	20 to 25 years
MARCONI PROPERTY (n)	2,737,941	1991	9/10/99	20 to 25 years

			Initial Cost		Costs of Capitalized		
Description	Ownership Percentage	Encumbrances	Land	Buildings and Improvements	Improvements	Land	Buildings and Improvements
CINEMARK PROPERTY (o)	100	None	1,456,000	20,376,881	908,217	1,516,667	21,224,431
MATSUSHITA PROPERTY (p)	100	None	4,577,485	0	13,860,142	4,768,215	13,773,660
ALSTOM POWER--RICHMOND PROPERTY(q)	100	None	948,401	0	9,938,308	987,918	9,923,454

METRIS--OK PROPERTY (r)	100	None	1,150,000	11,569,583	541,489	1,197,917	12,063,155
DIAL PROPERTY(s)	100	None	3,500,000	10,785,309	601,264	3,645,835	11,240,738
ASML PROPERTY (t)	100	None	0	17,392,633	731,685	0	18,124,318
MOTOROLA--AZ PROPERTY (u)	100	None	0	16,036,219	669,639	0	16,705,858
AVNET PROPERTY (v)	100	None	0	13,271,502	551,156	0	13,822,658
DELPHI PROPERTY (w)	100	None	2,160,000	16,775,971	1,676,956	2,250,008	18,469,408
SIEMENS PROPERTY (x)	47	None	2,143,588	12,048,902	591,358	2,232,905	12,550,943
QUEST PROPERTY (y)	16	None	2,220,993	5,545,498	51,285	2,220,993	5,602,160
MOTOROLA--NJ PROPERTY (z)	100	None	9,652,500	20,495,243	0	10,054,720	25,540,919
METRIS--MN PROPERTY (aa)	100	None	7,700,000	45,151,969	2,181	8,020,859	47,042,309
STONE & WEBSTER PROPERTY (bb)	100	None	7,100,000	37,914,954	0	7,395,857	39,498,469
AT&T--OK PROPERTY (cc)	47	None	2,100,000	13,227,555	638,651	2,187,500	13,785,631
COMDATA PROPERTY	64	None	4,300,000	20,650,000	572,944	4,479,168	21,566,287
AMERICREDIT PROPERTY	87	None	1,610,000	10,890,000	563,257	1,677,084	11,386,174
STATE STREET PROPERTY	100	None	10,600,000	38,962,988	4,344,837	11,041,670	40,666,305
IKON PROPERTY	100	None	2,735,000	17,915,000	985,856	2,847,300	18,792,672
NISSAN PROPERTY	100	$8,124,444	5,545,700	0	21,353	5,567,053	0

	Gross Amount at Which Carried at December 31, 2001					
Description	Construction in Progress	Total	Accumulated Depreciation	Date of Construction	Date Acquired	Life on Which Depreciation is Computed (dd)
CINEMARK PROPERTY (o)	0	22,741,098	1,768,692	1999	12/21/99	20 to 25 years
MATSUSHITA PROPERTY (p)	0	18,541,875	2,032,803	1999	3/15/99	20 to 25 years
ALSTOM POWER-- RICHMOND PROPERTY (q)	0	10,911,372	921,980	1999	7/22/99	20 to 25 years
METRIS--OK PROPERTY (r)	0	13,261,072	881,413	2000	2/11/00	20 to 25 years
DIAL PROPERTY(s)	83,125	14,969,698	821,315	1997	3/29/00	20 to 25 years
ASML PROPERTY (t	0	18,124,318	1,314,573	1995	3/29/00	20 to 25 years
MOTOROLA--AZ PROPERTY (u)	0	16,705,858	1,218,400	1998	3/29/00	20 to 25 years
AVNET PROPERTY (v)	0	13,822,658	868,060	2000	6/12/00	20 to 25 years
DELPHI PROPERTY (w)	14,877	20,734,293	1,286,705	2000	6/29/00	20 to 25 years
SIEMENS PROPERTY (x)	43,757	14,827,605	959,465	2000	5/10/00	20 to 25 years
QUEST PROPERTY (y)	0	7,823,153	649,436	1997	9/10/97	20 to 25 years
MOTOROLA--NJ PROPERTY (z)	392,104	35,987,743	1,541,768	2000	11/1/00	20 to 25 years
METRIS--MN MN PROPERTY (aa)	0	55,063,168	2,000,737	2000	12/21/00	20 to 25 years
STONE & WEBSTER PROPERTY (bb)	0	46,894,326	1,679,981	1994	12/21/00	20 to 25 years
AT&T--OK OK						

PROPERTY (cc)	0	15,973,131	597,317	1999	12/28/00	20 to 25 years
COMDATA PROPERTY	0	26,045,455	575,056	1986	5/15/2001	20 to 25 years
AMERICREDIT PROPERTY	0	13,063,258	227,724	2001	7/16/2001	20 to 25 years
STATE STREET PROPERTY	2,201,913	53,909,888	807,903	1998	7/30/2001	20 to 25 years
IKON PROPERTY	0	21,639,972	250,689	2000	9/7/2001	20 to 25 years
NISSAN PROPERTY	2,653,777	8,220,830	0	2002	9/19/2001	20 to 25 years

			Initial Cost			
Description	Ownership Percentage	Encumbrances	Land	Buildings and Improvements	Costs of Capitalized Improvements	Land
INGRAM MICRO PROPERTY	100	$22,000,00	333,049	20,666,951	922,657	333,049
LUCENT PROPERTY	100	None	7,000,000	10,650,000	1,106,240	7,275,830
CONVERGYS PROPERTY	100	None	3,500,000	9,755,000	791,672	3,642,442
ADIC PROPERTY	51	None	1,954,213	11,000,000	757,902	2,047,735
WINDY POINT I PROPERTY	100	None	4,360,000	29,298,642	1,440,568	4,536,862
WINDY POINT II PROPERTY	100	None	3,600,000	52,016,358	2,385,402	3,746,033
Total		$30,124,444	$112,812,473	$584,077,441	$57,913,909	$117,245,941

	Gross Amount at Which Carried at December 31, 2001						
Description	Buildings and Improvements	Construction in Progress	Total	Accumulated Depreciation	Date of Construction	Date Acquired	Life on Which Depriciation to Computed (dd)
INGRAM MICRO PROPERTY	21,590,010	0	21,923,059	292,307	1997	9/27/2001	20 to 25 years
LUCENT PROPERTY	11,484,562	0	18,760,392	153,093	2000	9/28/2001	20 to 25 years
CONVERGYS PROPERTY	10,404,230	0	14,046,672	34,681	2001	12/21/2001	20 to 25 years
ADIC PROPERTY	11,664,380	0	13,712,115	38,881	2001	12/21/2001	20 to 25 years
WINDY POINT I PROPERTY	30,562,349	0	35,099,211	101,875	1999	12/31/2001	20 to 25 years
WINDY POINT II PROPERTY	54,255,727	0	58,001,760	180,852	2001	12/31/2001	20 to 25 years
Total	$645,673,203	$5,389,553	$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.

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
WELLS REAL ESTATE FUND X, L.P.

	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)	(99,862)	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	66	--
- 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			
Joint Ventures	(83,406)	247,244	3,783
	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	$ 984,510	$ 65,268
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 po rata share of original offering costs.

/2/ Includes Wells Real Estae 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
Atlanta, 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. WE WILL NOT ACCEPT CASH, MONEY ORDERS OR TRAVELERS CHECKS FOR INITIAL INVESTMENTS.
		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.

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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

Special Instructions:

[LOGO] WELLS REIT

WELLS REAL ESTATE INVESTMENT TRUST, INC.
SUBSCRIPTION AGREEMENT SIGNATURE PAGE
See page A5-A in the Prospectus for instructions.

1.=====INVESTMENT==========

# of Shares	Total $ Invested

(# Shares x $10 = $ Invested)

Minimum purchase $1,000 or 100 Shares

Make Investment Check Payable to:
Wells Real Estate Investment Trust, Inc.

[_] Initial Investment (Minimum $1,000)
[_] Additional Investment (Minimum $25)
State in which sale was made_____

Check the following box to elect 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 the 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 the 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) [_] Individual (01)

(Enter Custodial Information under section 4)
[_] Keogh (10)
[_] Qualified Pension Plan (11)
[_] Qualified Profit Sharing Plan (12)
[_] Trust / Trust Type:
(Please specify, i.e. Family, Living, Revocable, etc.)
Is this Trust tax exempt? [_] Yes [_] No

[_] 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 or custodial name if applicable. If Wells Advisors Inc. is the designated custodian, please complete the Wells IRA Application Booklet in addition to this form.

[_] 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.

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.

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(REVERSE SIDE MUST BE COMPLETED)

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 the 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 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 requirements imposed by my state of primary residence as set forth in the Prospectus under "SUITABILITY STANDARDS." _____ Initials _____ Initials

(c) I acknowledge that the shares are not Initials Initials 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 a sale or transfer of my Shares, or any interest therein, or receive any consideration there- for, 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 the Wells REIT in connection with my investment in the 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.=====DIVIDENDS (YOU MUST CHECK ONE OF THE FOLLOWING)==========

NOTE: If you have checked "IRA" in section 3 and listed Wells Advisors, Inc. as custodian under Section 4, please disregard this section. You must instead complete page 7 of the Well Advisors, Inc. IRA Application Booklet.

[_] I prefer to participate in the Dividend Reinvestment Plan
[_] I prefer dividends be paid to me at my address listed under Section 4
[_] I prefer dividends be paid to me but sent to the following account:

Name

Account Number

Street Address

or P.O. Box

City | State | Zip Code

8.=====BROKER-DEALER (TO BE COMPLETED BY REGISTERED REPRESENTATIVE)==========

[_] PLEASE CHECK IF THIS IS A CHANGE IN BROKER-DEALER
[_] PLEASE CHECK IF THIS IS A NEW BRANCH ADDRESS FOR THE REGISTERED REPRESENTATIVE

The Broker-Dealer or authorized representative must sign below to complete order. Broker-Dealer or authorized representative warrants that it is a duly licensed Broker-Dealer or authorized representative 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 and that he has informed subscriber of all aspects of liquidity and marketability of this investment.

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

Email Address (Optional)

Provide only if you would like to receive updated information about Wells via email.

Broker-Dealer Signature, if required | Registered Representative Signature

Please mail completed Subscription Agreement (with all signatures) and personal check(s) made payable to

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 Page

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	30,500
Printing Expenses	5,000,000
Legal Fees and Expenses	800,000
Accounting Fees and Expenses	500,000
Blue Sky Fees and Expenses	500,000
Sales and Advertising Expenses	6,000,000
Educational Seminars and Conferences	4,500,000
Retail Seminars	5,500,000
Miscellaneous	26,351,326
Total*	$49,500,000

* Estimated.

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,
(2) Consolidated Balance Sheets as of March 31, 2002 and December 31, 2001,
(3) Consolidated Statements of Income for the three months ended March 31, 2002 and March 31, 2001,

(4) Consolidated Statements of Shareholders' Equity for the year ended December 31, 2001 and for the three months ended March 31, 2002,
(5) Consolidated Statements of Cash Flows for the three months ended March 31, 2002 and March 31, 2001, and
(6) Condensed Notes to Consolidated Financial Statements March 31, 2002

(b) Exhibits (See Exhibit Index):

Exhibit No.	Description
1.1	Form of Dealer Manager Agreement
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	Form of Opinion of Holland & Knight LLP as to legality of securities
8.1	Form of Opinion of Holland & Knight LLP as to tax matters
8.2	Form of Opinion of Holland & Knight LLP as to ERISA matters
10.1	Advisory Agreement dated January 30, 2002 (previously filed in and incorporated by reference to Registrant's Registration Statement on Form S-11, Commission File No. 333-85848, filed on April 8, 2002)
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 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 (previously filed in and incorporated by reference to Registrant's Registration Statement on Form S-11, Commission File No. 333-85848, filed on April 8, 2002)

10.24 Construction Loan Agreement relating to the Bank of America, N.A. $34,200,000 construction loan (previously filed in and incorporated by reference to Registrant's Registration Statement on Form S-11, Commission File No. 333-85848, filed on April 8, 2002)

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. 333-44900, 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. 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 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 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 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)

10.44 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. 333-44900, 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)

10.60 Lease Agreement with Transocean Deepwater Offshore Drilling, Inc. for a portion of the Transocean Houston Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 6 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on April 22, 2002)

10.61 Lease Agreement with Newpark Drilling Fluids, Inc. for a portion of the Transocean Houston Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 6 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on April 22, 2002)

10.62 Lease Agreement for the Dana Detroit Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 6 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on April 22, 2002)

10.63 Second Amendment to Lease Agreement for the Dana Detroit Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 6 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on April 22, 2002)

10.64 Lease Agreement for the Dana Kalamazoo Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 6 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on April 22, 2002)

10.65 Second Amendment to Lease Agreement for the Dana Kalamazoo Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 6 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on April 22, 2002)

10.66 Purchase and Sale Agreement for the Experian/TRW Buildings

10.67 Lease Agreement for the Experian/TRW Buildings

10.68 Lease Amendment to Lease Agreement for the Experian/TRW Buildings

10.69 Purchase and Sale Agreement and Escrow Instructions for the Agilent Boston Building

10.70 Lease Agreement for the Agilent Boston Building

23.1 Consent of Holland & Knight LLP (included in exhibits 5.1 and 8.1)

23.2 Consent of Arthur Andersen LLP (previously filed in and incorporated by reference to Registrant's Registration Statement on Form S-11, Commission File No. 333-85848, filed on April 8, 2002)

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

The information contained on the following pages relates to acquisitions of properties within the past three years by the Wells REIT and prior programs with which Wells Capital, Inc., the Advisor to the Wells REIT, and its affiliates have been affiliated and which have substantially similar investment objectives to the Wells REIT. This table provides potential investors with information regarding the general nature and location of the properties and the manner in which the properties were acquired. None of the information in this Table VI has been audited.

TABLE VI

Wells Funds XI, XII and REIT

Name of property	EYBL CarTex Building
Location of property	Fountain Inn, Greenville County, South Carolina
Type of property	Two-story manufacturing and office building
Size of parcel	11.94 acres
Gross leasable space	169,510 sq. feet
Date of commencement of operations/1/	Fund XI - March 3, 1998 Fund XII - June 1, 1999 REIT - June 5, 1998
Date of purchase	May 18, 1999
Mortgage financing at date of purchase	N/A
Cash down payment	$50,000
Contract purchase price plus acquisition fee	$5,122,000
Other cash expenditures expensed	N/A

Other cash expenditures capitalized	$225,540
Total Acquisition Cost	$5,347,540

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/1/ The date minimum offering proceeds were obtained and funds became available for investment in properties.

TABLE VI (continued)

Wells Funds XI, XII and REIT

Name of property	Sprint Building
Location of property	Leawood, Kansas
Type of property	Three-story office building
Size of parcel/1/	7.12 acres
Gross leasable space	68,900 sq. feet
Date of commencement of operations/2/	Fund XI - March 3, 1998 Fund XII - June 1, 1999 REIT - June 5, 1998
Date of purchase	July 2, 1999
Mortgage financing at date of purchase	N/A
Cash down payment	$1,000,000
Contract purchase price plus acquisition fee	$9,546,210
Other cash expenditures expensed	N/A
Other cash expenditures capitalized/3/	$398,299
Total Acquisition Cost	$9,944,509

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/2/ The date minimum offering proceeds were obtained and funds became available for investment in properties.

/3/ Includes the improvements made after acquisition through April 30, 2002.

TABLE VI (continued)

Wells REIT

Name of property	Alstom Power Richmond Building
Location of property	Midlothian, Chesterfield County, Virginia
Type of property	Four story office building
Size of parcel	7.49 acres
Gross leasable space	99,057 sq. feet
Date of commencement of operations/4/	June 5, 1998

Date of purchase	July 22, 1999
Mortgage financing at date of purchase	N/A
Cash down payment	$948,400
Contract purchase price plus acquisition fee	$948,400
Other cash expenditures expensed	N/A
Other cash expenditures capitalized/5/	$9,969,515
Total Acquisition Cost	$10,917,915

_____

/4/ The date minimum offering proceeds were obtained and funds became available for investment in properties.

/5/ Includes the improvements made after acquisition through April 30, 2002.

TABLE VI (continued)

Wells Funds XI, XII and REIT

Name of property	Johnson Matthey Building
Location of property	Tredyffrin Township, Chester County, Pennsylvania
Type of property	Research and development, office and warehouse building
Size of parcel	10.0 acres
Gross leasable space	130,000 sq. feet
Date of commencement of operations/6/	Fund XI - March 3, 1998 Fund XII - June 1, 1999 REIT - June 5, 1998
Date of purchase	August 17, 1999
Mortgage financing at date of purchase	N/A
Cash down payment	$200,000
Contract purchase price plus acquisition fee	$8,050,000
Other cash expenditures expensed	N/A
Other cash expenditures capitalized/7/	$342,077
Total Acquisition Cost	$8,392,077

_____

/6/ The date minimum offering proceeds were obtained and funds became available for investment in properties.

/7/ Includes the improvements made after acquisition through April 30, 2002.

TABLE VI (continued)

Wells REIT

Name of property	Videojet Technologies Chicago
Location of property	Wood Dale, Illinois
Type of property	Two story office, assembly and manufacturing building
Size of parcel	15.3 acres
Gross leasable space	250,354 sq. feet
Date of commencement of operations/8/	June 5, 1998
Date of purchase	September 10, 1999
Mortgage financing at date of purchase	N/A
Cash down payment	$500,000
Contract purchase price plus acquisition fee	$32,630,940
Other cash expenditures expensed	N/A
Other cash expenditures capitalized/9/	$1,912,472
Total Acquisition Cost	$34,543,412

_____

/8/ The date minimum offering proceeds were obtained and funds became available for investment in properties.

/9/ Includes the improvements made after acquisition through April 30, 2002.

TABLE VI (continued)

Wells Funds XI, XII and REIT

Name of property	Gartner Building
Location of property	Fort Myers, Florida
Type of property	Two story office building
Size of parcel	4.9 acres
Gross leasable space	62,400 sq. feet
Date of commencement of operations/10/	Fund XI - March 3, 1998 Fund XII - June 1, 1999 REIT - June 5, 1998
Date of purchase	September 20, 1999
Mortgage financing at date of purchase	N/A
Cash down payment	$500,000
Contract purchase price plus acquisition fee	$8,347,600

Other cash expenditures expensed	N/A
Other cash expenditures Capitalized/11/	$347,824
Total Acquisition Cost	$8,695,424

_____

/10/ The date minimum offering proceeds were obtained and funds became available for investment in properties.

/11/ Includes the improvements made after acquisition through April 30, 2002.

TABLE VI (continued)

Wells REIT

Name of property	Cinemark Building
Location of property	Plano, Collin County, Texas
Type of property	Five story office building
Size of parcel	3.52 acres
Gross leasable space	118,108 sq. feet
Date of commencement of operations/12/	June 5, 1998
Date of purchase	December 21, 1999
Mortgage financing at date of purchase	N/A
Cash down payment	N/A
Contract purchase price plus acquisition fee	$21,826,900
Other cash expenditures expensed	N/A
Other cash expenditures capitalized/13/	$920,379
Total Acquisition Cost	$22,747,279

_____

/12/ The date minimum offering proceeds were obtained and funds became available for investment in properties.

/13/ Includes the improvements made after acquisition through April 30, 2002.

TABLE VI (continued)

Wells REIT

Name of property	Metris Tulsa Building
Location of property	Tulsa, Tulsa County, Oklahoma
Type of property	Three story office building
Size of parcel	14.6 acres

Gross leasable space	101,100 sq. feet
Date of commencement of operations/14/	June 5, 1998
Date of purchase	February 11, 2000
Mortgage financing at date of purchase	8,000,000
Cash down payment	$4,740,000
Contract purchase price plus acquisition fee	$12,740,000
Other cash expenditures expensed	N/A
Other cash expenditures capitalized/15/	$521,072
Total Acquisition Cost	$13,261,072

_____
/14/ The date minimum offering proceeds were obtained and funds became available for investment in properties.

/15/ Includes the improvements made after acquisition through April 30, 2002.

TABLE VI (continued)

Wells REIT

Name of property	Dial Building
Location of property	Scottsdale, Maricopa County, Arizona
Type of property	Two story office building
Size of parcel	8.8 acres (approximately)
Gross leasable space	129,689 sq. feet
Date of commencement of operations/16/	June 5, 1998
Date of purchase	March 29, 2000
Mortgage financing at date of purchase	$14,289,309
Cash down payment	$100,000
Contract purchase price plus acquisition fee	$14,289,309
Other cash expenditures expensed	N/A
Other cash expenditures capitalized/17/	$597,264
Total Acquisition Cost	$14,886,573

_____
/16/ The date minimum offering proceeds were obtained and funds became available for investment in properties.

/17/ Includes the improvements made after acquisition through April 30, 2002.

TABLE VI (continued)

Wells REIT

Name of property	ASML Building
Location of property	Tempe, Maricopa County, Arizona
Type of property	Two story office and warehouse building
Size of parcel	9.51 acres
Gross leasable space	95,133 sq. feet
Date of commencement of operations/18/	June 5, 1998
Date of purchase	March 29, 2000
Mortgage financing at date of purchase	$17,397,133
Cash down payment	$100,000
Contract purchase price plus acquisition fee	$17,397,133
Other cash expenditures expensed	N/A
Other cash expenditures capitalized/19/	$727,185
Total Acquisition Cost	$18,124,318

_____

/18/ The date minimum offering proceeds were obtained and funds became available for investment in properties.

/19/ Includes the improvements made after acquisition through April 30, 2002.

TABLE VI (continued)

Wells REIT

Name of property	Motorola Tempe Building
Location of property	Tempe, Maricopa County, Arizona
Type of property	Two story office building
Size of parcel	12.44 acres
Gross leasable space	133,225 sq. feet
Date of commencement of operations/20/	June 5, 1998
Date of purchase	March 29, 2000
Mortgage financing at date of purchase	$8,813,558
Cash down payment	$100,000
Contract purchase price plus acquisition fee	$16,036,219

Other cash expenditures expensed	N/A
Other cash expenditures capitalized/21/	$669,639
Total Acquisition Cost	$16,705,858

_____

/20/ The date minimum offering proceeds were obtained and funds became available for investment in properties.

/21/ Includes the improvements made after acquisition through April 30, 2002.

TABLE VI (continued)

Wells Fund XII and REIT

Name of property	Siemens Building
Location of property	Troy, Oakland County, Michigan
Type of property	Three story office building
Size of parcel	5.3 acres
Gross leasable space	77,054 sq. feet
Date of commencement of operations/22/	Fund XII - June 1, 1999 REIT - June 5, 1998
Date of purchase	May 10, 2000
Mortgage financing at date of purchase	N/A
Cash down payment	$400,000
Contract purchase price plus acquisition fee	$14,292,489
Other cash expenditures expensed	N/A
Other cash expenditures capitalized/23/	$1,440,430
Total Acquisition Cost	$12,852,059

_____

/22/ The date minimum offering proceeds were obtained and funds became available for investment in properties.

/23/ Includes the improvements made after acquisition through April 30, 2002.

TABLE VI (continued)

Wells REIT

Name of property	Avnet Building
Location of property	Tempe, Maricopa County, Arizona
Type of property	Two story office building
Size of parcel	9.63 acres

Gross leasable space	132,070 sq. feet
Date of commencement of operations/24/	June 5, 1998
Date of purchase	June 12, 2000
Mortgage financing at date of purchase	N/A
Cash down payment	$100,000
Contract purchase price plus acquisition fee	$13,269,502
Other cash expenditures expensed	N/A
Other cash expenditures capitalized	N/A
Total Acquisition Cost	$13,269,502

_____

/24/ The date minimum offering proceedings were obtained and funds became available for investment in properties.

TABLE VI (continued)

Wells REIT

Name of property	Delphi Building
Location of property	Troy, Oakland County, Michigan
Type of property	Three story office building
Size of parcel	5.52 acres
Gross leasable space	107,193 sq. feet
Date of commencement of operations/25/	June 5, 1998
Date of purchase	June 29, 2000
Mortgage financing at date of purchase	$8,000,000
Cash down payment	N/A
Contract purchase price plus acquisition fee	$19,921,332
Other cash expenditures expensed	N/A
Other cash expenditures capitalized	N/A
Total Acquisition Cost	$19,921,332

_____

/25/ The date minimum offering proceedings were obtained and funds became available for investment in properties.

TABLE VI (continued)

Wells REIT

Name of property	Motorola Plainfield Building
Location of property	S. Plainfield, Middlesex County, New Jersey
Type of property	three-story office building
Size of parcel	34.5 acres
Gross leasable space	236,710 sq. feet
Date of commencement of operations/26/	June 5, 1998
Date of purchase	November 1, 2000
Mortgage financing at date of purchase	$23,000,000
Cash down payment	N/A
Contract purchase price plus acquisition fee	$33,753,381
Other cash expenditures expensed	N/A
Other cash expenditures capitalized/27/	$424,760
Total Acquisition Cost	$34,178,141

_____

/26/ The date minimum offering proceedings were obtained and funds became available for investment in properties.

/27/ Includes the improvements made after acquisition through April 30, 2002.

TABLE VI (continued)

Wells REIT

Name of property	Stone & Webster Building
Location of property	Houston, Texas
Type of property	six-story office building
Size of parcel	9.96 acres
Gross leasable space	312,564 sq. feet
Date of commencement of operations/28/	June 5, 1998
Date of purchase	December 21, 2000
Mortgage financing at date of purchase	$38,900,000
Cash down payment	N/A
Contract purchase price plus acquisition fee	$45,014,954
Other cash expenditures expensed	N/A

Other cash expenditures capitalized	N/A
Total Acquisition Cost	$45,014,954

_____
/28/ The date minimum offering proceedings were obtained and funds became available for investment in properties.

TABLE VI (continued)

Wells REIT

Name of property	Metris Minnesota Building
Location of property	Minnetonka, Minnesota
Type of property	nine-story office building
Size of parcel	13.58 acres
Gross leasable space	300,633 sq. feet
Date of commencement of operations/29/	June 5, 1998
Date of purchase	December 21, 2000
Mortgage financing at date of purchase	$52,800,000
Cash down payment	N/A
Contract purchase price plus acquisition fee	$52,846,150
Other cash expenditures expensed	$1,669
Other cash expenditures capitalized	N/A
Total Acquisition Cost	$52,847,819

_____
/29/ The date minimum offering proceedings were obtained and funds became available for investment in properties.

TABLE VI (continued)

Wells Fund XII and REIT

Name of property	AT&T Oklahoma Buildings
Location of property	Oklahoma City, Oklahoma
Type of property	one and two-story office buildings
Size of parcel	11.34 acres
Gross leasable space	128,500 sq. feet
Date of commencement of operations/30/	Fund XII - June 1, 1999 REIT - June 5, 1998
Date of purchase	December 28, 2000

Mortgage financing at date of purchase	N/A
Cash down payment	N/A
Contract purchase price plus acquisition fee	$15,325,554
Other cash expenditures expensed	N/A
Other cash expenditures capitalized	N/A
Total Acquisition Cost	$15,325,554

_____

/30/ The date minimum offering proceeds were obtained and funds became available for investment in properties.

TABLE VI (continued)

	Wells Fund XII and REIT
Name of property	Comdata Building
Location of property	Brentwood, Tennessee
Type of property	three-story office building
Size of parcel	12.3 acres
Gross leasable space	201,237 sq. feet
Date of commencement of operations/31/	Fund XII - June 1, 1999 REIT - June 5, 1998
Date of purchase	May 15, 2001
Mortgage financing at date of purchase	N/A
Cash down payment	N/A
Contract purchase price plus acquisition fee	$25,002,019
Other cash expenditures expensed	N/A
Other cash expenditures capitalized	N/A
Total Acquisition Cost	$25,002,019

_____

/31/ The date minimum offering proceeds were obtained and funds became available for investment in properties.

TABLE VI (continued)

	Wells Fund XIII and REIT
Name of property	AmeriCredit Building
Location of property	Orange Park, Florida

Type of property	two-story office building
Size of parcel	12.33 acres
Gross leasable space	85,000 sq. feet
Date of commencement of operations/32/	Fund XIII - June 14, 2001 REIT - June 5, 1998
Date of purchase	July 16, 2001
Mortgage financing at date of purchase	N/A
Cash down payment	N/A
Contract purchase price plus acquisition fee	$12,540,693
Other cash expenditures expensed	N/A
Other cash expenditures capitalized	N/A
Total Acquisition Cost	$12,540,693

_____

/32/ The date minimum offering proceeds were obtained and funds became available for investment in properties.

TABLE VI (continued)

Wells REIT

Name of property	State Street Building
Location of property	Quincy, Massachusetts
Type of property	seven-story office building
Size of parcel	11.22 acres
Gross leasable space	234,668 sq. feet
Date of commencement of operations/33/	June 5, 1998
Date of purchase	July 30, 2001
Mortgage financing at date of purchase	N/A
Cash down payment	N/A
Contract purchase price plus acquisition fee	$49,632,507
Other cash expenditures expensed	N/A
Other cash expenditures capitalized/34/	$6,976
Total Acquisition Cost	$49,639,483

_____

/33/ The date minimum offering proceeds were obtained and funds became available for investment in properties.

/34/ Includes the improvements made after acquisition through April 30, 2002

TABLE VI (continued)

Wells REIT

Name of property	IKON Buildings
Location of property	Houston, Texas
Type of property	two one-story office buildings
Size of parcel	15.69 acres
Gross leasable space	157,790 sq. feet
Date of commencement of operations/35/	June 5, 1998
Date of purchase	September 7, 2001
Mortgage financing at date of purchase	N/A
Cash down payment	N/A
Contract purchase price plus acquisition fee	$20,782,519
Other cash expenditures expensed	N/A
Other cash expenditures capitalized	N/A
Total Acquisition Cost	$20,782,519

_____

/35/ The date minimum offering proceeds were obtained and funds became available for investment in properties.

TABLE VI (continued)

Wells REIT

Name of property	Nissan Property
Location of property	Irving, Texas
Type of property	three-story office building
Size of parcel	14.873 acres
Gross leasable space	268,290 sq. feet
Date of commencement of operations/36/	June 5, 1998
Date of purchase	September 19, 2001
Mortgage financing at date of purchase	N/A
Cash down payment	N/A
Contract purchase price plus acquisition fee	$5,570,700

Other cash expenditures expensed	N/A
Other cash expenditures capitalized	N/A
Total Acquisition Cost	$5,570,700

_____

/36/ The date minimum offering proceeds were obtained and funds became available for investment in properties.

TABLE VI (continued)

Wells REIT

Name of property	Ingram Micro Building
Location of property	Millington, Tennessee
Type of property	one-story office building
Size of parcel	39.223 acres
Gross leasable space	701,819 sq. feet
Date of commencement of operations/37/	June 5, 1998
Date of purchase/38/	September 27, 2001
Mortgage financing at date of purchase	N/A
Cash down payment	N/A
Contract purchase price plus acquisition fee	$21,055,184
Other cash expenditures expensed	N/A
Other cash expenditures capitalized	N/A
Total Acquisition Cost	$21,055,184

_____

/37/ The date minimum offering proceeds were obtained and funds became available for investment in properties.

/38/ On September 27, 2001, Wells acquired a leasehold interest in the Ingram Micro Building, with an option to purchase property beginning in 2006.

TABLE VI (continued)

Wells REIT

Name of property	Lucent Building
Location of property	Cary, North Carolina
Type of property	four-story office building
Size of parcel	29.19 acres
Gross leasable space	120,000 sq. feet

Date of commencement of operations/39/	June 5, 1998
Date of purchase	September 28, 2001
Mortgage financing at date of purchase	N/A
Cash down payment	N/A
Contract purchase price plus acquisition fee	$18,022,771
Other cash expenditures expensed	N/A
Other cash expenditures capitalized	N/A
Total Acquisition Cost	$18,022,771

_____

/39/ The date minimum offering proceeds were obtained and funds became available for investment in properties.

TABLE VI (continued)

Wells Fund XIII and REIT

Name of property	ADIC Buildings
Location of property	Parker, Colorado
Type of property	two one-story office buildings
Size of parcel	11.78 acres
Gross leasable space	148,204 sq. feet
Date of commencement of operations/40/	Fund XIII - June 14, 2001 REIT - June 5, 1998
Date of purchase	December 21, 2001
Mortgage financing at date of purchase	N/A
Cash down payment	N/A
Contract purchase price plus acquisition fee	$13,169,835
Other cash expenditures expensed	N/A
Other cash expenditures capitalized	N/A
Total Acquisition Cost	$13,169,835

_____

/40/ The date minimum offering proceeds were obtained and funds became available for investment in properties.

TABLE VI (continued)

	Wells REIT
Name of property	Convergys Building
Location of property	Tamarac, Florida
Type of property	two-story office building
Size of parcel	12.55 acres
Gross leasable space	100,000 sq. feet
Date of commencement of operations/41/	June 5, 1998
Date of purchase	December 21, 2001
Mortgage financing at date of purchase	N/A
Cash down payment	N/A
Contract purchase price plus acquisition fee	$13,497,360
Other cash expenditures expensed	N/A
Other cash expenditures capitalized	N/A
Total Acquisition Cost	$13,497,360

_____

/41/ The date minimum offering proceeds were obtained and funds became available for investment in properties.

TABLE VI (continued)

	Wells REIT
Name of property	Windy Point Buildings
Location of property	Schaumburg, Illinois
Type of property	seven and eleven-story office buildings
Size of parcel	18.73 acres
Gross leasable space	488,425 sq. feet
Date of commencement of operations/42/	June 5, 1998
Date of purchase	December 31, 2001
Mortgage financing at date of purchase	N/A
Cash down payment	N/A
Contract purchase price plus acquisition fee	$89,443,176
Other cash expenditures expensed	$1,927
Other cash expenditures capitalized/43/	$28,417
Total Acquisition Cost	$89,473,520

_____

/42/ The date minimum offering proceeds were obtained and funds became available for investment in properties.

/43/ Includes the improvements made after acquisition through April 30, 2002.

TABLE VI (continued)

Wells REIT

Name of property	Arthur Andersen Building
Location of property	Sarasota, Florida
Type of property	three-story office building
Size of parcel	9.8 acres
Gross leasable space	157,700 sq. feet
Date of commencement of operations/44/	June 5, 1998
Date of purchase	January 11, 2002
Mortgage financing at date of purchase	N/A
Cash down payment	N/A
Contract purchase price plus acquisition fee	$21,431,212
Other cash expenditures expensed	N/A
Other cash expenditures capitalized/45/	$18,267
Total Acquisition Cost	$21,449,479

_____

/44/ The date minimum offering were obtained and funds became available for investment in properties.

/45/ Includes the improvements made after acquisition through April 30, 2002.

TABLE VI (continued)

Wells REIT

Name of property	Transocean Houston Building
Location of property	Houston, Texas
Type of property	six-story office building
Size of parcel	3.88 acres
Gross leasable space	155,991 sq. feet
Date of commencement of operations/46/	June 5, 1998
Date of purchase	March 15, 2002

Mortgage financing at date of purchase	N/A
Cash down payment	N/A
Contract purchase price plus acquisition fee	$22,038,362
Other cash expenditures expensed	$6,720
Other cash expenditures capitalized/47/	$3,100
Total Acquisition Cost	$22,048,182

_____

/46/ The date minimum offering proceeds were obtained and funds became available

/47/ Includes the improvements made after acquisition through April 30, 2002.

TABLE VI (continued)

Wells REIT

Name of property	Novartis Atlanta Building
Location of property	Duluth, Georgia
Type of property	four-story office building
Size of parcel	7.57 acres
Gross leasable space	100,087 sq. feet
Date of commencement of operations/48/	June 5, 1998
Date of purchase	March 28, 2002
Mortgage financing at date of purchase	N/A
Cash down payment	N/A
Contract purchase price plus acquisition fee	$15,045,996
Other cash expenditures expensed	N/A
Other cash expenditures capitalized/49/	$1,320
Total Acquisition Cost	$15,047,316

_____

/48/ The date minimum offering proceeds were obtained and funds became avilable for investment in properties.

/49/ Includes the improvements made after acquisition through April 30, 2002.

TABLE VI (continued)

Wells REIT

Name of property	Dana Corporation Buildings
Location of property	(a) Farmington Hills, Michigan (b) Kalamazoo, Michigan
Type of property	(a) three-story office and research and development building (b) two-story office and industrial building
Size of parcel	(a) 7.8 acres (b) 27.5 acres
Gross leasable space	(a) 112,480 sq. feet (b) 147,004 sq. feet
Date of commencement of operations/50/	June 5, 1998
Date of purchase	March 29, 2002
Mortgage financing at date of purchase	N/A
Cash down payment	N/A
Aggregate contract purchase price plus acquisition fee	$42,812,669
Other cash expenditures expensed	N/A
Other cash expenditures capitalized/51/	$500
Total Acquisition Cost	$42,813,169

_____

/50/ The date minimum offering proceedings were obtained and funds became available for investment in properties.

/51/ Includes the improvement made after acquisition through April 30, 2002.

TABLE VI (continued)

Wells REIT

Name of property	Travelers Express Denver Buildings
Location of property	Lakewood, Colorado
Type of property	two connected one-story office buildings
Size of parcel	7.88 acres
Gross leasable space	68,165 sq. feet
Date of commencement of operations/52/	June 5, 1998
Date of purchase	April 10, 2002
Mortgage financing at date of purchase	N/A
Cash down payment	N/A
Contract purchase price plus acquisition fee	$10,555,448
Other cash expenditures	

expensed	$33
Other cash expenditures capitalized/53/	$7,967
Total Acquisition Cost	$10,563,458

_____

/52/ The date minimum offering proceeds were obtained and funds available for investment in properties.

/53/ Includes the improvements made after acquisition through April 30, 2002.

TABLE VI (continued)

Wells REIT

Name of property	Agilent Atlanta Building
Location of property	Alpharetta, Georgia
Type of property	two-story office building
Size of parcel	9.89 acres
Gross leasable space	101,207 sq. feet
Date of commencement of operations/54/	June 5, 1998
Date of purchase	April 18, 2002
Mortgage financing at date of purchase	N/A
Cash down payment	N/A
Contract purchase price plus acquisition fee	$15,151,643
Other cash expenditures expensed	N/A
Other cash expenditures capitalized	N/A
Total Acquisition Cost	$15,151,643

_____

/54/ The date minimum offering proceeds were obtained and funds available for investment in properties.

TABLE VI (continued)

Wells REIT

Name of property	BellSouth Ft. Lauderdale Building
Location of property	Ft. Lauderdale, Florida
Type of property	one-story office building
Size of parcel	4.27 acres
Gross leasable space	47,400 sq. feet

Date of commencement of operations/55/	June 5, 1998
Date of purchase	April 18, 2002
Mortgage financing at date of purchase	N/A
Cash down payment	N/A
Contract purchase price plus acquisition fee	$6,891,748
Other cash expenditures expensed	N/A
Other cash expenditures capitalized	N/A
Total Acquisition Cost	$6,891,748

_____

/55/ The date minimum offering proceeds were obtained and funds available for investment in properties.

TABLE VI (continued)

Wells REIT

Name of property	Experian/TRW Buildings
Location of property	Allen, Texas
Type of property	two two-story office buildings
Size of parcel	26.53 acres
Gross leasable space	292,700 sq. feet
Date of commencement of operations/56/	June 5, 1998
Date of purchase	May 1, 2002
Mortgage financing at date of purchase	N/A
Cash down payment	N/A
Contract purchase price plus acquisition fee	$35,765,115
Other cash expenditures expensed	N/A
Other cash expenditures capitalized	N/A
Total Acquisition Cost	$35,765,115

_____

/56/ The date minimum offering proceeds were obtained and funds available for investment in properties.

TABLE VI (continued)

Wells REIT

Name of property	Agilent Boston Building
Location of property	Boxborough, Massachusetts
Type of property	three-story office building
Size of parcel	42.09 acres
Gross leasable space	174,585 sq. feet
Date of commencement of operations/57/	June 5, 1998
Date of purchase	May 3, 2002
Mortgage financing at date of purchase	N/A
Cash down payment	N/A
Contract purchase price plus acquisition fee	$31,843,732
Other cash expenditures expensed	N/A
Other cash expenditures capitalized	$3,407,496
Total Acquisition Cost	$35,251,228

_____

/57/ The date minimum offering proceeds were obtained and funds available for investment in properties.

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 Amendment No. 1 to 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 10/th/ day of June, 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 Amendment No. 1 to Registration Statement has been signed below on June 10, 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 (By Douglas P. Williams, as Attorney-in-fact)	Director

/s/ Richard W. Carpenter	*	Director
Richard W. Carpenter (By Douglas P. Williams, as Attorney-in-fact)		
/s/ Bud Carter	*	Director
Bud Carter (By Douglas P. Williams, as Attorney-in-fact)		
/s/ William H. Keogler, Jr.	*	Director
William H. Keogler, Jr. (By Douglas P. Williams, as Attorney-in-fact)		
/s/ Donald S. Moss	*	Director
Donald S. Moss (By Douglas P. Williams, as Attorney-in-fact)		
/s/ Walter W. Sessoms	*	Director
Walter W. Sessoms (By Douglas P. Williams, as Attorney-in-fact)		
/s/ Neil H. Strickland	*	Director
Neil H. Strickland (By Douglas P. Williams, as Attorney-in-fact)		

* By Douglas P. Williams, as Attorney-in-fact, pursuant to Power of Attorney dated April 5, 2002 and included as Exhibit 24.1 herein.

EXHIBIT INDEX

Exhibit No.	Description
1.1	Form of Dealer Manager Agreement, filed herewith
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	Form of Opinion of Holland & Knight LLP as to legality of securities, filed herewith
8.1	Form of Opinion of Holland & Knight LLP as to tax matters, filed herewith
8.2	Form of Opinion of Holland & Knight LLP as to ERISA matters, filed herewith
10.1	Advisory Agreement dated January 30, 2002 (previously filed in and incorporated by reference to Registrant's Registration Statement on Form S-11, Commission File No. 333-85848, filed on April 8, 2002)
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 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 (previously filed in and incorporated by reference to Registrant's Registration Statement on Form S-11, Commission File No. 333-85848, filed on April 8, 2002)
10.24	Construction Loan Agreement relating to the Bank of America, N.A. $34,200,000 construction loan (previously filed in and incorporated by reference to Registrant's Registration Statement on Form S-11, Commission File No. 333-85848, filed on April 8, 2002)
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. 333-44900, 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. 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 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	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 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)
10.44	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. 333-44900, 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)
10.60	Lease Agreement with Transocean Deepwater Offshore Drilling, Inc. for a portion of the Transocean Houston Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 6 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on April 22, 2002)
10.61	Lease Agreement with Newpark Drilling Fluids, Inc. for a portion of the Transocean Houston Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 6 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on April 22, 2002)
10.62	Lease Agreement for the Dana Detroit Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 6 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on April 22, 2002)
10.63	Second Amendment to Lease Agreement for the Dana Detroit Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 6 to the Registrant's

	Registration Statement on Form S-11, Commission File No. 333-44900, filed on April 22, 2002)
10.64	Lease Agreement for the Dana Kalamazoo Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 6 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on April 22, 2002)
10.65	Second Amendment to Lease Agreement for the Dana Kalamazoo Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 6 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on April 22, 2002)
10.66	Purchase and Sale Agreement for the Experian/TRW Buildings, filed herewith
10.67	Lease Agreement for the Experian/TRW Buildings, filed herewith
10.68	Lease Amendment to Lease Agreement for the Experian/TRW Buildings, filed herewith
10.69	Purchase and Sale Agreement and Escrow Instructions for the Agilent Boston Building, filed herewith
10.70	Lease Agreement for the Agilent Boston Building, filed herewith
23.1	Consent of Holland & Knight LLP (included in exhibits 5.1 and 8.1)
23.2	Consent of Arthur Andersen LLP (previously filed in and incorporated by reference to Registrant's Registration Statement on Form S-11, Commission File No. 333-85848, filed on April 8, 2002)
24.1	Power of Attorney, filed herewith

EXHIBIT 1.1

FORM OF
DEALER MANAGER AGREEMENT

WELLS REAL ESTATE INVESTMENT TRUST, INC.

Up to 330,000,000 Shares of Common Stock/$3,300,000,000

DEALER MANAGER AGREEMENT

_____, 2002

Wells Investment Securities, Inc.
Suite 250
6200 The Corners Parkway
Atlanta, Georgia 30092

Ladies and Gentlemen:

Wells Real Estate Investment Trust, Inc., a Maryland corporation (the "Company"), is registering for public sale a maximum of 336,600,000 shares of its common stock, $.01 par value per share (the "Offering"), of which amount 6,600,000 shares are to be sold upon exercise of soliciting dealer warrants to be issued to broker-dealers participating in the Offering, with the balance of 330,000,000 shares (the "Shares" or the "Stock") to be issued and sold for an aggregate purchase price of $3,300,000,000 (300,000,000 shares to be offered to the public and 30,000,000 shares to be offered pursuant to the Company's dividend reinvestment plan). Such Stock is to be sold for a per share cash purchase price of $10.00, and the minimum purchase by any one person shall be 100 Shares except as otherwise indicated in the Prospectus or in any letter or memorandum from the Company to Wells Investment Securities, Inc. (the "Dealer Manager"). Terms not defined herein shall have the same meaning as in the Prospectus. The Stock is being registered with the SEC (as defined herein) as part of a registration of 336,600,000 shares, of which amount 6,600,000 will be issued upon the exercise of certain warrants to be issued in connection with the Offering. In connection therewith, the Company hereby agrees with you, the Dealer Manager, as follows:

1. Representations and Warranties of the Company

The Company represents and warrants to the Dealer Manager and each dealer with whom the Dealer Manager has entered into or will enter into a Selected Dealer Agreement in the form attached to this Agreement as Exhibit "A" (said dealers being hereinafter referred to as the "Dealers") that:

1.1 A registration statement with respect to the Company has been prepared by the Company in accordance with applicable requirements of the Securities Act of 1933, as amended (the "Securities Act"), and the applicable rules and regulations (the "Rules and Regulations") of the Securities and Exchange Commission (the "SEC") promulgated thereunder, covering the Shares. Said registration statement, which includes a preliminary prospectus, was

initially filed with the SEC on April 8, 2002. Copies of such registration statement and each amendment thereto have been or will be delivered to the Dealer Manager. (The registration statement and prospectus contained therein, as finally amended and revised at the effective date of the registration statement, are respectively hereinafter referred to as the "Registration Statement" and the "Prospectus," except that if the Prospectus first filed by the Company pursuant to Rule 424(b) under the Securities Act shall differ from the Prospectus, the term "Prospectus" shall also include the Prospectus filed pursuant to Rule 424(b).)

1.2 The Company has been duly and validly organized and formed as a corporation under the laws of the state of Maryland, with the power and

authority to conduct its business as described in the Prospectus.

1.3 The Registration Statement and Prospectus comply with the Securities Act and the Rules and Regulations and do not contain any untrue statements of material facts or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading; provided, however, that the foregoing provisions of this Section 1.3 will not extend to such statements contained in or omitted from the Registration Statement or Prospectus as are primarily within the knowledge of the Dealer Manager or any of the Dealers and are based upon information furnished by the Dealer Manager in writing to the Company specifically for inclusion therein.

1.4 The Company intends to use the funds received from the sale of the Shares as set forth in the Prospectus.

1.5 No consent, approval, authorization or other order of any governmental authority is required in connection with the execution or delivery by the Company of this Agreement or the issuance and sale by the Company of the Shares, except such as may be required under the Securities Act or applicable state securities laws.

1.6 There are no actions, suits or proceedings pending or to the knowledge of the Company, threatened against the Company at law or in equity or before or by any federal or state commission, regulatory body or administrative agency or other governmental body, domestic or foreign, which will have a material adverse effect on the business or property of the Company.

1.7 The execution and delivery of this Agreement, the consummation of the transactions herein contemplated and compliance with the terms of this Agreement by the Company will not conflict with or constitute a default under any charter, by-law, indenture, mortgage, deed of trust, lease, rule, regulation, writ, injunction or decree of any government, governmental instrumentality or court, domestic or foreign, having jurisdiction over the Company, except to the extent that the enforceability of the indemnity and/or contribution provisions contained in Section 4 of this Agreement may be limited under applicable securities laws.

1.8 The Company has full legal right, power and authority to enter into this Agreement and to perform the transactions contemplated hereby, except to the extent that the

enforceability of the indemnity and/or contribution provisions contained in Section 4 of this Agreement may be limited under applicable securities laws.

1.9 At the time of the issuance of the Shares, the Shares will have been duly authorized and validly issued, and upon payment therefor, will be fully paid and nonassessable and will conform to the description thereof contained in the Prospectus.

2. Covenants of the Company

The Company covenants and agrees with the Dealer Manager that:

2.1 It will, at no expense to the Dealer Manager, furnish the Dealer Manager with such number of printed copies of the Registration Statement, including all amendments and exhibits thereto, as the Dealer Manager may reasonably request. It will similarly furnish to the Dealer Manager and others designated by the Dealer Manager as many copies as the Dealer Manager may reasonably request in connection with the offering of the Shares of: (a) the Prospectus in preliminary and final form and every form of supplemental or amended prospectus; (b) this Agreement; and (c) any other printed sales literature or other materials (provided that the use of said sales literature and other materials has been first approved for use by the Company and all appropriate regulatory agencies).

2.2 It will furnish such proper information and execute and file such documents as may be necessary for the Company to qualify the Shares for offer and sale under the securities laws of such jurisdictions as the Dealer Manager may reasonably designate and will file and make in each year such statements and reports as may be required. The Company will furnish to the Dealer Manager a

copy of such papers filed by the Company in connection with any such qualification.

2.3 It will: (a) use its best efforts to cause the Registration Statement to become effective; (b) furnish copies of any proposed amendment or supplement of the Registration Statement or Prospectus to the Dealer Manager; (c) file every amendment or supplement to the Registration Statement or the Prospectus that may be required by the SEC; and (d) if at any time the SEC shall issue any stop order suspending the effectiveness of the Registration Statement, it will use its best efforts to obtain the lifting of such order at the earliest possible time.

2.4 If at any time when a Prospectus is required to be delivered under the Securities Act any event occurs as a result of which, in the opinion of either the Company or the Dealer Manager, the Prospectus or any other prospectus then in effect would include an untrue statement of a material fact or, in view of the circumstances under which they were made, omit to state any material fact necessary to make the statements therein not misleading, the Company will promptly notify the Dealer Manager thereof (unless the information shall have been received from the Dealer Manager) and will effect the preparation of an amended or supplemental prospectus which will correct such statement or omission. The Company will then promptly prepare such amended or supplemental prospectus or prospectuses as may be necessary to comply with the requirements of Section 10 of the Securities Act.

3. Obligations and Compensation of Dealer Manager

3.1 The Company hereby appoints the Dealer Manager as its agent and principal distributor for the purpose of selling for cash up to a maximum of 330,000,000 Shares through the Dealers, all of whom shall be members of the National Association of Securities Dealers, Inc. (NASD). The Dealer Manager may also sell Shares for cash directly to its own clients and customers at the public offering price and subject to the terms and conditions stated in the Prospectus. The Dealer Manager hereby accepts such agency and distributorship and agrees to use its best efforts to sell the Shares on said terms and conditions. The Dealer Manager represents to the Company that it is a member of the NASD and that it and its employees and representatives have all required licenses and registrations to act under this Agreement.

3.2 Promptly after the effective date of the Registration Statement, the Dealer Manager and the Dealers shall commence the offering of the Shares for cash to the public in jurisdictions in which the Shares are registered or qualified for sale or in which such offering is otherwise permitted. The Dealer Manager and the Dealers will suspend or terminate offering of the Shares upon request of the Company at any time and will resume offering the Shares upon subsequent request of the Company.

3.3 Except as provided in the "Plan of Distribution" section of the Prospectus, as compensation for the services rendered by the Dealer Manager, the Company agrees that it will pay to the Dealer Manager selling commissions in the amount of 7% of the gross proceeds of the Shares sold plus a dealer manager fee in the amount of 2.5% of the gross proceeds of the Shares sold.

The Company will not be liable or responsible to any Dealer for direct payment of commissions to such Dealer, it being the sole and exclusive responsibility of the Dealer Manager for payment of commissions to Dealers. Notwithstanding the above, at its discretion, the Company may act as agent of the Dealer Manager by making direct payment of commissions to such Dealers without incurring any liability therefor.

3.4 The Dealer Manager represents and warrants to the Company and each person and firm that signs the Registration Statement that the information under the caption "Plan of Distribution" in the Prospectus and all other information furnished to the Company by the Dealer Manager in writing expressly for use in the Registration Statement, any preliminary prospectus, the Prospectus, or any amendment or supplement thereto does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading.

4. Indemnification

4.1 The Company will indemnify and hold harmless the Dealers and the Dealer Manager, their officers and directors and each person, if any, who controls such Dealer or Dealer Manager within the meaning of Section 15 of the Securities Act from and against any losses, claims, damages or liabilities, joint or several, to which such Dealers or Dealer Manager, their officers and directors, or such controlling person may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect

thereof) arise out of or are based upon (a) any untrue statement or alleged untrue statement of a material fact contained (i) in any Registration Statement (including the Prospectus as a part thereof) or any post-effective amendment thereto or in the Prospectus or any amendment or supplement to the Prospectus or (ii) in any blue sky application or other document executed by the Company or on its behalf specifically for the purpose of qualifying any or all of the Shares for sale under the securities laws of any jurisdiction or based upon written information furnished by the Company under the securities laws thereof (any such application, document or information being hereinafter called a "Blue Sky Application"), or (b) the omission or alleged omission to state in the Registration Statement (including the Prospectus as a part thereof) or any post-effective amendment thereof or in any Blue Sky Application a material fact required to be stated therein or necessary to make the statements therein not misleading, or (c) any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus, if used prior to the effective date of the Registration Statement, or in the Prospectus or any amendment or supplement to the Prospectus or the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The Company will reimburse each Dealer or Dealer Manager, its officers and directors and each such controlling person, for any legal or other expenses reasonably incurred by such Dealer or Dealer Manager, its officers and directors and each such controlling person, in connection with investigating or defending such loss, claim, damage, liability or action; provided that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of, or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in reliance upon and in conformity with written information furnished (x) to the Company by the Dealer Manager or (y) to the Company or the Dealer Manager by or on behalf of any Dealer specifically for use in the preparation of the Registration Statement or any such post-effective amendment thereof, any such Blue Sky Application or any such preliminary prospectus or the Prospectus or any such amendment thereof or supplement thereto; and further provided that the Company will not be liable in any such case if it is determined that such Dealer or the Dealer Manager was at fault in connection with the loss, claim, damage, liability or action.

4.2 The Dealer Manager will indemnify and hold harmless the Company and each person or firm which has signed the Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act, from and against any losses, claims, damages or liabilities to which any of the aforesaid parties may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (a) any untrue statement of a material fact contained (i) in the Registration Statement (including the Prospectus as a part thereof) or any post-effective amendment thereof or (ii) any Blue Sky Application, or (b) the omission to state in the Registration Statement (including the Prospectus as a part thereof) or any post-effective amendment thereof or in any Blue Sky Application a material fact required to be stated therein or necessary to make the statements therein not misleading, or (c) any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus, if used prior to the effective date of the Registration Statement, or in the Prospectus, or in any amendment or supplement to the Prospectus or the omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein in the light of the circumstances under which they were made not misleading in each case to the extent, but only to the extent, that such untrue statement or omission was made in reliance upon and in

conformity with written information furnished to the Company by or on behalf of the Dealer Manager specifically for use with reference to the Dealer Manager in the preparation of the Registration Statement or any such post-effective amendments thereof or any such Blue Sky Application or any such preliminary prospectus or the Prospectus or any such amendment thereof or supplement thereto, or (d) any unauthorized use of sales materials or use of unauthorized verbal representations concerning the Shares by the Dealer Manager. The Dealer Manager will reimburse the aforesaid parties, in connection with investigation or defending such loss, claim, damage, liability or action. This indemnity agreement will be in addition to any liability which the Dealer Manager may otherwise have.

4.3 Each Dealer severally will indemnify and hold harmless the Company, the Dealer Manager and each of their directors (including any persons named in any of the Registration Statements with his consent, as about to become a director), each of their officers who has signed any of the Registration Statements and each person, if any, who controls the Company and the Dealer Manager within the meaning of Section 15 of the Securities Act from and against any losses, claims, damages or liabilities to which the Company, the Dealer Manager, any such director or officer, or controlling person may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (a) any untrue statement or alleged untrue statement of a material fact contained (i) in the Registration Statement (including the Prospectus as a part thereof) or any post-effective amendment thereof or (ii) in any Blue Sky Application, or (b) the omission or alleged omission to state in the Registration Statement (including the Prospectus as a part thereof or any post-effective amendment thereof or in any Blue Sky Application a material fact required to be stated therein or necessary to make the statements therein not misleading, or (c) any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus, if used prior to the effective date of the Registration Statement, or in the Prospectus, or in any amendment or supplement to the Prospectus or the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company or the Dealer Manager by or on behalf of such Dealer specifically for use with reference to such Dealer in the preparation of the Registration Statement or any such post-effective amendments thereof or any such Blue Sky Application or any such preliminary prospectus or the Prospectus or any such amendment thereof or supplement thereto, or (d) any unauthorized use of sales materials or use of unauthorized verbal representations concerning the Shares by such Dealer or Dealer's representations or agents in violation of Section VII of the Selected Dealer Agreement or otherwise. Each such Dealer will reimburse the Company and the Dealer Manager and any such directors or officers, or controlling person, in connection with investigating or defending any such loss, claim, damage, liability or action. This indemnity agreement will be in addition to any liability which such Dealer may otherwise have.

4.4 Promptly after receipt by an indemnified party under this Section 4 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 4, notify in writing the indemnifying party of the commencement thereof and the omission so to notify the indemnifying

party will relieve it from any liability under this Section 4 as to the particular item for which indemnification is then being sought, but not from any other liability which it may have to any indemnified party. In case any such action is brought against any indemnified party, and it notifies an indemnifying party of the commencement thereof, the indemnifying party will be entitled, to the extent it may wish, jointly with any other indemnifying party similarly notified, to participate in the defense thereof, with separate counsel. Such participation shall not relieve such indemnifying party of the obligation to reimburse the indemnified party for reasonable legal and other expenses (subject to Section 4.5) incurred by such indemnified party in defending itself, except

for such expenses incurred after the indemnifying party has deposited funds sufficient to effect the settlement, with prejudice, of the claim in respect of which indemnity is sought. Any such indemnifying party shall not be liable to any such indemnified party on account of any settlement of any claim or action effected without the consent of such indemnifying party.

4.5 The indemnifying party shall pay all legal fees and expenses of the indemnified party in the defense of such claims or actions; provided, however, that the indemnifying party shall not be obliged to pay legal expenses and fees to more than one law firm in connection with the defense of similar claims arising out of the same alleged acts or omissions giving rise to such claims notwithstanding that such actions or claims are alleged or brought by one or more parties against more than one indemnified party. If such claims or actions are alleged or brought against more than one indemnified party, then the indemnifying party shall only be obliged to reimburse the expenses and fees of the one law firm that has been selected by a majority of the indemnified parties against which such action is finally brought; and in the event a majority of such indemnified parties is unable to agree on which law firm for which expenses or fees will be reimbursable by the indemnifying party, then payment shall be made to the first law firm of record representing an indemnified party against the action or claim. Such law firm shall be paid only to the extent of services performed by such law firm and no reimbursement shall be payable to such law firm on account of legal services performed by another law firm.

4.6 The indemnity agreements contained in this Section 4 shall remain operative and in full force and effect regardless of (a) any investigation made by or on behalf of any Dealer, or any person controlling any Dealer or by or on behalf of the Company, the Dealer Manager or any officer or director thereof, or by or on behalf of the Company or the Dealer Manager, (b) delivery of any Shares and payment therefor, and (c) any termination of this Agreement. A successor of any Dealer or of any of the parties to this Agreement, as the case may be, shall be entitled to the benefits of the indemnity agreements contained in this Section 4.

5. Survival of Provisions

The respective agreements, representations and warranties of the Company and the Dealer Manager set forth in this Agreement shall remain operative and in full force and effect regardless of (a) any termination of this Agreement, (b) any investigation made by or on behalf of the Dealer Manager or any Dealer or any person controlling the Dealer Manager or any Dealer or by or on behalf of the Company or any person controlling the Company, and (c) the acceptance of any payment for the Shares.

6. Applicable Law

This Agreement was executed and delivered in, and its validity, interpretation and construction shall be governed by, the laws of the State of Georgia; provided however, that causes of action for violations of federal or state securities laws shall not be governed by this Section.

7. Counterparts

This Agreement may be executed in any number of counterparts. Each counterpart, when executed and delivered, shall be an original contract, but all counterparts, when taken together, shall constitute one and the same Agreement.

8. Successors and Amendment

8.1 This Agreement shall inure to the benefit of and be binding upon the Dealer Manager and the Company and their respective successors. Nothing in this Agreement is intended or shall be construed to give to any other person any right, remedy or claim, except as otherwise specifically provided herein. This Agreement shall inure to the benefit of the Dealers to the extent set forth in Sections 1 and 4 hereof.

8.2 This Agreement may be amended by the written agreement of the

Dealer Manager and the Company.

9. Term

Any party to this Agreement shall have the right to terminate this Agreement on 60 days' written notice.

10. Confirmation

The Company hereby agrees and assumes the duty to confirm on its behalf and on behalf of dealers or brokers who sell the Shares all orders for purchase of Shares accepted by the Company. Such confirmations will comply with the rules of the SEC and the NASD, and will comply with applicable laws of such other jurisdictions to the extent the Company is advised of such laws in writing by the Dealer Manager.

11. Suitability of Investors

The Dealer Manager will offer Shares, and in its agreements with Dealers will require that the Dealers offer Shares, only to persons who meet the financial qualifications set forth in the Prospectus or in any suitability letter or memorandum sent to it by the Company and will only make offers to persons in the states in which it is advised in writing that the Shares are qualified for sale or that such qualification is not required. In offering Shares, the Dealer Manager will, and in its agreements with Dealers, the Dealer Manager will, require that the Dealer comply with the provisions of all applicable rules and regulations relating to suitability of investors, including without limitation, the provisions of Article III.C. of the Statement of Policy

Regarding Real Estate Investment Trusts of the North American Securities Administrators Association, Inc.

12. Submission of Orders

12.1 Those persons who purchase Shares will be instructed by the Dealer Manager or the Dealer to make their checks payable to "Wells Real Estate Investment Trust, Inc." The Dealer Manager and any Dealer receiving a check not conforming to the foregoing instructions shall return such check directly to such subscriber not later than the end of the next business day following its receipt. Checks received by the Dealer Manager or Dealer which conform to the foregoing instructions shall be transmitted for deposit pursuant to one of the methods described in this Section 12. Transmittal of received investor funds will be made in accordance with the following procedures.

12.2 Where, pursuant to a Dealer's internal supervisory procedures, internal supervisory review is conducted at the same location at which subscription documents and checks are received from subscribers, checks will be transmitted in care of the Dealer Manager by the end of the next business day following receipt by the Dealer for deposit to Wells Real Estate Investment Trust, Inc.

12.3 Where, pursuant to a Dealer's internal supervisory procedures, final internal supervisory review is conducted at a different location, checks will be transmitted by the end of the next business day following receipt by the Dealer to the office of the Dealer conducting such final internal supervisory review (the "Final Review Offices"). The Final Review Office will in turn by the end of the next business day following receipt by the Final Review Office, transmit such checks in care of the Dealer Manager for deposit to Wells Real Estate Investment Trust, Inc.

12.4 Where the Dealer Manager is involved in the distribution process, checks will be transmitted by the Dealer Manager for deposit to Wells Real Estate Investment Trust, Inc. as soon as practicable, but in any event by the end of the second business day following receipt by the Dealer Manager. Checks of rejected subscribers will be promptly returned to such subscribers.

[Remainder of this page was intentionally left blank.]

If the foregoing correctly sets forth our understanding, please indicate your acceptance thereof in the space provided below for that purpose, whereupon this letter and your acceptance shall constitute a binding agreement between us as of the date first above written.

Very truly yours,

WELLS REAL ESTATE INVESTMENT TRUST, INC.

By:_____
Leo F. Wells, III
President

Accepted and agreed as of the
date first above written.

WELLS INVESTMENT SECURITIES, INC.

By:_____
Leo F. Wells, III
President

EXHIBIT "A"

WELLS REAL ESTATE INVESTMENT TRUST, INC.

Up to 330,000,000 Shares of Common Stock/$3,300,000,000

SELECTED DEALER AGREEMENT

Ladies and Gentlemen:

Wells Investment Securities, Inc., as the dealer manager ("Dealer Manager") for Wells Real Estate Investment Trust, Inc. (the "Company"), a Maryland corporation, invites you (the "Dealer") to participate in the distribution of shares of common stock ("Shares") of the Company subject to the following terms:

I. Dealer Manager Agreement

The Dealer Manager and the Company have entered into that certain Dealer Manager Agreement dated _____, 2002, in the form attached hereto as Exhibit "A." By your acceptance of this Agreement, you will become one of the Dealers referred to in such Dealer Manager Agreement between the Company and the Dealer Manager and will be entitled and subject to the indemnification provisions contained in such Dealer Manager Agreement, including specifically the provisions of such Dealer Manager Agreement (Section 4.3) wherein each Dealer severally agrees to indemnify and hold harmless the Company, the Dealer Manager and each officer and director thereof, and each person, if any, who controls the Company and the Dealer Manager within the meaning of the Securities Act of 1933, as amended. Except as otherwise specifically stated herein, all terms used in this Agreement have the meanings provided in the Dealer Manager Agreement. The Shares are offered solely through broker-dealers who are members of the National Association of Securities Dealers, Inc. ("NASD").

Dealer hereby agrees to use its best efforts to sell the Shares for cash on the terms and conditions stated in the Prospectus. Nothing in this Agreement shall be deemed or construed to make Dealer an employee, agent, representative or partner of the Dealer Manager or of the Company, and Dealer is not authorized to act for the Dealer Manager or the Company or to make any representations on their behalf except as set forth in the Prospectus and such other printed information furnished to Dealer by the Dealer Manager or the

Company to supplement the Prospectus ("supplemental information").

II. Submission of Orders

Those persons who purchase Shares will be instructed by the Dealer to make their checks payable to "Wells Real Estate Investment Trust, Inc." Any Dealer receiving a check not conforming to the foregoing instructions shall return such check directly to such subscriber not later than the end of the next business day following its receipt. Checks received by the Dealer which conform to the foregoing instructions shall be transmitted for deposit pursuant to one of the methods in this Article II. Transmittal of received investor funds will be made in accordance with the following procedures:

Where, pursuant to the Dealer's internal supervisory procedures, internal supervisory review is conducted at the same location at which subscription documents and checks are received from subscribers, checks will be transmitted in care of the Dealer Manager by the end of the next business day following receipt by the Dealer for deposit to Wells Real Estate Investment Trust, Inc.

Where, pursuant to the Dealer's internal supervisory procedures, final and internal supervisory review is conducted at a different location, checks will be transmitted by the end of the next business day following receipt by the Dealer to the office of the Dealer conducting such final internal supervisory review (the "Final Review Office"). The Final Review Office will in turn by the end of the next business day following receipt by the Final Review Office, transmit such checks for deposit to Wells Real Estate Investment Trust, Inc.

III. Pricing

Shares shall be offered to the public at the offering price of $10.00 per Share payable in cash. Except as otherwise indicated in the Prospectus or in any letter or memorandum sent to the Dealer by the Company or Dealer Manager, a minimum initial purchase of 100 Shares is required. Except as otherwise indicated in the Prospectus, additional investments may be made in cash in minimal increments of at least 2.5 Shares. The Shares are nonassessable. Dealer hereby agrees to place any order for the full purchase price.

IV. Dealers' Commissions

Except for discounts described in or as otherwise provided in the "Plan of Distribution" section of the Prospectus, the Dealer's selling commission applicable to the total public offering price of Shares sold by Dealer which it is authorized to sell hereunder is 7% of the gross proceeds of Shares sold by it and accepted and confirmed by the Company, which commission will be paid by the Dealer Manager. For these purposes, a "sale of Shares" shall occur if and only if a transaction has closed with a securities purchaser pursuant to all applicable offering and subscription documents and the Company has thereafter distributed the commission to the Dealer Manager in connection with such transaction. The Dealer affirms that the Dealer Manager's liability for commissions payable is limited solely to the proceeds of commissions receivable associated therewith, and the Dealer hereby waives any and all rights to receive payment of commissions due until such time as the Dealer Manager is in receipt of the commission from the Company. In addition, as set forth in the Prospectus, the Dealer Manager may, in its sole discretion, reallow out of its dealer manager fee a marketing fee and due diligence expense reimbursement of up to 1.5% of the gross proceeds of Shares sold by Dealers participating in the offering of Shares as marketing fees or to reimburse representatives of such Dealers the costs and expenses of attending educational conferences and seminars conducted by the Company or the Dealer Manager.

The parties hereby agree that the foregoing commission is not in excess of the usual and customary distributors' or sellers' commission received in the sale of securities similar to the Shares, that Dealer's interest in the offering is limited to such commission from the Dealer Manager and Dealer's indemnity referred to in Section 4 of the Dealer Manager Agreement, and that the Company is not liable or responsible for the direct payment of such commission to the Dealer.

V. Payment

Payments of selling commissions will be made by the Dealer Manager (or by

the Company as provided in the Dealer Manager Agreement) to Dealer within 30 days of the receipt by the Dealer Manager of the gross commission payments from the Company.

VI. Right to Reject Orders or Cancel Sales

All orders, whether initial or additional, are subject to acceptance by and shall only become effective upon confirmation by the Company, which reserves the right to reject any order. Orders not accompanied by a Subscription Agreement Signature Page and the required check in payment for the

Shares may be rejected. Issuance and delivery of the Shares will be made only after actual receipt of payment therefor. If any check is not paid upon presentment, or if the Company is not in actual receipt of clearinghouse funds or cash, certified or cashier's check or the equivalent in payment for the Shares within 15 days of sale, the Company reserves the right to cancel the sale without notice. In the event an order is rejected, canceled or rescinded for any reason, the Dealer agrees to return to the Dealer Manager any commission theretofore paid with respect to such order.

VII. Prospectus and Supplemental Information

Dealer is not authorized or permitted to give, and will not give, any information or make any representation concerning the Shares except as set forth in the Prospectus and supplemental information. The Dealer Manager will supply Dealer with reasonable quantities of the Prospectus, any supplements thereto and any amended Prospectus, as well as any supplemental information, for delivery to investors, and Dealer will deliver a copy of the Prospectus and all supplements thereto and any amended Prospectus to each investor to whom an offer is made prior to or simultaneously with the first solicitation of an offer to sell the Shares to an investor. The Dealer agrees that it will not send or give any supplements thereto and any amended Prospectus to that investor unless it has previously sent or given a Prospectus and all supplements thereto and any amended Prospectus to that investor or has simultaneously sent or given a Prospectus and all supplements thereto and any amended Prospectus with such supplemental information. Dealer agrees that it will not show or give to any investor or prospective investor or reproduce any material or writing which is supplied to it by the Dealer Manager and marked "dealer only" or otherwise bearing a legend denoting that it is not to be used in connection with the sale of Shares to members of the public. Dealer agrees that it will not use in connection with the offer or sale of Shares any material or writing which relates to another Company supplied to it by the Company or the Dealer Manager bearing a legend which states that such material may not be used in connection with the offer or sale of any securities other than the Company to which it relates. Dealer further agrees that it will not use in connection with the offer or sale of Shares any materials or writings which have not been previously approved by the Dealer Manager. Each Dealer agrees, if the Dealer Manager so requests, to furnish a copy of any revised preliminary Prospectus to each person to whom it has furnished a copy of any previous preliminary Prospectus, and further agrees that it will itself mail or otherwise deliver all preliminary and final Prospectuses required for compliance with the provisions of Rule 15c2-8 under the Securities Exchange Act of 1934. Regardless of the termination of this Agreement, Dealer will deliver a Prospectus in transactions in the Shares for a period of 90 days from the effective date of the Registration Statement or such longer period as may be required by the Securities Exchange Act of 1934. On becoming a Dealer, and in offering and selling Shares, Dealer agrees to comply with all the applicable requirements under the Securities Act of 1933 and the Securities Exchange Act of 1934.

VIII. License and Association Membership

Dealer's acceptance of this Agreement constitutes a representation to the Company and the Dealer Manager that Dealer is a properly registered or licensed broker-dealer, duly authorized to sell Shares under Federal and state securities laws and regulations and in all states where it offers or sells Shares, and that it is a member in good standing of the NASD. This Agreement shall automatically terminate if the Dealer ceases to be a member in good standing of such association, or in the case of a foreign dealer, so to conform. Dealer agrees to notify the Dealer Manager immediately if Dealer ceases to be a member in good standing, or in the case of a foreign dealer, so to conform. The Dealer Manager hereby agrees to abide by the Rules of Fair Practice of the NASD and to comply

with Rules 2730, 2740, 2420 and 2750 of the NASD Conduct Rules.

IX. Anti-Money Laundering Compliance Programs

Dealer's acceptance of this Agreement constitutes a representation to the Company and the Dealer Manager that Dealer has established and implemented anti-money laundering compliance programs in accordance with proposed NASD Rule 3011 and Section 352 of the Money Laundering Abatement Act reasonably expected to detect and cause the reporting of suspicious transactions in connection with the sale of Shares of the Company.

X. Limitation of Offer

Dealer will offer Shares only to persons who meet the financial qualifications set forth in the Prospectus or in any suitability letter or memorandum sent to it by the Company or the Dealer Manager and will only make offers to persons in the states in which it is advised in writing that the Shares are qualified for sale or that such qualification is not required. In offering Shares, Dealer will comply with the provisions of the Rules of Fair Practice set forth in the NASD Manual, as well as all other applicable rules and regulations relating to suitability of investors, including without limitation, the provisions of Article III.C. of the Statement of Policy Regarding Real Estate Investment Trusts of the North American Securities Administrators Association, Inc.

XI. Termination

Dealer will suspend or terminate its offer and sale of Shares upon the request of the Company or the Dealer Manager at any time and will resume its offer and sale of Shares hereunder upon subsequent request of the Company or the Dealer Manager. Any party may terminate this Agreement by written notice. Such termination shall be effective 48 hours after the mailing of such notice. This Agreement and the exhibits hereto are the entire agreement of the parties and supersedes all prior agreements, if any, between the parties hereto.

This Agreement may be amended at any time by the Dealer Manager by written notice to the Dealer, and any such amendment shall be deemed accepted by Dealer upon placing an order for sale of Shares after he has received such notice.

XII. Privacy Laws

The Dealer Manager and Dealer (each referred to individually in this section as "party") agree as follows:

A. Each party agrees to abide by and comply with (i) the privacy standards and requirements of the Gramm-Leach-Bliley Act of 1999 ("GLB Act"), (ii) the privacy standards and requirements of any other applicable Federal or state law, and (iii) its own internal privacy policies and procedures, each as may be amended from time to time.

B. Each party agrees to refrain from the use or disclosure of nonpublic personal information (as defined under the GLB Act) of all customers who have opted out of such disclosures except as necessary to service the customers or as otherwise necessary or required by applicable law; and

C. Each party shall be responsible for determining which customers have opted out of the disclosure of nonpublic personal information by periodically reviewing and, if necessary, retrieving a list of such customers (the "List") as provided by each to identify customers that have exercised their opt-out rights. In the event either party uses or discloses nonpublic personal information of any customer for purposes other than servicing the customer, or as otherwise required by applicable law, that party will

consult the List to determine whether the affected customer has exercised his or her opt-out rights. Each party understands that each is prohibited from using or disclosing any nonpublic personal information of any customer that is identified

on the List as having opted out of such disclosures.

XIII. Notice

All notices will be in writing and will be duly given to the Dealer Manager when mailed to 6200 The Corners Parkway, Suite 250, Atlanta, Georgia 30092, and to Dealer when mailed to the address specified by Dealer herein.

XIV. Attorney's Fees and Applicable Law

In any action to enforce the provisions of this Agreement or to secure damages for its breach, the prevailing party shall recover its costs and reasonable attorney's fees. This Agreement shall be construed under the laws of the State of Georgia and shall take effect when signed by Dealer and countersigned by the Dealer Manager.

THE DEALER MANAGER:

WELLS INVESTMENT SECURITIES, INC.

Attest:

By: _____

Name:_____

Title: _____

By:_____

Leo F. Wells, III

President

We have read the foregoing Agreement and we hereby accept and agree to the terms and conditions therein set forth. We hereby represent that the list below of jurisdictions in which we are registered or licensed as a broker or dealer and are fully authorized to sell securities is true and correct, and we agree to advise you of any change in such list during the term of this Agreement.

1. Identity of Dealer:

Name:_____

Type of entity:_____
(to be completed by Dealer) (corporation, partnership or proprietorship)

Organized in the State of: _____
(to be completed by Dealer) (State)

Licensed as broker-dealer in the following States:_____
(to be completed by Dealer)

Tax I.D. #:_____

2. Person to receive notice pursuant to Section XI.

Name:_____

Company:_____

Address:_____

City, State and Zip Code:_____

Telephone No.:(_____)_____

Telefax No.:(_____)_____

AGREED TO AND ACCEPTED BY THE DEALER:

_____
(Dealer's Firm Name)

By:_____
Signature

Title:_____

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 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 Atlanta, 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
Atlanta, 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
Atlanta, 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
Atlanta, 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 5.1

FORM OF OPINION OF HOLLAND & KNIGHT LLP
AS TO LEGALITY OF SECURITIES

[LETTERHEAD OF HOLLAND & KNIGHT LLP]

_____, 2002

Wells Real Estate Investment Trust, Inc.
6200 The Corners Parkway, Suite 250
Atlanta, Georgia 30092

Re: Wells Real Estate Investment Trust, Inc.
Registration Statement on Form S-11
Registration No. 333-85848

Ladies and Gentlemen:

We have acted as counsel to Wells Real Estate Investment Trust, Inc. (the "Company"), a Maryland corporation, in connection with the public offering and sale (the "Offering") of up to 330,000,000 shares of common stock, par value $0.01 per share. The Shares are being registered with the Securities and Exchange Commission (the "Commission") pursuant to a Registration Statement on Form S-11 filed with the Commission on April 8, 2002 (as amended, the "Registration Statement"). We are familiar with the documents and materials relating to the Company relevant to this opinion.

In rendering our opinion, we have examined the following:

(i) Amended and Restated Articles of Incorporation of the Company dated as of July 1, 2000, as filed with the Department of Assessments and Taxation of the State of Maryland on August 16, 2000, as amended to date;

(ii) Bylaws of the Company, as amended to date;

(iii) Registration Statement, including the Prospectus contained therein as part of the Registration Statement;

(iv) Certificate of good standing for the Company dated _____, 2002, issued by the Department of Assessments and Taxation of the State of Maryland; and

(v) Originals (or copies identified to our satisfaction) of such other documents and records of the Company, together with certificates of public officials and officers of the Company, and such other documents, certificates, records and papers as we have deemed necessary or appropriate for purposes of this opinion.

With respect to all of the foregoing documents, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity to the originals of all documents submitted to us as certified or reproduced copies.

Assuming the foregoing, based on our review of the relevant documents and materials, and without further investigation, it is our opinion that:

1. The Company has been duly organized and is validly existing and in good standing under the laws of the State of Maryland.

2. At such time as (i) the Registration Statement has become effective with the Commission pursuant to the Securities Act of 1933, as amended, (ii) the Shares have been validly and properly issued by the Company pursuant to the Offering in the form and containing the terms described in the Registration Statement, and (iii) all legally required consents, approvals and authorizations of governmental regulatory authorities have been obtained, including without limitation, an appropriate order of effectiveness of the Commission, the Shares, when sold, will be legally issued, fully paid and non-assessable.

We hereby consent to the reference to our firm under the caption "Legal Opinions" in the Prospectus that forms a part of the Registration Statement and to the filing of this opinion as an exhibit to the Registration Statement. In giving this consent, however, we do not thereby admit that we are an "expert" within the meaning of the Securities Act of 1933, as amended, or that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules or regulations of the Commission promulgated thereunder.

We undertake no obligation to update the opinions expressed herein at any time after the date hereof. This opinion letter is solely for the information and use of the addressee, and it may not be distributed, relied upon for any purpose by any other person, quoted in whole or in part, or otherwise reproduced in any document, or filed with any governmental agency without our express written consent.

Sincerely yours,

HOLLAND & KNIGHT LLP

EXHIBIT 8.1

FORM OF OPINION OF HOLLAND & KNIGHT LLP
AS TO TAX MATTERS

[LETTERHEAD OF HOLLAND & KNIGHT LLP]

_____, 2002

Wells Real Estate Investment Trust, Inc.
6200 The Corners Parkway, Suite 250
Atlanta, Georgia 30092

Re: Wells Real Estate Investment Trust, Inc.
Registration Statement on Form S-11
Registration No. 333-85848

Ladies and Gentlemen:

We have acted as counsel to Wells Real Estate Investment Trust, Inc., a Maryland corporation (the "Company"), in connection with the registration of 330,000,000 shares of its common stock with the Securities and Exchange Commission pursuant to a Registration Statement on Form S-11, Registration No. 333-85848 (as amended, the "Registration Statement"), which includes the Company's Prospectus (as amended, the "Prospectus"). In connection therewith, we have been asked to provide an opinion regarding certain federal income tax matters related to the Company. Capitalized terms used in this letter and not otherwise defined herein have the meaning set forth in the Prospectus.

The opinions set forth in this letter are based on relevant provisions of the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations thereunder (including proposed and temporary Regulations), and interpretations of the foregoing as expressed in court decisions, legislative history, and existing administrative rulings, policies and practices of the Internal Revenue Service (the "Service"), including its practices and policies indicated in private letter rulings (which rulings are not binding on the Service except, in the case of each such ruling, with respect to the specific taxpayer that receives such ruling), all as of the date hereof. These provisions and interpretations are subject to change, which may or may not be retroactive in effect, which changes could adversely affect the opinions rendered herein and the tax consequences to the Company and investors in the Company's common stock.

In rendering this opinion, we have examined the following documents: (1) the Registration Statement and the facts and descriptions set forth therein of the Company and its investments, activities, operations and governance; (2) the Company's Articles of Incorporation and Bylaws, each as amended to date, and stock ownership information

provided by the Company; and (3) the Certificate of Limited Partnership and Agreement of Limited Partnership of Wells Operating Partnership, L.P., each as amended to date ("Wells OP").The opinions set forth in this letter also are premised on certain additional information and representations through consultation with officers of the Company, including those contained in the Company's management representation certificate to us dated June __, 2002 (the "Management Representation Certificate"), and the Company's accountants regarding certain facts and other matters (including among other things, representations as to the Company's stock ownership, assets, acquisitions, revenues, and distributions) as are germane to the determination that the Company has been and will be owned and operated in such a manner that the Company has and will continue to satisfy the requirements for qualification as a REIT under the Code.

We have made such factual and legal inquiries, including the procedures

described above and examination of the documents set forth above, as we have deemed necessary or appropriate for purposes of our opinion. For purposes of rendering our opinion, however, we have not made an independent investigation or audit of the facts set forth in the above-referenced documents, including the Registration Statement and the Management Representation Certificate. We consequently have relied upon the representation in the Management Representation Certificate that the information presented therein and in other documents or otherwise furnished to us, is accurate.

In our review, we have assumed, with your consent, that all of the information representations and statements set forth in the documents that we reviewed (including, without limitation, the Management Representation Certificate) are accurate, true and correct, and each of the obligations imposed by any such document on the parties thereto, including obligations imposed under the Articles of Incorporation and Bylaws of the Company and the Wells OP Partnership Agreement, have been and will be performed or satisfied in accordance with their terms, except as specifically set forth otherwise in the Management Representation Certificate. Moreover, we have assumed that the Company and Wells OP have been and will continue to be operated in the manner described in the corporate or partnership organizational documents and in the Prospectus. We assume for the purposes of this opinion that each of the Company and Wells OP is validly organized and duly incorporated or organized under the laws of the jurisdiction of such incorporation or organization. We also have assumed the genuineness of all signatures, the proper execution of all documents, the authenticity of all documents submitted to us as originals, the conformity to originals of documents submitted to us as copies, and the authenticity of the originals from which any copies were made.

Based upon, subject to, and limited by the assumptions and qualifications set forth herein, in the discussion in the Prospectus under the caption "Federal Income Tax Considerations" (which is incorporated herein by reference), and the discussion herein, we are of the following opinions as of the date hereof:

1. It is more likely than not that the Company was organized and has operated in conformity with the requirements for qualification and taxation as a real estate investment trust ("REIT") pursuant to Sections 856 through 860 of the Code for its taxable year ended December 31, 2001, and the continued operation of the Company in a manner consistent with the statements made in the Management Representation Certificate and the requirements for REIT qualification as described in the Prospectus will more likely than not enable the Company to continue to meet the requirements for qualification and taxation as a REIT.

2. The descriptions of the law and the legal conclusions contained in the Prospectus under the caption "Federal Income Tax Considerations" are correct in all material respects, and the discussion thereunder fairly summarizes the federal income tax considerations that are likely to be considered material to a holder of the Company's common stock.

We assume no obligation to advise you of any changes in our opinion subsequent to the delivery of this opinion letter, and we do not undertake to update this opinion letter. The Company's qualification and taxation as a REIT depends upon the Company's ability to meet on a continuing basis, through actual annual operating and other results, the various requirements under the Code described in the Prospectus with regard to, among other things, the sources of its gross income, the composition of its assets, the level and timing of its distributions to stockholders and the diversity of its stock ownership. Holland & Knight LLP will not review the Company's compliance with these requirements on a continuing basis. Accordingly, no assurance can be given that the actual results of the operations of the Company and Wells OP, the sources of their income, the nature of their assets, the level and timing of the Company's distributions to stockholders and the diversity of its stock ownership for any given taxable year will satisfy the requirements under the Code for qualification and taxation of the Company as a REIT. In addition, as noted above, our opinions are based solely on the documents that we have examined, the additional information that we have obtained, and the representations that have been made to us, and cannot be relied upon if any of the facts contained in such documents or in such additional information is, or later becomes, inaccurate or

if any of the representations made to us is, or later becomes, inaccurate.

We also note that an opinion of counsel merely represents counsel's best judgment with respect to the probable outcome on the merits and is not binding on the Service or the courts. In certain instances with respect to matters for which there is no relevant authority, including the effect of certain transfer restrictions on the ability of the Company to satisfy the requirement for REIT qualification that its shares be transferable, our opinion is based on authorities which we have considered to be analogous even though certain such authorities have been rendered obsolete for unrelated reasons by subsequent authorities. There can be

no assurance that positions contrary to our opinions will not be taken by the Service, or that a court considering the issues would not hold contrary to our opinions.

We undertake no obligation to update the opinions expressed herein at any time after the date hereof. This opinion letter has been prepared solely for your use in connection with the filing of the Registration Statement on the date of this opinion letter and should not be quoted in whole or in part or otherwise referred to, nor filed with or furnished to any governmental agency or other person or entity, without the prior written consent of this firm.

We hereby consent to the filing of our opinion as an exhibit to the Registration Statement and to the use of the name of our firm in the Registration Statement. In giving this consent, however, we do not thereby admit that we are an "expert" within the meaning of the Securities Act of 1933, as amended, or that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules or regulations of the Securities and Exchange Commission promulgated thereunder.

Sincerely yours,

HOLLAND & KNIGHT LLP

EXHIBIT 8.2

FORM OF OPINION OF HOLLAND & KNIGHT LLP
AS TO ERISA MATTERS

[LETTERHEAD OF HOLLAND & KNIGHT LLP]

_____, 2002

Wells Real Estate Investment Trust, Inc.
6200 The Corners Parkway, Suite 250
Atlanta, Georgia 30092

Re: Wells Real Estate Investment Trust, Inc.
Registration Statement on Form S-11
Registration No. 333-85848

Ladies and Gentlemen:

We have acted as counsel to Wells Real Estate Investment Trust, Inc. (the "Company"), a Maryland corporation which has elected to be taxed as a real estate investment trust ("REIT") for federal income tax purposes, in connection with the registration of 330,000,000 shares of its common stock (the "Shares") with the Securities and Exchange Commission pursuant to a Registration Statement on Form S-11, Registration No. 333-85848 (as amended, the "Registration Statement"), which includes the Company's Prospectus (as amended, the "Prospectus"). In connection therewith, we have been asked to provide an opinion as to whether, pursuant to the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. (S)(S) 1001-1461 ("ERISA"), the assets of the Company will be treated as the assets of an employee benefit plan which purchases Shares.

In rendering this opinion, we have reviewed the Registration Statement and the Prospectus included therein and the Company's Articles of Incorporation and Bylaws, each as amended to date. We have assumed the authenticity of the documents provided and have not attempted to verify independently any factual information.

Based on and subject to the foregoing, we are of the following opinions as of the date hereof:

1. Assuming that the offering of Shares takes place as described in the Registration Statement, the Shares will more likely than not constitute "publicly-offered securities," as that term is used in regulations promulgated by the U.S. Department of Labor (the "Department") and codified at 29 C.F.R. (S) 2510.3-101. Accordingly, pursuant to and based upon the authority of such regulations, and again assuming that the offering of the Shares takes place as described in the Registration Statement, it is our opinion that it is more likely than not that, for purposes of ERISA, the assets of the Company will not be considered to be assets of any employee benefit plan purchasing Shares.

2. The descriptions of the law and the legal conclusions contained in the Prospectus under captions "Risk Factors - Retirement Plan Risks" and "ERISA Considerations" are correct in all material respects, and the discussion thereunder fairly summarizes the state of relevant law currently in effect with respect to an investment in Shares by employee benefit plans.

_____

These opinions are based on existing law which is, to a large extent, the result of regulations and administrative interpretations issued by the Department. No assurance can be given that Department opinions or judicial decisions will not be rendered in the future which would modify the conclusions expressed in this opinion letter. We assume no obligation to advise you of any

changes in our opinions subsequent to the delivery of this opinion letter, and we do not undertake to update this opinion letter.

The Company's qualification for the "publicly-offered securities" exemption under the Department's regulations also depends upon the Company's ability to meet on a continuing basis the various requirements under the regulations described in the Prospectus. Holland & Knight LLP will not review the Company's compliance with these requirements on a continuing basis.

Accordingly, no assurance can be given that the actual ownership of the Company for any given year will satisfy the requirements under ERISA and the Department's regulations for qualification for the above exemption. In addition, as noted above, our opinions are based solely on the documents that we have examined, the additional information that we have obtained, and the representations that have been made to us, and cannot be relied upon if any of the facts contained in such documents or in such additional information is, or later becomes, inaccurate or if any of the representations made to us is, or later becomes, inaccurate.

Further, an opinion of counsel merely represents counsel's best judgment with respect to the probable outcome on the merits and is not binding on the Department or the courts. In certain instances with respect to matters for which there is no relevant authority, including the effect of certain transfer restrictions on the ability of the Company to satisfy the requirements for qualification that its shares be freely transferable, our opinion is based on authorities which we have considered to be analogous even though certain such authorities have been rendered obsolete for unrelated reasons by subsequent authorities. There can be no assurance that positions contrary to our opinions will not be taken by the Department, or that a court considering the issues would not hold contrary to our opinions.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the use of the name of our firm in the Registration Statement. In giving this consent, however, we do not thereby admit that we are an "expert" within the meaning of the Securities Act of 1933, as amended, or that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules or regulations of the Securities and Exchange Commission promulgated thereunder.

This opinion letter is solely for the information and use of the addressee, and it may not be distributed, relied upon for any other purpose by any other person, quoted in whole or in part, or otherwise reproduced in any document, or filed with any governmental agency without our express written consent.

Sincerely yours,

HOLLAND & KNIGHT LLP

EXHIBIT 10.66

PURCHASE AND SALE AGREEMENT FOR THE EXPERIAN/TRW BUILDINGS

PURCHASE AND SALE AGREEMENT

ALLEN OFFICE INVESTMENT LIMITED
PARTNERSHIP, SELLER

and

WELLS CAPITAL, INC., BUYER

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PURCHASE AND SALE AGREEMENT

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PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (the "Agreement"), is made as of the 18th day of March, 2002, (the "Agreement Date") by and between ALLEN OFFICE INVESTMENT LIMITED PARTNERSHIP, a Texas limited partnership, herein referred to as "Seller" and WELLS CAPITAL, INC., a Georgia corporation, herein referred to as "Buyer."

R E C I T A L S:

WHEREAS, Seller desires to sell certain improved real property along with certain related personal and intangible property, and Buyer desires to purchase said real, personal and intangible property on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the foregoing and the mutual undertakings set forth herein, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Buyer and Seller hereby agree as follows:

1. Property Included in Sale. Seller hereby agrees to sell and convey to Buyer, and Buyer hereby agrees to purchase from Seller, the following:

(a) that certain tract or parcel of land located in Collin County, Texas commonly known as 601 Experian Parkway, Allen, Texas, and more particularly described in Exhibit A attached hereto (the "Land"), together with Seller's interest in all rights, privileges and easements appurtenant to the Land, including, without limitation, all minerals, oil, gas and other hydrocarbon substances as well as all development rights, air rights, water, water rights (and water stock, if any) relating to the Real Property and any easements, rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment thereof (all such items, together with the Land, the "Real Property");

(b) The building(s) (if one or more than one, the "Building"), all other improvements and fixtures located on the Real Property, and all apparatus, equipment and appliances used in connection with the operation or occupancy of the Real Property (except such apparatus, equipment and appliances owned by the Credit Tenant under the Credit Lease (both defined below) (all of which are collectively referred to as the "Improvements");

(c) Any tangible or intangible personal property, if any, owned by Seller and used in the ownership, use and operation of the Real Property and Improvements (the "Personal Property");

(d) all of Seller's rights under all permits and licenses, zoning approvals, certificates of occupancy, warranties, lien waivers, contracts, utility arrangements and other documents and agreements relating to the development, construction, ownership, operation and occupancy of the Property (collectively as the "Intangible Property"); and

(e) any contract or lease rights, or other rights relating to the ownership, use and operation of the Real Property including, but not limited to, that certain Lease Agreement with Experian Information Solutions, Inc., an Ohio corporation, successor-in-interest to TRW, Inc., an Ohio corporation ("Credit Tenant") dated as of April 15, 1993, and Lease Amendment dated March 10, 1995, and Assignment of Tenant's Interest in Lease (undated) (collectively, the "Credit Lease").

All of the items referred to in subparagraphs (a), (b), (c), (d) and (e) above are hereinafter collectively referred to as the "Property."

2. Purchase Price/Remedies.

(a) The total purchase price (the "Purchase Price") for the Property is Thirty-Five Million Three Hundred Fifty Thousand Dollars ($35,350,000.00). The Purchase Price (subject to adjustments and prorations as contemplated hereby) will be paid by wire transfer of immediately available funds in U.S. dollars via the federal bank wire transfer system to First American Title Insurance Company, Attn: Mary Lou Kennedy, 30 North LaSalle Street, Suite 310, Chicago, Illinois 60602 (telephone: 312/917-7202; fax: 312/553-0480) (the "Title Company") at Closing.

(b) Within three (3) business days of the Agreement Date, Buyer shall deposit into escrow with the Title Company the sum of $350,000.00 as the earnest money deposit (the "Deposit"). Any interest earned by the Deposit shall be considered part of the Deposit. Except as otherwise provided in this Agreement, the Deposit shall be held by the Title Company in a federally insured interest bearing account and applied against the cash portion of the Purchase Price at Closing or otherwise as specified in paragraphs 2(c) or (d) below, as applicable.

(c) In the event Buyer should fail to consummate this Agreement for any reason except Seller's default or the termination of this Agreement by Buyer or Seller pursuant to a right to do so under the terms and provisions hereof, then Seller, as its sole and exclusive remedy, may terminate this Agreement by notifying Buyer thereof and receive the Deposit as liquidated damages and not as a penalty. Buyer and Seller hereby agree that Seller will be damaged by the failure of Buyer to consummate this Agreement except for the reasons stated above. Therefore, Seller and Buyer hereby agree (i) that the Seller shall be released from its obligations hereunder, except as otherwise provided in paragraph 13(b), and the Deposit shall represent and be liquidated damages payable to Seller in such event as a fair and reasonable sum to recompense Seller in light of Seller's removal of the Property from the market and the costs incurred, labor and services performed and the loss of its bargain, all of which are difficult to ascertain and (ii) that such liquidated damages shall constitute Seller's sole and exclusive remedy for a default by Buyer hereunder. Upon any such termination, except as otherwise specifically provided in paragraphs 4 and 13(b) hereof, neither Seller nor Buyer shall thereafter have any further rights or obligations under this Agreement.

(d) In the event that Seller shall fail to consummate this Agreement for any reason, except Buyer's default or a termination of this Agreement by Buyer or Seller pursuant to a right to do so under the provisions hereof, Buyer, as its sole remedy, may either (I) terminate this

Agreement and receive a refund of the Deposit and in the event of such termination neither party shall have any further rights of obligation hereunder except as otherwise specifically provided in paragraphs 4 and 13(b) hereof or (ii) enforce an action against Seller for specific performance; provided that if the remedy of specific performance is unavailable, then in addition to the return of the Deposit to Buyer, Buyer shall also be entitled to receive reimbursement of its out-of-pocket costs, as evidenced by appropriate supporting documentation, not to exceed $50,000.00. Except as otherwise specifically provided in the preceding sentence, Seller shall not be liable to Buyer for any actual, punitive, speculative, consequential or other damages.

3. Title to the Property. At the Closing, Seller shall convey to Buyer and Buyer shall accept marketable and insurable fee simple title to the Real Property, all rights, privileges and easements appurtenant thereto, and to the Improvements, by duly executed and acknowledged Special Warranty Deed in the form attached hereto as Exhibit E (the "Deed"). Evidence of delivery of insurable fee simple title shall be the issuance of a current TLTA Owner's Policy of Title Insurance (the "Title Policy"), in the full amount of the Purchase Price, in form and substance acceptable to Buyer in accordance herewith, by the Title Company, insuring fee simple title to the Real Property, Improvements, and appurtenant rights, privileges and easements, in the Buyer.

4. Buyer's Due Diligence. Buyer shall be allowed to conduct the following due diligence prior to purchasing the Property:

(a) Buyer's review of title to the Property as shown on an existing title policy and updated title commitment (the "Title Commitment") from the Title Company, showing fee simple title to the Property in Seller and committing to issue to Buyer the owner's title policy called for under paragraph 5(f) of

this Agreement, such Title Commitment to specify all easements, liens, encumbrances, restrictions, conditions or covenants with respect to the Property; and including copies of all documents referred to as exceptions to title in the Title Commitment and an existing as-built survey showing the location of all improvements and recorded easements on the Property (the "Survey"), all of which shall be delivered by Seller with the other Due Diligence Items. Within ten (10) business days after Buyer's receipt of the Title Commitment and Survey (the "Title Documents"), Buyer may approve or disapprove (in its sole and absolute discretion) the Title Documents for the Property by delivering written notice to Seller ("Buyer's Title Notice") specifying each title defect or matter for which Buyer is requesting a cure by Seller ("Title Defect"). If Buyer fails to deliver Buyer's Title Notice to Seller within the time period specified above, there shall be a conclusive presumption that Buyer has disapproved the Title Documents and this Agreement shall be terminated except as otherwise provided in paragraphs 4 and 13(b). Within five (5) business days after receiving Buyer's Title Notice, Seller shall deliver to Buyer written notice ("Seller's Title Notice") of those Title Defects which Seller covenants and agrees to either eliminate or cure to Buyer's satisfaction by the Closing Date. Seller's failure to deliver Seller's Title Notice to Buyer within the time period specified above shall be deemed to constitute Seller's election not to eliminate or cure any such Title Defect or to satisfy any such Title Requirements. If Seller elects not to eliminate or cure any Title Defects other than the Monetary Objections (which Seller shall be obligated to cure and satisfy), the Buyer shall have the right, by written notice delivered to Seller within five (5) business days of

Seller's Title Notice to either (i) waive its prior notice as to the Title Defects which Seller has elected not to cure, or (ii) terminate this Agreement as provided later in this section.

Notwithstanding anything to the contrary contained in subsection 4(a)above, Seller shall be obligated to cure and/or satisfy or cause to be deleted as an exception to title: (x) any of the following exceptions and encumbrances to the title to the Property as may be disclosed by the Title Commitment, all of which shall be referred to herein as "Monetary Objections": any deed of trust, mortgage, or other security title, assignment of leases, negative pledge, financing statement or similar security instrument encumbering all or any portion of the Property put on the Property by Seller.

Buyer shall order an updated Survey promptly upon execution of this agreement. If the updated Survey is not delivered prior to the Approval Date, then Buyer shall have an additional five (5) days after receipt of the updated survey to provide Buyer's Title Notice and the Approval Date shall be extended for this purpose solely as to the review of title and Survey, but not as to any other Due Diligence Items.

(b) Buyer's review of the Credit Lease.

(c) Buyer's review of all environmental reports prepared for Seller described in Exhibit B and any other environmental, engineering or structural reports, if any, currently in the possession of Seller listed as in Exhibit J hereto ("Existing Reports"). Seller is providing the Existing Reports to Buyer for informational purposes only and Buyer shall not rely on such reports in determining whether to purchase the Property. In the event the transaction contemplated herein does not close for any reason whatsoever, Buyer shall immediately return Existing Reports to Seller.

(d) existing surveys, plans and specifications of the Building or other Improvements, in Seller's possession.

(e) copies of warranties for services and materials provided to the Property, in Seller's possession.

(f) copies of licenses, permits, including, specifically, the certificates of occupancy for the Building and Credit Tenant space, in Seller's possession.

(g) a copy of the Ad Valorem Tax Abatement and the Sales Tax Abatement and Joinder to the Ad Valorem Tax Abatement and the Sales Tax Abatement identified as an "Operative Document" in the Tax Indemnity Agreement attached as Exhibit C to the Assignment of Tenant's Interest in Lease (to the

Credit Lease) dated March 10, 1996.

The items listed on Exhibit J and those items referred to above in subparagraphs 4(a)-(g) and any other items provided by Seller to Buyer before or after the Delivery Date as hereinafter defined, shall be collectively referred to as the "Due Diligence Items." Seller agrees to provide the Due Diligence Items on a date (the "Delivery Date") which is within five (5)

business days after the Agreement Date. Buyer acknowledges that the Credit Lease, as amended, and the Environmental Indemnity were delivered prior to the Agreement Date.

(h) Buyer's review of the physical and environmental characteristics and condition of the Property. Subject to the terms of the Credit Lease, Seller shall provide Buyer, its agents, representatives, consultants, contractors and employees access to the Property following the Agreement Date for the purpose of performing, at Buyer's sole cost and expense, non-invasive studies, physical inspections, investigations and tests on the Property (the "Tests") provided that no such tests shall be conducted without at least two (2) business days prior written notice to Seller and as to any Tests which are invasive in nature, Seller's prior written approval of such Tests. Buyer's access is further conditioned on Buyer providing Seller with certificates of insurance listing Seller as an additional insured on all applicable insurance policies evidencing that Buyer's agents or contractors performing said Tests have insurance in types and amounts satisfactory to Seller as determined by Seller in its reasonable discretion. Limits shall be deemed reasonable if amounts are at least:

Type	Limits
Worker's Compensation Employer's Liability	$ Statutory
General Liability	$1,000,000/occurrence $1,000,000/aggregate
Automobile Liability	$1,000,000/occurrence $1,000,000/aggregate
Professional Liability	$1,000,000/occurrence $1,000,000/aggregate
Pollution Liability	$1,000,000/occurrence $1,000,000/aggregate

Buyer shall be required to conduct such Tests in a manner as to not unreasonably disturb or interfere with the current use of the Property and upon completion of such Tests, Buyer agrees at its sole cost to restore the Property to substantially the condition it was in immediately prior to such Tests, including, but not limited to the prompt removal of anything placed on the Property in connection with such Tests.

BUYER SHALL INDEMNIFY, DEFEND (WITH COUNSEL REASONABLY SATISFACTORY TO SELLER), PROTECT, AND HOLD SELLER HARMLESS FROM AND AGAINST ANY AND ALL LIABILITY, LOSS, COST, DAMAGE, OR EXPENSE (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES AND COSTS ACTUALLY INCURRED, BUT SPECIFICALLY EXCLUDING ANY CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES) WHICH SELLER SUSTAINS OR INCURS BY REASON OF OR IN CONNECTION WITH ANY TESTS

MADE BY BUYER OR BUYER'S AGENTS OR CONTRACTORS RELATING TO OR IN CONNECTION WITH THE PROPERTY, OR ENTRIES BY BUYER OR ITS AGENTS OR CONTRACTORS ONTO THE PROPERTY. Notwithstanding any provision to the contrary in this Agreement, the aforesaid indemnity obligations of Buyer under this Agreement shall survive any termination of this Agreement or any transfer pursuant to this Agreement for a period of one year. Provided, however, Buyer shall not be liable for any losses or liabilities resulting from Buyer's investigations uncovering the existence of any environmental contamination or any other defects or conditions that adversely impact the Property, except to the extent that Buyer's investigations exacerbate such conditions.

Seller agrees that in the event Buyer determines (such determination to be made in Buyer's sole and absolute discretion) that the Property is not suitable for its purposes, Buyer shall have the right to terminate this Agreement by giving written notice thereof to Seller on or before 5:00 p.m. Central Time on the date which is thirty (30) days following the later of (a) the Agreement Date, or (b) the Delivery Date (the "Approval Date"). If Buyer disapproves any of the Due Diligence Items or the physical and environmental condition of the Property or otherwise determines in its sole discretion that the Property is unsuitable for any reason, by providing Seller with written notice, this Agreement shall terminate without any liability on the part of either party, except as otherwise specifically provided in paragraphs 4 and 13(b) hereof. In the event of such termination, the Deposit shall be returned to Buyer and thereafter, Buyer shall return to Seller all Due Diligence Items and destroy any copies of same. If by 5:00 p.m. Central Time on the Approval Date Buyer approves of the Due Diligence Items and the physical and environmental condition of the Property by providing Seller with written notice, then this Agreement shall remain in full force and effect (subject to the terms and conditions hereof) and the Deposit shall be held and released by the Title Company or credited against the Purchase Price as provided herein. If by 5:00 p.m. Central Time on the Approval Date Buyer does not waive or deem satisfied in writing the Due Diligence Items and the physical and environmental condition of the Property, there shall be a conclusive presumption that Buyer has approved the Due Diligence Items and the physical and environmental condition of the Property, this Agreement shall remain in full force and effect, and the Deposit shall be held by the Title Company and credited to the Purchase Price or otherwise released as provided herein.

5. Buyer's Conditions to Closing. The following conditions are conditions precedent to Buyer's obligation to purchase the Property:

(a) In the event that, prior to Closing, the Property, or any part thereof, is destroyed or materially damaged, and such damage exceeds $500,000.00, or if condemnation proceedings are commenced against the Property, Buyer shall have the right, exercisable by giving notice of such decision to Seller within ten (10) business days after receiving written notice of such damage, destruction or condemnation proceedings, to terminate this Agreement, in which case, the Deposit shall be returned to Buyer, and thereafter, the Agreement shall terminate and neither party shall have any further rights or obligations hereunder except as otherwise specifically provided in paragraphs 4 and 13(b) hereof. In the event the casualty damage to the Property is $500,000.00 or less, Buyer shall accept the Property in its then condition and proceed with the purchase with no reduction, offset or abatement of the Purchase Price; provided that if Buyer

elects to accept the Property in its then condition (or is deemed to have accepted the Property), all proceeds of insurance or condemnation awards paid or payable to Seller by reason of such damage, destruction or condemnation shall be paid or assigned to Buyer, together with the full amount of any deductible or if the insurance is provided by self-insurance as provided in the Credit Lease, Buyer shall receive such amount as would otherwise be available if third party insurance coverage had been provided, subject to the rights of the Credit Tenant to such proceeds or awards under the Credit Lease.

(b) Seller shall have made all of the deliveries required to be made by Seller as set forth in Section 7(b) hereof below.

(c) Delivery by Seller on or before Closing of a Credit Tenant estoppel certificate substantially in the form attached hereto and marked Exhibit K, dated no earlier than thirty (30) days prior to the Closing Date.

(d) Performance by Seller as and when required by this Agreement of each and every term, covenant, condition and agreement required to be performed by Seller pursuant to this Agreement prior to Closing.

(e) Delivery of the Owner's Title Policy insuring marketable fee simple title to the Buyer, in for and substance acceptable to Buyer without exception accept as approved by Buyer in accordance with paragraph 4(a) hereof;

(f) All of Seller's representations and warranties as set forth in paragraph 8(a) below shall be true and correct and unmodified.

In the event that the conditions set forth above in this paragraph 5 are not satisfied (and Buyer is not otherwise in default of this Agreement), Buyer may elect to terminate this Agreement or waive satisfaction of the condition and close escrow in either instance by giving written notice to Seller. In the event of such termination, the Deposit shall be returned to Buyer and thereafter the parties shall have no further rights or obligations hereunder except as otherwise specifically provided in paragraphs 4 and 13(b) hereof; provided that if the conditions are not satisfied as a result of a default by Seller hereunder then Buyer shall be entitled to the remedies for a Seller's default as set forth in Section 2(d) hereof.

6. Seller's Conditions to Closing. The following conditions are conditions precedent to Seller's obligation to sell the Property:

(a) The approval of Seller's Investment Committee, which approval Seller agrees to seek within twelve (12) business days after the Agreement Date. If for any reason Seller's Investment Committee does not approve this Agreement or the transaction contemplated herein, the Title Company shall return the Deposit to Buyer, this Agreement shall terminate and thereafter neither party shall have any further obligations or rights hereunder except as specifically otherwise provided in paragraphs 4 and 13(b) hereof.

(b) Delivery by Buyer at Closing of the Purchase Price (adjusted as contemplated hereby) and the executed Assignment and Assumption of Leases in the form attached hereto as Exhibit F.

(c) Performance by Buyer as and when required by this Agreement of each and every term, covenant, condition and agreement required to be performed by Buyer pursuant to this Agreement prior to Closing.

In the event that the conditions set forth in this paragraph 6 are not satisfied (and Seller is not otherwise in default of this Agreement) Seller may elect, at its sole discretion, to terminate this Agreement or waive satisfaction of the condition and close escrow in either instance by written notice to Buyer. In the event of such termination, for reasons described in (b) or (c) above, the Deposit shall be retained by Seller and shall be non-refundable to the Buyer. Also, in the event of any such termination, neither party hereto shall thereafter have any further rights or obligations hereunder except as otherwise specifically provided in paragraphs 4 and 13(b) hereof.

7. The Closing.

(a) The Closing hereunder shall be held and delivery of all items to be made at the Closing under the terms of this Agreement shall be made at the offices of the Title Company within seven (7) business days after the Approval Date, or such other date prior thereto as Buyer and Seller may mutually agree in writing (the "Closing Date"). Such date may not be extended without the prior written approval of both Seller and Buyer except that Seller, by giving Buyer notice 48 hours before the Closing Date, shall have the unilateral right to extend for a period not to exceed thirty (30) days, with prior written notice to Buyer (as the same may be extended as provided in this paragraph 7(a)), to obtain estoppels from the Credit Tenant or to cure any title defect or other matter which would entitle Buyer to terminate this Agreement. In the event the Closing does not occur on or before the Closing Date, the Title Company shall, subject to the provisions of paragraph 2 with respect to the Deposit, and subject to the applicable escrow closing letter, return to the depositor thereof documents and instruments or funds which may have been deposited pursuant to this Agreement. Any such return shall not, however, relieve either party hereto of any liability it may have for its wrongful failure to close.

(b) At or before the Closing, to be delivered at Closing, Seller shall deliver to the Title Company into escrow the following:

(i) the Special Warranty Deed duly executed and acknowledged by Seller, conveying title to the Property to Buyer in the form of Exhibit E as required by paragraph 3 above;

(ii) original or copy of the Credit Lease (and amendments thereto, if any) in Seller's actual and physical possession, and a duly executed and acknowledged Assignment and Assumption of Lease in the form attached hereto as

Exhibit F;

(iii) Seller's Non-Foreign Certification, duly executed and acknowledged by Seller in the form attached as Exhibit C;

(iv) notice to Credit Tenant in the form attached as Exhibit D, executed by Seller;

(v) Credit Tenant Estoppel Certificate in accordance with subparagraph 5(c) hereof;

(vi) a Bill of Sale duly executed and acknowledged by Seller in the form attached hereto as Exhibit G;

(vii) a General Assignment of Intangible Property and other interests, duly executed and acknowledged by Seller, in the form attached hereto as Exhibit H;

(viii) any site plans and building drawings and specifications in the possession of Seller;

(ix) Certificates of Occupancy, licenses, permits, guaranties, and warranties relating to the ownership, operation or maintenance of the Property in the possession of Seller (to the extent not previously been delivered);

(x) an affidavit of Seller as may be reasonably requested by the Title Company to delete the standard exceptions and otherwise issue the Title Policy as required hereby;

(xi) a certificate of Seller evidencing the reaffirmation of the truth and accuracy of Seller's representations, warranties, and agreements as set forth herein;

(xii) to the extent in Seller's possession, operating statements, balance sheets and income and expense statements;

(xiii) a settlement statement setting forth the amounts paid by or on behalf of and/or credited to each of Buyer and Seller pursuant to this Agreement; (a draft of which shall be prepared by Title Company and submitted to the parties for approval at least five (5) business days prior to Closing);

(xiv) Such documentation as may reasonably be required by the Title Company to establish that this Agreement, the transactions contemplated herein, and the execution and delivery of the documents required hereunder, are duly authorized, executed and delivered, including without limitation, a certified copy of Seller's partnership certificate or other organizational documents of any other entity comprising Seller or general partner of Seller, together with all amendments and modifications thereof, of any partnership which is a Seller or limited liability company which is a general partner of Seller, together with duly executed and delivered consents and/or certificates of the partners or members thereof, as applicable, with respect to the transactions contemplated by this Agreement; and

(xv) any other documents, instruments or agreements called for hereunder to be delivered by Seller which have not previously been delivered.

Buyer may waive compliance on Seller's part under any of the foregoing items by an instrument in writing.

(c) At or before the Closing, Buyer shall deliver to escrow the following: (i) the Purchase Price (as adjusted as contemplated hereby) and (ii) any other documents, instruments or agreements called for hereunder to be delivered by Buyer which have not previously been delivered.

(d) Seller and Buyer shall each deposit such other instruments as are reasonably required by the escrow holder to close the escrow and consummate the purchase of the Property in accordance with the terms hereof.

(e) The following income and expenses shall be apportioned or credited with respect to the Property as of 12:01 on the Closing Date, with the portion thereof allocable to periods beginning as of Closing shall be credited to Buyer, or charged to Buyer, as applicable, and the portion thereof allocable to periods ending as of Closing shall be credited to Seller, or charged to Seller, as applicable, all of which prorations shall be made at Closing or, in the case of allocations to be made after Closing, upon receipt of such payments or payment of such expenses:

(i) Rents are payable in arrears on the 15th of each month. Rents shall be prorated based on the actual number of days in the payment period for the payment made during the month of Closing. (For example, the rent received on February 15 is payment for occupancy from January 15 through February 14. If the Closing would take place on the 14th of February, the Buyer would be entitled to one day's rent with the balance going to the Seller. If the Closing would take place on the 16th of February, the Seller would get the entire payment made on February 15th and one day of rent from the March 15th payment, with the balance of the March rent paid to the Buyer.)

(f) The closing costs incurred in this transaction shall be allocated as follows:

(i) Buyer shall pay the cost for any new Title Policy. Buyer shall pay for any new or special endorsements to the Title Policy and any extended coverage.

(ii) Buyer shall pay the cost of any transfer taxes and/or recording fees applicable to the sale.

(iii) Buyer shall pay the cost of any new or updated survey, phase I environmental report, physical property condition report or appraisal required by Buyer and any other Tests.

(iv) Buyer shall pay for all closing and escrow costs.

(v) Seller shall pay the Seller's Broker (as defined in paragraph 13(b) of this Agreement) as set forth herein; and the costs to cure any title defects and satisfy any Monetary Liens;

(vi) Buyer shall pay the Buyer's Broker (as defined in paragraph 13(b) of this Agreement) as set forth herein

(vii) Each party shall pay its own legal fees and expenses.

8. Representations and Warranties.

(a) Seller hereby represents and warrants to Buyer as follows:

(i) Seller is a limited partnership duly organized and validly existing under the laws of the State of Texas and is in good standing under the laws of the state in which the Property is located.

(ii) All closing documents executed by Seller which are to be delivered to Buyer at the Closing are or at the Closing will be duly authorized, executed, and delivered by Seller, are or at the Closing will be legal, valid, and binding obligations of Seller, are sufficient to convey title, and do not violate any provisions of any agreement to which Seller is a party or to which it is subject.

(iii) Except as set forth on Exhibit L, there is no pending litigation which materially affects the use and operation of the Property or Seller's ability to fulfill all of its obligations under this Agreement.

(iv) Seller is the lessor or landlord or the successor lessor or landlord under the Credit Lease. To the Seller's knowledge, except for the Credit Lease, there are no other leases or occupancy agreements (written or oral) affecting the Property.

(v) Seller has not received any written notification from any governmental or public authority that the Property is in violation of any

applicable fire, health, building, use, occupancy or zoning laws where such violation remains outstanding and, if unaddressed, would have a material adverse effect on the use of the Property as currently owned and operated;

(vi) No condemnation, assessment or similar proceedings relating to the Property are pending or to Seller's knowledge, threatened against the Property and Seller has not received any written notice from any governmental or quasi- governmental authority, agency or entity having jurisdiction over the Property that the Property is presently the subject of any condemnation, assessment or similar proceeding or charge;

(vii) Seller (A) is not in receivership or dissolution, (B) has not admitted in writing its inability to pay its debts as they mature, (C) has not been adjudicated a bankrupt, (D) has not filed a petition in voluntary bankruptcy, a petition or answer seeking reorganization, or an arrangement with creditors under the federal bankruptcy law, or any other similar law or statute of the United States or any state, or (E) does not have any such petition described in (D) filed against Seller; (F) is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code of 1986 (i.e., Seller is not a non-resident alien, foreign corporation, foreign partnership, foreign trust or foreign estate as those terms are defined in the Code and regulations promulgated thereunder); and

(viii) Except for the Existing Reports, Seller has received no written notification that there are any violations of environmental statutes, ordinances or regulations affecting the Property or any environmental lien, charge, or assessment. Except for the Existing Reports, no other environmental reports or studies have been conducted by Seller with respect to the Property and no other reports are in Seller's possession.

The foregoing representations and warranties shall be in full force and effect on the Agreement Date and at the Closing. Such representations and warranties shall be deemed to have been reaffirmed and restated by Seller as of the Closing Date, except for any material change in any of the foregoing representations or warranties or any material breach thereof that occurs and which is expressly disclosed by Seller to Buyer in writing at any time and from time to time prior to the Closing (each a "Disclosure" and collectively, the "Disclosures"), which Disclosures shall thereafter be updated by Seller prior to the Closing Date. If any change in any of the foregoing representations or any breach of any of the foregoing warranties or agreements is a material change or breach, and Seller does not elect to cure such matters within twenty (20) business days after Seller's receipt of a written request from Buyer to do so, or does not agree in writing within said twenty (20) business day period to indemnify Buyer against and hold Buyer harmless from any and all losses, liabilities, claims, costs and expenses incurred by Buyer as a result thereof, then, notwithstanding anything contained herein to the contrary, Buyer, at its sole option, and as its sole remedy, may either (a) close and consummate the transaction contemplated by this Agreement, without reduction in the Purchase Price or (b) terminate this Agreement by written notice to Seller, whereupon the Title Company shall return the Deposit to Buyer and the parties shall have no rights or obligations hereunder, except for those which expressly survive any such termination. Such election shall be made by Buyer within five (5) business days after receipt of notice from Seller that Seller has elected not to cure or indemnify Buyer with respect to such material change or breach. Failure of Buyer to cause Seller to receive notice of such election of Buyer within such five (5) business days period shall conclusively be construed as Buyer's having elected alternative (a) above. The Closing Date shall be postponed automatically, if necessary, to permit the full running of such thirty (30)-day period. The term "Seller's Knowledge" as used herein means the actual knowledge (and not the implied or constructive knowledge) without any duty of investigation or inquiry of the following persons: Richard Jacavino, Equities Asset Manager; Tom Bell, Equities Director; and Gary Lines, Equities Director, of Principal Capital Real Estate Investors, LLC. All covenants, agreements, representations and warranties made by Seller in this Agreement shall survive the Closing for no longer than six (6) months and written notification of any claim arising therefrom must be

received in writing by Seller within such six (6) month period or such claim

shall be forever barred and Seller shall have no liability with respect thereto. The aggregate liability of the Seller, with respect to all claims hereunder, shall not exceed $250,000.00. Notwithstanding the foregoing, no representation, warranty, covenant or agreement made in this Agreement by Seller shall survive the Closing relative to any matters disclosed in the Due Diligence Items or known to Buyer to be untrue or incorrect and of which Seller is not notified by Buyer prior to or at the Closing. Buyer is deemed to have constructive knowledge of all information contained in the Due Diligence Items that could be reasonably inferred from such Due Diligence Items. Buyer further acknowledges it has a duty of investigation and inquiry in determining whether or not the Property is suitable for its purpose.

(b) Buyer hereby represents and warrants to Seller as follows: (i) Buyer is a corporation, duly organized and validly existing under the laws of the State of Georgia and is in good standing under the laws of the State in which the Property is located; (ii) all documents executed by Buyer which are to be delivered to Seller at Closing are or at the Closing will be duly authorized, executed, and delivered by Buyer, and are or at the Closing will be legal, valid, and binding obligations of Buyer, and do not and at the Closing will not violate any provisions of any agreement to which Buyer is a party or to which it is subject; (iii) Buyer shall furnish all of the funds for the purchase of the Property (other than funds supplied by institutional lenders which will hold valid mortgage liens against the Property) and such funds will not be from sources of funds or properties derived from any unlawful activity.

(c) Seller and Buyer represent to each other that they are sophisticated investors with substantial experience in investing in assets of the same type as the Property and has such knowledge and experience in financial and business matters that Buyer and Seller are capable of evaluating the merits and risks of an investment in the Property.

9. Condition of Property. If Buyer does not terminate this Agreement on or before the Approval Date, Buyer will have approved the physical and environmental characteristics and condition of the Property, as well as the economic characteristics of the Property and Buyer shall waive any and all defects in the physical, environmental and economic characteristics and condition of the Property. Buyer further acknowledges that neither Seller nor any of Seller's officers or directors, nor Seller's employees, agents, representatives, or any other person or entity acting on behalf of Seller (hereafter, for the purpose of this paragraph, such persons and entities are individually and collectively referred to as the "Seller"), except as otherwise expressly provided in paragraph 8(a) herein or any of the closing documents to be delivered by Seller, have made any representation, or warranties or agreements (express or implied) by or on behalf of Seller as to any matters concerning the Property, the economic results to be obtained or predicted, or the present use thereof or the suitability for Buyer's intended use of the Property, including, without limitation, the following: suitability of the topography; the availability of water rights or utilities; the present and future zoning, subdivision and any and all other land use matters; the condition of the soil, subsoil, or groundwater; the purpose(s) to which the Property is suited; drainage; flooding; access to public roads; or proposed routes of roads or extensions thereof. Buyer acknowledges and agrees that the Property is to be purchased, conveyed in its present condition, "as is" and that no patent or latent defect in the physical or environmental

condition of the Property whether or not known or discovered, other than Buyer's rights to terminate hereunder, shall affect the rights of either party hereto. Except as otherwise provided herein or in any closing document to be delivered by Seller at Closing, any documents furnished to Buyer by Seller relating to the Property including, without limitation, rent rolls, service agreements, management contracts, maps, surveys, studies, pro formas, reports and other information, including but not limited to the Due Diligence Items, shall be deemed furnished as a courtesy to Buyer but without warranty from Seller. All work done, if any, by Buyer, in connection with preparing the Property for the uses intended by Buyer including any and all fees, studies, reports, approvals, plans, surveys, permits, and any expenses whatsoever necessary or desirable in connection with Buyer's acquiring, developing, using and/or operating the Property shall be obtained and paid for by, and shall be the sole responsibility of Buyer. On or before the Approval Date, Buyer shall investigate any operative or proposed governmental laws and regulations including land use laws and regulations to which the Property may be subject and shall acquire the Property

upon the basis of its review and determination of the applicability and effect of such laws and regulations. Buyer has neither received nor relied upon any representations concerning such laws and regulations from Seller.

EXCEPT FOR CLAIMS OF FRAUD OR WILLFUL MISREPRESENTATION ON THE PART OF SELLER, AND EXCEPT FOR THOSE REPRESENTATIONS, WARRANTIES OR COVENANTS EXPRESSLY SET FORTH HEREIN OR IN ANY CLOSING DOCUMENT TO BE DELIVERED BY SELLER AT CLOSING, UPON CLOSING, BUYER, ON BEHALF OF ITSELF AND ITS EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS ATTORNEYS AND OTHER REPRESENTATIVES, AND EACH OF THEM, HEREBY RELEASES SELLER FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION, OBLIGATIONS, DAMAGES AND LIABILITIES OF ANY NATURE WHATSOEVER, WHETHER ALLEGED UNDER ANY STATUTE, COMMON LAW OR OTHERWISE, DIRECTLY OR INDIRECTLY, ARISING OUT OF OR RELATED TO THE CONDITION, OPERATION OR ECONOMIC PERFORMANCE OF THE PROPERTY.

By signing in the space provided below in this paragraph 9, Buyer acknowledges that it has read and understood the provisions of this paragraph 9.

Buyer: WELLS CAPITAL, INC.,
a Georgia corporation

By: /s/ Douglas P. Williams

Douglas P. Williams

Its: Senior Vice President

BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT FOR THOSE REPRESENTATIONS, WARRANTIES AND COVENANTS EXPRESSLY SET FORTH HEREIN OR IN ANY CLOSING DOCUMENT TO BE DELIVERED BY SELLER AT CLOSING, TO THE MAXIMUM EXTENT PERMITTED BY LAW, UPON CLOSING, THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS" AND "WITH ALL FAULTS" CONDITION AND BASIS WITH ALL FAULTS AND

DEFECTS. IT IS UNDERSTOOD AND AGREED THAT, UPON CLOSING, IF BUYER ACCEPTS THE PROPERTY, THE PURCHASE PRICE HAS BEEN ADJUSTED BY PRIOR NEGOTIATION TO REFLECT THAT ALL THE PROPERTY IS SOLD BY SELLER AND PURCHASED BY BUYER SUBJECT TO THE FOREGOING.

10. Possession. Buyer shall have the right of possession (subject to the rights of the Credit Tenant under the Credit Lease, as tenant only and without rights or option to purchase the Property or any interest therein) on the Closing Date, provided, however, that Seller shall allow authorized representatives of Buyer reasonable access to the Property for the purposes of satisfying Buyer with respect to satisfaction of any conditions precedent to the Closing contained herein subject to the limitations set forth in subparagraph 4(e) hereof.

11. Tax-Deferred Exchange. Buyer and Seller agree that, at either Buyer's or Seller's sole election, this transaction shall be structured as an exchange of like-kind properties under Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations and proposed regulations thereunder. The parties agree that if either wishes to make such election, it must do so prior to the Closing Date. If either so elects, the other shall reasonably cooperate, provided any such exchange is consummated pursuant to an agreement that is mutually acceptable to Buyer and Seller and which shall be executed and delivered on or before the Closing Date. The electing party shall in all events be responsible for all costs and expenses related to the Section 1031 exchange and shall fully indemnify, defend and hold the other harmless from and against any and all liability, claims, damages, expenses (including reasonable attorneys' and paralegal fees and reasonable attorneys and paralegal fees on appeal), proceedings and causes of action of any kind or nature whatsoever arising out of, connected with or in any manner related to such 1031 exchange that would not have been incurred by the non-electing party if the transaction were a purchase for cash. The provisions of the immediately preceding sentence shall survive closing and the transfer of title to subject Property to Buyer. Notwithstanding anything to the contrary contained in this paragraph: (i) any such Section 1031 exchange shall be consummated through the use of a facilitator or intermediary so that Buyer shall in no event be requested or required to acquire title to any property other than the Property; and, (ii) if the Buyer desires to do a reverse or parking 1031 exchange, such

exchange shall be done using the "exchange first technique" whereby the relinquished property is conveyed to the facilitator or intermediary and the replacement property is conveyed to the Buyer.

12. Seller's Covenants. Seller hereby covenants with Buyer as follows:

(a) Seller shall use reasonable efforts to operate and maintain the Property in a manner generally consistent with the manner in which Seller has operated and maintained the Property prior to the date hereof.

(b) Seller shall not amend, modify, extend or terminate the Credit Lease without the Buyer's prior consent, not to be unreasonably withheld; provided that Seller will obtain an estoppel in form and substance reasonably satisfactory to Buyer as a condition of Closing.

(c) Subject to receipt of the Deposit by the Title Company as provided herein, Seller shall not accept offers or otherwise enter into any binding or non-binding agreement for a purchase, financing or joint venture involving the Property or any interest therein with any other person or entity and Seller shall not dispose of, convey, assign or pledge any interest in the Property or any interest therein or otherwise enter into any agreement affecting or encumbering or agreeing to dispose of, convey, assign or pledge any interest the Property or any interest therein, which agreement would be consummated prior to or otherwise the survive the Closing. In addition, Seller hereby covenants and agrees that, after the date of execution hereof and prior to the Closing, unless consented to in writing by Buyer, Seller shall keep the terms of this Agreement confidential and no press release or other public disclosure concerning this Agreement shall be made by Seller.

13. Miscellaneous.

(a) Notices. Any notice required or permitted to be given under this Agreement shall be in writing and shall be effective upon receipt or refusal of receipt and to the following addresses or facsimile numbers:

If to Seller:

Allen Office Investment Limited Partnership
c/o Principal Capital Management, LLC
801 Grand Avenue
Des Moines, Iowa 50392-1360
Attn: Gary Lines
Fax: 5015-248-8090
Phone: 515-247-4858

With a copy to:

Principal Capital Management, LLC
c/o Closing Department
801 Grand Avenue
Des Moines, Iowa 50392-1360
Attn: Donise Cannaday
Fax: 515-247-5926
Phone: 515-248-0425

If to Buyer:

Wells Capital, Inc. With a copy to:

6200 The Corners Parkway Suite 250 Atlanta, GA 30092 Attn: Michael C. Berndt Fax: 770-200-8510 Phone: 770-449-7800	Alston & Bird, LLP One Atlantic Center 1201 West Peachtree St., Atlanta, GA 30309-3424 Attn: Walter W. Mitchell Fax: 404-881-7777 Phone: 404-881-7790

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or such other address as either party may from time to time specify in writing to the other.

(b) Brokers and Finders. Neither party has had any contact or dealings regarding the Property, or any communication in connection with the subject matter of this transaction, through any licensed real estate broker, entity, agent, commission salesperson, or other person who will claim a right to compensation or a commission or finder's fee as a procuring cause of the sale contemplated herein, except that Seller has a separate agreement with Terrace Associates, Inc., (the "Seller's Broker") for a total commission equal to .75% of the Purchase Price, which shall be paid by Seller and Buyer has a separate agreement with Capital Development (the "Buyer's Broker") for a total commission equal to One Percent (1.00%) of the Purchase Price. In the event that any company, firm, broker, agent, commission salesperson or finder (other than Seller's Broker or Buyer's Broker, who shall respectively be paid by Seller and Buyer as hereinabove provided) perfects a claim for a commission or finder's fee based upon any such contract, dealings or communication, the party through whom the company, firm, broker, agent, commission salesperson or finder makes his claim shall indemnify the other party and be responsible for said commission or fee and all costs and expenses (including reasonable attorneys' fees) or any liability or damage incurred by the other party in defending against the same. No commission shall be paid or become payable unless the Closing actually occurs. The provisions of this subparagraph (b) shall survive Closing and any termination, cancellation or rescission of this Agreement.

(c) Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns, and may be assigned by Buyer to an affiliated entity provided that (i) Buyer shall remain jointly and severally liable for the obligations contained in this agreement; (ii) Buyer and any assignee, by accepting assignment of this Agreement, expressly agrees to defend and indemnify Seller from any litigation arising out of the assignment; (iii) no further assignment shall occur without the prior written consent of the Seller; (iv) written notice of the assignment, including the name of the Assignee, is provided to Seller no fewer than ten (10) business days prior to Closing; and (v) Buyer shall provide to Seller at Closing an Assignment and Assumption of Real Estate

Purchase and Sale Agreement in the form attached hereto as Exhibit I, executed by both Buyer and Assignee.

(d) Amendments. Except as otherwise provided herein, this Agreement may be amended or modified by, and only by, a written instrument executed by Seller and Buyer.

(e) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state in which the Property is located.

(f) Merger of Prior Agreements. This Agreement supersedes all prior agreements and understandings between the parties hereto relating to the subject matter hereof.

(g) Enforcement. In the event either party hereto fails to perform any of its obligations under this Agreement or in the event a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees. Buyer and Seller both acknowledge each has been advised by counsel as to their respective rights, duties and

obligations in this Agreement and have had ample opportunity to negotiate same. Thus, both Buyer and Seller acknowledge that any ambiguity in this Agreement should not necessarily be resolved against the drafter of this Agreement.

(h) Time of the Essence. Time is of the essence of this Agreement.

(i) Counterparts. This Agreement may be executed in multiple counterparts via facsimile, each of which shall be deemed to be an original, but such counterparts when taken together shall constitute but one Agreement.

(j) Survivability. Except as otherwise provided herein, the representations, warranties and covenants contained in this Agreement shall survive the closing of the purchase and sale and shall not be deemed merged in any documentation delivered at the time of Closing, but shall remain in full force and effect.

(k) No Recordation. Neither Seller nor Buyer shall record this Agreement or memorandum thereof in or among the land or chattel records of any jurisdiction.

(l) Proper Execution. The submission by Seller to Buyer of this Agreement in unsigned form shall have no binding force and effect, shall not constitute an option, and shall not confer any rights upon Buyer or Seller or impose any obligations on Seller or Buyer irrespective of any reliance thereon, change of position or partial performance until Seller and Buyer shall have both executed this Agreement and the Deposit shall have been received by the Title Company.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Seller:

ALLEN OFFICE INVESTMENT LIMITED PARTNERSHIP, a Texas limited partnership

By: Equity FC, Ltd., an Iowa corporation, its General Partner

By: /s/ L. S. Valentine

Its: L. S. Valentine

Counsel and Assistant Secretary

By: /s/ Thomas R. Pospisil

Its: Thomas R. Pospisil

Counsel and Assistant Secretary

Buyer:

WELLS CAPITAL, INC., a Georgia corporation

By: /s/ Douglas P. Williams

Its: Douglas P. Williams

Senior Vice President

Buyer's Social Security Number or Tax Identification Number: 58 - 1565532

EXHIBIT "A"

LEGAL DESCRIPTION

BEING all that tract of land in the City of Allen, Collin County, Texas, a part of the MICHAEL SEE SURVEY, A-543, a part of the W. M. PERRIN SURVEY, A-708, a part of the RUFUS SEWELL SURVEY, A-875, and being all LOT 1 and all of Lot 2, Block 1 of the Replat of Enterprises Addition No. 1, an addition to the City of Allen as recorded in Cabinet C, Page 567, Collin County Plat Records, and being further described as follows:

BEGINNING at a 5/8 inch iron rod found at the northeast corner of said Lot 1, said point being the intersection of the south line of Intecom Drive (a 50 foot wide right-of-way) with the west line of Enterprise Boulevard (a 60 foot wide right-of-way);

THENCE along the west line of Enterprise Boulevard as follows: South 11 degrees 30 minutes 00 seconds West, at 1136.98 feet passing a 5/8 inch iron rod found at the southeast corner of said Lot 1 and the northeast corner of said Lot 2, in all a total distance of 1439.21 feet to a 5/8 inch iron rod found for corner; Southwesterly, 272.73 feet along a curve to the right which has a central angle of 60 degrees 06 minutes 02 seconds, a radius of 260.00 feet, a tangent of 150.42 feet, and whose chord bears South 41 degrees 33 minutes 01 seconds West, 260.40 feet to a 58 inch iron rod found for corner; South 71 degrees 36 minutes 02 seconds West, 664.10 feet to a 5/8 inch iron rod found at the southwest corner of said Lot 2, said point being in the east line of U.S. Highway No. 75 (a variable width right-of-way);

THENCE along the east line of U.S. Highway No. 75 as follows: North 14 degrees 03 minutes 05 seconds East, 120.00 feet to a 5/8 inch iron rod found for corner; North 14 degrees 03 minutes 00 seconds East, at 720.30 feet passing a 5/8 inch iron rod found at the northwest corner of said Lot 2 and the southwest corner of said Lot 1, in all a total distance of 1801.00 feet to a 5/8 inch iron rod found for corner; North 19 degrees 41 minutes 40 seconds East, 19.08 feet to a 5/8 inch iron rod found at the northwest corner of said Lot 1, said point being in the south line of said Intecom Drive;

THENCE South 83 degrees 49 minutes 54 seconds East, 620.60 feet along the north line of said Lot 1 and the south line of said Intecom Drive to the POINT OF BEGINNING and containing 1,155,576 square feet or 26.528 acres of land.

EXHIBIT "B"

EXISTING REPORTS

- Environmental - Building and Remedial Action Plan by Austin Commercial dated 3/18/94; and
- Asbestos - Asbestos Verification Inspection by Albert H. Halff Associates, Inc. dated 3/23/93.

EXHIBIT 10.67

LEASE AGREEMENT FOR THE EXPERIAN/TRW BUILDINGS

LEASE AND AGREEMENT

between

Allen Office Investment Partnership
a Texas limited partnership

as Landlord

and

TRW Inc., an Ohio corporation

as Tenant

Dated April 15, 1993

TABLE OF CONTENTS

LEASE AND AGREEMENT, dated as of April 15, 1993, between Allen Office Investment Limited Partnership, a Texas limited partnership (herein, as further defined in Section 32(c), called "Landlord"), having an address at 711 High Street, Des Moines, Iowa 50392, Attention: Commercial Real Estate Loan Administration, Reference No. D-399815, and TRW Inc., an Ohio corporation (herein, called "Tenant"), having an address at 500 City Parkway West, Orange, California 92668 Attention: John L. Dettbarn.

1. Demise of Premises; Purchase Option.

(a) In consideration of the rents and covenants herein stipulated to be paid and performed, Landlord hereby demises, and lets to Tenant, and Tenant hereby lets from Landlord, for the terms herein described, the premises (herein called the "Premises") consisting of (i) the land described in Exhibit A attached hereto and made a part hereof (herein called the "Land Parcel"); (ii) all buildings, structures and other improvements constructed and to be constructed thereon (including all building equipment and fixtures, if any, owned by Landlord, but excluding trade equipment and fixtures owned by Tenant) (herein called the "Improvements"); (iii) all the personal property as described in Exhibit A-1 attached hereto and made a part hereof; and (iv) all easements, rights and appurtenances relating thereto, all upon the terms and conditions herein specified. Landlord shall have the right, after the date of this Lease and at any time, to sell, convey, encumber or transfer the Premises, subject to the rights of Tenant under this Lease.

(b) After the expiration of the Primary Term (as hereinafter defined in Section 4), Tenant shall have the option, and Landlord hereby grants to Tenant the option, to purchase the Premises at the then fair market value of the Premises, which fair market value shall be determined prior to the end of the Primary Term and provided in attachment 3 attached hereto and made a part hereof.

2. Title and Condition. The premises are demised and let in their present condition and without warranty or representation by Landlord, and subject to (a) the rights of any parties in possession, (b) the state of the title thereto existing at the time Landlord acquired title to the Premises and as of the commencement of the Term (as hereinafter defined in Section 4) of this Lease, (c) any state of facts which an accurate survey or physical inspection thereof might show, (d) all private deed restrictions and protective covenants, and all applicable laws, rules, regulations, ordinances and restrictions now in effect or hereafter adopted by any governmental authority, including, without limitation, all zoning regulations, restrictions, rules and ordinances, building restrictions and other laws and regulations, (e) any violations of such restrictions, covenants, laws, rules, regulations or ordinances which may exist at the time of the commencement of the Term of this Lease, and (f) the condition of any buildings, structures and other improvements located thereon, as of the commencement of the Term of this Lease, including, without limitation, construction currently in progress and commenced prior to the date of this Lease, and any liens, inchoate or choate, unperfected or perfected, previously, currently or in the future arising therefrom. Tenant

represents that it has examined the title to and the condition of the Premises and has found the same to be satisfactory to it. Tenant acknowledges and confirms that Tenant is fully familiar with the physical condition of the Premises and that Landlord makes no representation or warranty, expressed or implied, with respect to same or with respect to the location use, description, design, merchantability, fitness for use for particular purpose, condition or durability thereof, or as to quality of the material or workmanship therein, or as to Landlord's title thereto or ownership thereof, or otherwise; and all risks incidental to the Premises shall be borne by Tenant to the extent of matters that arise during the term of this Lease. Landlord leases and Tenant accepts the Premises as is, with all faults and in the event of any defect or deficiency of any nature in the Premises or any fixture or other item constituting a portion of Premises, whether patent or latent, neither Landlord nor Permitted Beneficiary shall have any responsibility or liability with respect thereto. THE PROVISIONS OF THIS SECTION HAVE BEEN NEGOTIATED AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION BY LANDLORD OF, AND LANDLORD DOES HEREBY DISCLAIM ANY AND ALL WARRANTIES BY LANDLORD, EXPRESS OR IMPLIED, WITH RESPECT TO THE PREMISES OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION OF THE PREMISES, WHETHER ARISING PURSUANT TO THE UNIFORM COMMERCIAL CODE OR OTHER LAW, NOW OR HEREAFTER IN EFFECT, OR OTHERWISE.

3. Use of Premises.

(a) Tenant and any permitted sublessee or assignee may use the Premises for any lawful purpose; provided that, in Landlord's reasonable judgment, such use (i) creates no detrimental environmental effects or increased environmental risks to the Premises or to other property and does not result in any increased risk of liability to Landlord, (ii) creates or requires no modifications to the physical structure of any portion of the Premises except in accordance with the provisions of Section 11 of this Lease, unless all such modifications are

approved in advance and in writing by Landlord and Permitted Beneficiary as provided herein, (iii) creates no adverse tax consequences for Landlord, (iv) will not lessen the fair market value of THE Premises to an amount which is below its fair market value immediately prior to the commencement of such use, (v) does not change the primary character of the Premises, and (vi) does not violate any other provisions of this Lease or any term of any other agreement or restriction to which the Premises are subject, or cause the premises to be in violation of any laws, ordinances, rules, regulations, covenants, or requirements applicable thereto. The restrictions set forth in (i) through (vi) inclusive in this subsection (a) are hereinafter collectively referred to as the "Use Restrictions". Tenant and any permitted sublessee or assignee shall not create or suffer to exist any public or private nuisance, hazardous or illegal condition or waste on or with respect to the Premises.

(b) Tenant shall not conduct its business operation in the Premises unless and until (and only during such time as) all necessary certificates of occupancy, permits, licenses and consents from any and all appropriate

governmental authorities have been obtained by Tenant and are in full force and effect.

4. Terms. Subject to the terms and conditions hereof, Tenant shall have and hold the Premises for a primary term (herein called the `Primary Term") commencing on April 15, 1993, and continuing through October 15, 2010. Thereafter, Tenant shall have the right and option to extend this Lease for four (4) consecutive terms of five (5) years each (herein collectively and individually called an "Extended Term", and together with the Primary Term, called the "Term) unless this Lease shall be sooner terminated pursuant to the terms hereof. Each Extended Term shall commence on the day immediately succeeding the expiration date of the Primary Term or the preceding Extended Term. This Lease shall not be extended for an Extended Term and Tenant shall be deemed not to have exercised its option to extend, unless (a) Tenant has given written notice to Landlord at least two (2) years prior to the end of the then Term of this Lease of Tenant's intention to so extend this Lease, and (b) at the time at which any such extension would otherwise take effect, no default or Event of Default exists under this Lease. If Tenant does not timely and properly give such notice of Tenant's intention to so extend this Lease, Tenant shall have no further option or obligation to extend this Lease. Further, if Tenant does not timely and properly notify Landlord of Tenant's intention to extend this Lease, or if any default or any Event of Default exists and is continuing at such time under this Lease, then Landlord shall have the right during the remainder of the Term of this Lease to advertise the availability of the Premises for sale or reletting and to erect upon the Premises signs appropriate for the purpose of indicating such availability; provided, that such signs do not unreasonably interfere with the use of the Premises by Tenant.

5. Rent and Termination Values.

(a) Tenant covenants to pay directly to Permitted Beneficiary (as hereinafter defined) as installments of rent to Landlord for the Premises during the Term of this Lease, the amounts determined pursuant to Exhibit B hereto, subject to adjustment as provided in Section 5(c) below (herein called the "Basic Rent") on the dates set forth in said Exhibit B (herein called the "Basic Rent Payment Dates") in arrears. Basic Rent payments shall be allocated to tenant's use of the Premises during the Lease period in which the Basic Rent Payment Date for such Basic Rent payment falls. Tenant covenants to pay the Basic Rent by wire transfer of immediately available funds to Permitted Beneficiary at Norwest Bank Iowa, N.A., Seventh and Walnut Streets, Des Moines, Iowa 50309, for credit to Principal Mutual Life Insurance Company, General Account No. 014752 Re: D-399815 and/or to such other person or such other place or account as Landlord and Permitted Beneficiary, if any, from time to time may designate to Tenant in writing.

(b) Tenant covenants that all other amounts, liabilities and obligations which Tenant assumes or agrees to pay or discharge pursuant to this Lease, together with every fine, penalty, interest and cost which may

be added for nonpayment or late payment thereof, shall constitute additional rent hereunder (herein called "Additional Rent"). In the event of any failure by Tenant to pay or discharge any of the foregoing, Landlord shall have all rights, powers and remedies provided herein or by law in the case of nonpayment of Basic Rent. Tenant also covenants to pay to Landlord on demand an amount equal to four percent (4%) of the payment amount then due on all overdue installments of Basic Rent or Additional Rent not paid within any applicable grace period. In addition, Tenant further covenants to pay to Landlord on demand, after the expiration of five (5) days after notice form Landlord of payment by Landlord on behalf of Tenant of any of Tenant's obligations under this Lease, interest on all such obligations paid by Landlord and not reimbursed by Tenant, at the rate of the lesser of (i) fifteen percent (15%) per annum, or (ii) the maximum rate not prohibited by applicable law, which interest shall accrue from and after the fifth day after such notice from Landlord, and shall continue to accrue until Landlord is repaid in full for such payment made on behalf of Tenant. Notwithstanding anything in this Lease to the contrary, with respect to any portion of Additional Rent comprised solely of late charges and/or default rate interest, any failure of Tenant to pay any such amounts shall not constitute an Event of Default under this Lease until the expiration of five (5) days after notice from Landlord that such amounts have become due and payable, specifying the nature and amount of such late charges and/or default rate interest.

(c) The calculation of Basic Tent and the calculation of the amount to be paid to Landlord by Tenant in the event of certain occurrences as expressly provided in this Lease wherein the term "Termination Value" is used (the amounts set forth on Exhibit D attached hereto and made a part hereof, as may be adjusted from time to time pursuant to the provisions of this subsection being referred to in this Lease as the "Termination Value") initially payable pursuant to this Lease have been based on the assumptions described on Exhibit C. The Basic Rent and the Termination Value have been calculated to provide Landlord with a certain after-tax rate of return, total after-tax return per dollar of equity invested and present value of after-tax lease income [as booked under FAS 13 (defined in Section 32), per dollar of equity invested] (hereinafter collectively called "Lessor's Anticipated Economics"). Subject to the provisions of (i), (ii), (iii), (iv) and (v) of this subsection 5(c) and the provisions of subsection 5(d), if either Landlord or Tenant determines at any time (within the notice period provided below in this Section 5(c)) that any of such assumptions are inaccurate or are not as set forth on Exhibit C, whether due to being inaccurate when made or due to any changes in facts or circumstances (an "Inaccurate Assumption"), then the Basic Rent and the Termination Value shall be appropriately adjusted, as provided below, from and effective as of the date that such Inaccurate Assumption first became inaccurate, by such amounts as shall preserve Lessor's Anticipated Economics (such adjustments being hereinafter called, respectively, the "Rent Adjustments" and the "Termination Value Adjustments" and collectively "Rent/Termination Value Adjustments"). Notwithstanding anything in this Section 5 to the contrary but only in connection with the procedure for effecting Rent/Termination Value Adjustments pursuant to this Section 5(c), (i) the

amount of Basic Rent and the Termination Value must be in amounts which, in all respects, continue to comply with all relevant Code (as defined in Exhibit C hereto) provisions, and all regulations, published rulings, procedures and announcements pertaining thereto, (ii) Landlord shall be entitled to require that all provisions of the Code, and regulations, published rulings, procedures and/or announcements pertaining thereto shall be taken into account in making any calculation of any Rent/Termination Value Adjustment, (iii) a Rent/Termination Value Adjustment which results from a Federal Tax Law Change (as defined in Exhibit C) and which would, absent this restriction, result in an increase in the Basic Rent or Termination Value shall not be made if the result of such adjustment would cause (in the opinion of tax counsel for Landlord) the failure of the Lease to qualify as a true lease for federal income tax purposes unless the Landlord in its sole discretion elects to waive this restriction, (iv) a Rent/Termination Value Adjustment which results from a federal Tax Law Change and which would, absent this restriction, result in a decrease in the Basic Rent or Termination Value shall not be made if the result of such adjustment would cause (in the opinion of tax counsel for landlord) the failure of the Lease to qualify as a true lease for federal income tax purposes, and (v) the Basic Rent shall in no event be adjusted to an amount which is less than the regularly scheduled debt service payments due to any Permitted Beneficiary (the "Debt Service Amounts"). The procedure for effecting Rent Adjustments and Termination Value Adjustments shall be as provided below. Either party may

submit any proposed Rent/Termination Value Adjustment calculated in accordance with the provisions of this Section 5(c), along with the basis for such Rent/Termination Value Adjustment, to the other party, and if the other party does not object to such proposed Rent/Termination Value Adjustment in writing within twenty (20) days following such submission, setting forth in specific detail the basis for its objection, the Basic Rent and Termination Value shall be deemed adjusted in accordance with such proposed Rent/Termination Value Adjustment without the necessity of any further action or documentation by any party; provided, however, Tenant shall not be allowed to submit any proposed Rent/Termination Value Adjustment unless it has first given Landlord Written notice that it intends to make such submission and Landlord fails to make a proposed Rent/Termination Value Adjustment within thirty (30) days of such notice. If the other party objects to the proposed Rent/Termination Value Adjustment in writing and in detail within said twenty (20) day period, Landlord and Tenant shall use their best efforts to reach agreement as to any such proposed Rent/Termination Value Adjustment. If agreement is reached, the Basic Rent and Termination Values shall be adjusted in accordance with such agreement when reduced to writing. If Landlord and Tenant are unable to reach a written agreement within thirty (30) days of the submitting party's receipt of the other party's written objection, then Ernst & Young or such other nationally recognized accounting firm as agreed upon by Landlord and Tenant (the "Third-Party Accounting Firm") shall be engaged to review the proposed Rent/Termination Value Adjustment and shall make a determination as to the resolution of the proposed Rent/Termination Value Adjustment so as to cause such Rent/Termination Value Adjustment to be properly made in accordance with the provisions of this Lease. The determination of the Third-Party

Accounting Firm made in accordance with the provisions of this Section 5(c) shall be final, conclusive and binding upon Landlord and Tenant. Tenant shall pay all fees, costs and expenses of Landlord and the Third-Party Accounting Firm in connection with the determination of any Rent/Termination Value Adjustment. In the determination of any Rent/Termination Value Adjustment, all assumptions set forth on Exhibit C shall continue to apply other than the Inaccurate Assumption(s) resulting in any Rent/Termination Value Adjustment. From and after such Rent/Termination Value Adjustment, Exhibit C shall be deemed amended so as to substitute the appropriate revised assumption for the Inaccurate Assumption. In all cases, any Rent/Termination Value Adjustment shall serve to preserve (but not improve or adversely affect) Lessor's Anticipated Economics. Unless a notice shall have been given pursuant to this Section 5(c) by December 31 of the seventh calendar year following the last calendar year in which a Federal Tax Law Change may occur, the Rent/Termination Values then in effect shall be conclusive and binding upon the parties for all purposes hereunder.

(d) With respect to any Rent Adjustment effectuated pursuant to this Section 5 which has the effect of decreasing the amount of Basic Rent, the amount of any such decrease in Basic Rent shall be limited as may be necessary so that in no event shall the resulting amount of Basic Rent payable be an amount of Basic Rent payable be an amount which is less than the Debt Service Amounts payable; provided, however, than an amount equal to the difference between (i) the full amount by which the Basic Rent would have been decreased each month by such Rent Adjustment but for such limitation, and (ii) the limiting Debt Service Amount (such difference being hereinafter referred to as the "Unrealized Basic Rent Reduction Amount") shall be periodically calculated by Landlord and a record thereof retained for all periods during which the Basic Rent would, but for said limitation to the Debt Service Amount, be less than the Debt Service Amount. Any Unrealized Basic Rent Reduction Amounts which may be created from time to time during the Term of this Lease, plus an amount equal to three percent (3%) per annum calculated on such Unrealized Basic Rent Reduction Amounts from the date each is created, are hereinafter collectively referred to as the `Total Accumulated Credit Amounts." In the event that any Extended Term is properly effected in accordance with the terms of this Lease, Landlord shall grant Tenant a rent concession in the form of no Basic Rent being payable from the first day of any such Extended Term, for the period of time during which the total Basic Rent which would otherwise be payable during such portion of the Extended Term equals the Total Accumulated Credit Amounts; provided, however, that during any such portion of an Extended Term when Total Accumulated Credit Amounts are applied in lieu of Basic Rent, additional Rent and any other amounts payable by Tenant in accordance with the terms of this Lease during such portion of the Extended Term shall continue to be due and payable. In the event that Tenant purchases the Premises from Landlord in accordance with any of the provisions of this Lease other than provisions regarding (a) any condemnation of

all or any portion of the Premises, and (b) any default by Tenant in any of its obligations under this Lease, then, to the extent that Total Accumulated Credit Amounts exist, not previously credited against future Basic Rent as contemplated by the immediately preceding

sentence, Landlord shall reduce the purchase price in connection with such purchase by an amount equal to the Total Accumulated Credit Amounts. Notwithstanding anything in this subsection 5(d) to the contrary, in no event shall Landlord be obligated to make any payments to Tenant or, other than as expressly provided in this subsection 5(d), grant Tenant any rights or concessions in connection with any Total Accumulated Credit Amounts or any portion thereof.

(e) If any Rent Adjustment results in this Lease being characterized as a "capital lease" for Tenant under FAS 13, as verified to Landlord and Permitted Beneficiary in writing by Tenant's regularly retained independent accounting firm, Tenant or Landlord may terminate this Lease within thirty (30) days of such Rent Adjustment. Any such termination of this Lease by Tenant shall be effected only by Tenant paying to Landlord the applicable Termination Value (as adjusted), the amount of the Lease Make-Whole Premium (as defined in Section 32), the applicable Loan Make-Whole Premium (as defined in Section 32), and all installments of Basic Rent, Additional Rent and all other sums then due and payable hereunder to and including the date of termination, without offset or deduction for any reason. Tenant shall pay all charges, fees and expenses incident to such termination by Tenant, including counsel fees and expenses, and all applicable federal, state, and local taxes (other than any income or franchise taxes levied upon or assessed against Landlord and those taxes assumed in determining the Termination Value) which may be incurred or imposed by reason of such termination.

(f) Subject to the provisions of subsection 5(d) above, the Basic Rent payable by Tenant during any Extended Term of this Lease shall be an amount equal to ninety-five percent (95%) of the then fair rental value of the Premises (calculated without regard to the existence of this Lease) based upon rentals for properties similar to the Premises in size, use and occupancy in the Dallas/Fort Worth greater metropolitan area, determined at the beginning of each such Extended Term by the procedure set forth on Attachment 3 to this Lease.

(g) Any payment of a Termination Value made pursuant to this Lease shall be made only on a date which is also a Basic Rent Payment Date.

(h) In the event that Landlord is entitled to any investment tax credit due to or in connection with the acquisition of the Premises or the construction of any improvements (whether Previous Construction, Renovations, Permitted Alterations or other construction) performed on any portion of the Premises, there shall be no Rent/Termination Value Adjustments caused thereby, and Tenant shall not receive any advantage therefrom, whether in the form of rent concessions, any other concessions with respect to any of Tenant's obligations under this Lease, or otherwise; provided, however, that (A) if Landlord is permitted and able to "pass through" to Tenant any such investment tax credit without cost or expense of any kind to Landlord, Landlord shall do so, so long as Landlord shall be satisfactorily indemnified by Tenant as to (1) any recapture which may later result or be required, and (2) any other costs or expenses which may be incurred by Landlord in connection with such transfer of any such

investment tax credit, and (B) to the extent that Landlord is unable to "pass through" to Tenant any such investment tax credit as provided in (A) above notwithstanding Tenant's satisfaction of the indemnification requirement set forth above, Landlord shall, upon receipt from Tenant of a satisfactory indemnification agreement indemnifying Landlord with respect to any recapture which may later result or be required of Landlord because of such investment tax credit, pay to Tenant an amount equal to any actual tax credit Landlord receives and is able to apply, as a result of such investment tax credit, against tax which would otherwise be payable, which payment to Tenant shall be made within thirty (30) days after Landlord files the subject tax return with the Internal Revenue Service.

6. Net Lease; Non-Terminability.

(a) This is an absolutely net lease to Landlord. It is the intent of the parties hereto that the Basic Rent payable under this Lease shall be an absolutely net return to the Landlord and that Tenant shall pay all costs and expense relating to the premises and the business carried on therein, unless otherwise expressly provided in this Lease. Any amount or obligation herein relating to the Premises which is not expressly declared to be that of the Landlord shall be deemed to be an obligation of Tenant to be performed by Tenant at Tenant's expense. Basic Rent, Additional Rent and all other sums payable hereunder by Tenant, shall be paid without notice (except as otherwise expressly provided in subsection 5(b) with respect to interest on payments made by Landlord), demand, setoff, counterclaim, abatement, suspension, deduction or defense.

(b) This lease shall not terminate, nor shall Tenant have any right to terminate this Lease, nor shall Tenant be entitled to any abatement or reduction of rent hereunder (except as otherwise expressly provided in subsection 5(d) and subsection 14(c)), nor shall the obligations of Tenant under this Lease be affected, by reason of (i) any damage to or destruction of all or any part of the Premises from whatever cause; (ii) the taking of the Premises or any portion thereof by condemnation, requisition or otherwise; (iii) the prohibition, limitation or restriction of Tenant's use of all or any part of the Premises, or any interference with such use; (iv) any eviction by paramount title or otherwise; (v) Tenant's acquisition or ownership of all or any part of the Premises otherwise than as expressly provided herein; (vi) any default on the part of Landlord under this Lease, or under any other agreement to which Landlord and Tenant may be parties; (vii) the failure of Landlord to deliver possession of the Premises on the commencement of the term hereof; or (viii) any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding. It is the intention of the parties hereto that the obligations of Tenant hereunder shall be separate and independent covenants and agreements, that the Basic Rent, the Additional Rent and all other sums payable by Tenant hereunder shall continue to be payable in all events and that the obligations of Tenant hereunder shall continue unaffected, unless the requirement to pay or perform the same shall have been terminated pursuant to an express provision of this Lease. Notwithstanding anything to the contrary contained above, Tenant does retain a separate and

independent right to sue the Landlord; provided, however, any judgment in favor of Tenant shall not abate Basic Rent or Additional Rent or terminate Tenant's obligations hereunder.

(c) Tenant agrees that it will remain obligated under this Lease in accordance with its terms (except as otherwise expressly provided in subsection 5(d) and subsection 14(c)), and that it will not take any action to terminate, rescind or avoid this Lease, notwithstanding (i) the bankruptcy, insolvency, reorganization, composition, readjustment, liquidation, dissolution, or winding-up or other proceeding affecting Landlord or its successors in interest, or (ii) any action with respect to this Lease which may be taken by any trustee or receiver of Landlord or its successors in interest or by any court in any such proceeding.

(d) Tenant waives all rights which may now or hereafter be conferred by operation of law (i) to quit, terminate or surrender this Lease or the Premises or any part thereof, or (ii) to any abatement, suspension, deferment or reduction of the Basic Rent, Additional Rent or any other sums payable under this Lease.

(e) If Landlord shall voluntarily breach its covenant of quiet enjoyment under this Lease, Tenant's obligations under this Lease shall thereafter be equitably and appropriately reduced by Landlord and Tenant to reflect the effect of such breach by Landlord.

7. Taxes and Assessments; Compliance with Law; Environmental Matters.

(a) Tenant shall pay or discharge all Impositions, as hereinafter defined, when due. Notwithstanding the foregoing provision of this subsection 7(a), the term "Imposition" shall not include and Tenant shall not be required to pay any franchise, corporate, estate, inheritance, succession, transfer

(other than transfer taxes, recording fees, or similar charges payable in connection with a conveyance hereunder to Tenant), income, excess profits or revenue taxes of any Landlord hereunder, other than any gross receipts or similar taxes imposed or levied upon, assessed against or measures by the Basic Rent, Additional Rent or any other sums payable by Tenant hereunder or levied upon or assessed against the Premises (unless such gross receipts or similar taxes are in lieu of an income, profit or revenue tax of Landlord, but only to the extent of such substitution and only to the extent that such tax, assessment or other charge would be payable if the Premises were the only property of Landlord subject thereto). The exclusion contained in the immediately preceding sentence shall not apply to any tax, assessment, charge or levy imposed or levied upon or assessed against Landlord in substitution for or in place of an Imposition. Tenant agrees to furnish to Landlord, within thirty (30) days after written demand therefor, evidence of the payment of all Impositions. In the event that any Imposition levied or assessed against the Premises becomes due and payable during the Term hereof and may be legally paid in installments, Tenant shall have the option to pay such Imposition in installments. In such event, Tenant shall be liable only for

those installments which become due and payable during the Term. To the extent that any Impositions accrue during the Term of this Lease but do not become due and payable until after the Term of this Lease, and/or to the extent that Impositions are paid by Tenant which relate to periods of time after the expiration of the Term of this Lease, appropriate adjustments and prorations of the amounts of such Impositions shall be made between Landlord and Tenant promptly after such expiration of the Term of this Lease.

(b) Tenant shall, at its expense, comply with and, subject to the provisions of the Environmental Indemnity Agreement (hereinafter defined) with respect to the environmental matters which are Landlord's responsibility as therein provided, shall take such action as is necessary to cause the Premises to comply with, all restrictive covenants, private restrictions, and governmental statutes, laws, rules, orders, regulations and ordinances, the failure to comply with which at any time would affect the Premises or any part thereof, or the use thereof, including those which require the making of any structural, unforeseen or extraordinary changes, alterations, or repairs, whether or not any of the same involve a change of policy on the part of the body enacting the same, including, but not limited to the Americans With Disabilities Act of 1990, 42 U.S.C. Section 12101 et seq., and any requirements of the State of Texas concerning accessibility standards for the handicapped, including, without limitation, Tex. Rev. Civ. Stat. Ann. Art. 601(b) (to the extent applicable) and approval of plans and specifications by the Department of

(b) Licensing and Regulation as required by Tex. Rev. Civ. Stat. Ann. Art. 9102. Tenant shall, at its expense, comply with and perform all changes required in order to obtain the Required Insurance (as hereinafter defined), and with the provisions of all contracts, agreements, instruments and restrictions existing at the commencement of this Lease or thereafter suffered or permitted by Tenant affecting the Premises or any part thereof or the ownership, occupancy or use thereof.

(c) Tenant, Landlord and Principal Mutual Life Insurance Company have executed and delivered to one another, contemporaneously with the execution and delivery of this Lease, original counterparts of that certain Environmental Indemnity Agreement, a copy of which is attached hereto as Exhibit L and made a part hereof for all purposes (the "Environmental Indemnity Agreement"), and the provisions of which are incorporated herein by this reference. To the extent that the provisions of (A) this Section 7(c) and Section 32, and (B) the Environmental Indemnity Agreement conflict, the Environmental Indemnity Agreement shall control. Tenant shall:

(i) not cause, suffer or permit a release or discharge of any Hazardous Material (as defined in Section 32) at the Premises (whether originating thereon or migrating to the Premises from other property), or cause, suffer or permit any Hazardous Material to be introduced to the Premises on or after the date of this Lease, without the express prior written approval of Landlord and Permitted Beneficiary, which may be withheld

without cause and in their sole discretion, and shall promptly: (A) pay any claim against Tenant, Landlord, Permitted Beneficiary or the Premises, (B) remove any charge or lien upon any of the Premises, and (C) defend, indemnify and hold Landlord and Permitted Beneficiary harmless from any and all claims, expenses, liability, loss or damage, resulting from any Hazardous Material released or discharged at or from, or introduced to, the Premises (1) by Tenant, on any date prior to the date of this Lease, or (2) by Tenant or any other party on or after (but not prior to) the date of this Lease;

(ii) not cause, suffer or permit any Hazardous Material to exist on or discharge from any property owned or used by Tenant which would result in any charge or lien upon the Premises and shall promptly: (A) pay any claim against Tenant, Landlord, Permitted Beneficiary or the Premises, (B) remove any charge or lien upon the Premises, and (C) defend, indemnify and hold Landlord and Permitted Beneficiary harmless from any and all claims, expenses, liability, loss or damage, resulting from the existence of any such Hazardous Material;

(iii) notify Landlord and Permitted Beneficiary in writing of any Hazardous Material that exists on or is released or discharged from, at or onto the Premises (whether originating thereon or migrating to the Premises from other property) within ten (10) days after Tenant first has knowledge of such existence of discharge;

(iv) comply, and cause the Premises to comply, with all statutes, laws, ordinances, rules and regulations of all local, county, state or federal authorities having authority over the Premises or any portion thereof or their use; [and comply at Tenant's sole cost and expense, with each and every recommendation set forth in that certain report entitled "Closure Confirmation Document" concerning the Premises prepared by Albert H. Halff & Associates, Inc., dated April 1, 1993];

(v) perform all of the environmental remediation work described on Exhibit J attached hereto and made a part hereof (the "Remediation") in a careful, proper and timely manner, completing same no later than December 31, 1993, in accordance with the specifications and requirements set forth on Exhibit J hereto, and subject to Landlord's approval in its sole and absolute discretion, and the approval of such inspecting environmental remediation experts as Landlord may designate or employ; and

(vi) to the extent that the Renovations involve the installation at the Premises of any underground storage tanks ("USTs"), Tenant shall, in connection with any installation,

maintenance, operation and any future removal of such USTs, comply in all respects with all applicable statutes, laws, ordinances, rules, and regulations of all local, county, state, or federal authorities having jurisdiction over the USTs. Without limiting the foregoing, Tenant agrees that it shall: (A) comply with the regulations, guidance documents, and requirements of the Texas Water Commission ("TWC Regulations") in the design, technical specifications, installation, and operation of the USTs; (B) to the extent registration is required, register the USTs as the operator with the Texas Water Commission ("TWC"); (C) provide the financial assurance required in connection with such registration; (D) respond to and remediate any releases or spills associated with the USTs in full compliance with TWC Regulations; (E) at the option of Landlord, excavate, remove and dispose of the USTs at the expiration or

termination of this Lease in full compliance with TWC regulations and restore the area from which the USTs were removed to substantially the same condition as before the USTs were installed, it being understood and agreed that, if Landlord elects not to require the removal of USTs as provided above, the USTs shall be and thereafter remain the property of Landlord after the expiration or termination of this Lease; and (F) defend, indemnify, and hold Landlord and Permitted Beneficiary harmless from any and all claims, expenses, liability, costs, obligations, loss or damage arising in any manner in connection with such USTs.

Tenant's obligations and liabilities under this subsection 7(c) shall survive the expiration of this Lease. The date of Tenant's satisfactory completion of the Remediation as required by subsection 7(c)(v) above shall be the date upon which Tenant delivers to Landlord, at Tenant's sole cost and expense, an environmental report acceptable in all respects to Landlord in the exercise of its sole and absolute discretion, from an environmental audit firm designated by Landlord, certifying to Landlord that the Remediation has been satisfactorily completed; provided, however, that nothing herein shall be interpreted as relieving Tenant of Tenant's obligation to complete the Remediation and to deliver the report herein described on or before the date set forth above in subsection 7(c)(v).

8. Indemnification. Tenant agrees to pay, and to protect, defend, indemnify and save harmless Landlord, Permitted Beneficiary and their agents from and against any and all liabilities, losses, damages, costs, expenses (including all reasonable attorney's fees and expenses of Landlord), causes of action, suits, claims, demands or judgments of any nature whatsoever (i) arising from any injury to, or the death of, any person or damage to property on the Premises or upon adjoining sidewalks, streets or right of ways, in any manner growing out of or connected with the use, non-use, condition or occupation of the Premises, adjoining sidewalks, streets or right of ways, so long as not occasioned by a grossly negligent act of Landlord, Permitted Beneficiary, or their agents, servants, employees or assigns, and/or (ii) arising from violation by

Tenant of any agreement or condition of this Lease, or any contract or agreement to which Tenant is a party or any restriction, law, ordinance or regulation, in each case affecting the Premises or any part thereof or the ownership, occupancy or use thereof, so long as not occasioned by a grossly negligent act of Landlord, Permitted Beneficiary, or their agents, servants, employees or assigns. If Landlord, Permitted Beneficiary or any agent of Landlord or Permitted Beneficiary shall be made a party to any such litigation commenced against Tenant, and if Tenant, at its expense, shall fail to provide Landlord, Permitted Beneficiary or their agents with counsel (upon Landlord's request) selected by Tenant, approved by Landlord, which approval shall not be unreasonably withheld, Tenant shall pay all costs and attorneys' fees and expenses incurred or paid by Landlord, Permitted Beneficiary or their agents in connection with such litigation. Tenant's obligations and liabilities under this Section 8 shall survive the expiration or termination of this Lease.

9. Liens; Grants of Easements.

(a) Tenant will not, directly or indirectly, (i) create or permit to be created, or (ii) except for those caused by Landlord's gross negligence, permit to remain, and will promptly discharge, at its expense, any mortgage, lien, encumbrance or charge on, pledge of, or conditional sale or other title retention agreement with respect to, the Premises or any part thereof or Tenant's interest therein or the Basic Rent, Additional Rent or other sums payable by Tenant under this Lease, other than (1) any encumbrances permitted by a Permitted Deed of Trust (as defined in subsection 32) and (2) any encumbrance or charge permitted in the subsections below. Nothing contained in this Lease shall be construed as constituting the consent or request, expressed or implied, by Landlord to or for the performance of any labor or services or of the furnishing of any materials for any construction, alteration, addition, repair or demolition of or to the Premises or any part thereof by any contractor, subcontractor, laborer, materialman or vendor, except with respect to the Previous Construction (hereinafter defined). Notice is hereby given that Landlord will not be liable for any labor, services or materials furnished or to be furnished to Tenant, or to anyone holding the Premises or any part thereof, and that no mechanic's or other liens for any such labor, services or materials shall attach to or affect the interest of Landlord in and to the Premises.

(b) Pursuant to an agreement with the prior owner of the Premises, Tenant commenced construction of certain improvements prior to Landlord's purchase of the Premises and prior to the date of this Lease (the `Previous Construction"), and Tenant has indemnified Landlord and Principal Mutual Life Insurance Company with respect to such Previous Construction by executing and delivering to Landlord contemporaneously with the execution of this Lease that certain Agreement Regarding Liens dated as of even date herewith. Tenant represents and warrants to Landlord that all costs of labor and material in connection with the Previous Construction have been paid in full or will be paid in full in a manner consistent with industry practice, from time to time as such expenses become payable. Tenant shall

deliver lien waivers relating to all portions of the Previous Construction, any Permitted Alterations, and all portions of the Renovations (defined in Section 11 hereof) undertaken after the date of this Lease. Tenant covenants to pay all contractors, subcontractors, materialmen and other parties providing labor, services or material in connection with the Previous Construction, any Permitted Alterations and/or the Renovations in a manner which is in accordance with industry practice, and to take all actions to prevent any mechanic's or materialmen's liens or affidavits in connection with the Previous Construction, any Permitted Alterations and/or the Renovations from being recorded or remaining effective against any portion of the Premises. Tenant will deliver to Landlord and Permitted Beneficiary no sooner than 150 days after the completion of all Previous Construction, any Permitted Alterations and the Renovations, respectively, and no later than 185 days after the completion of each, an abstractor's certificate or other title update report, in form satisfactory to Landlord (a "Title Update"), together with copies of all documents listed therein, which Title Update shall describe all documents recorded in connection with the Premises since the date of this Lease, and Tenant shall obtain a release of or bond off of the Premises any mechanic's materialmen's or other lien described in the Title Update within 30 days after Tenant's receipt of the Title Update.

(c) Landlord hereby appoints Tenant its agent and attorney-in-fact and authorizes Tenant (i) to grant easements, licenses, rights-of-way and other rights and privileges in the nature of easements; (ii) to release existing easements and appurtenances which are for the benefit of the Premises; and (iii) to execute and deliver any instrument necessary or appropriate to confirm such grants, releases or consents to any person, with or without consideration, in each case, however, only if such action does not materially or adversely impact the value of the Premises and only upon compliance with the provisions of any Permitted Deed of Trust. Tenant agrees that it will notify Landlord of any such grant or release and will forward to Landlord promptly after the execution thereof a copy of any instrument confirming such grant or release. Any consideration paid for such grant or release shall be apportioned between Tenant and Landlord as their interests may then appear. Tenant agrees that Tenant will remain obligated under the terms of this Lease to the same extent as if such easement, license, right-of-way, other right or privilege had not been granted, such easement or appurtenance had not been released, such transfer had not been consented to, and such instrument had not been executed and delivered, and that Tenant will perform all obligations of the grantor, releasor or transferor under such instrument of grant, release or consent.

10. Maintenance and Repair; Completion of Improvements.

(a) Tenant acknowledges that it has received the Premises in its "as is" condition. Tenant agrees that, at its expense, it shall keep and maintain the Premises, including any altered, rebuilt, additional or substituted buildings, structures and other improvements thereto, in good repair and appearance, except for ordinary wear and tear. Tenant shall also make promptly, all structural and nonstructural, foreseen and

unforeseen, ordinary and extraordinary changes and repairs of every kind which may be required to be made to keep and maintain the Premises in such good condition, repair and appearance as a class A office facility, of similar size, use, occupancy and appearance, located in the Dallas/Fort Worth greater metropolitan area, and Tenant will keep the Premises orderly and free and clear of rubbish. Tenant covenants to perform or observe all terms, covenants or conditions of any reciprocal easement or maintenance agreement to which it may at any time be a party or to which the Premises are currently subject. Tenant

shall, at its expense, use its best efforts to enforce compliance with any reciprocal easement or maintenance agreement benefiting the Premises by any other person subject to such agreement. Landlord shall not be required to maintain, repair or rebuild, or to make any alterations, replacements or renewals of any nature to the Premises, or any part thereof, whether ordinary or extraordinary, structural or nonstructural, foreseen or not foreseen to maintain the Premises or any part thereof in any way. Tenant hereby expressly waives the right to make repairs at the expense of Landlord which may be provided for in any law in effect at the time of the commencement of the Term or which may thereafter be enacted. If Tenant shall abandon the Premises, it shall give Landlord and any Permitted Beneficiary immediate notice thereof.

(b) If any improvements situated on the Premises at any time during the Term shall encroach upon any property, street or right-of-way adjoining or adjacent to the Premises, or shall violate the agreements or conditions contained in any restrictive covenant affecting the Premises or any part thereof, or shall impair the rights of others under or hinder or obstruct any easement or right-of-way to which the Premises are subject, then, promptly after the written request of Landlord or any person affected by any such encroachment, violation, impairment, hindrance or obstruction, Tenant shall, at its expense, either (i) obtain effective waivers or settlements of all claims, liabilities and damages resulting from each such encroachment, violation, impairment, hindrance or obstruction whether the same shall affect Landlord, Tenant or both, or (ii) make such changes in the improvements on the Premises and take such other action as shall be necessary to remove such encroachments, hindrances or obstructions and to end such violations or impairments, including, if necessary, the alteration or removal of any improvement on the Premises. Any such alteration or removal shall be made in conformity with the requirements of subsection 11(a) to the same extent as if such alteration or removal were an alteration under the provisions of subsection 11(a).

11. Alterations.

(a) Subject to Tenant's covenants in Section 17, Tenant may, at its expense, at any time after written notice to Landlord and Permitted Beneficiary of its plans (which notice shall include a description of and the plans and specifications for the proposed additions or alterations), but without the consent of such parties other than the approval of the plans and specifications therefor, make Permitted Alterations to the Premises, provided, that (i) all Permitted Alterations are architecturally consistent with existing Improvements, as verified by an architect's

certificate addressed to Landlord and Permitted Beneficiary, from a nationally recognized architectural firm; (ii) such actions shall be performed in a good and workmanlike manner; (iii) such Permitted Alterations shall be expeditiously completed in compliance with all laws, ordinances, rules, regulations and requirements applicable thereto, (iv) whether or not any subletting or assignment regarding any portion of the Premises has occurred, any such Permitted Alterations, whether performed by any sublessee or assignee, or by Tenant, shall not violate or be inconsistent with any of the Use Restrictions, and (v) Tenant is otherwise in compliance with the provisions of this Lease. Tenant shall promptly pay all costs and expenses of each Permitted Alteration, discharge all liens arising therefrom and procure and pay for all permits and licenses required in connection therewith.

(b) Subject to Tenant's covenants contained in Section 17, Tenant may, at its expense, but only with Landlord's and Permitted Beneficiary's prior written consent, construct upon the Premises additions to or alterations, substitutions or replacements of the Improvements, other than Permitted Alterations, upon compliance with all the terms and conditions set forth in subsection 11(a). Landlord's and Permitted Beneficiary's written consent may be withheld or denied in the exercise of such parties' sole and absolute discretion, and shall be granted only if such parties are able to obtain the opinion of such parties' respective tax counsel that such additions, alterations, substitutions or replacements by Tenants (other than Permitted Alterations) will not result in Tenant obtaining an ownership interest in any portion of the Premises, or result in any taxable income to Landlord. Tenant shall pay all costs, fees and expenses associated with obtaining such legal opinions. All Improvements [including, without limitation, those described in Section 11(a)] shall be and remain part of the realty and the property of Landlord and subject to this Lease. Tenant may, at its expense, install, assemble or place any items of trade fixtures, machinery or equipment upon the Premises. Such trade fixtures, machinery or equipment shall be and remain the

property of Tenant and Tenant may remove the same from the Premises at any time prior to the termination of this Lease, provided that Tenant shall repair any damage to the Premises resulting from such removal. Notwithstanding anything in this subsection 11(b) to the contrary, (i) so long as no default then exists under this Lease, Tenant may, within thirty (30) days of the expiration or termination of the Term of this Lease, remove (but shall not be obligated to remove) from the Premises any trade fixtures of Tenant and such trade fixtures so removed shall remain the property of Tenant, but any trade fixtures of Tenant or other property not removed from the Premises within thirty (30) days of the expiration or termination of the Term of this Lease shall immediately become the property of Landlord, (ii) all costs of repair of the Premises necessitated by Tenant's removal from the Premises of Tenant's trade fixtures or other property shall be borne solely by Tenant, (iii) all costs of removal of any of Tenant's trade fixtures or other property which is not removed from the Premises by Tenant within thirty (30) days of the expiration or termination of this Lease, as well as the cost of any repair of the remainder of the Premises necessitated by any removal of such trade fixtures or other property by

Landlord, shall be borne solely by Tenant, and (iv) the provisions of this subsection shall survive any expiration or termination of the Lease.

(c) Subject to Tenant's covenants in Section 17, Tenant shall construct and accomplish certain improvements, renovations and retrofitting in connection with the Improvements (collectively, the "Renovations") in accordance with the plans and specifications described in the documents attached hereto and made a part hereof as Exhibit K and the development budget set forth on Exhibit I, which Renovations shall be completed no later than April 30, 1994, and without any expenditures other than those specified in Exhibit I (except for expenditures for Permitted Alterations). Tenant shall obtain all necessary consents, permits, certificates, easements and approvals as may be necessary or appropriate for the construction and/or completion of the Renovations. Landlord shall pay to Tenant for construction of the Renovations on behalf of Landlord and for the Fees and Costs (as defined in Section 32), the amount of $15,932,616.00 contemporaneously with the execution of this Lease (the "Renovation Cost"). The cost of the Renovations, all Fees and Costs, and any related costs shall not, in the aggregate, exceed the Renovation Cost except to the extent that the Renovations constitute Permitted Alterations. In the event that any portion of the Renovation Cost remains unspent by Tenant after completion of the Renovations, any such remaining funds shall be repaid to Landlord, the Basic Rent and Termination Values shall be adjusted as provided in Section 5 of this lease (due to the change in the assumption as to the cost of the Renovations), and Tenant shall pay to Landlord with the payment of such remaining funds (i) a Lease Make Whole Premium, and (ii) any Loan Make-Whole Premium. Monthly during the course of the construction of the Renovations, Tenant shall deliver to Landlord and Permitted Beneficiary (and, upon direction by Landlord and/or Permitted Beneficiary, any title company as may be designated) as evidence of the application by Tenant of portions the Renovation Cost toward the completion of the Renovations (1) American Institute of Architects form draw requests, completed and executed by Tenant's supervising architect, (2) a certification executed by Tenant, addressed to Landlord and Permitted Beneficiary, specifying with respect to the Development Budget set forth on Exhibit I, and with respect to the categories set forth on Attachment 2, the category of each expenditure during such month, the amount previously expended with respect to each such category, and the amount which will be necessary to be expended to complete the items designated in each such category, and (3) lien waives executed by the contractors, subcontractors and materialmen with respect to all expenditures indicated in the documentation described in (1) and (2) above, in form and substance reasonably satisfactory to Landlord and Permitted Beneficiary. From time to time during the construction of the Renovations, and upon completion of the Renovations, Tenant will deliver to the title company designated by Landlord and Permitted Beneficiary, lien waivers and other documentation as may be required by such title company, and take such other action as may be necessary (including, without limitation, payment of any premiums and other charges by the title company) (A) to obtain and deliver to Landlord and Permitted Beneficiary, respectively, endorsements to Landlord's Owner Policy of Title Insurance and Permitted Beneficiary's Mortgagee Policy of

Title Insurance received contemporaneously with the execution and delivery of this Lease, increasing the coverage thereof to the extent of amounts paid for

construction of the Renovations, and (B) upon completion of the Renovations, to increase the actual coverage of each of such policies to the full face amount of each of such policies as set forth on Schedule A thereto, and to delete from both of such title insurance policies any "pending disbursements" exception and any "completion of improvements" exception, without inclusion of any exceptions to either of said policies not present on the date of the original issuance of such policies. In the event that all of the Renovations are not completed and the Renovations and all other portions of the Improvements "placed in service" (as that term is used in the Code, hereinafter referenced as "placed in service") on or before April 30, 1994 (the "Renovation Deadline"), Tenant shall purchase the Premises from Landlord for a purchase price equal to the Termination Value, plus a Lease Make Whole Premium, plus any Loan Make Whole Premium, plus any taxes not imputed into the Termination Value; provided, however, that the Renovation Deadline may, at Tenant's option, be extended by Tenant until October 30, 1994, by paying an extension fee to Landlord equal to one half of one percent (.5%) of the total amount of Landlord's investment in the Premises (including all acquisition costs and the Renovation Cost), plus all expenses incurred in connection with any such extension, so long as the Basic Rent and Termination Values are adjusted, if necessary, as set forth in Section 5 of this Lease. The date on which the Renovations are Placed in Service shall be conclusively determined by the date on which Tenant delivers to Landlord a certificate of occupancy for all of the space which is the subject of the Renovations, together with an executed architect's certificate addressed to Landlord and Permitted Beneficiary certifying that the Renovations have been completed in accordance with the plans and specifications described in Exhibit K and as otherwise required by the terms of this Lease. In the event that the Renovations do not conform to the component depreciation assumptions described in Exhibit C of this Lease or, if the Renovations are completed prior to t he Renovation Deadline but after the assumed dates for the Renovations and Improvements being Placed in Service as set forth on Exhibit C, the Basic Rent and Termination Values shall be adjusted as provided in Section 5 of this Lease. After the completion of the Renovations as they pertain to Building A (as defined in Exhibit C hereto) and again after the completion of the Renovations as they pertain to Building B (as defined in Exhibit C hereto) and to Building C (as defined in Exhibit C hereto), determination as to the conformity of such Renovations with the previously approved plans and specifications therefor, and confirmation that the depreciation components therefor described in Attachment 2 are included in the Renovations as completed, shall be accomplished, and, as to each such building after its completion, shall be effected by (I) the delivery by Tenant to Landlord of a certificate addressed to Landlord, describing all actual costs incurred to date in connection with the Renovations and allocating all of such costs among the various categories of expenditures describe din Attachment 2, and (II) the preparation of an updated appraisal of the Premises provided to Landlord at Tenant's sole cost and expense, updating the appraisal received by Landlord contemporaneously with the execution of this Lease, prepared by Arturo Singer and Harry Schroeder of Joseph J. Blake & Associates, Inc.

containing a valuation dated as of April 1, 1993 (the "April, 1993 Appraisal"). The form of said certificates and appraisal updates is to be satisfactory to Landlord in its sole discretion, and such items are to be delivered for the purpose of confirming that such Renovations have been completed in accordance with Exhibit K, adjusting the component depreciation amounts to reflect the actual costs incurred in completing such Renovations, and calculating any necessary Rent/Termination Value Adjustments as may be appropriate in accordance with the provisions of Section 5(c) of this Lease as a result of the information set forth on such updated appraisals and certificates delivered to Landlord. The appraisal updates are not intended to adjust the specific items from one depreciable class to another. Notwithstanding anything in this Lease to the contrary, in addition to the requirements set forth above, all Renovations shall be completed in a manner reasonably satisfactory to Landlord, and Landlord shall have the right, from time to time, to inspect the progress of the Renovations and to require correction of any defects or deficiencies or any non-compliance with the plans and specifications attached to this Lease in Exhibit K or with the development budget attached hereto as Exhibit I.

(d) Notwithstanding anything in this section 11 to the contrary with respect to (i) the source of funds to be used, or (ii) the cost of construction of improvements by Tenant or the cost of completion of the Renovations by Tenant, Tenant may, without Landlord or Permitted Beneficiary's prior consent, but in any event subject to the provisions of Section 17 of this Lease, expend Tenant's own funds for construction of Permitted Alterations.

12. Insurance. (a) Tenant shall maintain, or cause to be maintained, at its sole expense, the following insurance on the Premises (the ""required Insurance"):

(i) Property insurance insuring the building and improvements for perils covered by the causes of loss - special form (all risk) and in addition, ordinance or law coverage, flood, earthquake and boiler and machinery (if applicable). Such insurance shall be written on a replacement cost basis with an agreed value equal to the full insurable replacement value of the foregoing. The policy shall name Landlord as an additional insured and loss payee and all Permitted Beneficiaries or mortgagee of any deed of trust or mortgage encumbering the Premises shall be shown as a mortgage holder. Not more frequently than every year if in the opinion of the Landlord, the amount of Tenant's property insurance is found to be inadequate, Tenant will increase the insurance amount as required by the Landlord.

(ii) Commercial general liability insurance naming the Landlord and Permitted Beneficiary as additional insureds against any and all claims as are customarily covered under a standard policy form routinely accepted by

Permitted Beneficiary, for bodily injury and property damage occurring in, or about the Premises arising out of Tenant's use and occupancy of the Premises. Such insurance shall have a combined single limit of not less than Two Million Dollars ($2,000,000) per occurrence with a Twenty Million Dollar ($20,000,000) aggregate limit and excess umbrella liability insurance in the amount of at least Five Million Dollars ($5,000,000). Tenant shall be required to increase its insurance limits as may be required from time to time by the Permitted Beneficiary or as may reasonably be required by Landlord consistent with coverage on properties similarly constructed, occupied and maintained. Such liability insurance shall be primary and not contributing to any insurance available to Landlord and Landlord's insurance shall be in excess thereto. In no event shall the limits of such insurance be considered as limiting the liability of Tenant under this Lease.

(iii) Workers' compensation insurance in accordance with statutory law and employers' liability insurance with a limit of not less than $100,000 per employee and $500,000 per occurrence.

(iv) Builders risk insurance insuring perils covered by the causes of loss - special form (all risk) shall be purchased for the value of the alteration and/or additions made to the Premises when the work is not insured under Tenant's property insurance policy.

(v) Such other insurance as Landlord may, from time to time, reasonably require, or which may, from time to time, be required by Landlord's beneficiaries or mortgagees of any deed of trust or mortgage encumbering the Premises, so long as such other insurance is customarily required to be carried on similar properties by institutional lenders in the industry.

(b) The policies required to be maintained by Tenant shall be with companies having a rating of not less than A with a financial class of at lease X in the most current issue of Best's Insurance Reports. Insurers shall be licensed to do business in the state in which the Premises are located and domiciled in the USA. Any deductible amounts under any insurance policies required hereunder shall not exceed (1) $500,000.00, so long as Tenant's financial condition is rated not less than "BBB+" by Standard & Poor's Corporation and "Baa1" by Moody's Investment Service; (2) $250,000.00, so long as Tenant's financial conditions is rated not less than "BBB" by Standard & Poor's Corporation and "Baa2" by Moody's Investment Service; (3) $100,000.00, so long as Tenant's financial conditions is rated not less than "BBB-" by Standard

& Poor's Corporation and "Baa3" by Moody's Investment Service; or (4) $5,000.00 at any time during which Tenant's financial condition is rated less than "BBB-" by Standard & Poor's

Corporation or "Baa3" by Moody's Investment Service. Certificates of insurance shall be delivered to Landlord prior to the commencement date and annually thereafter at least fifteen (15) days prior to the expiration date of the old policy. Tenant shall have the right to provide insurance coverage which it is obligated to carry pursuant to the terms hereof in a blanket policy, provided such blanket policy expressly affords coverage to the Premises and to Landlord as required by this Lease. Each policy of insurance shall provide notification to Landlord at least thirty (30) days prior to any cancellation or modification to reduce the insurance coverage.

(c) (i) Insurance claims by reason of damage to or destruction of any portion of the Premises shall be adjusted by Tenant; provided, however, that although Tenant shall make the final decision with respect to any such adjustment, Tenant shall, promptly after such damage or destruction, advise Landlord and Permitted Beneficiary of such occurrence and consult with Landlord and Permitted Beneficiary throughout the process of adjusting any such claim, and provided further that both Landlord and any Permitted Beneficiary shall have the right to be and remain involved in the adjustment process and to receive copies of all correspondence and documentation pertaining thereto. Tenant shall keep Landlord and Permitted Beneficiary fully advised as to all matters on a current basis. Landlord shall not be required to prosecute any claim against, or to contest any settlement proposed by, an insurer. Tenant may, at its expense, prosecute any such claim or contest any such settlement in the name of Landlord, Tenant or both, and Landlord will join therein at Tenant's written request upon the receipt by Landlord of an indemnity from Tenant against all costs, liabilities and expenses in connection therewith.

(c)(ii) Subject to the provisions of Section 13, proceeds from the property insurance policy shall be made available from Landlord or Permitted Beneficiary to Tenant, but only against certificates of Tenant delivered to Landlord from time to time as such work or repair progresses, each such certificate describing the work or repair for which Tenant is requesting payment and the cost incurred by Tenant in connection therewith and stating that Tenant has not theretofore received payment for such work and has sufficient funds remaining to complete the work free of liens or claims. Subject to the provisions of Section 13, any proceeds remaining after Tenant has repaired the Premises pursuant to Section 13 shall be delivered to Tenant but only to the extent that the aggregate amount of such proceeds so remaining and all amounts theretofore paid to Tenant pursuant to this sentence do not exceed $100,000.00. If such aggregate amounts exceed $100,000.00, the excess may be retained by Landlord and applied in reduction of the principal amount of the indebtedness secured by any Permitted Deed of Trust or paid to Tenant at Landlord's sole option. After the retention of any such amount by Landlord, each installment of Basic Rent payable on and after the second Basic Rent Payment Date occurring after such retention shall be equitably reduced but in no event shall Basic Rent be reduced lower than the monthly debt service payments due under any Permitted Deed of Trust. No payment shall be made to Tenant pursuant to this subsection 12(c) if any default shall have happened and be continuing under this Lease. Notwithstanding anything herein to the contrary, this subsection (c)(ii) shall not apply or have any effect at any

time during which Tenant's financial condition is rated no less than "BBB" by Standard & Poor's Corporation and "Baa2" by Moody's Investment Service.

(d) In the event Tenant does not purchase the insurance required by this Lease or keep the same in full force and effect, Landlord may, but shall not be obligated, to purchase the necessary insurance and pay the premium. Tenant shall repay to Landlord, as Additional Rent, the amount so paid promptly upon demand. In addition, Landlord may recover from Tenant and Tenant agrees to pay, as Additional Rent, any and all reasonable expenses (including attorneys' fees) and damages which Landlord may sustain by reason of the failure to Tenant to obtain and maintain such insurance.

(e) Landlord or Permitted Beneficiary shall not be limited in the proof of any damages which Landlord or Permitted Beneficiary may claim against Tenant arising out of or by reason of Tenant's failure to provide and keep in force insurance, as provided above, to the amount of the insurance premium or premiums

not paid or incurred by Tenant and which would have been payable under such insurance; but Landlord and Permitted Beneficiary shall also be entitled to recover as damages for such breach, the uninsured amount of any loss, to the extent of any deficiency in the Required Insurance and damages, costs and expenses of suit suffered or incurred by reason of or damage to, or destruction of, provide the Required Insurance. Tenant shall indemnify and hold harmless Landlord and Permitted Beneficiary for any liability incurred by Landlord or Permitted Beneficiary arising out of any deductibles for Required Insurance.

(f) Provided (i) no Event of Default has occurred and is continuing; (ii) Tenant maintains a Consolidated Tangible Net Worth of at least $750,000,000.00 determined in accordance with generally accepted accounting principals; and (iii) Tenant's financial condition is not rated less than "BBB+" by Standard & Poor's Corporation and "Baal" by Moody's Investment Service, Tenant may self-insure the Required Insurance. Tenant shall provide annually to the Landlord a certificate indicating its decision to self-insure in the form attached hereto as Exhibit E. For purposes of this subsection (f), the term "Consolidated Tangible Net Worth" shall mean "equity, plus the liability appearing on the balance sheet of Tenant for post retirement benefits other than pensions recorded in accordance with Statement of Financial Accounting Standards No. 106, less net intangibles arising from acquisitions (or goodwill) " calculated as of the end of each fiscal quarter year. Notwithstanding anything in this subsection 12(f) to the contrary, in the event that a breach of this subsection 12(f) is caused solely by the effect of a future change in accounting principle, Landlord agrees to negotiate with Tenant in good faith to resolve and/or remedy such breach.

13. Casualty.

(a) If, during the Primary Term, a part of the Premises shall be damaged or destroyed by casualty, and if the estimated cost of rebuilding, replacing and repairing the same shall be or exceed $100,000.00, Tenant shall promptly notify Landlord and Permitted Beneficiary thereof; and

(whether or not such estimated cost shall be or exceed $100,000.00 and whether or not all or a portion of the Premises is destroyed) Tenant shall, with reasonable promptness and diligence, rebuild, replace and repair any damage or destruction to the Premises, at its expense, in conformity with the requirements of subsection 11(a) in such manner as to restore the same to the same condition, as nearly as possible, as existed prior to such casualty and there shall be no abatement of Basic Rent or Additional Rent.

(b) If, after the Primary Term and during any Extended Term, the Premises is substantially (75% of the Improvements) or totally destroyed by casualty, Tenant shall have the option to either (i) rebuild or restore the Premises and receive the necessary portion of the insurance proceeds generated therefrom to pay for such rebuilding or restoration, or (ii) terminate this Lease not less than one (1) year after delivery of notice to Landlord of Tenant's intention to do so and upon payment to Landlord of all amounts then due and payable under this Lease, with all insurance proceeds being paid to and retained by Landlord, or, in the event of and to the extent of self insurance, an amount equal to the insurance proceeds which would have been available if insurance coverage had then been in place.

(c) Notwithstanding anything in this Section 13 to the contrary, during any period of time when there continues to exist a default by Tenant under the terms of this Lease, Landlord, in the exercise of its sole and absolute discretion, shall have the right to receive any insurance proceeds from any casualty and to apply same toward payment of any indebtedness owed to any Permitted Beneficiary instead of allowing such proceeds to be used by Tenant for the rebuilding or restoration of the damaged portion of the Premises. In such event, there shall be an equitable adjustment in the Rent/Termination Value after any cure of such default, to become effective as of the date of such cure.

14. Condemnation.

(a) Subject to the rights of Tenant set forth in this Section 14, Tenant hereby irrevocably assigns to Landlord any award or payment to which Tenant may be or become entitled with respect to the taking of the Premises or any part thereof, by condemnation or other eminent domain proceedings pursuant to any law, general or special, or by reason of the temporary taking of the use or occupancy of the Premises or any part thereof, by any governmental authority, civil or military, whether the same shall be paid or payable in respect of

Tenant's leasehold interest hereunder or otherwise. Landlord shall be entitled to participate in any such proceeding and the expenses thereof (including counsel fees and expenses) shall be paid by Tenant.

(b) (1) If, during the Primary Term (i) the entire Premises shall be taken by or on account of any actual or threatened condemnation or other eminent domain proceeding pursuant to any law, general or special or (ii) if 25% of the Improvements or 50% of the Land Parcel is taken and said portion renders the remaining premises uneconomic for the continued use or occupancy in the business of Tenant, in the good faith judgment of Tenant's

Board of Directors, Tenant's Chief Executive Officer, or the Executive Vice President of TRW Information Systems and Services, then Tenant shall deliver a Purchase Offer (as defined in Section 32) to Landlord, specifying a termination date (the "Termination Date") occurring not less than one (1) year after the delivery of such Purchase Offer and a purchase price equal to the Termination Value plus all other amounts then due and payable under this Lease, and this Lease shall continue in full force and effect without any abatement of rent, notwithstanding any taking, until the Termination Date. The Purchase Offer shall be for a purchase of the Premises and any Net Award (as hereinafter defined) and shall be accompanied by a Tenant's Certificate stating either that the conditions set forth in clause (i) or (ii) of this subsection 14(b) (1) have been fulfilled. If the conditions set forth in clause (i) or (ii) of this subsection 14(b) (1) are fulfilled and if Tenant shall have failed to deliver a Purchase Offer as required above, Tenant conclusively shall be presumed to have made a Purchase Offer on a date which is sixty (60) days after any such taking (or such later date as is agreed to in writing by Landlord), and in the event Tenant is so presumed to have made a Purchase Offer, the Termination Date shall be deemed to be ninety (90) days after such Purchase Offer is presumed to have been made; but nothing in this sentence shall relieve Tenant of its obligation actually to deliver such Purchase Offer.

(b)(2) If, after the Primary Term and during any Extended Term, the Premises is substantially (25% of the Improvements or 50% of the Land Parcel) or totally condemned or taken pursuant to other eminent domain proceedings, Tenant shall have the option to either (i) rebuild or restore the Premises to the extent possible and receive the necessary portion of the proceeds from the condemnation or other eminent domain proceedings, or (ii) terminate this Lease not less than one (1) year after delivery of notice to Landlord of Tenant's intention to do so and upon payment to Landlord of all amounts then due and payable under this Lease, with all condemnation or other eminent domain proceeds being paid to and retained by Landlord.

(c) If during any Term (i) a portion of the Premises shall be taken by condemnation or other eminent domain proceedings, which taking is not sufficient to require that Tenant give a Purchase Offer or (ii) the use or occupancy of the Premises or any part thereof shall be temporarily taken by any governmental authority; then this Lease shall continue in full effect without abatement or reduction of Basic Rent, Additional Rent or other sums payable by Tenant hereunder notwithstanding such partial or temporary taking. Tenant shall, promptly after any such temporary taking ceases, at its expense, repair any damage caused thereby in conformity with the requirements of subsection 11(a) so that, thereafter, the Premises shall be, as nearly as possible, in a condition as good as the condition thereof immediately prior to such taking. In the event of any such partial taking, Landlord shall make the Net Award (as hereinafter defined) available to Tenant to make such repair but, if such Net Award shall be in excess of $250,000.00, only against certificates of Tenant delivered to Landlord from time to time as such work or repair progresses, each such certificate describing the work or repair for which Tenant is requesting payment and

the cost incurred by Tenant in connection therewith and stating that Tenant has not theretofore received payment for such work. Any Net Award remaining after such repairs have been made, shall be delivered to Tenant; but only to the extent that the aggregate amount of such Net Award so remaining and all amounts theretofore paid to Tenant pursuant to this sentence do not exceed $250,000.00. If such amounts exceed $250,000.00, the excess may be retained by Landlord and applied in reduction of the principal amount of the indebtedness secured by any Permitted Deed of Trust then outstanding at Landlord's sole option. If Landlord retains any such amount the Basic Rent payable on or after the second Basic Rent Payment Date occurring after such retention shall be reduced equitably, but in

no event shall the Basic Rent be reduced to an amount less than the Debt Service Amounts. In the event of such temporary requisition, Tenant shall be entitled to receive the entire Net Award payable by reason of such temporary requisition or portion of such temporary requisition occurring during the term hereof, less any costs incurred by the Landlord in connection therewith. If the cost of any repairs required to be made by Tenant pursuant to this subsection 14(c) shall exceed the amount of the Net Award, the deficiency shall be paid by Tenant. Notwithstanding anything herein to the contrary, no payments shall be made to Tenant pursuant to this subsection 14(c) if any default or Event of Default shall have happened and shall be continuing under this Lease,

(d) For the purposes of this Lease the term "Net Award" shall mean: (i) all amounts payable as a result of any condemnation or other eminent domain proceeding, less all expenses for such proceeding not otherwise paid by Tenant in the collection of such amounts, plus (ii) all amounts payable pursuant to any agreement with any condemning authority (which agreement shall be deemed to be a taking) which has been made in settlement of or under threat of any condemnation or other eminent domain proceeding affecting the Premises, less all expenses incurred as a result thereof not otherwise paid by Tenant and the collection of such amounts.

(e) Any minor condemnation or taking of the Premises for the construction or maintenance of streets or highways shall not be considered a condemnation or taking for purposes of this Section 14 so long as the Premises shall not be materially or adversely affected, ingress and egress for the remainder of the Premises shall be adequate for the business of Tenant and the provisions of any Permitted Deed of Trust relating thereto shall be complied with. Tenant agrees that it will notify Landlord of any such condemnation.

(f) Notwithstanding anything in this Section 14 to the contrary, during any period of time when there continues to exist a default by Tenant under the terms of this Lease, Landlord, in the exercise of its sole and absolute discretion, shall have the right to receive any Net Award and to apply same toward payment of any indebtedness owed to any Permitted Beneficiary instead of allowing such Net Award to be used by Tenant for the rebuilding or restoration of any affected portion of the Premises. In such event, there shall be an equitable adjustment in the Rent/Termination Value

after any cure of such default, to become effective as of the date of such cure.

15. Procedure After Purchase Offer: Procedure in Event of Purchase.

(a) If Landlord shall reject any Purchase Offer not later than the tenth (10th) day prior to the Termination Date or purchase date specified in such Purchase Offer, this Lease shall terminate on such date (except with respect to obligations and liabilities of Tenant under this Lease, actual or contingent, which have arisen on or prior to such termination, all of which shall survive any termination of this Lease), upon payment by Tenant of the Basic Rent, Additional Rent and all other sums then due and payable hereunder to and including the date of termination without offset or deduction for any reason. Upon a purchase of the Premises pursuant to subsection 14(c) and the payment to the Landlord of the purchase price set forth on Exhibit F, Landlord shall convey the Premises and all its right, title and interest in and to the Net Award (whether or not such Award shall have been received by Landlord), to Tenant or its designee, as provided in subsections 15(b), 15(c) and 15(e) below.

(b) If the Premises or any part thereof shall be purchased by Tenant pursuant to any provision of this Lease, Landlord need not transfer and convey to Tenant or its designee any better title. thereto than existed on the date of the commencement of this Lease, and Tenant shall accept such title subject to such liens, encumbrances, charges, exceptions and restrictions on, against or relating to the Premises (including those arising pursuant to the terms of this Lease) and to all applicable laws, regulations and ordinances, but free of the Permitted Deed of Trust and all other mortgages, liens, encumbrances, charges, exceptions and restrictions which shall have been created by or resulted from acts or failures to act of Landlord.

(c) On the date fixed for any such purchase, Tenant shall pay to Landlord, at any place within the United States of America designated by Landlord, the applicable purchase price set forth on Exhibit F therefor, together will all installments of Basic Rent and all other sums then due under this Lease and unpaid to and including the date of purchase without offset or deduction for any reason, and Landlord shall deliver to Tenant a special warranty deed conveying

title to the Premises of the character described in subsection 15(b) above and subsection 15(e) below, and describing the Premises or portion thereof being sold and conveying the title thereto, together with such instruments as shall be necessary to transfer to Tenant or its designee any other property then required to be transferred by Landlord pursuant to this Lease. Tenant shall pay all charges incident to such conveyance and transfer, including counsel fees, escrow fees, recording fees, title insurance premiums and all applicable federal, state and local taxes (other than any income or franchise taxes levied upon or assessed against Landlord) which may be incurred or imposed by reason of such conveyance and transfer (collectively, the "Transfer Costs").

(d) Upon the completion of such purchase, but not prior thereto (whether or not any delay in the completion of, or the failure to complete such purchase shall be the fault of Landlord), this Lease and all obligations hereunder (including the obligations to pay Basic Rent and Additional Rent) shall terminate, except with respect to (i) obligations and liabilities of Tenant, actual or contingent, under this Lease which arose on or prior to such date of purchase, (ii) those obligations contained in subsection 7(c) and Section 8, (iii) the Environmental Indemnity Agreement, and (iv) those obligations which are to survive the expiration or termination of this Lease as expressly provided by the terms of this Lease.

(e) The special warranty deed to be delivered pursuant to Section 15(c) above shall contain, without limitation, the following provisions: "(a) GRANTEE ACKNOWLEDGES AND AGREES THAT, EXCEPT AS SET FORTH IN THIS DEED, GRANTOR HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (A) THE VALUE, NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY, (B) THE INCOME TO BE DERIVED FROM THE PROPERTY, (C) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH GRANTEE MAY CONDUCT THEREON, (D) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION, WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY, (E) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, (F) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS, IF ANY, INCORPORATED INTO THE PROPERTY, (G) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY, OR (H) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY, EXCEPT WITH RESPECT TO THE CONTINUING OBLIGATION OF GRANTOR TO REMEDIATE CERTAIN PRE-EXISTING ENVIRONMENTAL CONDITIONS SHOULD THE NEED ARISE, AS EXPRESSLY SET FORTH IN THE ENVIRONMENTAL INDEMNITY AGREEMENT, (b) GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN IN OCCUPANCY OF THE PROPERTY AND HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY, GRANTEE IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY GRANTOR, (c) GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED BY GRANTOR WITH RESPECT TO THE PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT GRANTOR HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION, (d) GRANTOR IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY, OR THE OPERATION THEREOF, FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON, (e) GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS" CONDITION AND BASIS, WITH ALL FAULTS, EXCEPT WITH RESPECT TO THE CONTINUING OBLIGATION OF GRANTOR TO REMEDIATE CERTAIN PRE-EXISTING ENVIRONMENTAL CONDITIONS SHOULD THE NEED ARISE, AS EXPRESSLY SET FORTH IN THE ENVIRONMENTAL INDEMNITY AGREEMENT, (f) GRANTOR HAS NOT MADE, DOES NOT MAKE, AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS REGARDING COMPLIANCE OF THE

PROPERTY OR ANY ACTIVITY OCCURRING PRIOR TO THE CLOSING DATE WITH APPLICABLE ENVIRONMENTAL LAWS, THE EXISTENCE, IN OR ON THE PROPERTY, OF ANY HAZARDOUS MATERIALS, SUBSTANCES, OR WASTES AS THOSE TERMS ARE DEFINED UNDER ENVIRONMENTAL LAWS OR ANY OTHER SUBSTANCE THAT IS CONSIDERED HAZARDOUS OR TOXIC, OR THE EXISTENCE IN OR ON THE PROPERTY OF ANY INDUSTRIAL OR SOLID WASTE OR ANY FACILITY, AS THOSE TERMS ARE DEFINED UNDER APPLICABLE ENVIRONMENTAL LAWS, (g) NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT TO THE CONTRARY, EXCEPT WITH RESPECT TO THE CONTINUING OBLIGATION OF GRANTOR TO REMEDIATE CERTAIN PRE-EXISTING ENVIRONMENTAL CONDITIONS SHOULD THE NEED ARISE, AS EXPRESSLY SET FORTH IN THE ENVIRONMENTAL INDEMNITY AGREEMENT, GRANTEE HEREBY WAIVES AND

RELEASES GRANTOR, OF AND FROM ANY CLAIMS, ACTIONS, CAUSES OF ACTION, DEMANDS, RIGHTS, DAMAGES, COSTS, EXPENSES OR COMPENSATION WHATSOEVER, DIRECT OR INDIRECT, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, WHICH GRANTEE NOW HAS OR WHICH MAY ARISE IN THE FUTURE ON ACCOUNT OF OR IN ANY WAY GROWING OUT OF OR CONNECTED WITH THE PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PROPERTY OR ANY IAW OR REGULATION APPLICABLE TO IT, INCLUDING BUT NOT LIMITED TO THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT, 42 U. S. C. SECTION 9601 ET SEQ. OR SIMILAR STATE STATUTES, (h) NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT TO THE CONTRARY, EXCEPT WITH RESPECT TO THE CONTINUING OBLIGATION OF GRANTOR TO REMEDIATE CERTAIN PRE-EXISTING ENVIRONMENTAL CONDITIONS SHOULD THE NEED ARISE, AS EXPRESSLY SET FORTH IN THE ENVIRONMENTAL INDEMNITY AGREEMENT, GRANTEE ASSUMES THE RISK THAT ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS MAY NOT HAVE BEEN REVEALED BY ITS OWN INVESTIGATION AND AGREES TO INDEMNIFY AND HOLD GRANTEE HARMLESS AGAINST, ANY CLAIMS, ACTIONS, CAUSES OF ACTIONS, DEMANDS, RIGHTS, COSTS, EXPENSES OR COMPENSATION WHATSOEVER, DIRECT OR INDIRECT, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, ARISING OUT OF THE CURRENT OR PRIOR PHYSICAL AND ENVIRONMENTAL CONDITION OF THE PROPERTY."

16. Assignment and Subletting. Tenant may sublet all or any part of the Premises and may assign all of its rights and interests under this Lease without the consent of Landlord, so long as (i) each such sublease or assignment shall expressly be made subject to the provisions of this Lease, (ii) any such sublessee or assignee shall, upon request of Permitted Beneficiary, execute a Non-Disturbance and Attornment Agreement with Landlord and any Permitted Beneficiary as may be reasonably required by either of such parties, (iii) Tenant shall remain primarily liable to Landlord under this Lease and Tenant's liability shall not in any way be reduced, limited or released, (iv) any such sublease or assignment has no adverse impact or effect on any tax treatment of Landlord in connection with the Premises or any transaction, (v) any such sublease shall not extend beyond the Term of this Lease (either the Primary Term or, if this Lease has been extended as hereinbefore provided, any Extended Term), and (vi) any such sublease or assignment shall not be for or affect less that 15,000 square feet of the leased space of the Premises, or have the effect of creating more than a total of five (5) parties then having an interest in the Premises as a tenant, subtenant and/or assignee. If Tenant assigns all its rights and interests under this Lease, the assignee under such assignment shall expressly assume all the obligations of Tenant hereunder in an instrument, approved by Landlord as to form and substance (which

approval will not be unreasonably withheld or delayed), delivered to Landlord at the time of such assignment. No assignment or sublease made as permitted by this Section 16 shall affect or reduce any of the obligations of Tenant hereunder, and all such obligations shall continue in full force and effect as obligations of a principal and not as obligations of a guarantor or surety, to the same extent as though no assignment or subletting had been made; provided that performance by any such assignee or sublessee of any of the obligations of Tenant under this Lease shall be deemed to be performance by Tenant. No sublease or assignment made as permitted by this Section 16 shall impose any obligations on Landlord or otherwise affect any of the rights of Landlord under this Lease. Neither this Lease nor the Term hereby demised shall be mortgaged, pledged or hypothecated by Tenant, nor shall Tenant mortgage or pledge the interest of Tenant in and to any sublease of the Premises or the rentals payable thereunder. Any mortgage, pledge, sublease or assignment made in violation of this Section 16 shall be void. Tenant shall, within ten (10) days after the execution and delivery of any such assignment or sublease of all or substantially all of the Premises, deliver a conformed copy thereof to Landlord. Within ten (10) days after the execution and delivery of any sublease of a portion of the Premises, Tenant shall give notice to Landlord of the existence and term thereof, and of the name and address of the sublessee thereunder. Notwithstanding anything in this Lease to the contrary, Tenant shall not sublease any portion of the Premises or assign this Lease if the effect of such sublease or assignment would be to cause the Premises or any portion thereof to be considered as being property used by a tax-exempt entity or other entity, with the result that some or all of the federal, state or municipal income tax deductions which Landlord otherwise would be permitted to report with respect to the Premises or with respect to the Lease would be deferred or denied, or cause this Lease not to be considered as a true lease for federal income tax purposes.

17. Additional Tenant Covenants and Representations. Notwithstanding any other provisions of this Lease to the contrary, Tenant covenants and represents to Landlord and to Permitted Beneficiary as follows:

(a) Except as may be otherwise expressly provided in Section 11 of this

Lease with respect to Permitted Alterations, Tenant shall not expend any of Tenant's funds for any portion of the Renovations or for the Fees and Costs, without the prior written consent of Landlord and Permitted Beneficiary (which consent may be withheld or denied by such parties in their sole and absolute discretion), and the total cost of all Renovations shall be provided by Landlord in the amounts set forth on the development budget attached hereto as Exhibit I;

(b) The Premises are currently and, after the Renovations are complete, will be susceptible to use by parties other than Tenant;

(c) Tenant shall, at all times and for all purposes, treat this Lease as and consider it to be an operating lease, including, without limitation, for purposes of all federal income tax returns, and all reports and information supplied or reported to the Internal Revenue Service; and

(d) Tenant shall not make any Permitted Alterations, Renovations, improvements, alterations, additions, replacements or substitutions to or of any portion of the Premises which could (i) constitute or be construed as taxable income to Landlord, (ii) result in some or all of the federal, state or municipal income tax deductions which Landlord would otherwise be permitted to report with respect to Premises or this Lease being deferred or denied, (iii) cause Tenant to be deemed to have acquired an interest in the fee title to the Premises, or (iv) cause this Lease not to be considered as a true lease for federal income tax purposes.

18. Financial Statements.

(a) Tenant shall provide (i) within sixty (60) days of the end of each fiscal quarter of Tenant, other than the fourth fiscal quarter of each year, unaudited quarterly balance sheets, statements of earnings, and statements of cash flow for the quarter then ended; and (ii) within one hundred twenty (120) days of the end of each fiscal year of Tenant, annual audited balance sheets, statements of earnings, and statements of cash flow for Tenant for the year then ended. Quarterly reports on Form 10-Q as filed with the Securities and Exchange Commission shall satisfy the requirements contained in (i) above. Audited financial statements contained in, or incorporated by reference in, an Annual Report on Form 10-K as filed with the Securities and Exchange Commission shall satisfy the requirements contained in (ii) above.

(b) Landlord and/or Permitted Beneficiary shall have the right to visit and inspect the Premises, at all reasonable times and as often as may be reasonably requested. Tenant shall also provide to Landlord and/or Permitted Beneficiary any information regarding the business, affairs or financial condition of Tenant as Landlord or Permitted Beneficiary may reasonably request from time to time including, but not limited to, any information requested of Landlord or Permitted Beneficiary from (i) a governmental agency having jurisdiction over Landlord or Permitted Beneficiary, (ii) any investment financial rating service such as Standard & provided Poor's Corporation of Moody's Investment Service, or (iii) United States National Association of Insurance Commissioners or similar organizations or their successors.

(c) In no event shall Tenant be required to provide for review or copying of any information which is (i) subject to an attorney client or attorney work-product privilege, (ii) not customarily provided to Standard & Poor's Corporation, Moody's Investment Service, or any other investment/financial rating service, or (iii) prohibited from disclosure by applicable law.

(d) Tenant shall not be required to pay or reimburse Landlord or Permitted Beneficiary for expenses of inspection or for copies as contemplated above unless an Event of Default has occurred.

(e) Landlord will use its best efforts to treat any information from Tenant as confidential information, if such information is marked "confidential" by Tenant when provided to Landlord; provided, however,

that nothing herein contained shall limit or impair the right or obligation of Landlord to disclose such information: (i) to its auditors, attorneys, employees or agents, (ii) when required by any law, ordinance or governmental order, regulation, rule, policy, investigation or any regulatory request, (iii) as may be requested or appropriate in any report, statement or testimony submitted to any municipal, state, provincial or Federal regulatory body having or claiming to have jurisdiction over Landlord, or to the United States National Association of Insurance Commissioners, the National Association of Securities Dealers or similar organizations or their successors, (iv) as may be requested in any report, statement or testimony provided or submitted to any financial investment rating service, such as Standard & Poor's Corporation or Moody's Investment Service, (v) which is publicly available to Landlord, (vi) in connection with any proceeding, case or matter pending (or on its face purported to be pending) before any court, tribunal, arbitration board or any governmental agency, commission authority, board or similar entity, (vii) in connection with the enforcement of its rights under or in respect of this Lease after the occurrence of an Event of Default, or (viii) in connection with any transfer of any of Landlord's interest in this Lease (it being understood and agreed that any such assignee shall itself be bound by the terms and provisions hereof).

19. Permitted Contests. Tenant shall not be required to (i) pay any Imposition (as hereinafter defined); (ii) comply with any statute, law, rule, order, regulation or ordinance; (iii) discharge or remove any lien, encumbrance or charge (except with respect to the Previous Construction, Permitted Alterations and the Renovations), or (iv) obtain any waivers or settlements or make any changes to take any action with respect to any encroachment, hindrance, obstruction, violation or impairment referred to in subsection 10(b), so long as Tenant shall contest, in good faith and at its expense, the existence, the amount or the validity thereof, the amount of the damages caused thereby, or the extent of its liability therefor, by

appropriate proceedings during the pendency of which there is prevented (A) the collection of, or other realization upon, the tax, assessment, levy, fee, rent or charge or lien, encumbrance or charge so contested; (B) the sale, forfeiture or loss of the Premises, or any part thereof, or the Basic Rent or any Additional Rent, or any portion thereof; (C) any interference with the use or occupancy of the Premises or any part thereof; and (D) any interference with the payment of the Basic Rent or any Additional Rent, or any portion thereof. While any such proceedings are pending, Landlord shall not have the right to pay, remove or cause to be discharged the tax, assessment, levy, fee, rent or charge or lien, encumbrance or charge thereby being contested. Tenant further agrees that each such contest shall be promptly prosecuted to a final conclusion. Tenant shall pay, indemnify and save Landlord and Permitted Beneficiary harmless against, any and all losses, judgments, decrees and costs (including all attorneys' fees, appearance costs and expenses) in connection with any such contest and shall, promptly after the final settlement, compromise or determination of such contest, fully pay and discharge the amounts which shall be levied, assessed, charged or imposed or be determined to be payable therein or in connection therewith, together will all penalties, fines, interests, costs and expenses thereof or in connection therewith, and perform all acts, the performance of which shall be ordered or decreed as a result thereof; provided, however, that nothing herein contained shall be construed to (a) require Tenant to pay or discharge any lien, encumbrance or other charge created by any act or failure to act of Landlord or the payment of which by Tenant is not otherwise required hereunder, or (b) apply in any respect to the Previous Construction or the Renovations. No such contest shall subject Landlord or any Permitted Beneficiary to the risk of any criminal liability. Tenant shall give such reasonable security to Landlord or such Permitted Beneficiary as may be demanded by Landlord or such Permitted Beneficiary to insure compliance with the foregoing provision of this Section 19.

20. Conditional Limitations; Default Provisions.

(a) Any of the following occurrences or acts shall constitute an event of default (herein called an "Event of Default") under this Lease:

(i) If Tenant, at any time during the continuance of this Lease (and regardless of the pendency of any bankruptcy, reorganization, receivership, insolvency or other proceedings, at law, in equity, or

before any administrative tribunal, which have or might have the effect of preventing Tenant from complying with the terms of this Lease), shall (1) fail to make any payment when due of Basic Rent, Additional Rent or other sum herein required to be paid by Tenant hereunder and such failure continues for five (5) business days, or (2) fail to observe or perform any other provision hereof or any provision of any Assignment of Lease and Rents, dated as of the date hereof (the "Assignment"), or any Tenant Certificate from Landlord and/or Tenant to Permitted Beneficiary, for thirty (30) days after notice to Tenant of such failure has been given

(provided, that in the case of any default referred to in this Lease which cannot with diligence be cured within such 30-day period, then upon receipt by Landlord of a Tenant's Certificate stating the reason such default cannot be cured within thirty (30) days and providing that Tenant is proceeding with due diligence to cure such default, the time within which such failure may be cured shall be extended for such period as may be necessary to complete the curing of the same with diligence); or

(ii) if any representation or warranty of Tenant set forth in any notice, certificate, demand, request or other instrument delivered pursuant to, or in connection with, this Lease, or Assignment shall prove to be either false or misleading in any material respect as of the time when the same shall have been made; or

(iii) if Tenant shall file a petition commencing a voluntary case under the Federal Bankruptcy Code or any other federal or state law (as now or hereafter in effect) relating to bankruptcy, insolvency, reorganization, winding-up or adjustment of debts (hereinafter collectively called "Bankruptcy Law") or if Tenant shall (A) apply for or consent to the appointment of, or the taking of possession by, any receiver, custodian, trustee, United States Trustee or liquidator (or other similar official) of the Premises or any part thereof or of any substantial portion of Tenant's property, or (B) generally not pay its debts as they become due, or admit in writing its inability to pay its debts generally as they become due or (C) make a general assignment for the benefit of its creditors, or (D) fail to controvert in timely and appropriate manner, or in writing acquiesce to, any petition commencing an involuntary case against Tenant, or otherwise filed against Tenant pursuant to any Bankruptcy Law, or (E) take any action in furtherance of any of the foregoing; or

(iv) if an order for relief against Tenant shall be entered in any involuntary case under the Federal Bankruptcy Code or any similar order against Tenant shall be entered pursuant to any other Bankruptcy Law, or if a petition commencing an involuntary case against Tenant or proposing the reorganization of Tenant under any Bankruptcy Law shall be filed and not be discharged or denied within sixty (60) days after such filing, or if a proceeding or case shall be commenced in any court of competent jurisdiction seeking (A) the liquidation, reorganization, dissolution, winding-up or adjustment of debts of Tenant or (B) the appointment of a receiver, custodian, trustee, United States Trustee or liquidator (or any similar official) of the Premises or any part thereof or of Tenant or of any substantial portion of Tenant's property, or (C) any

similar relief as to Tenant pursuant to any Bankruptcy Law, and any such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect for sixty (60) days; or

(v) if the Premises shall be left both unattended and without maintenance as provided herein, for a period of ten (10) business days; or

(vi) if there occurs any default under any of Tenant's obligations under (1) that certain Tax Indemnity Agreement executed by Tenant in favor of Landlord dated as of even date with this Lease (the "Tax Indemnity Agreement"), (2) the Environmental Indemnity Agreement, (3) that certain Local Tax Benefits Indemnity Agreement executed by Tenant

in favor of Landlord and Principal Mutual Life Insurance Company, dated as of even date with this Lease, (4) that certain Agreement Regarding Liens executed by Tenant in favor of Landlord and Principal Mutual Life Insurance Company, dated as of even date with this Lease, and (5) that certain Tenant Certificate (with Nondisturbance, Attornment, Notice and Estoppel Agreement) executed by Tenant, Landlord and Principal Mutual Life Insurance Company contemporaneously with this Lease; provided, however, that if any notice and/or grace periods are specifically provided for any of such defaults by the terms of any of such documents, such default shall not constitute an Event of Default under this Lease until such default continues uncured beyond any such notice and/or grace periods as may be specifically provided therefor in such document, and provided further, that no notice or grace periods provided for in this Lease shall apply to any such defaults under any of such other documents; or

(vii) if Tenant fails to deliver to Landlord and Permitted Beneficiary, no sooner than 150 days after completion of the Previous Construction, any Permitted Alterations, or the Renovations and no later than 185 days after the completion of the Previous Construction, any Permitted Alterations and the Renovations, a Title Update, together with copies of all documents listed therein, describing all documents recorded in connection with the Premises since the date of this Lease; or

(viii) any failure of Tenant to obtain the written, recordable release of or to bond off the Premises any mechanic's, materialman or other lien described in the Title Update pertaining to the Renovations, any Permitted Alterations or the Previous Construction, within 30 days after receipt of the Title Update by Tenant.

(b) If an Event of Default shall have happened and be continuing, Landlord shall have, in its sole discretion, the following rights:

(i) To give Tenant written notice of Landlord's intention to terminate the Term of this Lease on a date specified in such notice. Thereupon, the Term of this Lease and the estate hereby granted shall terminate on such date as completely and with the same effect as if such date were the date fixed herein for the expiration of the Term of this Lease, and all rights of Tenant hereunder shall terminate, but Tenant shall remain liable as provided herein.

(ii) To (A) re-enter and repossess the Premises or any part thereof by force, summary proceedings, ejections or otherwise and (B) remove all persons and property therefrom, whether or not the Lease has been terminated pursuant to subsection 20(b)(i) above, Tenant hereby expressly waiving any and all notices to quit, cure or vacate provided by current or any future law. Landlord shall have no liability by reason of any such re-entry, repossession or removal. No such re-entry or taking of possession of the Premises by Landlord shall be construed as an election on Landlord's part to terminate this Lease unless a written notice of such intention be given to Tenant pursuant to subsection 20(b)(i) above.

(iii) To (but shall be under no obligation to) relet the Premises or any part thereof for the account of Tenant, in the name of Tenant or Landlord or otherwise, without notice to Tenant, for such term or terms (which may be greater or less than the period which would otherwise have constituted the balance of the term of this Lease) and on such conditions (which may include concessions or free rent) and for such uses Landlord, in its absolute discretion, may determine. Landlord may collect and receive any rents payable by reason of such releting. Landlord shall not be responsible or liable for any failure to relet the Premises or any part thereof or for any failure to collect any rent due upon any such releting.

(iv) To recover from Tenant, and Tenant shall pay to Landlord on demand, as and for liquidated and agreed final damages, and not as a penalty, for Tenant's default, and in lieu of all current damages beyond the date of such demand, an amount determined in accordance with Exhibit F, it being acknowledged and agreed by both Landlord and Tenant that during the continuation of any Event of Default, an amount determined in accordance with Exhibit F shall be fair and appropriate,

and payable as liquidated damages, and not as a penalty, and is an amount which is discounted to present net value. If any law shall limit the amount of such liquidated final damages to less than the amount above agreed upon, Landlord shall be entitled to the maximum amount allowable under such statute or rule of law.

(v) To accept Tenant's irrevocable Purchase Offer which Tenant shall be conclusively presumed to have made upon the occurrence of an Event of Default. The Purchase Offer shall be deemed to contain an immediate closing date and the purchase shall be governed by the terms and conditions set forth in subsections 15(b), 15(c), 15(d) and 15(e) of this Lease.

(vi) To continue this Lease in effect for so long as Landlord does not terminate Tenant's right to possession of the Premises and Landlord may enforce all of its rights and remedies hereunder including without limitation the right to recover all Basic Rent, Additional Rent and other sums payable hereunder as the same become due.

(c) No termination of this Lease pursuant to subsection 20(b) (i), or by operation of law or otherwise, and no repossession of the Premises or any part thereof pursuant to subsection 20(b) (ii) or otherwise, and no reletting of the Premises or any part thereof pursuant to subsection 20(b) (iii), shall relieve Tenant of its liabilities and obligations hereunder, all of which shall survive such expiration, termination, repossession or reletting.

(d) Notwithstanding anything in this Section 20 to the contrary, Landlord agrees that Landlord shall pursue the remedy described above in subsection (b) (iv) only after Landlord has pursued and been denied the remedy described above in subsection (b) (v).

21. Additional Rights of Landlord.

(a) No right or remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute. The failure of Landlord to insist at any time upon the strict performance of any covenant or agreement or to exercise any option, right, power or remedy contained in this Lease shall not be construed as a waiver or a relinquishment thereof for the future. A receipt by Landlord of any Basic Rent, any Additional Rent or any other sum payable hereunder with knowledge of the breach of any covenant or agreement contained in this Lease shall not be deemed a waiver of such breach, and no waiver by Landlord of any provision of this Lease shall be deemed to have been made unless expressed in writing and signed by Landlord. In addition to other remedies provided in this Lease, Landlord shall be entitled, to the extent permitted by applicable law, to injunctive relief in case of the violation, or attempted or threatened violation, of any of the covenants, agreements, conditions or provision of this Lease, or to decree compelling performance of any of the covenants, agreement, conditions or provisions of this Lease, or to any other remedy allowed to Landlord at law or in equity.

(b) Tenant hereby waives and surrenders for itself and all those claiming under it, including creditors of all kinds, (i) any right or

privilege which it or any of them may have under any present or future constitution, statute or rule of law to redeem the Premises or to have a continuance of this Lease for the term hereby demised after termination of Tenant's right of occupancy by order or judgment of any court or by any legal process or writ, or under the terms of this Lease or after the termination of the term of this Lease as herein provided, and (ii) the benefits of any present or future constitution, statute or rule of law which exempts property from liability for debt or for distress for rent.

22. Notices, Demands and Other Instruments. All notices, demands, requests, consents, approvals and other instruments required or permitted to be given pursuant to the terms of this Lease shall be in writing and shall be deemed to have been properly given if (a) with respect to Tenant, sent by certified or registered mail, postage prepaid, or sent by telegram, overnight express courier, facsimile followed by overnight express delivery or delivered

by hand, in each case addressed to Tenant at its address first above set forth, and (b) with respect to Landlord, sent by certified or registered mail, postage prepaid, or sent by telegram, overnight express courier, facsimile followed by overnight express delivery or delivered by hand in each case, addressed to Landlord at its address first above set forth along with a copy to the Permitted Beneficiary delivered in the same manner. Landlord and Tenant shall each have the right from time to time to specify as its address for purposes of this Lease any other address in the United States of America upon fifteen (15) days' written notice thereof, similarly given, to the other party and Permitted Beneficiary.

23. Estoppel Certificate.

(a) Tenant shall at any time and from time to time, upon not less than twenty (20) days' prior request by Landlord or by Permitted Beneficiary, execute, acknowledge and deliver to Landlord or Permitted Beneficiary an executed Tenant's Certificate on the form attached hereto as Exhibit H (appropriately modified to reflect facts as of the date so delivered) . Any such certificate may be relied upon by any mortgagee or prospective purchaser or prospective mortgagee of the Premises.

(b) From time to time during the term of this Lease, Landlord expects to secure financing of its interest in the Premises by assigning Landlord's interest in this Lease and the sums payable hereunder. In the event of any such assignment to a Permitted Beneficiary, Tenant will, upon not less than ten (10) days' prior request by Landlord, execute, acknowledge and deliver to Landlord a consent to such assignment addressed to such Permitted Beneficiary in a form satisfactory to such Permitted Beneficiary; and Tenant will produce, at Landlord's expense, such certificates, opinions of counsel and other documents as may be reasonably requested by such Permitted Beneficiary.

24. No Merger. There shall be no merger of this Lease or the leasehold estate hereby created with the fee estate in the Premises or any part thereof by reason of the same person acquiring or holding, directly or indirectly, this Lease or the leasehold estate hereby created or any

interest in this Lease or in such leaseholder estate as well as the fee estate in the Premises or any portion thereof.

25. Surrender. Upon the termination of this Lease, Tenant shall peaceably surrender the Premises to Landlord in the same condition in which they were received from Landlord at the commencement of this Lease, except as altered as permitted or required by this Lease and except for ordinary wear and tear, and in the condition of a class A office building of similar size, use, appearance and occupancy located in the Dallas/Fort Worth greater metropolitan area; provided, however, that the condition of the Premises surrendered upon termination may not be the same as received from Landlord at the commencement of this Lease to the extent of any construction in progress at the time of the execution of this Lease, and the Premises shall be in sound, completed condition, in good order and broom clean upon termination and without any construction then being in progress. So long as Tenant is not in default hereunder, Tenant may remove from the Premises, prior to or within a reasonable time (not to exceed thirty (30) days) after the expiration or termination of the Term of this Lease, all property owned by Tenant, and, at Tenant's expense, shall at such times of removal, repair any damage caused by such removal. Property not removed within said thirty (30) day period (including, without limitation, any trade fixtures of Tenant) shall become the property of Landlord. Landlord may, after the expiration of such thirty (30) day period, cause such property to be removed and the cost of removal and disposition, as well as the cost of repairing any damage caused by such removal, shall be borne by Tenant. Notwithstanding anything to the contrary contained herein, upon termination or expiration of this Lease, all fixtures, excluding Tenant's trade fixtures timely removed as hereinbefore described, but including, without limitation, the heating, ventilation and air conditioning systems, shall remain on the Premises at all times and shall become the property of Landlord. The provisions of this Section 25 shall survive any termination or expiration of this Lease.

26. Separability. Each and every covenant and agreement contained in this Lease is separate and independent, and the breach of any thereof by Landlord shall not discharge or relieve Tenant from any obligation hereunder. If any term or provision of this Lease or the application thereof to any person or circumstances shall at any time be invalid and unenforceable, the remainder of this Lease, or the application of such term or provision to persons or

circumstances or at any time other than those to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and shall be enforced to the extent permitted by law.

27. Savings Clause. No provision contained in this Lease which purports to obligate Tenant to pay any amount of interest or any fees, costs or expenses which are in excess of the maximum permitted by applicable law, shall be effective to the extent that it calls for payment of any interest or other sums in excess of such maximum.

28. Binding Effect. All of the covenants, conditions and obligations contained in this Lease shall be binding upon and inure to the benefit of the respective successors and assigns of Landlord, Tenant and Permitted Beneficiary.

29. Memorandum of Lease. If requested by Landlord, Tenant or Permitted Beneficiary, Landlord and Tenant shall enter into a memorandum of this Lease reasonably acceptable to both parties and record the same in the appropriate public records. Such memorandum shall be recorded and shall reflect the fact that the provisions of this Lease shall be superior to the lien of any Permitted Deed of Trust.

30. Table of Contents, Headings. The table of contents and headings used in this Lease are for convenient reference only and shall not to any extent have the effect of modifying, amending or changing the provisions of this Lease.

31. Governing Law. This Lease shall be governed by and interpreted under the laws of the state in which the Premises are located.

32. Certain Definitions.

(a) The term "Imposition" means:

(i) all taxes, assessments (including assessments for benefits from public works or improvements, whether or not begun or completed prior to the commencement of the term of this Lease and whether or not to be completed within said term), levies, fees, water and sewer rents and charges, and all other governmental charges of every kind, general and special, ordinary and extraordinary, whether or not the same shall have been within the express contemplation of the parties hereto, together with any interest and penalties thereon, which are, at any time, imposed or levied upon or assessed against (A) the Premises or any part thereof, (B) any Basic Rent, any Additional Rent reserved or payable hereunder, (C) this Lease or the leasehold estate hereby created or which arise in respect of the operation, possession, occupancy or use of the Premises;

(ii) any gross receipts or similar taxes imposed or levied upon, assessed against or measured by the Basic Rent, Additional Rent or any other sums payable by Tenant hereunder or levied upon or assessed against the Premises;

(iii) all sales and use taxes which may be levied or assessed against or payable by Landlord or Tenant on account of the acquisition, leasing or use of the Premises or any portion thereof; and

(iv) all charges for water, gas, light, heat, telephone, electricity, power and other utilities and communications services rendered or used on or about the Premises.

(b) The term "Lease" means:

this Lease and Agreement as amended and modified from time to time, together with any memorandum or short form of lease entered into for the purpose of recording.

(c) The term "Landlord" means:

the owner, for the time being, of the rights of the lessor under this Lease and his heirs, successors and assigns, and upon any assignment

or transfer of such rights, except an assignment or transfer made as security for an obligation, the assignor or transferor shall be relieved of all future duties and obligations under this Lease and the assignee or the transferee shall expressly agree in writing to be bound by and to assume all the covenants of Landlord hereunder.

(d) The term "Permitted Deed of Trust" means:

that certain Deed of Trust, Security Agreement and Assignment of Rents executed by Landlord contemporaneously with the execution of this Lease, in favor of Principal Mutual Life Insurance Company, and any mortgage, deed of trust, security agreement, assignment of lease or other security instrument relating to the Premises and this Lease, subject and junior in priority to the rights of Tenant under this Lease, and securing the borrowing by Landlord from the Permitted Beneficiary.

(e) The term "Permitted Beneficiary" means:

Principal Mutual Life Insurance Company, its successors and assigns if, and only if, a Permitted Deed of Trust exists.

(f) The term "Purchase Offer" means:

a rejectable, written offer delivered by Tenant to Landlord, executed by the president or any vice president of Tenant, irrevocably offering to purchase the Premises pursuant to the provisions of this Lease at a price determined in accordance with Exhibit F.

(g) The term "FAS 13" means:

Statement of Financial Accounting Standards No. 13 as promulgated by the Financial Accounting Standards Board.

(h) The term "Lease Make-Whole Premium" means:

that amount required to be paid to Landlord by Tenant at the time of a Lease termination as a yield maintenance protection of Landlord's equity investment in the Premises. The Lease Make-Whole Premium shall be calculated as follows:

i) Determine the "Reinvestment Yield." The Reinvestment Yield will be determined in the following manner: (A) Landlord will select a U. S. Treasury Bond, Note or Bill which Landlord deems to be appropriate and which matures or is repayable as close as possible to October 15, 2010, (B) the yield for the Treasury Bond, Note or Bill selected as described in (A) above will be as published two weeks prior to the date of the termination of this Lease, (C) the yield determined in (B) above is to be converted to an equivalent monthly nominal yield, (D) the monthly nominal yield determined in (C) above shall be adjusted to an after tax yield by multiplying said yield by 1 minus .34. If there has been a tax rate change due to Federal Tax Law Changes as defined on Exhibit C, the yield will be multiplied by 1 minus the new rate due to Federal Tax Law Changes. The yield resulting in (D) is the Reinvestment Yield.

ii) Calculate the "Present Value of the Leased Premises." The Present Value of the Leased Premises is the present value of the original after-tax cash flows anticipated by Landlord from this Lease and the Premises, assuming a sale of the Premises on October 15, 2010, only modified by Rent Adjustments as provided for in Section 5, discounted at the Reinvestment Yield.

iii) Determine the applicable equity investment balance as it is shown or would be shown on Landlord's financial statements if accounted for under GAAP, utilizing the original assumptions used by Landlord for the purchase of the Premises and modified only by Rent Adjustments as provided for in Section 5. Then, subtract the amount of the equity investment balance from the Present Value of the Leased Premises as of the date of Lease termination. Any resulting positive differential shall be divided by 1 minus .34. If there has been a tax rate change due to Federal Tax Law Changes as defined on Exhibit C the positive differential will be divided by 1 minus the new rate due

to the Federal Tax Law Changes. Any positive quotient that results shall be the Lease Make-Whole Premium.

(i) The term "Loan Make-Whole Premium" means:

the make whole premium set forth in those two certain Deed of Trust Notes executed by Landlord contemporaneously with the execution of this Lease, payable to Principal Mutual Life Insurance Company, and any prepayment premium or make whole premium or amount which Landlord is obligated to pay any other Permitted Mortgagee pursuant to the terms of loan documents executed by Landlord in favor of Permitted Mortgagee, including, without limitation, any Permitted Deed of Trust or note secured thereby, to the extent that the method of calculation of such amount shall have been disclosed in writing to Tenant prior to or concurrently with the execution of this Lease.

(j) The term "Hazardous Material" means:

any hazardous or toxic material, substance or waste which is defined by those or similar terms or is regulated as such under any Environmental Laws.

(k) The term "Environmental Laws" means:

any statute, law, ordinance, rule or regulation of any local, county, state or federal authority having jurisdiction over the Property or any portion thereof or its use, including but not limited to: the Federal Water Pollution Control Act (33 U. S. C.(S)1317 et seq.) as amended; (b) the Federal Resource Conservation and Recovery Act (42 U. S. C.(S)6901 et seq.) as amended; (c) the Comprehensive Environmental Response Compensation and Liability Act (42 U. S. C.(S)9601 et seq.) as amended; (d) the Toxic Substance Control Act (15 U. S. C.(S)2601 et seq.), as amended; and (e) the Clean Air Act (42, U. S.(S)7401 et seq.), as amended.

(l) The term "Fees and Costs" means: project consultant fees, architect fees and engineering fees.

(m) The term "Permitted Alterations" means:

(i) whether or not constituting any portion of the Renovations, any severable additions to or alterations, substitutions or replacements of the Improvements on the Premises, provided that (a) such additions, alterations, substitutions or replacements are readily removable without causing material damage to the Premises; (b) such additions, alterations, substitutions or replacements are not required in order to render the Premises complete for its intended use by Tenant; and (c) such additions, alterations, substitutions or replacements are not subject to a contract or option for

purchase or sale between Landlord and Tenant at other than fair market value at the time of such purchase or sale; or

(ii) whether or not constituting any portion of the Renovations, any non-severable additions to or alterations, substitutions or replacements of the Improvements on the Premises, provided that (a) such additions, alterations, substitutions or replacements are not needed to complete the Premises for its intended use by Tenant; (b) Tenant is not entitled to any compensation for such additions, alterations, substitutions or replacements; (c) such additions, alterations, substitutions or replacements do not cause the Premises to become limited use property; and (d) such additions, alterations, substitutions or replacements are required by governmental health, safety, or environmental standards; or

(iii) whether or not constituting any portion of the Renovations, any non-severable additions to or alterations, substitutions or replacements of the Improvements on the Premises, provided that (a) such additions, alterations, substitutions or replacements are not needed to complete the Premises for its intended use by Tenant; (b) Tenant is not entitled to any compensation for such additions,

alterations, substitutions or replacements; (c) such additions, alterations, substitutions or replacements do not cause the Premises to become limited use property; and (d) the cost of such additions, alterations, substitutions or replacements, when added to all previous Permitted Alterations by Tenant pursuant to this clause (iii), does not exceed $3,000,000.

33. Exhibits and Attachments. The following are Exhibits A, B, C, D, E, F, G, H, I, J, K and L and Attachments 1, 2 and 3 referred to in this Lease, which are hereby incorporated by reference herein and made a part thereof.

(a) Exhibit A to Lease: Legal Description

(b) Exhibit A-1 to Lease: Personal Property

(c) Exhibit B to Lease: Basic Rent Payments

(d) Exhibit C to Lease: Assumptions

(e) Exhibit D to Lease: Termination Values

(f) Exhibit E to Lease: Self Insurance Certificate

(g) Exhibit F to Lease: Computation of Purchase Prices

(h) Exhibit G to Lease: [Reserved]

(i) Exhibit H to Lease: Tenant's Certificate

(j) Exhibit I to Lease: Development Budget

(k) Exhibit J to Lease: Environmental Remediation

(l) Exhibit K to Lease: Renovations

(m) Exhibit L to Lease: Environmental Indemnity Agreement

(n) Attachment 1 to Lease: Amortization Schedule

(o) Attachment 2 to Lease: Depreciation Components

(p) Attachment 3 to Lease: Calculation of Fair Market Values

34. Time for Performance of Obligations. Whenever a date required for the performance of any obligations under this Lease, including, without limitation, the payment of any amounts due under this Lease, is a Saturday, Sunday or nationally recognized business holiday, the date for the performance of such obligation shall be deemed to be the first business day immediately following the date originally scheduled for such performance, a "business day" being a day on which national banks are open for business as usual.

35. Nature of Landlord's Obligations. Anything in this Lease to the contrary notwithstanding, no recourse or relief shall be had under any rule of law or equity, statute, constitution, or by any enforcement of any assessments or penalties, or otherwise, or based on or in respect of this Lease (whether by breach of any obligation, monetary or nonmonetary), against Landlord (or any officer or partner of Landlord or any predecessor or successor corporation, or other entity, of Landlord), it being expressly understood and agreed that any obligations of Landlord under or relating to this Lease are solely obligations payable out of the Premises and are compensable solely therefrom. It is expressly understood that all such liability has been and is being expressly waived and released as a consideration for and as a condition of the execution of this Lease, and Tenant expressly waives and releases all such liability as a condition of, and as a consideration for, the execution of this Lease.

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IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year first above set forth.

LANDLORD: Allen Office Investment Limited Partnership, a Texas limited partnership

By: Principal Mutual Life Insurance Company, an Iowa corporation, its sole general partner

By: /s/ Elizabeth Happe
Name: Elizabeth Happe
Title: Counsel

By: /s/ Karen A. Pearston
Name: Karen A. Pearston
Title: Counsel

TENANT: TRW Inc., an Ohio corporation

By: /s/ T.A. Gasparini
Name: T.A. Gasparini
Title: Vice President and Assistant Secretary

EXHIBIT A

LEGAL DESCRIPTION

BEING all that tract of land in the City of Allen, Collin County, Texas, a part of the MICHAEL SEE SURVEY, A-543, a part of the W.M. PERRIN SURVEY, A-708, a part of the RUFUS SEWELL SURVEY, A-875, and being all of Lot 1 and all of Lot 2, Block 1 of the Replat of Enterprises Addition No. 1, an addition to the City of Allen as recorded in Cabinet C, Page 567, Collin County Plat records, and being further described as follows:

BEGINNING at a 5/8 inch iron rod found at the northeast corner of said Lot 1, said point being the intersection of the south line of Intecom Drive (a 50 foot wide right-of-way) with the west line of Enterprise Boulevard (a 60 foot wide right-of-way);

THENCE along the west line of Enterprise Boulevard as follows:

South 11 degrees 30 minutes 00 seconds West, at 1136.98 feet passing a 5/8 inch iron rod found at the southeast corner of said Lot 1 and the northeast corner of said Lot 2, in all a total distance of 1439.21 feet to a 5/8 inch iron rod found for corner;

Southwesterly, 272.73 feet along a curve to the right which has a central angle of 60 degrees 06 minutes 02 seconds, a radius of 260.00 feet, a tangent of 150.42 feet, and whose chord bears South 41 degrees 33 minutes 01 seconds West, 260.40 feet to a 5/8 inch iron rod found for corner;

South 71 degrees 36 minutes 02 seconds West, 664.10 feet to a 5/8 inch iron rod found at the southwest corner of said Lot 2, said point being in the east line of U.S. Highway No. 75 (a variable width right-of-way);

THENCE along the east line of U.S. Highway No. 75 as follows:

North 14 degrees 03 minutes 05 seconds East, 120.00 feet to a 5/8 inch iron rod found for corner;

North 14 degrees 03 minutes 00 seconds East, at 720.30 feet passing a 5/8 inch iron rod found at the northwest corner of said Lot 2 and the southwest corner of said Lot 1, in all a total distance of 1801.00 feet to a 5/8 inch iron rod found for corner;

North 19 degrees 41 minutes 40 seconds East, 19.08 feet to a 5/8 inch iron rod found at the northwest corner of said Lot 1, said point being in the south line of said Intecom Drive;

THENCE South 83 degrees 49 minutes 54 seconds East, 620.60 feet along the north line of said Lot 1 and the south line of said Intecom Drive to the POINT OF BEGINNING and containing 1,155,576 square feet or 26.528 acres of land.

ASSIGNMENT OF TENANT'S INTEREST IN LEASE

THE STATE OF TEXAS)
) KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF COLLIN)

THIS ASSIGNMENT OF TENANT'S INTEREST IN LEASE (this "Assignment") is entered into by and between TRW Inc., an Ohio corporation (hereinafter referred to as "Assignor"), and Experian Information Solutions, Inc., an Ohio corporation (hereinafter referred to as "Assignee").

W I T N E S S E T H

WHEREAS, Assignor has heretofore entered into that certain lease agreement dated April 15, 1993, by and between Allen Office Investment Limited Partnership, a Texas limited partnership, as landlord ("Landlord"), and Assignor, as Tenant, pertaining to certain property and improvements in the City of Allen, Collin County, Texas, which lease agreement is attached hereto as Exhibit A and made a part hereof for all purposes (which lease was amended by instrument dated March 10, 1995 attached hereto as Exhibit B (such lease, as amended being hereinafter referred to as the "Lease"), and Assignor is the present owner of all right, title and interest of the tenant under the Lease; and

WHEREAS, pursuant to the Lease, Assignor and Landlord also executed (i) that certain Tax Indemnity Agreement dated as of April 15, 1993, a copy of which is attached hereto as Exhibit C, and (ii) that certain Environmental Indemnity Agreement, also executed by Principal Mutual Life Insurance Company, an Iowa corporation, a copy of which is attached as Exhibit L to the Lease (these two instruments being collectively referred to as the "Collateral Agreements").

WHEREAS, Assignor desires to convey all of its right, title and interest in and to the Lease and the Collateral Agreements to Assignee;

NOW, THEREFORE, for and in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Assignor, Assignor does hereby GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER, SET OVER and DELIVER unto Assignee, its successors, legal representatives and assigns, all of Assignor's right, title and interest in and to the lease and all security deposits and other deposits therefor.

TO HAVE AND TO HOLD the above rights, title, interests, powers, estates and privileges unto Assignee, its successors, legal representatives and assigns, forever, and Assignor does hereby bind itself and its successors, legal representatives and assigns, to WARRANT and FOREVER DEFEND, all and singular, title to the interests herein assigned unto Assignee, its successors, legal representatives and assigns, against

every person whomsoever lawfully claiming or to claim the same, or any thereof, by, through or under Assignor, but not otherwise.

Assignor also assigns all of its right, title and interest in and obligations under, the Collateral Agreements to Assignee.

It is understood and agreed that, by its execution hereof, Assignee hereby assumes and agrees to perform all of the terms, covenants and conditions of (i) the Lease on the part of the tenant therein required to be performed arising from and after the effective date hereof, and (ii) the Collateral Agreements; and Assignee covenants and agrees to indemnify, save and hold harmless Assignor from and against any liability, claims or causes of action existing in favor of or asserted by any party to the Lease or the Collateral Agreements or by any third party, arising out of or relating to Assignee "failure to perform any of the obligations of the tenant under the Lease, or the obligations under the Collateral Agreements, subsequent to the effective date hereof.

Assignor consents and agrees to indemnify, save and hold harmless Assignee from and against any and all liability, claims or causes of action existing in favor of or asserted by any party to the Lease or the Collateral Agreements or by any third party, arising out of or relating to Assignor's failure to perform any of the obligations of tenant under the Lease or under the Collateral Agreements prior to the effective date hereof.

All of the covenants, terms and conditions set forth herein shall be binding upon and inure to the benefit of the parties hereto and their respective successors, legal representatives and assigns.

The parties hereto agree to take such further action and execute such further documentation to evidence this assignment and assumption as Landlord may reasonably require pursuant to the provisions of Section 16 of the Lease wherein Landlord reserves the right to approve the instrument of assignment as to form and substance when the Tenant assigns all of its rights and interests under the Lease.

The parties hereto further acknowledge, as required by Section 16 of the Lease, that: (i) this Assignment does not affect or reduce any of the obligations of Assignor, as Tenant under the Lease, to Landlord, and all such obligations shall continue in full force and effect as obligations of a principal and not as obligations of a guarantor or surety, to the same extent as though no assignment had been made; provided that performance by Assignee of any of the obligations of Tenant under the Lease shall be deemed to be performance by Assignor; (ii) this Assignment does not impose any obligations on Landlord or otherwise affect any of the rights of Landlord under the Lease; (iii) Assignee is not a tax-exempt entity and shall be engaged in the same business activities in the demised premises under the Lease as are presently being engaged in by Assignor as of the Effective Date; and (iv) this Assignment does not affect or reduce any of the obligations of Assignor to the other parties to the Collateral Agreements.

Without limiting the foregoing, the Assignee and Assignor agree to execute such Estoppel Certificate, or Certificates as required by Section 23 of the Lease and requested by Landlord. Assignee also hereby notifies Landlord that the address for

notice to Assignee shall be as set forth below on the signature page, attention Law Department.

EXECUTED the ____ day of _____, 1996, to be effective as of the ____ day of _____, 1996.

ASSIGNOR:

TRW, INC.

By: /s/ David B Goldstan

Name: David B. Goldstan

Title: Assistant Secretary

ADDRESS FOR NOTICES:

505 City Parkway West, Tenth Floor
Orange, CA 92868
Telephone: (714) 385-7000

FAX: (714) 938-2513

Attention: Law Department

ASSIGNEE:

EXPERIAN INFORMATION SOLUTIONS, INC.

By: /s/ Thomas A. Gasparini

Name: Thomas A. Gasparini

Title: Executive Vice-President, General Counsel & Secretary

LANDLORD:

ALLEN OFFICE INVESTMENT LIMITED PARTNERSHIP,
a Texas limited partnership

By: PRINCIPAL MUTUAL LIFE INSURANCE COMPANY, an Iowa corporation, its sole General

By: /s/ R.W. Hughes

Name: R.W. Hughes

Title: Assistant Director

By: /s/ Karen A. Pearston

Name: Karen A. Pearston

Title: Counsel

APPROVED:

PRINCIPAL MUTUAL LIFE INSURANCE COMPANY, an Iowa corporation

By: /s/ R.W. Hughes

Name: R.W. Hughes

Title: Assistant Director

By: /s/ Karen A. Pearston

Name: Karen A. Pearston

Title: Counsel

EXHIBIT 10.68

LEASE AMENDMENT TO LEASE AGREEMENT
FOR THE EXPERIAN/TRW BUILDINGS

LEASE AMENDMENT

AMENDMENT AGREEMENT dated this 10/th/ day of March, 1995 by and between ALLEN OFFICE INVESTMENT LIMITED PARTNERSHIP, a Texas limited partnership (herein called "Landlord"), having an address at 711 High Street, Des Moines, Iowa, 50392-1450, Attention: Commercial Real Estate Loan Administration, Reference No. D-399815, and TRW INC., an Ohio corporation (herein called "Tenant"), having an address at 500 City Parkway West, Orange, California, 92668, Attention: John L. Dettbarn.

WITNESSETH

WHEREAS, by Agreement of Lease dated April 15, 1993 (the "Lease") Landlord demised to Tenant and Tenant hired from Landlord those certain premises described in the Lease upon the terms, provisions and conditions as in said Lease more fully set forth therein; and

WHEREAS, Landlord and Tenant desire to amend the Lease as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises, the mutual covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree that the Lease be and it is hereby amended as follows:

1. From and on April 15, 1995 through and including October 15, 2010, each of the Basic Rent payments as defined in Paragraph 5(a) of the Lease and outlined pursuant to Exhibit B of the Lease shall be increased by $3,254.00 per month and the Rent payment for February 15, 2010 shall be increased an additional $657,551.60, for a total rental payment increase of $660,805.60. The original Exhibit B is deleted in its entirety and inserted in lieu thereof is the Exhibit B attached hereto and made a part hereof.

2. The Termination Values as defined in Paragraph 5(c) of the Lease and outlined pursuant to Exhibit D of the Lease shall also be amended to reflect the monthly rental increase of $3,254.00 as well as an additional lump sum payment of $657,551.60. The original Exhibit D is deleted in its entirety and inserted in lieu thereof is the Exhibit D attached hereto and made a part hereof.

3. Except as modified hereby, the Lease is and shall remain in full force and effect, in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above set forth.

LANDLORD: ALLEN OFFICE INVESTMENT
LIMITED PARTNERSHIP, a Texas
limited partnership

By: Principal Mutual Life Insurance
Company, an Iowa corporation, its
sole general partner

By: /s/ Karen A. Pearston

Its: Karen A. Pearston, Counsel

By: /s/ Thomas R. Pospisil

Its: Thomas R. Pospisil, Counsel

TENANT: TRW, INC., an Ohio corporation

By: /s/ Thomas A. Gasparini

Name: Thomas A. Gasparini

Title: Assistant General Counsel & Assistant Secretary

EXHIBIT B

BASIC RENT PAYMENTS

Date	Rental Payment
11/15/93	$ 87,560.25
12/15/93	$ 87,560.25
1/15/94	$ 132,927.05
2/15/94	$1,074,597.97
3/15/94	$ 178,293.86
4/15/94	$ 178,293.86
5/15/94	$ 178,293.86
6/15/94	$ 178,293.86
7/15/94	$ 178,293.86
8/15/94	$ 178,293.86
9/15/94	$ 178,293.86
10/15/94	$ 178,293.86
11/15/94	$ 178,293.86
12/15/94	$ 178,293.86
1/15/95	$ 178,293.86
2/15/95	$ 405,772.67
3/15/95	$ 178,293.86
4/15/95	$ 181,547.86
5/15/95	$ 181,547.86
6/15/95	$ 181,547.86
7/15/95	$ 181,547.86
8/15/95	$ 181,547.86
9/15/95	$ 181,547.86
10/15/95	$ 623,539.14
11/15/95	$ 178,830.97
12/15/95	$ 178,830.97
1/15/96	$ 178,830.97
2/15/96	$ 178,830.97
3/15/96	$ 178,830.97
4/15/96	$ 178,830.97
5/15/96	$ 178,830.97
6/15/96	$ 178,830.97
7/15/96	$ 178,830.97
8/15/96	$ 178,830.97
9/15/96	$ 178,830.97
10/15/96	$ 880,903.68
11/15/96	$ 174,515.39
12/15/96	$ 174,515.39
1/15/97	$ 174,515.39
2/15/97	$ 174,515.39

EXHIBIT B

BASIC RENT PAYMENTS (cont.)

3/15/97	$ 174,515.39
4/15/97	$ 174,515.39

5/15/97	$ 174,515.39
6/15/97	$ 174,515.39
7/15/97	$ 174,515.39
8/15/97	$ 174,515.39
9/15/97	$ 174,515.39
10/15/97	$ 928,375.08
11/15/97	$ 169,881.48
12/15/97	$ 169,881.48
1/15/98	$ 169,881.48
2/15/98	$ 169,881.48
3/15/98	$ 169,881.48
4/15/98	$ 169,881.48
5/15/98	$ 169,881.48
6/15/98	$ 169,881.48
7/15/98	$ 169,881.48
8/15/98	$ 169,881.48
9/15/98	$ 169,881.48
10/15/98	$ 979,348.12
11/15/98	$ 164,905.75
12/15/98	$ 164,905.75
1/15/99	$ 164,905.75
2/15/99	$ 164,905.75
3/15/99	$ 164,905.75
4/15/99	$ 164,905.75
5/15/99	$ 164,905.75
6/15/99	$ 164,905.75
7/15/99	$ 164,905.75
8/15/99	$ 164,905.75
9/15/99	$ 164,905.75
10/15/99	$1,034,081.08
11/15/99	$ 159,563.00
12/15/99	$ 159,563.00
1/15/00	$ 159,563.00
2/15/00	$ 159,563.00
3/15/00	$ 159,563.00
4/15/00	$ 159,563.00
5/15/00	$ 159,563.00
6/15/00	$ 159,563.00
7/15/00	$ 159,563.00
8/15/00	$ 159,563.00
9/15/00	$ 159,563.00

EXHIBIT B

BASIC RENT PAYMENTS (cont.)

10/15/00	$1,092,851.31
11/15/00	$ 153,826.16
12/15/00	$ 153,826.16
1/15/01	$ 153,826.16
2/15/01	$1,864,290.70
3/15/01	$ 143,312.08
4/15/01	$ 143,312.08
5/15/01	$ 143,312.08
6/15/01	$ 143,312.08
7/15/01	$ 143,312.08
8/15/01	$ 143,312.08
9/15/01	$ 143,312.08
10/15/01	$ 143,312.08
11/15/01	$ 143,312.08
12/15/01	$ 143,312.08
1/15/02	$ 143,312.08
2/15/02	$1,986,470.89
3/15/02	$ 131,982.33
4/15/02	$ 131,982.33
5/15/02	$ 131,982.33
6/15/02	$ 131,982.33
7/15/02	$ 131,982.33
8/15/02	$ 131,982.33
9/15/02	$ 131,982.33
10/15/02	$ 131,982.33
11/15/02	$ 131,982.33

12/15/02	$ 131,982.33
1/15/03	$ 131,982.33
2/15/03	$2,118,129.58
3/15/03	$ 119,773.65
4/15/03	$ 119,773.65
5/15/03	$ 119,773.65
6/15/03	$ 119,773.65
7/15/03	$ 119,773.65
8/15/03	$ 119,773.65
9/15/03	$ 119,773.65
10/15/03	$ 119,773.65
11/15/03	$ 119,773.65
12/15/03	$ 119,773.65
1/15/04	$ 119,773.65
2/15/04	$2,260,002.07
3/15/04	$ 106,617.85
4/15/04	$ 106,617.85

EXHIBIT B

BASIC RENT PAYMENTS (cont.)

5/15/04	$ 106,617.85
6/15/04	$ 106,617.85
7/15/04	$ 106,617.85
8/15/04	$ 106,617.85
9/15/04	$ 106,617.85
10/15/04	$ 106,617.85
11/15/04	$ 106,617.85
12/15/04	$ 106,617.85
1/15/05	$ 106,617.85
2/15/05	$2,412,880.73
3/15/05	$ 92,441.44
4/15/05	$ 92,441.44
5/15/05	$ 92,441.44
6/15/05	$ 92,441.44
7/15/05	$ 92,441.44
8/15/05	$ 92,441.44
9/15/05	$ 92,441.44
10/15/05	$ 92,441.44
11/15/05	$ 92,441.44
12/15/05	$ 92,441.44
1/15/06	$ 92,441.44
2/15/06	$2,577,619.40
3/15/06	$ 77,165.26
4/15/06	$ 77,165.26
5/15/06	$ 77,165.26
6/15/06	$ 77,165.26
7/15/06	$ 77,165.26
8/15/06	$ 77,165.26
9/15/06	$ 77,165.26
10/15/06	$ 77,165.26
11/15/06	$ 77,165.26
12/15/06	$ 77,165.26
1/15/07	$ 77,165.26
2/15/07	$2,755,138.16
3/15/07	$ 60,703.98
4/15/07	$ 60,703.98
5/15/07	$ 60,703.98
6/15/07	$ 60,703.98
7/15/07	$ 60,703.98
8/15/07	$ 60,703.98
9/15/07	$ 60,703.98
10/15/07	$ 60,703.98
11/15/07	$ 60,703.98

EXHIBIT B

BASIC RENT PAYMENTS (cont.)

12/15/07	$ 60,703.98
1/15/08	$ 60,703.98
2/15/08	$2,946,428.45
3/15/08	$ 42,965.67
4/15/08	$ 42,965.67
5/15/08	$ 42,965.67
6/15/08	$ 42,965.67
7/15/08	$ 42,965.67
8/15/08	$ 42,965.67
9/15/08	$ 42,965.67
10/15/08	$ 42,965.67
11/15/08	$ 42,965.67
12/15/08	$ 42,965.67
1/15/09	$ 42,965.67
2/15/09	$3,152,558.64
3/15/09	$ 23,851.26
4/15/09	$ 23,851.26
5/15/09	$ 23,851.26
6/15/09	$ 23,851.26
7/15/09	$ 23,851.26
8/15/09	$ 23,851.26
9/15/09	$ 23,851.26
10/15/09	$ 23,851.26
11/15/09	$ 23,851.26
12/15/09	$ 23,851.26
1/15/10	$ 23,851.26
2/15/10	$4,032,231.59
3/15/10	$ 3,254.00
4/15/10	$ 3,254.00
5/15/10	$ 3,254.00
6/15/10	$ 3,254.00
7/15/10	$ 3,254.00
8/15/10	$ 3,254.00
9/15/10	$ 3,254.00
10/15/10	$ 3,254.00

EXHIBIT D

TERMINATION VALUES

Date	Termination Value
4/15/93	31,860,846.10
5/15/93	32,057,696.22
6/15/93	32,255,717.54
7/15/93	32,452,983.57
8/15/93	32,651,016.22
9/15/93	32,851,812.21
10/15/93	33,051,417.04
11/15/93	33,166,231.02
12/15/93	33,283,429.19
1/15/94	33,352,313.96
2/15/94	32,480,860.59
3/15/94	32,493,234.26
4/15/94	32,505,288.47
5/15/94	32,517,016.00
6/15/94	32,528,719.16
7/15/94	32,538,493.07
8/15/94	32,556,592.43
9/15/94	32,589,739.45
10/15/94	32,621,284.68
11/15/94	32,653,117.38
12/15/94	32,685,240.15
1/15/95	32,715,751.80
2/15/95	32,519,062.68
3/15/95	32,874,664.79
4/15/95	32,901,987.49
5/15/95	32,927,945.78
6/15/95	32,954,141.98
7/15/95	32,978,963.51
8/15/95	33,004,012.62

9/15/95	33,029,291.38
10/15/95	32,611,195.87
11/15/95	32,635,310.81
12/15/95	32,659,646.93
1/15/96	32,682,591.50
2/15/96	32,705,746.59
3/15/96	32,729,114.15
4/15/96	32,752,696.12
5/15/96	32,775,309.25
6/15/96	32,798,129.93

EXHIBIT D
TERMINATION VALUES

Date	Termination Value
7/15/96	32,819,974.86
8/15/96	32,842,020.36
9/15/96	32,864,268.28
10/15/96	32,183,462.55
11/15/96	32,204,924.87
12/15/96	32,226,584.33
1/15/97	32,247,257.52
2/15/97	32,268,120.67
3/15/97	32,289,175.54
4/15/97	32,310,423.88
5/15/97	32,331,026.57
6/15/97	32,351,818.64
7/15/97	32,371,960.94
8/15/97	32,392,288.44
9/15/97	32,412,802.85
10/15/97	31,678,805.29
11/15/97	31,698,850.12
12/15/97	31,719,079.30
1/15/98	31,738,653.66
2/15/98	31,758,408.13
3/15/98	31,778,344.35
4/15/98	31,798,463.99
5/15/98	31,818,007.22
6/15/98	31,837,730.31
7/15/98	31,856,873.40
8/15/98	31,876,192.75
9/15/98	31,895,689.96
10/15/98	31,105,138.50
11/15/98	31,124,227.90
12/15/98	31,143,493.12
1/15/99	31,162,174.24
2/15/99	31,181,027.49
3/15/99	31,200,054.44
4/15/99	31,219,256.69
5/15/99	31,237,952.85
6/15/99	31,256,821.33
7/15/99	31,275,180.71
8/15/99	31,293,709.37
9/15/99	31,312,408.86
10/15/99	30,461,422.42

EXHIBIT D
TERMINATION VALUES

Date	Termination Value
11/15/99	30,479,779.08
12/15/99	30,498,305.05
1/15/00	30,516,318.89
2/15/00	30,534,498.94
3/15/00	30,552,846.74
4/15/00	30,571,363.84
5/15/00	30,589,782.95
6/15/00	30,608,372.04
7/15/00	30,626,863.84

8/15/00	30,645,526.31
9/15/00	30,664,361.01
10/15/00	29,749,812.40
11/15/00	29,768,725.08
12/15/00	29,787,812.32
1/15/01	29,806,806.90
2/15/01	28,115,512.30
3/15/01	28,134,859.20
4/15/01	28,154,384.69
5/15/01	28,175,110.48
6/15/01	28,196,027.47
7/15/01	28,218,157.48
8/15/01	28,240,491.51
9/15/01	28,263,031.45
10/15/01	28,286,799.24
11/15/01	28,310,786.04
12/15/01	28,334,993.85
1/15/02	28,360,444.77
2/15/02	26,542,971.28
3/15/02	26,568,893.14
4/15/02	26,595,053.73
5/15/02	26,622,638.07
6/15/02	26,650,476.33
7/15/02	26,679,753.68
8/15/02	26,709,300.40
9/15/02	26,739,118.97
10/15/02	26,770,394.73
11/15/02	26,801,958.13
12/15/02	26,833,811.82
1/15/03	26,867,141.31
2/15/03	24,914,629.97

EXHIBIT D
TERMINATION VALUES

Date	Termination Value
3/15/03	24,948,575.10
4/15/03	24,982,832.30
5/15/03	25,018,762.69
6/15/03	25,055,023.27
7/15/03	25,092,975.34
8/15/03	25,131,276.08
9/15/03	25,169,928.68
10/15/03	25,210,294.62
11/15/03	25,251,031.29
12/15/03	25,292,142.08
1/15/04	25,334,988.69
2/15/04	23,238,000.27
3/15/04	23,281,637.28
4/15/04	23,325,674.92
5/15/04	23,371,664.15
6/15/04	23,418,075.50
7/15/04	23,466,460.11
8/15/04	23,515,288.72
9/15/04	23,564,565.39
10/15/04	23,615,841.50
11/15/04	23,667,588.02
12/15/04	23,719,809.28
1/15/05	23,774,056.87
2/15/05	21,522,539.14
3/15/05	21,577,786.42
4/15/05	21,633,540.42
5/15/05	21,691,556.73
6/15/05	21,750,105.05
7/15/05	21,810,941.18
8/15/05	21,872,335.07
9/15/05	21,934,291.82
10/15/05	21,998,567.52
11/15/05	22,063,432.40
12/15/05	22,128,891.83
1/15/06	22,196,702.23
2/15/06	19,779,956.11

3/15/06	19,849,015.11
4/15/06	19,918,707.00
5/15/06	19,991,007.99
6/15/06	20,063,971.47

EXHIBIT D
TERMINATION VALUES

Date	Termination Value
7/15/06	20,139,573.92
8/15/06	20,215,869.00
9/15/06	20,292,863.04
10/15/06	20,372,532.86
11/15/06	20,452,932.46
12/15/06	20,534,068.51
1/15/07	20,617,918.18
2/15/07	18,024,562.89
3/15/07	18,109,955.48
4/15/07	18,196,130.13
5/15/07	18,285,300.94
6/15/07	18,375,288.29
7/15/07	18,468,306.60
8/15/07	18,562,176.58
9/15/07	18,656,906.03
10/15/07	18,754,709.74
11/15/07	18,853,408.81
12/15/07	18,953,011.45
1/15/08	19,055,732.85
2/15/08	16,273,670.06
3/15/08	16,378,280.62
4/15/08	16,483,848.73
5/15/08	16,592,892.44
6/15/08	16,702,934.17
7/15/08	16,816,492.33
8/15/08	16,931,089.72
9/15/08	17,046,735.83
10/15/08	17,165,949.54
11/15/08	17,286,254.11
12/15/08	17,407,659.51
1/15/09	17,532,685.10
2/15/09	14,549,261.64
3/15/09	14,676,585.53
4/15/09	14,805,074.35
5/15/09	14,937,570.18
6/15/09	15,071,278.13
7/15/09	15,209,040.72
8/15/09	15,348,063.50
9/15/09	15,488,358.01
10/15/09	15,632,767.27

EXHIBIT D
TERMINATION VALUES

Date	Termination Value
11/15/09	15,778,497.41
12/15/09	15,925,560.50
1/15/10	16,076,800.14
2/15/10	12,221,042.69
3/15/10	12,365,842.83
4/15/10	12,511,967.59
5/15/10	12,666,807.61
6/15/10	12,823,063.83
7/15/10	12,988,127.71
8/15/10	13,154,701.03
9/15/10	13,322,797.58
10/15/10	13,500,000.01

EXHIBIT 10.69

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS
FOR THE AGILENT BOSTON BUILDING

PURCHASE AND SALE AGREEMENT
AND ESCROW INSTRUCTIONS

BY AND BETWEEN

BPF TECH CENTRAL, LLC, a Delaware limited liability company

("Seller")

AND

WELLS OPERATING PARTNERSHIP, L.P., a Delaware limited partnership

("Buyer")

Table of Contents

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

THIS PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (this "Agreement") is made and entered into as of April 5, 2002, between BPF Tech Central, LLC, a Delaware limited liability company ("Seller"), and WELLS Operating Partnership, L.P., a Delaware limited partnership ("Buyer"), with reference to the following:

A. Seller is the owner of the improved real property (the "Real

Property") described on Exhibit A attached hereto together with certain personal property located upon or used in connection with such improved real property and certain other assets relating thereto, all as more particularly described in Section 2 hereof.

B. Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Real Property, together with certain personal property and related assets on the terms and subject to the conditions contained in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. BASIC TERMS AND DEFINITIONS; REFERENCES

1.1 Basic Terms and Definitions.

(a) Effective Date. The effective date of this Agreement is the date set forth above ("Effective Date").

(b) Closing Date. The day that Close of Escrow shall occur is April 18, 2002 (the "Closing Date").

(c) Title Review Period. The "Title Review Period" shall end on April 12, 2002 at 5:00 p.m. (Massachusetts time).

(d) Due Diligence Period. The "Due Diligence Period" shall end on April 12, 2002 at 5:00 p.m. (Massachusetts time).

(e) Escrow Holder. The escrow holder shall be Chicago Title Company ("Escrow Holder"), whose address is National Business Unit, 16969 Von Karman, Irvine, California 92606, Escrow Officer: Joy Eaton; Telephone: (949) 263-0123; Telecopier: (949) 263-0356.

(f) Title Company. The title company shall be Chicago Title Insurance Company ("Title Company") whose address is National Business Unit, 16969 Von Karman, Irvine, California 92606, Title Coordinator: John Premac; Telephone: (949) 263-0123; Telecopier: (949) 263-0356.

(g) Agilent Lease. The "Agilent Lease" is that certain lease dated December 7, 2002 between Seller and Agilent Technologies, Inc.

1.2 References. All references to Exhibits refer to Exhibits attached to this Agreement and all such Exhibits are incorporated herein by reference. The words "herein," "hereof," "hereinafter" and words of similar import refer to this Agreement as a whole and not to any particular Section hereof.

2. PURCHASE AND SALE.

Subject to the terms and conditions of this Agreement, Seller agrees to sell, assign and transfer to Buyer and Buyer agrees to purchase from Seller, for the purchase price set forth in Section 3 hereof, all of Seller's right, title and interest in and to the following (collectively, the "Property"):

2.1 The Real Property, together with the buildings located thereon, and all associated parking areas, landscaping and fixtures and all other improvements located thereon (the buildings and such other improvements are referred to herein collectively as the "Improvements"); all references hereinafter made to the Real Property shall be deemed to include all rights, privileges, licenses, easements, tenements and appurtenances benefiting the Real Property and/or the Improvements situated thereon, including, without limitation, all mineral and water rights and all easements, rights-of-way and other appurtenances used or connected with the beneficial use or enjoyment of the Real Property;

2.2 All personal property, equipment, machinery, supplies and fixtures (collectively, the "Personal Property") listed on Exhibit B attached hereto or otherwise left on the Real Property at the Close of Escrow (as defined in Section 8.1 hereof) to the extent owned by Seller (exclusive of the chiller units serving the property commonly know as 80 Central Street, Boxborough, Massachusetts);

2.3 All of Seller's interest in any intangible property (expressly excluding the names "Koll," "Bren", "K/B", "KBS" or any derivative thereof, or any name that includes the word "Koll", the word "Bren", the word "Schreiber", the word "K/B" or the word "KBS", or any derivative thereof) used or useful in connection with the foregoing, including, without limitation, any right Seller has in the name(s) of the building situated on the Real Property, including, but not limited to, the name "Tech Central @ Boxborough" or any derivation thereof, all contract rights, warranties related to the construction of the Improvements (including without limitation the warranties listed on Schedule 3 attached hereto and made a part hereof), guaranties, licenses, permits, entitlements, governmental approvals and certificates of occupancy which benefit the Real Property and/or the Personal Property. (Notwithstanding the foregoing, Seller and Buyer agree and acknowledge that any assignable guaranties and warranties , as they relate to the wastewater treatment facility servicing the Property, shall be assigned by Seller to Buyer and to the owner of the property commonly known as 80 Central Street, Boxborough, Massachusetts);

2.4 All of Seller's interest in the leases (and all amendments thereto) listed in Schedule 5 attached hereto and made a part hereof and all other leases hereinafter entered into by Seller affecting the Real Property as of the Close of Escrow to the extent permitted by the terms of this Agreement (collectively, the "Leases"); and

2.5 All of Seller's interests in the service contracts listed on Exhibit C attached hereto and all service contracts hereafter entered into by Seller to the extent permitted by the provisions of this Agreement (the "Service Contracts").

Notwithstanding anything to the contrary contained herein, the term "Property" shall expressly exclude any Rents (as such term is defined in Section 10.1 hereof) or any other amounts payable by tenants under the Leases for periods prior to the Close of Escrow, any Rent or other amounts payable by any former tenants of the Property, and any judgments, stipulations, orders, or settlements with any tenants under the Leases or former tenants of the Property relating to the period ending at the Close of Escrow (hereinafter collectively referred to as the "Excluded Property").

3. PURCHASE PRICE; DEPOSIT AND INDEPENDENT CONSIDERATION.

3.1 Purchase Price. The purchase price for the Property shall be Thirty Five Million One Hundred Fifty Thousand and 00/100 Dollars ($35,150,000) less amounts credited to Buyer pursuant to Section 10.4.

3.2 Payment of Purchase Price. The Purchase Price shall be payable as follows:

3.2.1 Within two (2) business days following the Effective Date, and as a condition precedent to the effectiveness hereof, Buyer shall deposit in escrow with Escrow Holder (as defined in Section 9.1 hereof), in cash or current funds, the sum of Five Hundred Thousand and 00/100 Dollars ($500,000) (the "Deposit"). Immediately upon Escrow Holder's receipt of the Deposit (the "Opening of Escrow"), Escrow Holder shall invest the same in a federally insured interest-bearing account acceptable to Seller and Buyer, with all interest accruing thereon credited to the Purchase Price. For purposes of this Agreement, any interest accruing on the Deposit from time to time shall be deemed part of the Deposit. Upon expiration of the Due Diligence Period, if Buyer has not previously terminated this Agreement by its terms the Deposit shall become nonrefundable except as otherwise provided herein .

3.2.2 Provided all the conditions in Section 7.1 hereof have been satisfied or waived by Buyer, Buyer shall deposit in cash or current funds with Escrow Holder no later than 2:00 p.m. (California time) one (1) business day prior to the Closing Date (as defined in Section 1.1(b) hereof) an amount equal to the Purchase Price less the Deposit and all interest accrued thereon plus or minus applicable prorations pursuant to Section 10 hereof.

3.3 Disposition of Deposit Upon Failure to Close. If the Close of Escrow fails to occur due to Buyer's default under this Agreement (all of the conditions to Buyer's obligation to close having been satisfied or waived), then the disposition of the Deposit and all interest accrued thereon shall be

governed by Section 13.1 hereof; if the Close of Escrow fails to occur due to Seller's default under this Agreement (all of the conditions to Seller's obligation to close having been satisfied or waived), then the Deposit and all interest accrued thereon shall promptly be refunded to Buyer; and if the Close of Escrow fails to occur due to the failure of any of the conditions set forth in Sections 7.1 or 7.2 hereof other than as a result of Buyer's or Seller's default under this Agreement, then the disposition of the Deposit and all interest accrued thereon shall be governed by Section 9.3 hereof.

3.4 Independent Contract Consideration. In addition to the Earnest Money, Buyer has as of the date hereof delivered to Seller the amount of ONE HUNDRED AND NO/100 DOLLARS ($100.00), the receipt and sufficiency of which is hereby acknowledged by Seller (the "Independent Contract Consideration"), which amount Seller and Buyer agree has been bargained for as consideration for Seller's execution and delivery of this Agreement and Buyer's right to inspect the Property pursuant to Section 4.3 of the Agreement. The Independent Contract Consideration is in addition to and independent of any other consideration or payment provided for in this Agreement and is non-refundable in all events.

4. PROPERTY INFORMATION; TITLE REVIEW; INSPECTIONS AND DUE DILIGENCE; TENANT ESTOPPEL CERTIFICATES; CONFIDENTIALITY.

4.1 Property Information. Seller shall make available to Buyer within five (5) business days after the date of this Agreement, to the extent in Seller's possession, the following, all of which shall be made available for review and copying (at Buyer's cost and expense) at the offices of Insignia/EGS, Inc., 111 Huntington Avenue, Boston, Massachusetts (collectively, the "Property Information"):

(a) the Leases;

(b) a current rent roll for the Real Property, indicating rents collected, scheduled rents and concessions, delinquencies, and security deposits held (collectively, the "Rent Rolls");

(c) the most current operating statements for the Real Property, if available (collectively, the "Operating Statements");

(d) the projected operating expenses for the Property for 2002;

(e) copies of the Service Contracts;

(f) existing land title surveys, if any, for the Real Property (collectively, the "Existing Surveys");

(g) Commission Agreements (as hereinafter defined);

(h) copies of any existing title insurance policies for the Real Property in Seller's possession;

(i) any environmental, soils and/or engineering reports prepared for Seller or Seller's predecessors (including any relating to the wastewater treatment facility servicing the Property);

(j) any plans and specifications, permits, licenses, zoning approvals, certificates of occupancy, warranties, lien waivers, utility arrangements and all other materials directly related to the existing development and construction of the Property (including any relating to the wastewater treatment facility servicing the Property); and

(k) copies of any written notices from tenants or governmental authorities received during Seller's ownership of the Property.

Under no circumstances shall Buyer be entitled to review any appraisals relating to the Property or any internal financial audits relating to the Property.

4.2 Title and Survey Review; Title Policy.

4.2.1 Delivery of Title Report. Seller shall request, at Buyer's expense, the Title Company to promptly deliver to Seller and Buyer a preliminary report or title commitment covering the Real Property (the "Title Report")

issued by the Title Company, together with copies of all documents (collectively, the "Title Documents") referenced in the Title Report (including, without limitation, copies of the deed pursuant to which Seller obtained title to the Real Property). Seller shall assist Buyer, at Buyer's expense, to obtain a new survey for the Real Property (such survey being referred to herein as the "New Survey"). Buyer understands and acknowledges that if Buyer elects to obtain a New Survey or an updated or recertified survey for the Real Property the completion and/or delivery of the surveys or updated or recertified surveys shall not be a condition precedent to the Close of Escrow. Notwithstanding the foregoing, Buyer further acknowledges that Seller makes no representations or warranties, and Seller shall have no responsibility, with respect to the completeness of the Title Documents made available to Buyer.

4.2.2 Title Review and Cure. Commencing from the date of this Agreement and continuing through and including the Title Review Period, Buyer shall have the right to approve or disapprove the condition of title to the Real Property. On or before the expiration of the Title Review Period, Buyer shall deliver to Seller and Escrow Holder written notice ("Buyer's Title Notice") of Buyer's approval or disapproval of the matters reflected in the Title Report and the New Survey, if any (or any Existing Survey if Buyer elects not to obtain a New Survey); Buyer's Title Notice delivered by Buyer to Seller must state that it is a "Buyer's Title Notice being delivered in accordance with the provisions of Section 4.2.2 of the Purchase Agreement." The failure of Buyer to deliver to Seller Buyer's Title Notice on or before the expiration of the Title Review Period shall be deemed to constitute Buyer's approval of the condition of title to the Real Property, other than the monetary encumbrances described below. If Buyer disapproves any matter of title shown in the Title Report, the New Survey, if any (or any Existing Survey if Buyer elects not to obtain a New Survey) other than matters of record evidencing financial obligations of Seller to Guaranty Federal Bank F.S.B., or any other monetary encumbrances voluntarily granted by Seller, then this Agreement shall automatically terminate, the parties shall be released from all further obligations under this Agreement (except pursuant to any provisions which by their terms survive a termination of this Agreement), the Deposit shall be immediately returned to Buyer and Buyer shall immediately return all Property Information to Seller. Whether or not Buyer delivers a Buyer's Title Notice, Seller shall cause the Title Company to remove from the Title Policy (as hereinafter defined in Section 4.2.3) in accordance with customary conveyancing practices, all matters of record evidencing financial obligations of Seller to Guaranty Federal Bank F.S.B. or any other monetary encumbrances voluntarily granted by Seller. Buyer shall have been deemed to have approved any title exception

that Seller is not obligated to remove and to which either Buyer did not object as provided above, or to which Buyer did object, but with respect to which Buyer did not terminate this Agreement.

4.2.3 Delivery of Title Policies at Closing. As a condition precedent to the Close of Escrow, the Title Company shall have issued and delivered to Buyer, or shall have committed to issue and deliver to Buyer, with respect to the Real Property, an ALTA Owner's Policy of Title Insurance (1992 Form) (the "Title Policy") issued by the Title Company as of the date and time of the recording of the Deed (as such term is defined in Section 6.1 hereof) for the Real Property , in the amount of the Purchase Price insuring Buyer as owner of good, marketable and indefeasible fee simple title to the Real Property, subject to the Permitted Exceptions as hereinafter defined. For purposes of this Agreement, "Permitted Exceptions" shall mean and include (a) matters affecting the Real Property which are created by or with the written consent of Buyer, (b) the rights of the tenants under the Leases affecting the Real Property, (c) all exceptions disclosed by the Title Report relating to the Real Property and which are approved or deemed approved by Buyer in accordance with Section 4.2.2 hereof, (d) all applicable laws, ordinances, rules and governmental regulations (including, without limitation, those relating to building, zoning and land use) affecting the development, use, occupancy or enjoyment of the Real Property and (e) all matters shown on the Existing Survey or the New Survey.

4.3 Inspections; Due Diligence Period.

4.3.1 Inspections in General. Commencing from the Effective Date and continuing through and including the expiration of the Due Diligence Period, Buyer, its agents, and employees shall have a limited license (the "License") to enter upon the Real Property for the purpose of making non-invasive inspections

at Buyer's sole risk, cost and expense. Before any such entry, Buyer shall provide Seller with evidence that it maintains insurance with an insurer and with insurance limits and coverage reasonably satisfactory to Seller. All of such entries upon the Real Property shall be at reasonable times during normal business hours and after at least 48 hours prior notice to Seller or Seller's agent, and Seller or Seller's agent shall have the right to accompany Buyer during any activities performed by Buyer on the Real Property. Notwithstanding anything stated to the contrary herein, Buyer shall have no right to inspect any of the occupied space in the Real Property, Buyer shall not contact or speak to any of the tenants under the Leases, and such inspections shall not unreasonably interfere with the rights of tenants; provided, however, notwithstanding the foregoing, Buyer shall have the right to inspect occupied space in the Real Property and to contact or speak to tenants provided that (a) Buyer provides Seller with no less than 24 hours prior written notice of such intention, (b) Seller or Seller's representative is present (unless Seller waives such requirement)during such inspections and/or discussions with tenants, and (c) any discussions with tenants is limited to their existing tenancy and premises and does not involve any lease renegotiations. At Seller's request, Buyer shall provide Seller (at no cost to Seller and without any representation or warranty by Buyer) with a copy of the results of any tests and inspections made by Buyer, excluding only market and economic feasibility studies, any appraisals and any internal financial audits or reports relating to the Property. If any inspection or test disturbs the Real Property, Buyer will restore the Real Property to the same condition as existed before the inspection or test. Buyer shall defend, indemnify Seller and hold Seller, Seller's trustees, beneficiaries, officers, directors, members, representatives, principals, partners, shareholders, employees, agents, contractors and tenants and the Real Property harmless from and against any and all losses, costs, damages, claims, or liabilities, including but not limited to, mechanic's and materialmen's liens and Seller's attorneys' fees, arising out of or in connection with Buyer's inspection of the Real Property; provided that Buyer shall not be responsible for indemnifying or holding any such parties harmless for the mere discovery of any existing condition at the Property. The License shall be deemed revoked upon termination of this Agreement. The provisions of this paragraph shall survive the Close of Escrow or the earlier termination of this Agreement.

4.3.2 Environmental Inspections. The inspections under Section 4.3.1 may include non-invasive Phase I environmental inspections of the Real Property, but no Phase II environmental inspections or other invasive inspections or sampling of soil or materials, including without limitation construction materials, either as part of the Phase I inspections or any other inspections, shall be performed without the prior written consent of Seller, which may be withheld in its sole and absolute discretion, and if consented to by Seller, the proposed scope of work and the party who will perform the work shall be subject to Seller's review and approval. At Seller's request, Buyer shall deliver to Seller (at no cost to Seller and without any representation or warranty by Buyer) copies of any Phase II or other environmental reports to which Seller consents as provided above.

4.3.3 Termination During Due Diligence Period. If Buyer determines, in its sole discretion, before the expiration of the Due Diligence Period, that the Real Property is unacceptable for Buyer's purposes, Buyer shall have the right to terminate this Agreement by giving to Seller notice of termination ("Termination Notice") before the expiration of the Due Diligence Period, in which event the Deposit shall be immediately refunded to Buyer, Buyer shall immediately return all Property Information to Seller and, except for those provisions of this Agreement which expressly survive the termination of this Agreement, the parties hereto shall have no further obligations hereunder. If Buyer fails to deliver a Termination Notice to Seller and Escrow Holder on or before the expiration of the Due Diligence Period, then Buyer shall be deemed to be satisfied with all aspects of all the Real Property, including, without limitation, the condition and suitability of all the Real Property for Buyer's intended use, and Buyer shall be obligated to acquire the Real Property in accordance with the provisions of this Agreement (but subject to the provisions of Section 7 hereof). Buyer's delivery of a Termination Notice to Seller with respect to the Real Property shall constitute Buyer's election to terminate this Agreement with respect to the Real Property as provided above in this Section 4.3.3.

4.4 Tenant Estoppel Certificates. Seller shall endeavor to secure and deliver to Buyer no later than five (5) days prior to the expiration of the Due

Diligence Period estoppel certificates for all Leases consistent with the information in the Rent Rolls and in the Leases and substantially in the form attached hereto as Exhibit D or such form as may be required under the applicable Leases.

4.5 Service Contracts. Buyer shall assume the obligations arising from and after the Closing Date under the Service Contracts.

4.6 Confidentiality. Prior to the Close of Escrow or in the event the Close of Escrow never occurs, the Property Information and all other information, other than matters of public record or matters generally known to the public, furnished to, or obtained through inspection of the Real Property by, Buyer, its affiliates, lenders, employees, attorneys, accountants and other professionals or agents relating to the Real Property, will be treated by Buyer, its affiliates, lenders, employees and agents as confidential, and will not be disclosed to anyone (except as reasonably required in connection with Buyer's evaluation of the Real Property (including appropriate members of the broker-dealer community selling the products of Buyer or its affiliates) and in connection with Buyer's activities in closing the transaction contemplated by this Agreement) except to Buyer's consultants who agree to maintain the confidentiality of such information, and will be returned to Seller by Buyer if the Close of Escrow does not occur. The terms of this Agreement will not be disclosed to anyone prior to the Close of Escrow except to Buyer's and Seller's consultants (including appropriate members of the broker-dealer community selling the products of Buyer or its affiliates) who agree to maintain the confidentiality of such information. After the Close of Escrow, Buyer may disclose the terms of this Agreement so long as Buyer does not make any material disclosures of matters Buyer typically would not disclose in similar transactions. Prior to the Close of Escrow, Seller and Buyer agree not to make any public announcements or public disclosures or communicate with any media with respect to the subject matter hereof without the prior written consent of the other party (in their sole and absolute discretion). The confidentiality provisions of this Section 4.6 shall not apply to any disclosures made by Buyer or Seller as required by law, by court order, or in connection with any subpoena served upon Buyer or Seller; provided Buyer and Seller shall provide each other with written notice before making any such disclosure.

5. OPERATIONS AND RISK OF LOSS

5.1 Ongoing Operations. During the pendency of this Agreement, but subject to the limitations set forth below, Seller shall carry on its businesses and activities relating to the Real Property substantially in the same manner as it did before the date of this Agreement. The new and pending lease transactions (the "New and Pending Lease Transactions") reflected on Schedule "1" attached hereto shall be deemed approved by Buyer for purposes of this Agreement.

5.2 New Contracts. Prior to the expiration of the Due Diligence Period, Seller may without Buyer's consent enter into contracts (other than new leases or documents amending the Lease) relating to the Real Property, provided that Seller provides Buyer with written notice of the same on or before the expiration of the Due Diligence Period and provided the same can be terminated without cause on thirty (30) days' notice without the payment of a termination fee. Following the expiration of the Due Diligence Period, Seller will not enter into any contract that

will be an obligation affecting the Real Property subsequent to the Close of Escrow (except contracts entered into in the ordinary course of business that are terminable without cause on 30-days' notice and without the payment of a termination fee), without the prior consent of the Buyer, which shall not be unreasonably withheld or delayed. Concurrently with the Close of Escrow, Seller shall cause any management agreement to which it is a party and which relates to the Property (exclusive of any contract to operate the wastewater treatment facility) to be terminated. The provisions of this Section 5.2 shall not apply to any amendments to the construction contract and the architectural contract listed on Exhibit I attached hereto, which shall remain Seller's obligations following the Closing.

5.3 Leasing Arrangements. Seller may, upon notice to Buyer, but without Buyer's consent, enter into subleases to the extent required by existing leases (i.e. Seller's consent is not required or must be granted). Prior to the expiration of the Due Diligence Period, Seller may enter into new leases of

space in the Real Property and amendments, expansions and renewals of the Leases, provided that Seller provides Buyer with prior written notice of the same on or before the expiration of the Due Diligence Period and provided that Buyer approves the same in writing, which approval shall not be unreasonably withheld or delayed. Following the expiration of the Due Diligence Period, Seller shall obtain Buyer's consent, which Buyer may withhold or delay in its sole discretion, before entering into any new lease of space in the Real Property and before entering into a Lease amendment, expansion, or renewal. Buyer shall be deemed to have consented to any new lease or any Lease amendment, expansion, or renewal if it has not notified Seller specifying with particularity the matters to which Buyer reasonably objects, within 7 days after its receipt of Seller's written request for consent, together with a copy of the Lease amendment, expansion, or renewal or the new lease. At the Close of Escrow, Buyer shall reimburse Seller for the following in connection with the new Leases hereafter entered into as permitted by the terms of this Agreement: commissions, and the cost of tenant improvements, paid by Seller with respect thereto and with respect to all other Lease amendments, expansions or renewals or new leases that were entered into pursuant to this Section 5.3 and, at Close of Escrow, shall assume in writing (pursuant to the Assignment of Leases and Contracts and Bill of Sale) Seller's obligations under such commission agreements and contracts for tenant improvements.

5.4 Damage or Condemnation. Risk of loss resulting from any condemnation or eminent domain proceeding which is commenced or has been threatened against the Real Property before the Close of Escrow, and risk of loss to the Real Property due to fire, flood or any other cause before the Close of Escrow, shall remain with Seller. If before the Close of Escrow the Real Property or any portion thereof shall be materially damaged, or if the Real Property or any material portion thereof shall be subjected to a bona fide threat of condemnation or shall become the subject of any proceedings, judicial, administrative or otherwise, with respect to the taking by eminent domain or condemnation, then Buyer may elect not to acquire the Real Property by delivering written notice of such election to Seller within five (5) days after Buyer learns of the damage or taking, in which event Buyer shall no longer be obligated to purchase, and Seller shall no longer be obligated to sell, the Real Property. If the Closing Date is within the aforesaid 5-day period, then the Close of Escrow shall be extended to the next business day following the end of said 5-day period. If no such election is made, and in any event if the damage is not material, this Agreement shall remain in full force and effect, the purchase contemplated herein, less any interest taken by eminent domain or condemnation, shall be effected with no further adjustment, and upon the Close of Escrow, Seller shall assign, transfer and set over to Buyer all of the right, title and interest of Seller in and to any awards that have been or that may thereafter be made for such taking, and Seller shall assign, transfer and set over to Buyer any insurance proceeds that may thereafter be made for such damage or destruction giving Buyer a credit at the Close of Escrow for any deductible under such policies. For purposes of this Section 5.4, the phrase(s) (i) "Material damage" or "Materially damaged" means damage reasonably exceeding five percent of the Purchase Price of the Real Property or damage which entitles any tenant to terminate its Lease (unless such right is waived), and (ii) "material portion" means any portion of the Real Property that has a "fair market value" exceeding 5% of the Purchase Price of the Real Property.

5.5 Warranty Work Contract. Seller intends to enter into the Warranty Work Contract. It is anticipated that the work to be performed under the Warranty Work Contract will not be completed prior to the Closing. Seller agrees to use commercially reasonable efforts to cause such work as is completed prior to the Closing to be completed in a good and workmanlike manner, without any liens being imposed, and on a timely basis. Buyer shall receive a credit at the Closing in connection with the Warranty Work Contract as set forth in Section 10.4.

6. SELLER'S AND BUYER'S DELIVERIES

6.1 Seller's Deliveries into Escrow. No later than 2:00 p.m. (California time) one (1) business day prior to the Closing Date, Seller shall deliver into Escrow (as such term is defined in Section 9 hereof) to the Escrow Holder the following:

(a) Deed. A deed (the "Deed") in the form attached hereto as Exhibit E, executed and acknowledged by Seller, conveying to Buyer Seller's

title to the Real Property.

(b) Assignment of Leases and Contracts and Bill of Sale. An Assignment of Leases and Service Contracts and Bill of Sale ("Assignment of Leases and Contracts and Bill of Sale") in the form of Exhibit F attached hereto, executed by Seller.

(c) State Law Disclosures. Such disclosures and reports as are required by applicable state and local law in connection with the conveyance of the Real Property.

(d) FIRPTA. A Foreign Investment in Real Property Tax Act affidavit executed by Seller substantially in the form of Exhibit G attached hereto.

(e) Owner's Affidavit. An owner's affidavit in the form of Exhibit J attached hereto, executed by Seller, and which is sufficient to allow the Title Company to delete the so-called "standard exceptions" for parties in possession and mechanics' lines.

(f) Broker's Release. A release from Seller's broker, confirming Seller's broker has received payment of all brokerage commissions payable in connection with the purchase and sale of the Property.

(g) Additional Documents. Any additional documents that Escrow Holder or the Title Company may reasonably require for the proper consummation of the transaction contemplated by this Agreement, including without limitation, documents evidencing Seller's legal existence, good standing and evidence of authority.

(h) Letters to Certain Parties. Letters from Seller to each party to the Service Contracts and the construction contract and the architectural contract listed on Exhibit I attached hereto, and to each party warranting the wastewater treatment facility servicing the Property informing such parties of the change in the ownership of the Property and the assignment of warranties thereunder to Buyer (or, in the case of the warranties under the wastewater treatment facility, to Buyer and the owner of the property commonly known as 80 Central Street, Boxborough, Massachusetts) and, if required under any such contract or warranty, the written consent of the party thereto.

(i) Lien Waiver. A copy of the final lien waiver from Aberthaw Construction Company, Inc. with respect to all work performed under the construction contract listed on Exhibit I attached hereto, other than the Warranty Work (hereinafter defined in Section 6.1(j).

(j) Warranty Work Escrow Agreement. An original escrow agreement between Seller and Buyer and Brown Rudnick Berlack Israels LLP in the form attached hereto as Exhibit K, ("Escrow Agreement") with respect to Seller's causing Aberthaw Construction Company, Inc. to perform certain landscaping, the replacement of panels on the facade of the building at 90 Central Street, and the replacement of bathroom tiles at 90 Central Street ("Warranty Work").

(k) Update Certificate. An update of Seller's representations and warranties under Section 11.1.

(l) Notice to Permitting Authorities. Evidence that Seller has notified the Massachusetts Department of Environmental Protection and the Town of Boxborough Planning Board of the sale of the Real Property no later than thirty (30) days prior to the Closing Date.

(m) Groundwater Discharge Permit Transfer Agreement. An original agreement, executed by Seller, in form and substance reasonably acceptable to Seller, transferring the Groundwater Discharge Permit for the wastewater treatment facility servicing the Property to Buyer and/or the owner of the property commonly known as 80 Central Street, Boxborough, Massachusetts ("Transfer Agreement").

6.2 Buyer's Deliveries into Escrow. No later than 2:00 p.m. (California time) one (1) business day prior to the Closing Date, Buyer shall deliver into Escrow to the Escrow Holder the following:

(a) Purchase Price. The Purchase Price, less the Deposit that is

applied to the Purchase Price, plus or minus applicable prorations, deposited by Buyer with the Escrow Holder in immediate, same-day federal funds wired for credit into the Escrow Holder's escrow account and deposited in Escrow Holder's escrow account.

(b) Assignment of Leases and Contracts and Bill of Sale. An Assignment of Leases and Contracts and Bill of Sale executed by Buyer.

(c) State Law Disclosures. Such disclosures and reports as are required by applicable state and local law in connection with the conveyance of the Real Property.

(d) Wastewater Treatment Facility Documents. A Transfer Agreement, executed by Buyer, and such other agreements and documents with respect to the wastewater treatment facility servicing the Property as may be required by the Massachusetts Department of Environmental Protection.

(e) Warranty Work Escrow Agreement. An Escrow Agreement, executed by Buyer.

(f) Additional Documents. Any additional documents that Escrow Holder or the Title Company may reasonably require for the proper consummation of the transaction contemplated by this Agreement.

6.3 Closing Statements/Escrow Fees; Tenant Notices. Concurrently with the Close of Escrow, Seller and Buyer shall deposit with the Escrow Holder executed closing statements consistent with this Agreement in the form required by the Escrow Holder and, Seller and Buyer shall execute at the Close of Escrow, and deliver to each tenant immediately after the Close of Escrow, tenant notices regarding the sale of the Real Property in substantially the form of Exhibit H attached hereto, or such other form as may be required by applicable state law.

6.4 Post-Closing Deliveries. Immediately after the Close of Escrow, to \ the extent in Seller's possession, Seller shall deliver to the offices of Buyer's property manager: the original Leases; copies or originals of all warranties, contracts, receipts for deposits, and unpaid bills; all keys, if any, used in the operation of the Real Property; and, if in Seller's possession or control, any "as-built" plans and specifications of the Improvements; and all other Property Information.

7. CONDITIONS TO BUYER'S AND SELLER'S OBLIGATIONS.

7.1 Conditions to Buyer's Obligations. The Close of Escrow and Buyer's obligation to consummate the transaction contemplated by this Agreement are subject to the satisfaction of the following conditions for Buyer's benefit (or Buyer's waiver thereof, it being agreed that Buyer may waive any or all of such conditions) on or prior to the Closing Date or on the dates designated below for the satisfaction of such conditions:

(a) All of Seller's representations and warranties contained herein shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date, subject to any qualifications hereafter made to any of Seller's representations as provided for in Section 11.1 hereof;

(b) As of the Closing Date, Seller shall have performed its respective obligations hereunder and all deliveries to be made at Close of Escrow by Seller shall have been tendered;

(c) There shall exist no actions, suits, arbitrations, claims, attachments, proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings, pending or threatened against Seller that would materially and adversely affect Seller's ability to perform its respective obligations under this Agreement;

(d) There shall exist no pending or threatened action, suit or proceeding with respect to Seller before or by any court or administrative agency which seeks to restrain or prohibit, or to obtain damages or a discovery order with respect to, this Agreement or the consummation of the transaction contemplated hereby;

(e) The Title Company shall be prepared or irrevocably committed to

issue the Title Policy;

(f) Seller has not received service of process for any lawsuit filed against Seller and affecting the Property, or, if Seller has received service of process for any such lawsuit (expressly excluding any lawsuit which arises in whole or in part from Buyer's actions), Seller shall have executed and delivered to Buyer an indemnity agreement indemnifying Buyer from all loss that may arise out of such lawsuit;

(g) Seller shall have caused the completion of all "Wastewater Treatment Facility Work" (as hereinafter defined in this Section 7.1(g)) under that certain Standard Form of Agreement between Owner and Contractor dated as of August 16, 2000 between Seller, as owner, and Aberthaw Construction Company, Inc., as contractor, in connection with the Property ("Construction Contract") and Seller shall have caused the substantial completion of all work under the Construction Contract which is not Wastewater Treatment Facility Work ("Non-Wastewater Treatment Facility Work"). For purposes of this Section 7.1(g) "Wastewater Treatment Facility Work" shall mean all portions of the work to be performed under the Construction Contract related to (i) the soil absorption system at the Property; and (ii) all elements of the wastewaster treatment facility at the Property over which the Massachusetts Department of Environmental Protection and/or the Town of Boxborough Conservation Commission have jurisdiction. For purposes of this Section 7.1(g), the Wastewater Treatment Facility Work shall be deemed to be complete if the Massachusetts Department of Environmental Protection has issued a certificate of compliance with respect thereto and the Town of Boxborough Conservation Commission has issued a conditional certificate of compliance (subject only to the stabilization of seeded areas) with respect thereto. For purposes of this Section 7.1(g), "substantial completion" of the Non-Wastewater Treatment Facility Work shall mean the occurrence of the following events: (i) the completion of the Non-Wastewater Treatment Facility Work required by the Construction Contract (except for the Warranty Work) and (ii) Seller's architect has executed a certificate stating that such work is so completed and which certificate itemizes the Warranty Work; and (iii) the building permit "card" which was issued by the Town of Boxborough in connection with the Non-Wastewater Treatment Facility Work under the Construction Contract shall have been "signed off" by all municipal inspectors having jurisdiction over such work;

(h) There shall have been no material (i.e. costs in excess of $200,000 to remediate) releases of hazardous substances at the Property occurring after the date of Buyer's environmental inspection of the Property;

(i) Seller shall have deposited in escrow, pursuant to the Escrow Agreement, an amount equal to $300,000; and

(j) The Property shall be in the same condition it was in at the expiration of the Due Diligence Period, except for any completion of Warranty Work, reasonable wear and tear and matters governed by Section 5.4.

If, notwithstanding the nonsatisfaction of any such condition, the Close of Escrow occurs, there shall be no liability on the part of Seller for breaches of representations and warranties of which Buyer had knowledge as of the Close of Escrow.

7.2 Conditions to Seller's Obligations.

The Close of Escrow and Seller's obligations to consummate the transaction contemplated by this Agreement are subject to the satisfaction of the following conditions for Seller's benefit (or Seller's waiver thereof, it being agreed that Seller may waive any or all of such conditions) on or prior to the Closing Date or the dates designated below for the satisfaction of such conditions:

(a) All of Buyer's representations and warranties contained herein shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date subject to any qualifications made to any of Buyer's representations as provided in Section 12 hereof ;

(b) As of the Closing Date, Buyer has performed its obligations hereunder and all deliveries to be made at Close of Escrow by Buyer shall have been tendered including, without limitation, the deposit with Escrow Holder of

the amounts set forth in Section 6.2(a) hereof;

(c) There shall exist no actions, suits, arbitrations, claims, attachments, proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings, pending or threatened against Buyer that would materially and adversely affect Buyer's ability to perform its obligations under this Agreement;

(d) There shall exist no pending or threatened action, suit or proceeding with respect to Buyer before or by any court or administrative agency which seeks to restrain or prohibit, or to obtain damages or a discovery order with respect to, this Agreement or the consummation of the transaction contemplated hereby;

(e) Seller shall have received all consents and assignments and approvals from all parties from whom such consents to assignments or approvals are needed under all contracts, covenants and other agreements relating to the Property;

(f) Seller shall have received a full general release signed by the brokers, if any, referred to in Section 14 hereof, which shall be in form and substance reasonably acceptable to Seller, and shall release Seller from all costs, obligations, liabilities, commissions, fees, and claims arising from the transaction contemplated by this Agreement upon payment of the agreed upon commissions;

(g) Seller shall have received a full and complete release from Aberthaw Construction Company, Inc. with respect to the Construction Contract (other than with respect to the payment of the Warranty Work); and

(h) The sale of the property commonly known as 80 Central Street, Boxborough, Massachusetts to 80 Central Street, LLC shall occur simultaneously with the sale of the Property to Buyer; provided, however that if such condition is not satisfied or waived by Seller, this Agreement shall terminate, the Deposit shall be immediately refunded to Buyer, Buyer shall immediately return all Property Information to Seller and, except for those provisions of this Agreement which expressly survive the termination of this Agreement, the parties hereto shall have no further obligations hereunder.

8. CLOSE OF ESCROW; POSSESSION.

8.1 "Close of Escrow" shall mean the time the Deed is recorded with the Middlesex South District Registry of Deeds. The Escrow (as such term is defined in Section 9.1 hereof) and Buyer's right to purchase the Real Property will terminate automatically (unless extended in writing by Seller and Buyer or unless there is a

default by Seller referenced in Section 13.2 hereof) if the Close of Escrow does not occur on or before 4:30 p.m. (Massachusetts time) on the Closing Date.

8.2 Sole exclusive possession of the Real Property, subject only to the Permitted Exceptions (as defined in Section 4.2.3 hereof), shall be delivered to Buyer on the Closing Date.

9. ESCROW.

9.1 Closing. The escrow (the "Escrow") for the consummation of this transaction shall be established with the Escrow Holder at the address indicated in Section 15.1 hereof by the deposit of an original signed copy of this Agreement with Escrow Holder contemporaneously with the execution hereof. This Agreement shall constitute both an agreement among Buyer and Seller and escrow instructions for Escrow Holder. If Escrow Holder requires separate or additional escrow instructions which it deems necessary for its protection, Seller and Buyer hereby agree promptly upon request by Escrow Holder to execute and deliver to Escrow Holder such separate or additional escrow instructions (the "Additional Instructions"). In the event of any conflict or inconsistency between this Agreement and the Additional Instructions, this Agreement shall prevail and govern, and the Additional Instructions shall so provide. The Additional Instructions shall not modify or amend the provisions of this Agreement unless otherwise agreed to in writing by Seller and Buyer.

On the Closing Date, provided that the conditions set forth in Sections 7.1 and 7.2 hereof have been satisfied or waived, Escrow Holder shall take the following actions in the order indicated below:

(a) With respect to all closing documents delivered to Escrow Holder hereunder, and to the extent necessary, Escrow Holder is authorized to insert into all blanks requiring the insertion of dates the date of the recordation of the Deed or such other date as Escrow Holder may be instructed in writing by Seller and Buyer;

(b) Record the Deed with the Middlesex South District Registry of Deeds;

(c) Deliver to Seller, in cash or current funds, the Purchase Price, plus or minus, as the case may be, the amounts determined in accordance with the provisions of Section 10 hereof, Buyer's signed counterparts of the Assignment of Leases and Contracts and Bill of Sale and conformed copies of the recorded Deed;

(d) Deliver to Buyer those items referred to in Section 6.1 hereof and a conformed copy of the recorded Deed;

(e) Cause the Title Company to issue the Title Policy for the Real Property in accordance with the provisions of Section 4.2.3 hereof; and

(f) Deliver to Seller and Buyer a final closing statement which has been certified by Escrow Holder to be true and correct.

9.2 Escrow and Title Charges.

(a) Upon the Close of Escrow, escrow, title charges and other closing costs shall be allocated between Seller and Buyer as follows:

(i) Seller shall pay: (1) deed stamps payable in connection with recording the Deed; (2) one-half (1/2) of any escrow fees or similar charges of Escrow Holder, (3) all commissions payable to Seller's broker and (4) the cost of recording any mortgage discharge documentation.

(ii) Buyer shall pay (1) the premiums for the Title Policy; (2) the cost of recording the Deed; and (3) one-half (1/2) of any escrow fees or similar charges of Escrow Holder. If Buyer desires extended coverage for any Title Policy, Buyer shall pay the premiums and any additional costs (including any survey costs)

for such coverage (additional to the premiums for standard coverage) and the cost of any endorsements to the Title Policy, if required by Buyer.

(iii) Buyer shall pay all costs incurred in connection with Buyer's updating or recertifying the Existing Surveys or obtaining any surveys for the Real Property.

(iv) Except to the extent otherwise specifically provided herein, all other expenses incurred by Seller and Buyer with respect to the negotiation, documentation and closing of this transaction, including, without limitation, Buyer's and Seller's attorneys' fees, shall be borne and paid by the party incurring same.

(b) If the Close of Escrow does not occur by reason of Buyer's or Seller's default under this Agreement, then all escrow and title charges (including cancellation fees) shall be borne by the party in default.

9.3 Procedures Upon Failure of Condition. Except as otherwise expressly provided herein, if any condition set forth in Sections 7.1 or 7.2 hereof is not timely satisfied or waived for a reason other than the default of Buyer or Seller in the performance of its respective obligations under this Agreement:

(a) This Agreement, the Escrow and the respective rights and obligations of Seller and Buyer hereunder shall terminate (other than the indemnity and insurance obligations of Buyer set forth in Sections 4.3.1 and 14 hereof and the confidentiality provisions of Section 4.6 hereof which shall survive such termination) at the written election of the party for whose benefit

such condition was imposed, which written election must be made (i) within three (3) business days after the date such condition was to be satisfied, or (ii) on the date the Close of Escrow occurs, whichever occurs first;

(b) Escrow Holder shall promptly return to Buyer all funds of Buyer in its possession, including the Deposit and all interest accrued thereon, and to Seller and Buyer all documents deposited by them respectively, which are then held by Escrow Holder;

(c) Buyer shall return to Seller the Property Information and Buyer shall deliver to Seller all Work Product (as such term is defined in Section 15.3 hereof); and

(d) Any escrow cancellation and title charges shall be borne equally by Seller and Buyer.

10. PRORATIONS.

If the Purchase Price is deposited with Escrow Agent as required by this Agreement, the day the Close of Escrow occurs shall belong to Buyer and all prorations hereinafter provided to be made as of the Close of Escrow shall each be made as of the end of the day before the Closing Date. If the cash portion of the Purchase Price is not so received by Escrow Agent as required by this Agreement, then the day the Close of Escrow occurs shall belong to Seller and such proration shall be made as of the end of the day that is the Closing Date. In each such proration set forth below, the portion thereof applicable to periods beginning as of Close of Escrow shall be credited to Buyer or charged to Buyer as applicable and the portion thereof applicable to periods ending as of Close of Escrow shall be credited to Seller or charged to Seller as applicable.

10.1 Collected Rent. All collected rent (including, without limitation, all base rents, additional rents and retroactive rents, and expressly excluding tenant reimbursements for Operating Costs, as hereinafter defined) and all other collected income (and any applicable state or local tax on rent) under Leases (hereinafter collectively referred to as "Rents") in effect on the Closing Date shall be prorated as of the Close of Escrow. Uncollected rent and other income shall not be prorated and, to the extent payable for the period prior to the Close of Escrow, shall remain the property of Seller if received within six (6) months after the Close of Escrow. Buyer shall apply Rent from tenants that are collected within six (6) months after the Close of Escrow first to Rents which are due to Buyer after the Close of Escrow and second to Rents which were due to Seller on or before the Close of Escrow (to the extent such Rents were disclosed in the Tenant Estoppel Certificates or the Rent Rolls). Any prepaid Rents for the

period following the Closing Date shall be paid over by Seller to Buyer. Buyer will make reasonable efforts, without suit, to collect any Rents applicable to the period before the Close of Escrow including, without limitation, sending to tenants bills for the payment of past due Rents during the first six (6) month period following the Closing Date. Seller may pursue collection of any Rents that were past due as of the Closing Date, provided that Seller shall have no right to terminate any Lease or any tenant's occupancy under any Lease in connection therewith.

10.2 Operating Costs and Additional Rent Reconciliation. Seller, as landlord under the Leases, is currently collecting from tenants under the Leases additional rent to cover taxes, insurance, utilities (to the extent not paid directly by tenants), common area maintenance and other operating costs and expenses (collectively, "Operating Costs") in connection with the ownership, operation, maintenance and management of the Real Property. To the extent that any additional rent (including, without limitation, estimated payments for Operating Costs) is paid by tenants to the landlord under the Leases based on an estimated payment basis (monthly, quarterly, or otherwise) for which a future reconciliation of actual Operating Costs to estimated payments is required to be performed at the end of a reconciliation period, Buyer and Seller shall make an adjustment at the Close of Escrow for the applicable reconciliation period (or periods, if the Leases do not have a common reconciliation period) based on a comparison of the actual Operating Costs to the estimated payments at the Close of Escrow. If, as of the Close of Escrow, Seller has received additional rent payments in excess of the amount that tenants will be required to pay, based on the actual Operating Costs as of the Close of Escrow, Buyer shall receive a

credit in the amount of such excess. If, as of the Close of Escrow, Seller has received additional rent payments that are less than the amount that tenants would be required to pay based on the actual Operating Costs as of the Close of Escrow, Seller shall be entitled to payment of such deficiency when and to the extent Buyer receives the additional rent payments from the tenants; provided, however, Seller shall not be entitled to the portion, if any, of such deficiency for which Seller received a credit at the Close of Escrow under clause (b) of Section 10.3 hereof. Operating Costs that are not payable by tenants either directly or reimbursable under the Leases shall be prorated between Seller and Buyer and shall be reasonably estimated by the parties if final bills are not available.

10.3 Taxes and Assessments. Real estate taxes and assessments imposed by any governmental authority ("Taxes") with respect to the Real Property for the relevant tax year in which the Real Property is being sold and that are not yet due and payable or that have not yet been paid and that are not (and will not be) reimbursable by tenants under the Leases (or under leases entered into after the Close of Escrow for vacant space existing at the Close of Escrow) as Operating Costs shall be prorated as of the Close of Escrow based upon the most recent ascertainable assessed values and tax rates and based upon the number of days Buyer and Seller will have owned the Real Property during such relevant tax year. Seller shall receive a credit for any Taxes paid by Seller and applicable to (a) any period after the Close of Escrow, and (b) any period before the Close of Escrow to the extent reimbursable as Operating Costs by existing tenants under the Leases and not yet received from such tenants. Additionally, Seller shall receive a credit for any Taxes imposed with respect to the Real Property for the relevant tax year in which the Real Property is being sold and that are not yet due and payable or that have not yet been paid to the extent they are capable of being reimbursed by tenants under leases that may be signed after the Close of Escrow with respect to any vacant space in the Real Property as of the Close of Escrow. If, as of the Closing Date, Seller is protesting or has notified Buyer, in writing, that it has elected to protest any Taxes for the Real Property, then Buyer agrees that Seller shall have the right (but not the obligation), after the Closing Date, to continue such protest. In such case, any Taxes paid by Buyer after the Closing Date with respect to the Real Property shall be paid under protest and Buyer shall promptly notify Seller of any payments of Taxes made by Buyer with respect to the Real Property. Buyer further agrees to cooperate with Seller and execute any documents requested by Seller in connection with such protest. As to the Real Property, any tax savings received ("Tax Refunds") for the relevant tax year under any protest, whether filed by Seller or Buyer, shall be prorated between the parties based upon the number of days, if any, Seller and Buyer respectively owned the Real Property during such relevant tax year; if such protest was filed by a Seller, any payment of Tax Refunds to Buyer shall be net of any fees and expenses payable to any third party for processing such protest, including attorneys' fees. Seller shall have the obligation to refund to any tenants in good standing as of the date of such Tax Refund, any portion of such Tax Refund paid to Seller which may be owing to such tenants, which payment shall be paid to Buyer within fifteen (15) business days of delivery to Seller by Buyer of written confirmation of such tenants' entitlement to such Tax Refunds. Buyer shall have the obligation to refund to tenants in good standing as of the date of such Tax Refund, any portion of such Tax Refund paid to it which may be owing to such tenants. Seller and Buyer agree to notify the other in writing of any receipt of a Tax Refund within fifteen (15) business days of receipt of such Tax Refund. To the extent either party obtains a

Tax Refund, a portion of which is owed to the other party, the receiving party shall deliver the Tax Refund to the other party within fifteen (15) business days of its receipt. If Buyer or Seller fail to pay such amount(s) to the other as and when due, such amount(s) shall bear interest from the date any such amount is due to Seller or Buyer, as applicable, until paid at the lesser of (a) twelve percent (12%) per annum and (b) the maximum amount permitted by law. The obligations set forth herein shall survive the Close of Escrow and Buyer agrees that, as a condition to the transfer of the Property by Buyer, Buyer will cause any transferee to assume the obligations set forth herein.

10.4 Leasing Commissions, Tenant Improvements and Service Contracts. On or prior to the Closing, Seller shall pay all lease commission due under the Agilent Lease with respect to the existing term of the Agilent Lease. Buyer shall assume the obligation to pay all leasing costs (including without limitation commissions and/or tenant improvements) with respect to renewals,

extensions or amendments to the Agilent Lease. Notwithstanding the foregoing, at Close of Escrow, Buyer shall receive a credit in an amount equal to the Unpaid Adjusted Agilent Tenant Improvement Allowance (as hereinafter defined in this Section 10.4). The "Unpaid Adjusted Agilent Tenant Improvement Allowance" shall mean that portion of the tenant allowance set forth in that certain lease dated December 7, 2000 between Seller and Agilent Technologies, Inc. (the "Agilent Lease"), which is Seller's responsibility, but which Seller has not paid as of the Closing Date, less any amounts paid by Seller pursuant to change orders to the Construction Contract which were requested by the tenant under the Agilent Lease. Buyer will assume the obligations arising from and after the Closing Date under the Service Contracts.

10.5 Intentionally Omitted.

10.6 Utilities and Utility Deposits. Utilities for the Real Property (excluding utilities for which payment is made directly by tenants), including water, sewer, electric, and gas, based upon the last reading of meters prior to the Close of Escrow, shall be prorated. Seller shall be entitled to a credit for all security deposits held by any of the utility companies providing service to the Real Property to the extent assignable to Buyer. Seller shall endeavor to obtain meter readings on the day before the Closing Date, and if such readings are obtained, there shall be no proration of such items and Seller shall pay at Close of Escrow the bills therefor for the period to the day preceding the Close of Escrow, and Buyer shall pay the bills therefor for the period subsequent thereto. If the utility company will not issue separate bills, Buyer will receive a credit against the Purchase Price for Seller's portion and will pay the entire bill prior to delinquency after Close of Escrow. If Seller has paid utilities no more than 30 days in advance in the ordinary course of business, then Buyer shall be charged its portion of such payment at Close of Escrow. Buyer shall be responsible for making any security deposits required by utility companies providing service to the Real Property.

10.7 Owner Deposits. Seller shall receive a credit at the Close of Escrow for all bonds, deposits, letters of credit, set aside letters or other similar items, if any, that are outstanding with respect to the Real Property that have been provided by Seller or any of its affiliates to any governmental agency, public utility, or similar entity (collectively, "Owner Deposits") to the extent assignable to Buyer. To the extent any Owner Deposits are not assignable to Buyer, Buyer shall replace such Owner Deposits and obtain the release of Seller (or its affiliates) from any obligations under such Owner Deposits. To the extent that any funds are released as a result of the termination of any Owner Deposits for which Seller did not get a credit, such funds shall be delivered to Seller immediately upon their receipt.

10.8 Final Adjustment After Closing. If final prorations cannot be made at the Close of Escrow for any item being prorated under this Section 10, then Buyer and Seller agree to allocate such items on a fair and equitable basis as soon as invoices or bills are available and applicable reconciliation with tenants have been completed, with final adjustment to be made as soon as reasonably possible after the Close of Escrow (but in no event later than forty-five (45) days after the Close of Escrow, except that adjustments arising from Section 10.3 shall not be subject to such 45 day limitation, but shall be made as soon as reasonably possible), to the effect that income and expenses are received and paid by the parties on an accrual basis with respect to their period of ownership. Payments in connection with the final adjustment shall be due no later than forty-five (45) days after the Close of Escrow, except that adjustments arising from Section 10.3 shall not be subject to such 45 day limitation, but shall be made as soon as reasonably possible. Seller shall, at Seller's sole cost and expense, have reasonable access to, and the right to inspect and audit, Buyer's books to confirm the final prorations for a period of one (1) year after the Close of Escrow. Such information will be treated by Seller, its affiliates, lenders, employees and

agents as confidential, and will not be disclosed to anyone except to Seller's consultants who agree to maintain the confidentiality of such information.

10.9 No Marketing of Property. During the pendency of this Agreement, Seller agrees that it shall not market the Property for sale to any other party.

11. SELLER'S REPRESENTATIONS AND WARRANTIES; AS-IS.

11.1 Seller's Representations and Warranties. In consideration of Buyer's entering into this Agreement and as an inducement to Buyer to purchase the Real Property from Seller, Seller makes the following representations and warranties to Buyer:

(a) Seller has the legal right, power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, and the execution, delivery and performance of this Agreement have been duly authorized and no other action by Seller is requisite to the valid and binding execution, delivery and performance of this Agreement, except as otherwise expressly set forth herein.

(b) There is no agreement to which Seller is a party or to Seller's Actual Knowledge binding on Seller which is in conflict with this Agreement.

(c) To Seller's Actual Knowledge, Seller has not received written notice by any governmental body of (i) any pending or threatened condemnation proceeding that would affect the Real Property, or (ii) the violation by the Real Property of any building, fire, health, use, occupancy, environmental or zoning regulations that has not been cured.

(d) To Seller's Actual Knowledge, Seller has not been served with a complaint or other papers disclosing the filing of a lawsuit against Seller with respect to the Real Property, except as disclosed in Schedule 4 attached hereto.

(e) To Seller's Actual Knowledge, except as disclosed on Schedule 2 attached hereto and made a part hereof, Seller has not entered into any lease brokerage agreements, leasing commission agreements or other agreements which will survive the Closing and which provide for the payment of any amounts for leasing space in the Property or procuring tenants with respect to the Property (the "Commission Agreements").

(f) To Seller's Actual Knowledge, Seller has made available to Buyer all material documents in Seller's possession or control with respect to the Property at Seller's address set forth in Section 15.1 or at the offices of Insignia/ESG, Inc., 10 Post Office Square, Boston, Massachusetts, or at the offices of Spaulding & Slye Colliers, 255 State Street, Boston, Massachusetts, or at the offices of CB Richard Ellis, 80-90 Central Street, Boxborough, Massachusetts.

(g) To Seller's Actual Knowledge, none of the tenant under the Leases are in monetary default.

(h) The scheduled closing date for the sale of the property commonly known as 80 Central Street, Boxborough, Massachusetts to 80 Central Street, LLC is April 18, 2002.

For purposes of this Section 11.1, the phrase "To Seller's Actual Knowledge" shall mean the actual (and not implied, imputed, or constructive) knowledge of David S. Hall (whom Seller represents is the person generally responsible for the management and operation of the Property), without any inquiry or investigation of any other parties, including, without limitation, the tenants and the property manager of the Real Property.

The representations and warranties made by Seller in this Agreement shall survive the recordation of the Deed for a period of one (1) year and any action for a breach of Seller's representations or warranties must be made and filed within said one (1) year period. If, after the Effective Date, but before the Close of Escrow, Seller becomes aware of

any facts or changes in circumstances that would cause any of its representations and warranties in this Agreement to be untrue at Close of Escrow, Seller shall promptly notify Buyer in writing of such fact. In such case, or in the event Buyer obtains information which would cause any of Seller's representations and warranties to be untrue at Close of Escrow, Buyer, as its sole and exclusive remedy, shall have the right to either (i) terminate this Agreement, in which case the Deposit shall be immediately returned to Buyer and neither party shall have any rights or obligations under this Agreement (except for Sections 4.3.1, 15.3 and 15.5 which survive termination of this Agreement); or (ii) accept a qualification to Seller's representations and warranties as of the Close of Escrow and complete the purchase and sale of the

Property without any rights to recovery for breach of the unqualified representation and warranty. Other than as set forth in the immediately preceding sentence, if Buyer proceeds with the Close of Escrow, Buyer shall be deemed to have expressly waived any and all remedies for the breach of any representation or warranty discovered by Buyer prior to the Close of Escrow.

11.2 As-Is. As of the expiration of the Due Diligence Period, Buyer will have:

(a) examined and inspected the Property and will know and be satisfied with the physical condition, quality, quantity and state of repair of the Property in all respects (including, without limitation, the compliance of the Real Property with the Americans With Disabilities Act of 1990 Pub.L. 101-336, 104 Stat. 327 (1990), and any comparable local or state laws (collectively, the "ADA") and by proceeding with this transaction following the expiration of the Due Diligence Period shall be deemed to have determined that the same is satisfactory to Borrower;

(b) reviewed the Property Information and all instruments, records and documents which Buyer deems appropriate or advisable to review in connection with this transaction, including, but not by way of limitation, any and all architectural drawings, plans, specifications, surveys, building and occupancy permits, and any licenses, leases, contracts, warranties and guarantees relating to the Real Property or the business conducted thereon, and Buyer, by proceeding with this transaction following the expiration of the Due Diligence Period, shall be deemed to have determined that the same and the information and data contained therein and evidenced thereby are satisfactory to Buyer;

(c) reviewed all applicable laws, ordinances, rules and governmental regulations (including, but not limited to, those relating to building, zoning and land use) affecting the development, use, occupancy or enjoyment of the Real Property, and Buyer, by proceeding with this transaction following the expiration of the Due Diligence Period, shall be deemed to have determined that the same are satisfactory to Buyer; and

(d) at its own cost and expense, made its own independent investigation respecting the Property and all other aspects of this transaction, and shall have relied thereon and on the advice of its consultants in entering into this Agreement, and Buyer, by proceeding with this transaction following the expiration of the Due Diligence Period, shall be deemed to have determined that the same are satisfactory to Buyer.

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, AND EXCEPT FOR SELLER'S REPRESENTATIONS AND WARRANTIES IN SECTION 11.1 OF THIS AGREEMENT AND ANY WARRANTIES OF TITLE CONTAINED IN THE DEED DELIVERED AT THE CLOSE OF ESCROW ("SELLER'S WARRANTIES"), THIS SALE IS MADE AND WILL BE MADE WITHOUT REPRESENTATION, COVENANT, OR WARRANTY OF ANY KIND (WHETHER EXPRESS, IMPLIED, OR, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, STATUTORY) BY SELLER. AS A MATERIAL PART OF THE CONSIDERATION FOR THIS AGREEMENT, BUYER AGREES TO ACCEPT THE PROPERTY ON AN "AS IS" AND "WHERE IS" BASIS, WITH ALL FAULTS, AND WITHOUT ANY REPRESENTATION OR WARRANTY, ALL OF WHICH SELLER HEREBY DISCLAIMS, EXCEPT FOR SELLER'S WARRANTIES. EXCEPT FOR SELLER'S WARRANTIES, NO WARRANTY OR REPRESENTATION IS MADE BY SELLER AS TO FITNESS FOR ANY PARTICULAR PURPOSE, MERCHANTABILITY, DESIGN, QUALITY, CONDITION, OPERATION OR INCOME, COMPLIANCE WITH DRAWINGS OR SPECIFICATIONS, ABSENCE OF DEFECTS, ABSENCE OF HAZARDOUS OR TOXIC SUBSTANCES, ABSENCE OF FAULTS, FLOODING, OR COMPLIANCE WITH LAWS AND REGULATIONS INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO HEALTH, SAFETY, AND THE ENVIRONMENT (INCLUDING, WITHOUT LIMITATION, THE ADA). BUYER ACKNOWLEDGES THAT BUYER HAS ENTERED INTO THIS

AGREEMENT WITH THE INTENTION OF MAKING AND RELYING UPON ITS OWN INVESTIGATION OF THE PHYSICAL, ENVIRONMENTAL, ECONOMIC USE, COMPLIANCE, AND LEGAL CONDITION OF THE PROPERTY AND THAT BUYER IS NOT NOW RELYING, AND WILL NOT LATER RELY, UPON ANY REPRESENTATIONS AND WARRANTIES MADE BY SELLER OR ANYONE ACTING OR CLAIMING TO ACT, BY, THROUGH OR UNDER OR ON SELLER'S BEHALF CONCERNING THE PROPERTY. ADDITIONALLY, BUYER AND SELLER HEREBY AGREE THAT (A) EXCEPT FOR SELLER'S WARRANTIES, BUYER IS TAKING THE PROPERTY "AS IS" WITH ALL LATENT AND PATENT DEFECTS AND THAT EXCEPT FOR SELLER'S WARRANTIES, THERE IS NO WARRANTY BY SELLER THAT THE PROPERTY IS FIT FOR A PARTICULAR PURPOSE, (B) EXCEPT FOR SELLER'S WARRANTIES, BUYER IS SOLELY RELYING UPON ITS EXAMINATION OF THE PROPERTY, AND (C) BUYER TAKES THE PROPERTY UNDER THIS CONTRACT UNDER THE EXPRESS UNDERSTANDING

THAT THERE ARE NO EXPRESS OR IMPLIED WARRANTIES (EXCEPT FOR THE LIMITED WARRANTIES OF TITLE SET FORTH IN THE DEED AND SELLER'S WARRANTIES).

WITH RESPECT TO THE FOLLOWING, BUYER FURTHER ACKNOWLEDGES AND AGREES THAT EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, SELLER SHALL NOT HAVE ANY LIABILITY, OBLIGATION OR RESPONSIBILITY OF ANY KIND AND THAT SELLER HAS MADE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND:

1. THE CONTENT OR ACCURACY OF ANY REPORT, STUDY, OPINION OR CONCLUSION OF ANY SOILS, TOXIC, ENVIRONMENTAL OR OTHER ENGINEER OR OTHER PERSON OR ENTITY WHO HAS EXAMINED THE PROPERTY OR ANY ASPECT THEREOF;

2. THE CONTENT OR ACCURACY OF ANY OF THE ITEMS (INCLUDING, WITHOUT LIMITATION, THE PROPERTY INFORMATION) DELIVERED TO BUYER PURSUANT TO BUYER'S REVIEW OF THE CONDITION OF THE PROPERTY; OR

3. THE CONTENT OR ACCURACY OF ANY PROJECTION, FINANCIAL OR MARKETING ANALYSIS OR OTHER INFORMATION GIVEN TO BUYER BY SELLER OR REVIEWED BY BUYER WITH RESPECT TO THE PROPERTY.

BUYER ALSO ACKNOWLEDGES THAT THE REAL PROPERTY MAY OR MAY NOT CONTAIN ASBESTOS AND, IF THE REAL PROPERTY CONTAINS ASBESTOS, THAT BUYER MAY OR MAY NOT BE REQUIRED TO REMEDIATE ANY ASBESTOS CONDITION IN ACCORDANCE WITH APPLICABLE LAW.

BUYER IS A SOPHISTICATED REAL ESTATE INVESTOR AND IS, OR WILL BE AS OF THE CLOSE OF ESCROW, FAMILIAR WITH THE REAL PROPERTY AND ITS SUITABILITY FOR BUYER'S INTENDED USE. THE PROVISIONS OF THIS SECTION 11.2 SHALL SURVIVE INDEFINITELY ANY CLOSING OR TERMINATION OF THIS AGREEMENT AND SHALL NOT BE MERGED INTO THE DOCUMENTS EXECUTED AT CLOSE OF ESCROW.

WLO

BUYER'S INITIALS

12. BUYER'S COVENANTS, REPRESENTATIONS AND WARRANTIES; RELEASE; ERISA.

In consideration of Seller entering into this Agreement and as an inducement to Seller to sell the Real Property to Buyer, Buyer makes the following covenants, representations and warranties:

12.1 Authority. Buyer has the legal right, power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, and the execution, delivery and performance of this Agreement have been duly authorized and no other action by Buyer is requisite to the valid and binding execution, delivery and performance of this Agreement, except as otherwise expressly set forth herein. There is no agreement to which

Buyer is a party or to Buyer's actual knowledge (which shall be limited to the actual knowledge without inquiry or investigation (and not implied, imputed, or constructive knowledge) of L. Clay Adams, Jr.) binding on Buyer which is in conflict with this Agreement.

12.2 Release. By proceeding with this transaction following the expiration of the Due Diligence Period, Buyer shall be deemed to have made its own independent investigation of the Property, the Property Information and the presence of Hazardous Materials on the Real Property as Buyer deems appropriate. Accordingly, subject to the representations and warranties of Seller expressly set forth in Section 11.1 hereof, Buyer, on behalf of itself and all of its officers, directors, shareholders, employees, representatives and affiliated entities (collectively, the "Releasors") hereby expressly waives and relinquishes any and all rights and remedies Releasors may now or hereafter have against Seller, its successors and assigns, trustees, beneficiaries, officers, directors, members, representatives, principals, partners, shareholders, employees and/or agents (the "Seller Parties"), whether known or unknown, which may arise from or be related to (a) the physical condition, quality, quantity and state of repair of the Real Property and the prior management and operation of the Real Property, (b) the Property Information, (c) the Real Property's compliance or lack of compliance with any federal, state or local laws or regulations, and (d) any past, present or future presence or existence of Hazardous Materials on, under or about the Real Property or with respect to any past, present or future violation of any rules, regulations or laws, now or

hereafter enacted, regulating or governing the use, handling, storage or disposal of Hazardous Materials, including, without limitation, (i) any and all rights and remedies Releasors may now or hereafter have under the Comprehensive Environmental Response Compensation and Liability Act of 1980 ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, the Resource Conservation and Recovery Act, and the Toxic Substance Control Act, all as amended, and any similar state, local or federal environmental law, rule or regulation, (ii) any and all claims, whether known or unknown, now or hereafter existing, with respect to the Real Property under Section 107 of CERCLA (42 U.S.C.A. ss.9607) and (iii) any and all rights, remedies and claims, whether known or unknown, now or hereafter existing, with respect to the Real Property under Massachusetts General Laws, Chapter 21C and/or Massachusetts General Laws, Chapter 21E. As used herein, the term "Hazardous Material(s)" includes, without limitation, any hazardous or toxic materials, substances or wastes, such as (1) any materials, substances or wastes which are toxic, ignitable, corrosive or reactive and which are regulated by any local governmental authority, or any agency of the United States government, (2) any other material, substance, or waste which is defined or regulated as a hazardous material, extremely hazardous material, hazardous waste or toxic substance pursuant to any laws, rules, regulations or orders of the United States government, or any local governmental body, (3) asbestos, (4) petroleum and petroleum based products, (5) formaldehyde, (6) polychlorinated biphenyls (PCBs), and (7) freon and other chlorofluorocarbons.

Seller and Buyer agree and acknowledge that the foregoing release shall not apply to claims arising from third party claims asserted against Buyer arising from environmental contamination of (i) the Property (other than environmental contamination on the Property on March 13, 2002) and (ii) properties abutting the Property, which contamination, in all cases, was due to occurrences happening during Seller's ownership of the Property; provided, however that Buyer only shall be entitled to such actual changes (and not consequential as other special damages) in connection therewith.

WITHOUT LIMITING SELLER'S REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT, BUYER, ON BEHALF OF ITSELF AND THE OTHER RELEASORS, HEREBY ASSUMES ALL RISK AND LIABILITY RESULTING OR ARISING FROM, OR RELATING TO THE OWNERSHIP, USE, CONDITION, LOCATION, MAINTENANCE, REPAIR, OR OPERATION OF, THE PROPERTY.

THE FOREGOING WAIVERS, RELEASES AND AGREEMENTS BY BUYER, ON BEHALF OF ITSELF AND THE RELEASORS, SHALL SURVIVE THE CLOSE OF ESCROW AND THE RECORDATION OF THE DEED AND SHALL NOT BE DEEMED MERGED INTO THE DEED UPON ITS RECORDATION.

12.3 ERISA. Buyer is not purchasing any of the Property with "plan assets" of an Employee Benefit Plan subject to Title I of the Employee Retirement Income Security Act of 1974 (as amended from time to time, the "Act," and together with any regulation, rule or judicial or administrative case, order, or pronouncement arising under or connected with the Act, "ERISA") or of a plan subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code"). In the event that this Agreement, or any transaction or other action by Seller in connection herewith, shall be deemed to violate ERISA or result in an imposition of an excise tax under Section 4975 of the Code, Seller may immediately terminate this Agreement (without any liability to Seller) in accordance with, and subject to the terms and conditions of, Section 9.3 hereof as if such termination arose from a failed condition under Section 9.3 hereof.

12.4 Warranty Work. Buyer agrees and acknowledges that Seller's liability with respect to the performance of the Warranty Work, including without limitation any failure to perform the Warranty Work or the improper performance of the Warranty Work, is limited to Buyer's rights and remedies under the Escrow Agreement, which rights and remedies are Buyer's sole rights and remedies in connection therewith, at law or in equity. The provisions of this Section 12.4 shall survive the Closing.

13. DEFAULT AND DAMAGES.

13.1 DEFAULT BY BUYER. BUYER AND SELLER HEREBY ACKNOWLEDGE AND AGREE THAT, IN THE EVENT THE CLOSE OF ESCROW FAILS TO OCCUR DUE TO A BUYER DEFAULT (ALL OF THE CONDITIONS TO BUYER'S OBLIGATIONS TO CLOSE HAVING BEEN SATISFIED OR WAIVED), SELLER WILL SUFFER DAMAGES IN AN AMOUNT WHICH WILL, DUE TO THE SPECIAL NATURE OF THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT AND THE SPECIAL NATURE OF THE NEGOTIATIONS WHICH PRECEDED THIS AGREEMENT, BE IMPRACTICAL OR EXTREMELY DIFFICULT TO ASCERTAIN. IN ADDITION, BUYER WISHES TO HAVE A LIMITATION PLACED

UPON THE POTENTIAL LIABILITY OF BUYER TO SELLER IN THE EVENT THE CLOSE OF ESCROW FAILS TO OCCUR DUE TO A BUYER DEFAULT, AND WISHES TO INDUCE SELLER TO WAIVE OTHER REMEDIES WHICH SELLER MAY HAVE IN THE EVENT OF A BUYER DEFAULT. BUYER AND SELLER, AFTER DUE NEGOTIATION, HEREBY ACKNOWLEDGE AND AGREE THAT THE AMOUNT OF THE DEPOSIT REPRESENTS A REASONABLE ESTIMATE OF THE DAMAGES WHICH SELLER WILL SUSTAIN IN THE EVENT OF SUCH BUYER DEFAULT. BUYER AND SELLER HEREBY AGREE THAT SELLER MAY, IN THE EVENT THE CLOSE OF ESCROW FAILS TO OCCUR DUE TO A BUYER DEFAULT, TERMINATE THIS AGREEMENT BY WRITTEN NOTICE TO BUYER AND ESCROW HOLDER, CANCEL THE ESCROW AND RECEIVE THE DEPOSIT AS LIQUIDATED DAMAGES AND ESCROW HOLDER SHALL IMMEDIATELY DELIVER THE DEPOSIT TO SELLER. SUCH RETENTION OF THE DEPOSIT BY SELLER IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER AND SHALL NOT BE DEEMED TO CONSTITUTE A FOREFEITURE OR PENALTY.

NOTHING IN THIS SECTION 13.1 SHALL (A) PREVENT OR PRECLUDE ANY RECOVERY OF ATTORNEYS' FEES OR OTHER COSTS INCURRED BY SELLER PURSUANT TO SECTION 15.5 OR (B) IMPAIR OR LIMIT THE EFFECTIVENESS OR ENFORCEABILITY OF THE INDEMNIFICATION OBLIGATIONS OF BUYER CONTAINED IN SECTIONS 4.3.1 AND 14 HEREOF. SELLER AND BUYER ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE PROVISIONS OF THIS SECTION 13.1 AND BY THEIR INITIALS IMMEDIATELY BELOW AGREE TO BE BOUND BY ITS TERMS.

Seller's Initials:

_____

Buyer's Initials:

WLO

13.2 Default by Seller. If Seller defaults in its obligations to sell and convey the Property to Buyer pursuant to this Agreement, Buyer's sole and exclusive remedy shall be to elect one of the following: (a) to receive the return of the Deposit and up to Fifty Thousand Dollars ($50,000) of Buyer's legal and third party costs and expenses incurred in connection with this transaction and Buyer's due diligence of the Property, which return shall operate to terminate this Agreement and release Seller from any and all liability hereunder, or (b) to bring a suit for specific performance provided that any suit for specific performance must be brought as to the Property within 30 days of Seller's default, Buyer's waiving the right to bring suit at any later date to the extent permitted by law. This Agreement confers no present right, title or interest in the Property to Buyer and Buyer agrees not to file a lis pendens or other similar notice against the Real Property except in connection with, and after, the proper filing of a suit for specific performance.

14. BROKER'S COMMISSIONS.

Except for the Royston Group and Insignia/ESG, Inc., Seller's broker (each of whose commissions shall be paid by Seller pursuant to separate agreements, neither party hereto has had any contact or dealing regarding the Real Property, or any communication in connection with the subject matter of this transaction, through any licensed real estate broker or other person who can claim a right to a commission or finder's fee as a procuring cause of the sale contemplated herein. In the event that any other broker or finder perfects a claim for a commission or finder's fee, the party responsible for the contact or communication on which the broker or finder perfected such claim shall indemnify, save harmless and defend the other party from said claim and all costs and expenses (including reasonable attorneys' fees) incurred by the other party in defending against the same.

15. MISCELLANEOUS PROVISIONS.

15.1 Notices. All written notices or demands of any kind which either party hereto may be required or may desire to serve on the other in connection with this Agreement shall be served by personal service, by registered or certified mail, recognized overnight courier service or facsimile transmission. Any such notice or demand so to be served by registered or certified mail, recognized overnight courier service or facsimile transmission shall be delivered with all applicable delivery charges thereon fully prepaid and, if the party so to be served be Buyer, addressed to Buyer as follows:

c/o Wells Capital, Inc.
6200 The Corners Parkway, Suite 250
Norcross, Georgia 30092

Attention: L. Clay Adams, Jr.
Telephone No.: (770) 243-8439
Fax No.: (770) 243-8510

with a copy thereof to:

O'Callaghan & Stumm LLP
127 Peachtree Street, N.E., Suite 1330
Atlanta, Georgia 30303
Attention.: William L. O'Callaghan, Jr., Esquire
Telephone No.: (404) 522-2002
Fax No.: (404) 522-3080

and, if the party so to be served be Seller, addressed to Seller as follows:

c/o Koll Bren Schreiber Realty Advisors, Inc.
125 Summer Street, Suite 1640
Boston, MA 02110
Attention: David S. Hall
Telephone No.: (617) 345-0600 x106
Fax No.: (617) 345-9200

with copies thereof to:

James Chiboucas, Esquire
4343 Von Karman Avenue
Newport Beach, CA 92660
Telephone No.: (949) 833-3030, Ext. 398
Fax No.: (949) 852-9472

and

Edward S. Hershfield, Esquire
Brown Rudnick Berlack Israels LLP
One Financial Center
Boston, MA 02111
Telephone No.: (617) 856-8545
Fax No.: (617) 856-8201

and, if the party to be served be Escrow Holder, addressed to Escrow Holder as follows:

Chicago Title Insurance Company
16969 Von Karman, Suite 200
Irvine, California 92606
Attention: Ms. Joy Eaton
Telephone No.: (949) 263-0123
Fax No.: (949) 263-0356

Service of any such notice or demand so made by personal delivery, registered or certified mail, recognized overnight courier or facsimile transmission shall be deemed complete on the date of actual delivery as shown by the addressee's registry or certification receipt or, as to facsimile transmissions, by "answer back confirmation" (provided that a copy of such notice or demand is delivered by any of the other methods provided above within one (1) business day following receipt of such facsimile transmission), as applicable, or at the expiration of the third (3rd) business day after the date of dispatch, whichever is earlier in time. Either party hereto may from time to time, by notice in writing served upon the other as aforesaid, designate a different mailing address to which or a different person to whose attention all such notices or demands are thereafter to be addressed.

15.2 Assignment; Binding on Successors and Assigns. Buyer shall not assign, transfer or convey its rights or obligations under this Agreement or with respect to the Property without the prior written consent of Seller, which consent Seller may withhold in its sole, absolute and subjective discretion; provided, however, Buyer may assign its rights hereunder to an affiliated entity so long as (a) Buyer provides Seller with no less than five (5) days prior written notice of such intended assignment, (b) the assignee assumes Buyer's

obligations under this Agreement pursuant to an assignment and assumption agreement acceptable to Seller, and (c) Buyer shall not be released from its obligations hereunder. Any attempted assignment in violation of the provisions of this Section 15.2 shall be void and Buyer shall be deemed in default hereunder. Any permitted assignments shall not relieve the assigning party from its liability under this Agreement. Subject to the foregoing, and except as provided to the contrary herein, the terms, covenants, conditions and warranties contained herein and the powers granted hereby shall inure to the

benefit of and bind all parties hereto and their respective heirs, executors, administrators, successors and assigns, and all subsequent owners of the Property.

15.3 Work Product. Effective upon and in the event of a termination of this Agreement for any reason (other than due to a Seller default), Buyer shall assign and deliver to Seller (at no cost to Seller and without any representations or warranties by Buyer), and does hereby assign without the need for any further act or instrument (at no cost to Seller), copies of all reports, plans, studies, documents, written information and the like (but expressly excluding any market and feasibility studies, any appraisals and any internal financial audits or reports relating to the Property) which has been generated by Buyer's third party consultants (excluding Buyer's attorneys), whether prior to the Opening of Escrow or during the period of Escrow in connection with Buyer's proposed acquisition, development, use or sale of the Real Property (collectively, the "Work Product"). In such event, Buyer shall deliver the Work Product which has been assigned to Seller not later than ten (10) days after the date of the termination of this Agreement. The Work Product shall be fully paid for and shall not be subject to any lien, encumbrance or claim of any kind. Buyer shall also return all materials and information (including, without limitation, the Property Information) given to it by Seller or its consultants during Escrow, in the same condition as delivered to Buyer. Buyer shall be entitled to retain a copy of the foregoing materials and information provided Seller incurs no cost or expense in connection therewith.

15.4 Further Assurances; Completion of Warranty Work. In addition to the acts and deeds recited herein and contemplated to be performed, executed or delivered by Seller or Buyer, Seller and Buyer hereby agree to perform, execute and deliver, or cause to be performed, executed and delivered, on the Closing Date or thereafter any and all such further acts, deeds and assurances as Buyer or Seller, as the case may be, may reasonably require in order to consummate fully the transactions contemplated hereunder.

Without limiting the generality of the foregoing, Buyer agrees to cooperate with Seller, Seller's agents, architects and contractors following the Close of Escrow, including, without limitation, granting Seller and such third parties access to the Property, so as to enable Seller and such third parties to complete the Warranty Work as contemplated in the Escrow Agreement.

15.5 Attorneys' Fees. If any legal action or any arbitration or other proceeding is brought or if an attorney is retained for the enforcement of this Agreement or any portion thereof, or because of any alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the prevailing party shall be entitled to recover from the other reimbursement for the reasonable fees of attorneys and other costs (including court costs and witness fees) incurred by it, in addition to any other relief to which it may be entitled. The term "prevailing party" means the party obtaining substantially the relief sought, whether by compromise, settlement or judgment.

15.6 Survival of Representations, Warranties and Agreements. Unless otherwise expressly stated in this Agreement (a) each of the covenants, obligations, representations, and agreements contained in this Agreement shall survive the Close of Escrow and the execution and delivery of the Deed only for a period of one (1) year immediately following the Closing Date, and (b) any claim based upon a misrepresentation or a breach of a warranty contained in this Agreement shall be actionable or enforceable if and only if notice of such claim is given to the party which allegedly made such misrepresentation or breached such covenant, obligation, warranty or agreement within one (1) year after the Closing Date; provided, however, in no event shall Seller's liability, if any, with respect to any breach of Seller's representations or warranties hereunder exceed $500,000 in the aggregate. Notwithstanding anything stated to the contrary in this Agreement, the indemnification provisions of Sections 4.3.1,

10.5, 14 and 15.14 hereof and the provisions of Sections 4.6, 10.1, 10.3, 10.8, 11.1, 11.2, 12.1, 12.2, 12.3, 12.4, 13.2, 15.3, 15.4, 15.5, 15.17, 15.20 and 15.23 hereof shall survive the termination of this Agreement or the Close of Escrow without limitation, and shall not be merged with the recording of the Deed.

15.7 Entire Agreement. This Agreement contains the entire agreement and understanding of the parties in respect to the subject matter hereof, and the parties intend for the literal words of this Agreement to govern and for all prior negotiations, drafts, and other extrinsic communications, whether oral or written, to have no significance or evidentiary effect. The parties further intend that neither this Agreement nor any of its provisions may be changed, amended, discharged, waived or otherwise modified orally except only by an instrument in writing

duly executed by the party to be bound thereby. The parties hereto fully understand and acknowledge the importance of the foregoing sentence and are aware that the law may permit subsequent oral modification of a contract notwithstanding contract language which requires that any such modification be in writing; but Buyer and Seller fully and expressly intend that the foregoing requirements as to a writing be strictly adhered to and strictly interpreted and enforced by any court which may be asked to decide the question. Each party hereto acknowledges that this Agreement accurately reflect the agreements and understandings of the parties hereto with respect to the subject matter hereof and hereby waive any claim against the other party which such party may now have or may hereafter acquire to the effect that the actual agreements and understandings of the parties hereto with respect to the subject matter hereof may not be accurately set forth in this Agreement.

15.8 Governing Law. This Agreement shall be governed by the laws of the Commonwealth of Massachusetts.

15.9 Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

15.10 Headings; Construction. The various headings of this Agreement are included for convenience only and shall not affect the meaning or interpretation of this Agreement or any provision hereof. When the context and construction so require, all words used in the singular herein shall be deemed to have been used in the plural and the masculine shall include the feminine and the neuter and vice versa. The use in this Agreement of the term "including" and related terms such as "include" shall in all cases mean "without limitation." All references to "days" in this Agreement shall be construed to mean calendar days unless otherwise expressly provided and all references to "business days" shall be construed to mean days on which national banks are open for business in Massachusetts.

15.11 Time of Essence. Seller and Buyer hereby acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation and provision hereof and failure to perform timely any of the terms, conditions, obligations or provisions hereof by either party shall constitute a material breach of, and non-curable (but waivable) default under this Agreement by the parties so failing to perform.

15.12 Partial Validity; Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

15.13 No Third Party Beneficiaries. This Agreement is for the sole and exclusive benefit of the parties hereto and their respective permitted successors and assigns, and no third party is intended to, or shall have, any rights hereunder.

15.14 Recordation of Agreement. Neither Seller nor Buyer may record the Agreement or any notice of this Agreement. To the extent that any such filing is made by Buyer in violation of this Agreement, Buyer shall indemnify Seller

against any damages incurred by Seller in connection therewith. The provisions of this Section 15.14 shall survive the termination of this Agreement.

15.15 Joint Product of Parties. This Agreement is the result of arms-length negotiations between Seller and Buyer and their respective attorneys. Accordingly, neither party shall be deemed to be the author of this Agreement and this Agreement shall not be construed against either party.

15.16 Calculation of Time Periods. Unless otherwise specified, in computing any period of time described herein, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included at, unless such last day is a Saturday, Sunday or legal holiday for national banks in Massachusetts, in which event the period shall run until the end of the next

day which is neither a Saturday, Sunday, or legal holiday. Unless otherwise expressly provided herein, the last day of any period of time described herein shall be deemed to end at 5:00 p.m., Massachusetts time.

15.17 Procedure for Indemnity. The following provisions govern actions for indemnity under this Agreement. Promptly after receipt by an indemnitee of notice of any claim, such indemnitee will, if a claim in respect thereof is to be made against the indemnitor, deliver to the indemnitor written notice thereof and the indemnitor shall have the right to participate in and, if the indemnitor agrees in writing that it will be responsible for any costs, expenses, judgments, damages, and losses incurred by the indemnitee with respect to such claim, to assume the defense thereof, with counsel mutually satisfactory to the parties; provided, however, that an indemnitee shall have the right to retain its own counsel, with the fees and expenses to be paid by the indemnitor, if the indemnitee reasonably believes that representation of such indemnitee by the counsel retained by the indemnitor would be inappropriate due to actual or potential differing interests between such indemnitee and any other party represented by such counsel in such proceeding. The failure of indemnitee to deliver written notice to the indemnitor within a reasonable time after indemnitee receives notice of any such claim shall relieve such indemnitor of any liability to the indemnitee under this indemnity only if and to the extent that such failure is prejudicial to its ability to defend such action, and the omission so to deliver written notice to the indemnitor will not relieve it of any liability that it may have to any indemnitee other than under this indemnity. If an indemnitee settles a claim without the prior written consent of the indemnitor, then the indemnitor shall be released from liability with respect to such claim unless the indemnitor has unreasonably withheld such consent.

15.18 Section 1031 Exchange. Seller may consummate the sale of the Real Property as part of a so-called like kind exchange (the "Exchange") pursuant to ss. 1031 of the Internal Revenue Code of 1986, as amended (the "Code"), provided that: (a) the Close of Escrow shall not be delayed or affected by reason of the Exchange nor shall the consummation or accomplishment of the Exchange be a condition precedent or condition subsequent to Seller's obligations under this Agreement; (b) Seller shall effect the Exchange through an assignment of its rights under this Agreement to a qualified intermediary; and (c) Buyer shall not be required to take an assignment of the purchase agreement for the replacement property or be required to acquire or hold title to the replacement property for purposes of consummating the Exchange or to incur any cost or expense in connection with the Exchange. Buyer shall not by this agreement or acquiescence to the Exchange (1) have its rights under this Agreement affected or diminished in any manner or (2) be responsible for compliance with or be deemed to have warranted to Seller that the Exchange in fact complies with ss. 1031 of the Code.

15.19 Waiver of Jury Trial. To the extent permitted by applicable law, the parties hereby waive any right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

15.20 No Personal Liability. Notwithstanding anything stated to the contrary herein, Seller's liability under this Agreement shall be limited to Seller's interest in the Property and neither Seller, Seller's asset manager, nor Seller's trustees, beneficiaries, officers, directors, members, representatives, principals, partners, shareholders, constituent partners, constituent principals, employees or agents shall have any personal liability

hereunder.

15.21 Joint and Several Liability. If Buyer is composed of more than one individual or entity, all obligations and liabilities of Buyer under this Agreement shall be joint and several as to each of the individuals or entities who compose Buyer.

15.22 No Waiver. The failure of any party hereto to enforce at any time any of the provisions of this Agreement shall in no way be construed as a waiver of any of such provisions, or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach.

15.23 Latent Defects. If the tenant under the Agilent Lease makes a written claim of a "defect in design, construction, workmanship and materials" under Section 3.4 of the Agilent Lease, then Seller shall, on behalf of Buyer, actively pursue resolution of any such claim; provided, however, that Seller shall not be required to take any such actions after the date which is one (1) year from the Closing, and that Seller shall not be required to

incur in-house and/or third party costs and expenses in connection therewith in excess of $100,000 (Seller's in-house professionals' time to have a value of $150.00 per hour for such purposes).

[remainder of page intentionally blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal as of the day and year first above written.

"BUYER"

WELLS OPERATING PARTNERSHIP, L.P., a Delaware limited partnership
By: Wells Real Estate Investment Trust, Inc., a Maryland corporation, its general partner

By: _____
Name:
Title:

"SELLER"

BPF TECH CENTRAL, LLC, a Delaware limited liability company

By: Best Property Fund, L.P., a Delaware limited partnership, its sole member

By: BBS Investors II, a Delaware general partnership, its general partner

By: Schreiber Developments, LLC, a California limited liability company, a general partner

By: /s/ Charles J. Schreiber, Jr.
Name: Charles J. Schreiber, Jr.
Title: Manager

AGREED TO THIS 9/th/
DAY OF APRIL, 2002
AS TO PROVISIONS RELATING
TO ESCROW HOLDER:

CHICAGO TITLE INSURANCE COMPANY

By /s/ Joy Eaton
Its AVP

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal as of the day and year first above written.

"BUYER"

WELLS OPERATING PARTNERSHIP, L.P., a Delaware limited partnership
By: Wells Real Estate Investment Trust, Inc., a Maryland corporation, its general partner

By: /s/ Douglas P. Williams

Name: Douglas P. Williams
Title: Executive Vice President

"SELLER"

BPF TECH CENTRAL, LLC, a Delaware limited liability company

By: Best Property Fund, L.P., a Delaware limited partnership, its sole member

By: BBS Investors II, a Delaware general partnership, its general partner

By: Schreiber Developments, LLC, a California limited liability company, a general partner

By: _____
Name: Charles J. Schreiber, Jr.
Title: Manager

AGREED TO THIS ____
DAY OF APRIL, 2002
AS TO PROVISIONS RELATING
TO ESCROW HOLDER:

CHICAGO TITLE INSURANCE COMPANY

By _____

Its _____

LIST OF EXHIBITS AND SCHEDULES

EXHIBIT A -- Description of Real Property

EXHIBIT B -- Description of Personal Property

EXHIBIT C -- List of Service Contracts

EXHIBIT D -- Form of Tenant Estoppel Certificate

EXHIBIT E -- Form of Deed

EXHIBIT F -- Form of Assignment of Leases, Service Contracts and Bill of Sale

EXHIBIT G -- Form of FIRPTA Affidavit

EXHIBIT H -- Form of Tenant Notice

EXHIBIT I -- List of Construction and Architectural Contracts

EXHIBIT J -- Form of Owner's Affidavit

EXHIBIT K -- Form of Escrow Agreement

SCHEDULE 1 -- Description of New and Pending Lease Transactions

SCHEDULE 2 -- Commission Agreements

SCHEDULE 3 -- List of Warranties

SCHEDULE 4 -- List of Lawsuits

SCHEDULE 5 -- List of Leases

EXHIBIT 10.70

LEASE AGREEMENT FOR THE AGILENT BOSTON BUILDING

SUBMISSION NOT AN OPTION

THE SUBMISSION OF THIS LEASE FOR EXAMINATION AND NEGOTIATION DOES NOT CONSTITUTE AN OFFER TO LEASE, A RESERVATION OF, OR OPTION FOR THE PREMISES AND SHALL VEST NO RIGHT IN ANY PARTY. TENANT OR ANYONE CLAIMING UNDER OR THROUGH TENANT SHALL HAVE THE RIGHTS TO THE PREMISES AS SET FORTH HEREIN AND THIS LEASE SHALL BECOME EFFECTIVE AS A LEASE ONLY UPON EXECUTION, ACKNOWLEDGMENT AND DELIVERY THEREOF BY LANDLORD AND TENANT, REGARDLESS OF ANY WRITTEN OR VERBAL REPRESENTATION OF ANY AGENT, MANAGER OR EMPLOYEE OF LANDLORD TO THE CONTRARY.

LANDLORD: BPF Tech Central, LLC

TENANT: Agilent Technologies, Inc.

PREMISES: The entire building consisting of 174,585 square feet of space located at 90 Central Street, Boxborough, Massachusetts

From the Office of:
Suzanne C. Villee, Esquire
Brown, Rudnick, Freed & Gesmer
One Financial Center
Boston, Massachusetts 02111

AGILENT TECHNOLOGIES LEASE/90 CENTRAL STREET, BOXBOROUGH: FINAL

TABLE OF CONTENTS

ARTICLE I - BASIC LEASE PROVISIONS

Date of Lease:	December 07, 2000
Commencement Date:	The date upon which the Premises are "Ready for Tenant" (as defmed in Section 3.2 hereof.

Rent Commencement Date:	The date which is one hundred twenty (120) days after the Premises are Ready for Tenant, subject to extension for each day of Landlord Delay, as hereinafter defined, and subject to adjustment for (i) Tenant Delay as set forth in Section 3.3(h) below and (ii) a Tenant Change Order as set forth in Section 3(c) of the Work Letter attached hereto.
Scheduled Delivery Date:	May 15, 2001
Landlord:	BPF Tech Central, LLC, a Delaware limited liability company
Landlord's Mailing Address:	125 Summer Street, Suite 1640 Boston, MA 02110
Tenant:	Agilent Technologies, Inc., a Delaware corporation
Tenant's Mailing Address:	Agilent Technologies, Inc. Corporate Legal Department 395 Page Mill Road Palo Alto, California, 94306 Att: General Counsel With a copy to: Agilent Technologies, Inc. 10 North Martingale Road Suite 550 Schaumburg, Illinois, 60173 Att: Corporate Real Estate
Premises:	That certain building to be constructed by Landlord consisting of approximately 174,585 square feet (the "Premises") as more particularly shown on the site plan attached hereto as Exhibit A, located on certain property known and number as 90 Central Street, Boxborough, Massachusetts ("Property") and more particularly described in the legal description attached hereto as Exhibit B. The Property is part of a two-building business park known as Tech Central (the "Park").
Term:	Ten (10) years following the Rent Commencement Date, plus any partial month at the commencement of the Term, unless extended or sooner terminated as provided herein.
Extension Option:	One (1) option to extend the Term for five (5) years (the "Extension Period")
Permitted Use:	For general office, engineering, design, light equipment assembly and testing, research and development, and any other lawful uses incidental thereto, provided the same are permitted as of right in the zoning district in which the Property is located, and for no other use or purpose.

Base Rent:	P.S.F.	Annual Rent	Monthly Rent
Lease Years 1-5:	$20.50 psf.	$3,578,992.50	$298,249.38

Lease years 6-10	$24.50 psf	$4,277,332.50	$356,444.38
Extension Option Lease Years 11-15	100% of fair market rent as set forth in Section 4.3 hereof.		

Lease Year:	Full twelve (12) month period beginning on the Commencement Date (plus any partial month after the Commencement Date if the Commencement Date is not the first day of a calendar month) and thereafter, each full twelve (12) month period.
Additional Rent:	All sums, other than Base Rent, due from Tenant pursuant to the terms of this Lease, including without limitation Park Expense Rent and Building Expense Rent.
Property Manager:	CB Richard Ellis
Broker:	Insignia / ESG
Tenant Improvement Allowance:	Up to $3,491,700 (or $20.00 per square foot of space in the Premises), to be paid in accordance with the provisions of Section 3.6 hereof.

Each reference in this Lease to titles or terms contained in Article I shall be deemed to incorporate the applicable definitions or data. The Exhibits attached to this Lease are incorporated herein by reference.

ARTICLE II - LEASE OF PREMISES

2.1 Premises. Subject to the terms set forth herein, Landlord leases to Tenant, and Tenant accepts from Landlord, the Premises which shall be constructed by Landlord and Tenant pursuant to the specific provisions of the Work Letter.

2.2 Park Common Areas. Landlord also grants to Tenant as appurtenant to the Premises the non-exclusive right to use the Park Common Areas together with all others entitled to use the same for their intended purposes, subject to Section 2.5 hereof, the Declaration (hereinafter defined) and to the rules and regulations attached hereto as Exhibit D, or such other reasonable rules and regulations established by Landlord from time to time and made known to Tenant in writing (collectively, the "Rules and Ragulations"). Such Rules and Regulations shall be promulgated and enforced in a non-discriminatory manner. As used herein, the term "Park Common Areas" shall mean all common areas and amenities available for the common use of Park tenants, including without limitation the common driveway, the walkways, loading areas, service areas, drainage systems, the wastewater treatment facility, and the parking areas of the Park, as defined and more particularly described in Section 1 of that certain Declaration of Covenants dated as of October 10, 2000 and recorded with the Middlesex North Registry of Deeds as Document No. 1154249, as the same may be amended from time to time (the "Declaration"), provided Landlord shall not amend the Declaration so as to materially and adversely affect Tenant's rights hereunder. Parking within the Park Common Areas shall be on an unreserved, first-come, first-served basis at no cost to Tenant. Landlord covenants that during the Term the Park shall contain no less than 1,222 parking spaces (equivalent to 3.76 spaces per 1,000 rentable square feet of space within the buildings in the Park). Tenant shall comply with the provisions of the Declaration and shall abide by the Rules and Regulations, shall cause others who use the Park

Common Areas with Tenant's express or implied permission to comply with the provisions of the Declaration and abide by the Rules and Regulations, and shall not interfere with the rights of Landlord, or its agents, employees or contractors (collectively, "Landlord's Affiliates") while such parties are performing Landlord's obligations under this Lease.

2.3 Landlord's Reservations. Landlord reserves the right, from time to time to: (a) upon at least six (6) months' notice, change the address of the

Premises or to rename the Park, provided Landlord shall not rename the Park using the name of any tenant of the Park, or any competitor of Tenant, as more specifically identified on Exhibit E attached hereto, as such competitors may change from time to time, upon written notice to Landlord ("Tenant's Competitors"), (b) install and maintain signs on the Property or within the Park, including, without limitation, the monument sign shown on Exhibit A attached hereto, provided that any such monument sign which provides directions to the premises of another tenant of the Park shall also provide directions to the Premises, (c) lease or license portions of the roof of the Premises other than Tenant's Exclusive Rooftop Area (hereinafter defined) to third parties for telecommunications, satellite communications, billboard or other uses, provided Landlord shall not lease any portion of the roof to Tenant's Competitors, or to any other tenant of the Park, and (d) possess pass keys to the Premises. In exercising its rights hereunder, Landlord shall not materially and adversely interfere with Tenant's use and occupancy of the Premises or Exclusive Rooftop Area, nor materially impair Tenant's rights under the Lease.

2.4 Exclusive Rooftop Rights. Tenant shall have the exclusive right during the Term to use a certain portion of the roof of the Premises more particularly shown on the Rooftop Plan attached hereto as Exhibit A-1 (such area, as the same may be relocated as provided herein, is referred to herein as the "Exclusive Rooftop Area") for purposes of installing, operating and maintaining telecommunications equipment, antennas and related cabling (collectively, the "Rooftop Equipment") to be used solely in connection with Tenant's business operations, and in accordance with the terms and conditions set forth in Exhibit F attached hereto.

2.5 Tenant's Signage. Tenant will not place on the exterior of the Premises (including both interior and exterior surfaces of the doors and interior surfaces of the windows) any signs, symbol, advertisement or the like visible to the public outside of the Premises. Provided that the Tenant specified in Article I hereof and/or a Tenant Entity (hereinafter defined) are then leasing and occupying at least fifty percent (50%) of the Premises, Tenant shall have the exclusive right to place (a) one (1) building sign bearing Tenant's name and logo, on the exterior of the Premises, and (b) one (1) monument sign bearing Tenant's name and logo within the Park at a location to be mutually agreed upon by Landlord and Tenant, and which will be shown on Exhibit A attached hereto. The rights granted in this Section 2.5 are granted upon the further conditions that (i) Tenant shall comply with all applicable Laws (hereinafter defined) and shall obtain at its expense all necessary permits or approvals, and (ii) Landlord shall have first approved detailed plans and specifications therefor, which approval shall not be unreasonably withheld, conditional or delayed, which shall show, at a minimum, the size and style of such sign, the materials to be used, and the method of affixation. Tenant shall remove such signs (and repair any damage arising from such signs) either at the expiration or earlier termination of this Lease, or if Tenant and/or a Tenant Entity shall cease to lease and occupy at least fifty percent (50%) of the Premises.

2.6 Pad Area. Tenant shall have the right, throughout the term, to locate, install and use a generator to be located at the rear of the Premises in a location to be set forth and approved as part of the approval of the Construction Documents (as defined in the Work Letter). If Tenant has not yet determined the location of the generator at the time the Construction Documents are approved, it shall be located at the rear of the Premises in a location reasonably approved by Landlord and Tenant.

ARTICLE III - CONSTRUCTION OF PREMISES; DELIVERY OF POSSESSION

3.1. Construction of Landlord's Work. Landlord has commenced construction of the Landlord's Work (as described in the Work Letter) and is in receipt of all required permits and approvals therefor. Subject to events of Force Majeure and/or Tenant Delays, Landlord will complete construction of Landlord's Work in accordance with the terms and conditions of this Article III and the Work Letter. Landlord further agrees to complete the construction of Landlord's Work with due diligence as soon as reasonably practicable following the date hereof, and to use diligent efforts (i) to have the Premises "Ready for Tenant" (as defined in Section 3.2 hereof) on the Scheduled Delivery Date, (ii)

to have Landlord's Progress Work (as defined in Section 3.2 hereof) completed by the date sixty (60) days after the Commencement Date ("Progress Work Date") and (iii) to have the balance of Landlord's Work completed on or before the date sixty (60) days after the Progress Work Date ("Outside Completion Date"), time being of the essence.

3.2 (a) Ready for Tenant. "Ready for Tenant" means the date which is three (3) days after the date when Landlord delivers to Tenant a stamped Certificate of Substantial Completion as to the following work from Landlord's architect that all of the following elements of Landlord's Work ("Ready for Tenant Work") are Substantially Complete, as hereinafter defined, in accordance with Landlord's Plans, as defined in the Work Letter:

i. Structure: Footings, foundations, floor deck and poured slabs, and steel structure complete (including spray-on fire-proofing of steel members)

ii. Utilities: Major underground utilities trenched and in place (but not in service). Temporary power available to workspace.

iii. Roof: Roof structure and membrane in-place and water-tight (excepting perimeter flashing around incomplete wall systems)

iv. Wall System: Steel stud back-up system and drywall in-place. Masonry brick, glass & glazing and metal panel in progress

v. Site: Temporary surfaces (either binder asphalt or gravel) such that Premises are reasonably accessible for construction traffic

(b) Landlord's Progress Work. "Landlord's Progress Work" shall be defined as the Substantial Completion of the following elements of Landlord's Work in accordance with Landlord's Plans, as defined in the Work Letter, as evidenced by a stamped Certificate of Substantial Completion as to the following work from Landlord's architect:

i. HVAC: Roof-top units installed (but not operational). Vertical distribution duct work in place and ready for connection to Tenant's horizontal distribution.

ii. Fire Protection: Sprinkler risers and horizontal mains in place and ready for connection to Tenant's branch piping.

iii. Electrical: Electrical room demised and main electrical switchgear installed and wired

iv. Plumbing: Main water service in place. Supply risers and waste pipes in place and ready for connection to Tenant's fixtures

v. Envelope: Masonry, glass & glazing and metal panel in-place (or temporary enclosures as required to protect interior areas)

(c) For the purposes hereof, "Substantial Completion" or "Substantially Complete" shall mean that the Ready for Tenant Work and/or the Landlord's Progress Work, as the case may be, have been completed in

accordance with the requirements of the Lease and in accordance with applicable Laws, so that Tenant can legally occupy the Premises for the performance of Tenant's Work in accordance with Tenant's Critical Path Schedule, as defined in the Work Letter.

3.3. Delivery of Possession; Delays.

(a) Landlord shall use diligent efforts to have the Premises Ready for Tenant on the Scheduled Delivery Date; however, Landlord may deliver the Premises Ready for Tenant prior to the Scheduled Delivery Date provided landlord gives Tenant thirty (30) days' prior notice thereof, and Landlord has previously approved Tenant's Plans and Tenant's contractors.

(b) If the Premises are not Ready for Tenant on or before the

Scheduled Delivery Date, as extended by events of Force Majeure and/or Tenant Delays, this Lease shall remain in full force and effect, except as otherwise set forth in this Section 3.3. Landlord shall not be subject to any liability, and the Commencement Date shall be delayed until the date the Premises are Ready for Tenant. Landlord shall have a period of sixty (60) days following the Scheduled Delivery Date (as extended for events of Force Majeure and Tenant Delays; such period being hereinafter referred to as "Landlord's Grace Period") to make the Premises Ready for Tenant as required hereunder without any liability to Tenant therefor provided Landlord continues to use diligent efforts to complete Landlord's Work and to deliver the Premises Ready for Tenant as promptly as possible after the Scheduled Delivery Date.

(c) If on the date which is no less than thirty (30) days prior to the Scheduled Delivery Date Landlord determines the Premises will not be Ready for Tenant on the Scheduled Delivery Date, Landlord shall immediately so inform Tenant in writing ("Landlord's Delay Notice"), which notice shall state the date on which Landlord expects the Premises to be Ready for Tenant as required hereunder (the "Revised Delivery Date"). If the date set forth in Landlord's Delay Notice indicates that the Revised Delivery Date is within Landlord's Grace Period, no response from Tenant shall be necessary and Landlord shall continue to use diligent efforts to complete Landlord's Work and to deliver the Premises Ready for Tenant on or before the Revised Delivery Date. Notwithstanding anything to the contrary contained herein, if Landlord's Delay Notice indicates that the Revised Delivery Date falls outside of Landlord's Grace Period but before October 15, 2001 ("Rent Penalty Date"), Landlord shall continue to use diligent efforts to complete Landlord's Work and to deliver the Premises Ready for Tenant on or before the Revised Delivery Date and, upon the Rent Commencement Date, Tenant shall be credited with one day's Base Rent for each day of delay beyond Landlord's Grace Period not caused by Force Majeure or Tenant Delays. Notwithstanding anything to the contrary contained herein, if the date set forth in Landlord's Delay Notice indicates that the Revised Delivery Date falls after the Rent Penalty Date but before May 15, 2002, Tenant must notify Landlord in writing within ten (10) days after receipt of Landlord's Delay Notice, time being of the essence, that it elects either to (i) terminate this Lease if Landlord fails to deliver the Premises Ready for Tenant on or before the Rent Penalty Date, or (ii) accept delivery of possession of the Premises on the Revised Delivery Date (provided the same are delivered Ready for Tenant as required hereunder) and receive on the Rent Commencement Date a rent credit equal to two (2) days' Base Rent for each day of delay beyond Landlord's Grace Period not caused by Force Majeure or Tenant Delays. If Tenant elects option (i) in the previous sentence and Landlord fails to deliver the Premises Ready for Tenant on or before the Rent Penalty Date, this Lease shall automatically terminate as of the Rent Penalty Date and the parties shall thereafter have no further obligation to each other. If Tenant elects option (ii) above and Landlord thereafter fails to deliver the Premises Ready for Tenant on or before the Revised Delivery Date, Landlord shall deliver to Tenant an updated Landlord Delay Notice in which Landlord indicates a new Revised Delivery Date. In such event, the process set forth in this paragraph shall recommence provided that the new Rent Penalty Date shall be extended to the date which is ninety (90) days after the prior Rent Penalty Date. If Tenant fails timely to respond to any Landlord Delay Notice, Tenant shall be deemed to have elected option (ii) above and this Lease shall continue in full force and effect and Landlord shall diligently pursue its obligations hereunder until the Premises are Ready for Tenant.

(d) Notwithstanding anything to the contrary set forth in this Lease, if Landlord fails to deliver the Premises Ready for Tenant on or before May 15, 2002 for any reason whatsoever other than a Tenant Delay, Tenant shall have the right to terminate this Lease by written notice to Landlord delivered on or before May 20, 2002, time being of the essence

(e) If Landlord's Progress Work is not Substantially Completed, as defined in Section 3.2(c) above, on or before the Progress Work Date, as extended by events of Force Majeure and/or Tenant Delays, then each day between the Progress Work Date, as so extended, and the date that Landlord Substantially Completes the Landlord's Progress Work shall be deemed a "Landlord Delay" for the purposes of determining the Rent Commencement Date. In addition, if all of Landlord's Work is not Substantially Completed, as defined in the Work Letter, on or before the Outside Completion Date, as extended by events of Force Majeure

and/or Tenant Delays, then each day between the Outside Completion Date, as so extended, and the date that Landlord Substantially Completes the Landlord Work shall be deemed a "Landlord Delay" for the purposes of determining the Rent Commencement Date.

(f) For purposes hereof, "Tenant Delay" means any act or omission of Tenant or Tenant's agents, contractors, servants, employees, customers, licensees, or invitees (collectively, "Tenant's Affiliates") that actually delays the date on which the Premises would be Ready for Tenant, including, without limitation: (1) Tenant's failure to furnish information or approvals within any time period specified in the Lease, including the failure to prepare or approve preliminary or final plans by any applicable due date; (2) delays arising out of any Tenant Change Orders of which Landlord has advised Tenant in writing pursuant to Paragraph 3(c) of the Work Letter; or (3) performance of Tenant's Work or any other work in the Premises by Tenant or Tenant's contractor(s) during the performance of Landlord's Work, provided that Landlord notifies Tenant in writing of such delay at the time of such delay.

(g) If, after the date the Premises are Ready for Tenant but prior to the Progress Work Date, performance of Landlord's Work or any other work in the Premises by Landlord or Landlord's contractor(s) causes Tenant's Work to be completely halted for one (1) day or more (each such day being a "Tenant Halt Day"), then each consecutive Tenant Halt Day after the first (1/st/) such Tenant Halt Day shall be deemed a Landlord Delay for the purposes of determining the Rent Commencement Date. Notwithstanding the foregoing, if, prior to the Progress Work Date, there are two (2) non-consecutive Tenant Halt Days, then each Tenant Halt Day thereafter, whether or not consecutive, shall be deemed a Landlord Delay for the purpose of determining the Rent Commencement Date. For example, if, prior to the Progress Work Date, there are 4 consecutive Tenant Halt Days in a week, followed by 3 consecutive Tenant Halt Days two weeks thereafter, followed by 3 consecutive Tenant Halt Days three weeks thereafter, then, for the purposes of determining the Rent Commencement Date, there would be eight (8) days of Landlord Delay (i.e., 3 days for the first such occurrence, plus 2 days for the second such occurrence, plus 3 days for the third such occurrence). If, after the Progress Work Date, there are any Tenant Halt Days, each such Tenant Halt Day shall be deemed a Landlord Delay for the purposes of determining the Rent Commencement Day. In addition, if, after the date the Premises are Ready for Tenant, performance of Landlord's Work or any other work in the Premises by Landlord or Landlord's contractor(s) delays or interrupts performance of any component of Tenant's Work which is identified as then being on Tenant's Critical Path Schedule, as defined in the Work Letter, for more than three (3) consecutive days, then each day from and after the third (3/rd/) such day of delay or interruption shall be deemed a Landlord Delay for the purposes of determining the Rent Commencement Date.

(h) Notwithstanding anything to the contrary contained herein, if the Premises are not Ready for Tenant by the Scheduled Delivery Date due to a Tenant Delay, the Rent Commencement Date shall be deemed to be one hundred twenty (120) days after the date on which the Premises would have been Ready for Tenant if not for the Tenant Delay.

3.4 Limited Warranties; Third Party Warranties. Provided Tenant has not breached its covenants in Section 8.2 hereof, Landlord hereby warrants (collectively, the "Limited Warranties") that for a period of twelve (12) months from the Rent Commencement Date, the entire Premises (other than the specific portions or systems thereof covered by the Third-Party Warranties) shall be free of defects in design, construction, workmanship and materials. Landlord shall procure all manufacturer's and contractor's warranties provided in connection with Landlord's Work (collectively, the "Third-Party Warranties") and shall provide copies thereof to Tenant. Landlord acknowledges and agrees that Tenant is a third-party beneficiary of the Third-Party Warranties and shall have the right to enforce the Third-Party Warranties and otherwise seek recourse thereto, subject to the terms and conditions of the Third-Party Warranties. Neither Landlord nor Tenant shall undertake any act or omission which would result in any Third-Party Warranty being diminished, terminated or voided.

3.5 Tenant's Work. Promptly following the Commencement Date, Tenant shall perform Tenant's Work, at Tenant's sole cost and expense, but subject to reimbursement by Landlord pursuant to Section 3.6 below of the Tenant

Improvement Allowance, in accordance with the provisions of the Work Letter.

3.6 Tenant Improvement Allowance. Tenant shall be entitled to receive the Tenant Improvement Allowance specified in Article I hereof to reimburse Tenant for the costs and expenses incurred in connection with the construction of Tenant's Work other than so-called "Excluded Costs" defined below. The Tenant Improvement Allowance shall be paid in two installments, the first of which shall be paid at such time as at least fifty percent (50%) of Tenant's Work has been substantially completed. Such portion of Tenant's Work shall be deemed substantially completed when Tenant submits to Landlord (y) a letter from Tenant's Architect stating that at least fifty percent (50%) of Tenant's Work has been completed in substantial compliance with the Tenant's Plans, and (z) reasonably detailed invoices (including all invoices and requisitions of all contractors and subcontractors) or other reasonably satisfactory evidence of costs incurred by Tenant in performance of the Tenant's Work (other than Excluded Costs) together with lien releases in form and substance reasonably satisfactory to Landlord from all suppliers of labor, materials or other services for the portion of Tenant's Work performed to date. Upon substantial completion of all of Tenant's Work, Tenant shall submit to Landlord the following documentation in order to be eligible to receive the final installment of the Tenant Improvement Allowance (the "Final TIA Installment"): (i) a final permanent certificate of occupancy for the Premises, (ii) invoices (including all invoices and requisitions of all contractors and subcontractors) or other reasonably satisfactory evidence of costs incurred by Tenant in performance of the Tenant's Work (other than the Excluded Costs), (iii) lien releases in form and substance reasonably satisfactory to the Landlord from all suppliers of labor, materials or other services, (iv) a final Certificate of Substantial Completion from Tenant's Architect certifying to the completion of the Tenant's Work in substantial compliance with the Tenant's Plans, and (v) a complete set of Record Drawings, as defined in the Work Letter, for Tenant's Work. Landlord shall have no obligation to pay any portion of the Tenant Improvement Allowance if the Lease is terminated as a result of a Default hereunder. Each installment of the Tenant Improvement Allowance shall be paid to Tenant within thirty (30) days after receipt of all of the documentation required herein. Notwithstanding the foregoing, if Tenant fails to obtain a temporary or final certificate of occupancy permitting Tenant to legally occupy the Premises as a result of a defect in Landlord's Work, but satisfies the remainder of the foregoing requirements, Tenant shall be entitled to receive the Tenant Improvement Allowance, and Tenant shall promptly obtain such certificate of occupancy after Landlord cures such defect in accordance with Section 8.1 hereof. In addition, as to that portion of such delays occurring after the Outside Completion Date, each day of delay between the date that Tenant is denied such certificate of occupancy as a result of a defect in Landlord's Work and the date that Tenant obtains a certificate of occupancy after Landlord cures such defect shall be deemed a Landlord Delay for the purposes of determining the Rent Commencement Date. If Landlord fails to timely pay the Tenant Improvement Allowance in the manner set forth herein, Tenant shall give Landlord (and the holder of any existing or future mortgage, deed of trust, overlease, or similar instrument covering the Premises (each a "Mortgagee") of which Tenant has received written notice) written notice of such failure, and if Landlord has not paid the Tenant Improvement Allowance in accordance with this Section 3.6 within thirty (30) days after receipt of such notice from Tenant and following the giving of a second written notice by Tenant and Landlord's failure to cure within five (5) days thereafter, interest shall accrue on such unpaid amount at the rate of the "Prime Rate" plus four (4%) (the "Default Rate"), and, if there remains any amounts unpaid by Landlord to Tenant hereunder after interest has commenced to accrue for at least thirty (30) days and after Tenant gives a third written notice to Landlord and its Mortgagee of whom Tenant has been provided notice and Landlord fails to cure within a period of five (5) days thereafter, then Tenant shall be entitled to offset the unreimbursed costs, together with interest as aforesaid, against fifteen percent (15%) of the monthly Base Rent due hereunder until the Tenant Improvement Allowance and all accrued interest thereon shall have been reimbursed in full. For purposes hereof, the "Prime Rate" shall mean the rate equal to the prime commercial rate from time to time established by the Fleet National Bank, or its successor.

3.7 Excluded Costs. The Tenant Improvement Allowance shall, subject to clause (c)(i) below, be applied only to the cost of that portion of Tenant's Work performed by a general contractor and its subcontractors that results in physical improvements to the Premises which are deemed fixtures once installed (e.g. walls, ceilings, doors, floor & wall coverings, millwork, HVAC, plumbing and electrical work). In no event shall Landlord be required to (a) apply any unused portion of the Tenant Improvement Allowance toward Base Rent or Additional Rent, (b) apply any unused portion of the Tenant Improvement Allowance to changes to Tenant's Work

after Landlord has paid the Final TIA Installment in accordance with Section 3.6 above or (c) provide any portion of the Improvement Allowance to reimburse Tenant for the following (even if specifications for such items were included in Tenant's Plans approved by Landlord): (i) architectural design and engineering costs, construction/project management fees, consultant's fees or other "soft" costs incurred in connection with planning changes in Tenant's Work to the extent the aggregate of such costs exceeds $3.00 per square foot; (ii) furniture, including the cost of installation and/or relocation, (iii) telecommunications equipment, including the cost of installation and cabling/wiring cost, (iv) computer equipment, including the cost of installation and cabling/wiring cost, (v) artwork and miscellaneous decorations, (vi) de-mountable or temporary partitions, (vii) laboratory, light manufacturing or other trade fixtures; (viii) signs; (ix) supplemental HVAC systems and equipment, generators or other equipment made a fixture to the Premises but to be removed by Tenant at the end of the Lease; (x) other specialty improvements which are unique to Tenant's business and may be removed by Tenant at the end of the Term; and (xi) any portion of Tenant's Work performed by Tenant or a Tenant Entity (the items listed in subsections (i) through (xi) collectively referred to as the "Excluded Costs").

ARTICLE IV - TERM

4.1 Term. Tenant shall have and hold the Premises for a term commencing on the Commencement Date (plus any partial month after the Commencement Date if the Commencement Date is not the first day of a calendar month) for the Term unless sooner terminated as set forth in Sections 4.2 or Article XIV hereof or extended pursuant to Section 4.3 hereof. Promptly after commencement of the Term, Landlord and Tenant shall execute a commencement date memorandum in the form attached hereto as Exhibit G. Tenant shall have access to the Premises twenty-four (24) hours per day, seven (7) days per week throughout the Term and any extension thereof, subject only to the terms of this Lease and the Work Letter.

4.2 Early Termination Option. Notwithstanding anything to the contrary contained herein, Tenant may, at its sole discretion, terminate this Lease effective as of the last day of the seventh (7/th/) Lease Year (the "Early Termination Date"), provided Tenant delivers written notice of such termination not later than the last day of the sixth (6/th/) Lease Year and pays to Landlord, not later than sixty (60) days prior to the Early Termination Date, a termination fee in the amount of Four Million One Hundred Ninety Thousand and No/100 Dollars ($4,190,000). If Tenant timely exercises this early termination option, pays the termination fee in full and otherwise performs all of its obligations under this Lease, including without limitation payment of all Base Rent and Additional Rent due through the Early Termination Date, and surrenders the Premises in the condition required hereunder, then this Lease shall terminate as of the Early Termination Date, and thereafter neither Tenant nor Landlord shall have any further rights or obligations under this Lease, except as otherwise expressly provided herein.

4.3 Extension Option. (a) Tenant shall have the Extension Option referred to in Article I above, provided that (a) Tenant provides Landlord with written notice of Tenant's interest in exercising such option at least three hundred sixty-five (365) days prior to the expiration of the Term ("Tenant's Interest Notice"), (b) no uncured Default (hereinafter defined) shall exist at the time of Landlord's receipt of Tenant's Interest Notice, or at the commencement of the Extension Period, and (c) the Tenant named in Article I above and/or a Tenant Entity (hereinafter defined) then leases and occupies at least fifty percent (50%) of the Premises. Except for the amount of Base Rent (which is to be determined as hereinafter provided), all of the terms, covenants, conditions and provisions set forth herein shall be applicable to the Extension Period. This Extension Option, which is personal to the original Tenant specified in Article I hereof or a Tenant Entity, may not be severed from this Lease or separately sold, assigned, or otherwise transferred. Time is of the essence with respect to this Section 4.3.

(b) If Tenant delivers Tenant's Interest Notice in the manner set forth above, Landlord shall, within ten (10) business days of receipt of Tenant's

Interest Notice, notify Tenant in writing ("Landlord's Rent Notice") of its determination of the fair market rent for the Premises for the Extension Period. Landlord shall base its determination on comparable lease extensions for comparable property in the area in which the Property is located, taking into account all relevant factors including, without limitation, concessions then being granted by landlords. The area in which the Property is located shall be deemed to be the Route 495/Route 2 submarket, further defined as the Towns of Acton, Boxborough, Westford and Littleton (the "Property Vicinity"). Landlord's determination shall be based upon the Premises as improved, whether such improvements were made by Landlord or Tenant. Notwithstanding the foregoing, Base Rent during such Extension Period shall not be less than seventy-five

(75%) percent of the Base Rent for the year immediately preceding the commencement of such Extension Period. Tenant shall have twenty (20) days from the date of said Landlord's Rent Notice to notify Landlord in writing ("Tenant's Acceptance Notice") whether Tenant will exercise the Extension Option. If Tenant does not deliver Tenant's Acceptance Notice within said twenty (20) day period, then Tenant shall be deemed to have waived its right to such Extension Period and shall have no further right to any extension option. If Tenant timely delivers Tenant's Acceptance Notice, then Landlord's determination of fair market rent shall be binding upon the parties hereto, unless Tenant's Acceptance Notice includes a statement that Tenant does not accept Landlord's determination of fair market rent and wishes to proceed to arbitration ("Tenant's Arbitration Notice").

(c) In such event, within five (5) days after receipt by Landlord of Tenant's Arbitration Notice, which includes a demand for arbitration, Tenant and Landlord shall each notify the other, in writing, of their respective selections of an appraiser (respectively, "Landlord's Appraiser" and "Tenant's Appraiser"). Landlord's Appraiser and Tenant's Appraiser shall then jointly select a third appraiser (the "Third Appraiser"). All of the appraisers so selected shall be individuals with at least five (5) year's commercial appraisal experience in the area in which the Premises are located, shall be members of the Massachusetts Appraisal Institute (M.A.I.), and, in the case of the Third Appraiser, shall not have acted in any capacity for either Landlord or Tenant within five (5) years of his or her selection. Said appraisers shall determine the fair market rent for the Premises for the Extension Period in accordance with the requirements and criteria set forth in the preceding paragraph, employing the method commonly known as "Baseball Arbitration," whereby Landlord's Appraiser and Tenant's Appraiser set forth their determination of fair market rent as defined above, and the Third Appraiser must select between the two appraisals (it being understood that the Third Appraiser shall be expressly prohibited from selecting a compromise figure). The greater of seventy-five (75%) percent of Base Rent for the year immediately preceding commencement of the Extension Period and the fair market rent selected by the Third Appraiser shall be Base Rent for the Extension Period. The Third Appraiser shall render a decision within twenty-five (25) days after the selection of the Third Appraiser and said decision shall be binding on both Landlord and Tenant. Each party shall bear the cost of its own appraiser. The cost of the Third Appraiser shall be paid one-half by Landlord and one-half by Tenant.

ARTICLE V - RENT

5.1 Base Rent. On or before the Rent Commencement Date, Tenant shall pay to Landlord its first monthly installment of Base Rent, Building Expense Rent (hereinafter defined) and Park Expense Rent (hereinafter defined), which shall consist of Base Rent, Building Expense Rent, and Park Expense Rent for both the first full month of the Term after the Rent Commencement Date and a pro rated amount (on a per diem basis) of Base Rent, Building Expense Rent, and Park Expense Rent for any partial month in which the Rent Commencement Date occurs. Thereafter, Tenant shall pay Base Rent to Landlord monthly, in advance, not later than the first day of each calendar month. Any other Additional Rent due under the terms of this Lease shall be paid when due.

5.2 Additional Rent. (a) Tenant shall pay, as Additional Rent hereunder Building Expense Rent (hereinafter defined), and its Pro Rata Share (hereinafter defined) of Park Expenses (hereinafter defined) in accordance with the provisions of this Section 5.2.

(b) Definitions. For purposes hereof, the following terms shall have the following definitions:

(i) "Building Expenses" shall be defined to include all costs of operation, maintenance and repair of the Premises (each such service, a "Building Service"), subject to Tenant's right to perform such services pursuant to Section 8.2(b) hereof including without limitation the following: (1) premiums for property insurance carried by Landlord with respect to the Premises as detailed in Section 13.1(c) below; (2) compensation and all fringe benefits, workers' compensation insurance premiums and payroll taxes paid by Landlord to, for or with respect to a11 persons below the grade of property manager actually engaged in the operating or maintaining of the Premises; (3) cost of building and cleaning supplies, building supplies, and equipment; (4) cost of maintenance, cleaning (including window cleaning, caulking and waterproofing) and repairs (other than repairs for which Landlord has received reimbursement from contractors under guaranties); (5) payments under service contracts with independent contractors, including legal, accounting and other professional fees, which contracts shall be at arm's length and at competitive rates; (6) subject to the next succeeding sentence, any costs (including capital costs and

financing charges) of improvements to the Premises that, based upon engineering studies performed by Landlord, are designed to increase safety or reduce or limit increases in Building Expenses, are required to comply with any law imposed after the initial completion of the Premises; (7) the cost of performing Landlord's maintenance obligations set forth in Section 8.1 hereof, (8) all other reasonable or necessary expenses paid in connection with the operation, maintenance, replacement and repair of the Premises and properly chargeable against income, and (9) a fee for management services for the Park of not greater than two percent (2%) of the net revenues received by Landlord from the lease of the Premises. Any of the above services may be performed by Landlord or its affiliates, provided that fees for the performance of such services shall be reasonable and competitive with fees charged by unaffiliated entities for the performance of such services in comparable buildings. If, during the Term of this Lease, Landlord shall make capital improvements to the Premises pursuant to subsection (6), (7) or (8) above, the total cost of which is not properly includable in Building Expenses for the calendar year in which they were made, there shall nevertheless be included in such Building Expenses for the calendar year in which they were made and in Building Expenses for each succeeding calendar year the annual charge-off of the costs of such capital improvements. Annual charge-off shall be determined by dividing the original cost of the capital improvements plus an interest factor, reasonably determined by Landlord, as being the interest rate then being charged for long-term mortgages by institutional leaders on like properties within the locality in which the Premises is located, by the number of years of useful life of the capital improvement (on a straight-line basis); and the useful life shall be determined reasonably by Landlord in accordance with generally accepted accounting principles and practices in effect at the time of making such capital improvements, consistently applied. Notwithstanding the foregoing, Building Expenses shall not include any Prohibited Expenses set forth on Exhibit H attached hereto.

(ii) "Park Expenses" shall mean the aggregate costs or expenses reasonably incurred by Landlord with respect to the operation, administration, repair, maintenance and management of the Park (each such service, a "Park Expense"), including, without limitation: (A) the cost of services, utilities, materials and supplies furnished or used in the operation, repair, maintenance, management, and protection of the Park Common Areas, including without limitation, fees, if any, imposed upon Landlord, or charged to the Park, by the state or municipality in which the Park is located on account of the need of the Park for increased or augmented public safety services, and also including all expenses directly related to employment of personnel below the grade of property manager performing services in connection with the operation, repair, maintenance, management and protection of the Park Common Areas, and their respective mechanical systems, including, without limitation, the waste water treatment system serving the Park; (B) the cost of replacements for tools and other similar equipment used in the repair, maintenance, and protection of the Park Common Areas, provided that, in the case of any such equipment used jointly on other property of Landlord, such costs shall be

allocated among the buildings constituting the Park on a square footage basis; (C) premiums for commercial general liability insurance with such coverages and limits as shall from time to time be required by any person, firm or other entity that it holds a mortgage or a ground lease which includes the Park; (D) the costs of maintaining, repairing and replacing (if necessary) the common monument sign for the Park; (E) subject to the next succeeding sentence, any capital improvements made to the Park Common Areas that, based upon engineering studies performed by Landlord, are designed to increase safety or reduce or limit increases in Park Expenses; (F) costs for electricity, water and sewer use charges, and other utilities supplied to the Park and not separately metered to the buildings comprising the Park or the tenants thereof; and (G) all Taxes (hereinafter defined) assessed against the Park; and, (H) amounts paid to independent contractors for services, materials and supplies furnished for the operation, repair, maintenance, and protection of the Premises and/or Park Common Areas. Park Expenses shall not include any Prohibited Expenses,. If, during the Term of this Lease, Landlord shall make capital improvements to the Park Common Areas which are designed to increase safety or reduce or limit Park Expenses, based upon engineering studies performed by Landlord, the total cost of which is not properly includable in Park Expenses for the calendar year in which they were made, there shall nevertheless be included in such Park Expenses for the calendar year in which they were made and in Park Expenses for each succeeding calendar year the annual charge-off of the costs of such capital improvements. Annual charge-off shall be determined by dividing the original cost of the capital improvements plus an interest factor, reasonably determined by Landlord, as being the interest rate then being charged for long-term mortgages by institutional leaders on like properties within the locality in which the Park is located, by the number of years of useful life of the capital improvement (on a straight-line basis); and the useful life shall be determined reasonably by Landlord in accordance with generally accepted accounting principles and practices in effect at the time of making such capital improvements, consistently applied.

(iv) "Pro Rata Share" shall be a fraction, the numerator of which is the square footage of the Premises and the denominator of which is the aggregate square footage of both buildings within the Park. Tenant's Pro Rata Share of Park Expenses shall not change unless the square footage of the Premises or the Park is changed by a duly executed written amendment to this Lease.

(v) "Taxes" shall mean all real estate taxes, betterments, assessments, sales or use taxes, and other public charges on or relating to the Park including, without limitation, the Premises, other improvements, land and personalty, taxes on rentals, and taxes in addition to or in lieu of existing taxes, foreseen and unforeseen, ordinary and extraordinary, and all reasonable costs related to actual attempts to secure a refund or abatement, less the amount of any refund or abatement so obtained. "Taxes" shall not include interest, late fees, or penalty charges payable by Landlord nor inheritance, succession, estate, franchise, excise, transfer, income, or succession taxes, or so-called linkage payments; provided however, that if at any time during the Term the present system of ad valorem taxation of real property shall be changed so that as a substitute for, or in addition to, the whole or any part of the ad valorem tax on real property, there shall be assessed on Landlord any tax including a capital levy or other tax on the gross rents received with respect to the Park, or a federal, state, county, municipal, or other local income, franchise, excise or similar tax, assessment, levy or charge (distinct from any now in effect in the jurisdiction in which the Park is located), and whether or not now customary or in the contemplation of the parties, measured by or based, in whole or in part, upon any such gross rents, then any and all of such taxes, assessments, levies or charges, to the extent so measured or based, shall be deemed to be included within the term "Taxes". Notwithstanding anything to the contrary contained herein, Landlord agrees that to the extent permitted by the taxing authority, it shall elect to pay betterments or assessments over the longest period allowed by law.

(c) Payment of Building Expense Rent and Park Expense Rent. Building Expense Rent and Park Expense Rent shall be paid to Landlord monthly at the same time and in the same manner as Base Rent is paid in the amount which Landlord estimates, from time to time, but no more often than annually will represent Tenant's required payments of Building Expense Rent and Park Expense

Rent. Landlord shall deliver to Tenant (i) a reasonably detailed statement showing the actual Building Expenses and Park Expenses for the prior calendar year (the "Expense Statement"), (ii) tax statements from the taxing authorities covering all tax parcels comprising the Park, and (iii) a calculation showing the actual amount of Building Expense Rent and Park Expense Rent owed by Tenant, within ninety (90) days of the end of each calendar year (provided Landlord's failure to so notify Tenant shall not reduce Tenant's liability when such notice is issued, except if Landlord fails to include any item of Building Expenses or Park Expenses (as the case may be) on the Expense Statement for two (2) Lease Years or otherwise within two (2) years after the end of the calendar year in which such expense was incurred, Tenant shall have no obligation to reimburse Landlord for said item of Building Expenses or Park Expenses), and any excess paid by Tenant shall be applied to Tenant's next Building Expense Rent or Park Expense Rent payment (as the case may be) or reimbursed within thirty (30) days of such determination at the end of the Term, and any deficiency shall be paid within thirty (30) days of such notice. Building Expense Rent and Park Expense Rent shall be pro rated on a per diem basis for any partial month during the Term hereof.

(d) Right to Contest Taxes. Notwithstanding anything to the contrary herein contained, if Tenant deems that any portion of Taxes included within Park Expense Rent is excessive or illegal, Tenant shall have the right to contest such tax by appropriate legal or administrative proceeding, provided Tenant shall not withhold payment of any component of Park Expense Rent as a result of such dispute but shall pay the same to Landlord under protest. Any contest, whether before or after payment, may be made in the name of Landlord or Tenant or both as Tenant shall determine, but if Landlord is at such time contesting such taxes, Tenant's rights shall only be to join with Landlord in such action or proceeding. If requested by Tenant, Landlord shall participate actively in any such contest (but only if all expenses and costs incurred or suffered by Landlord, including without limitation fees of attorneys and/or accountants, shall be paid by Tenant), but Tenant shall be entitled to any refund of any such tax, assessment or charge or penalty or interest thereon which may have been paid by Tenant, or by Landlord and reimbursed by Tenant to Landlord.

(e) Tenant's Audit Right. Provided (1) there is no uncured Default hereunder, and (2) Tenant has paid the Building Expense Rent and Tenant's Pro Rata Share of the Park Expense Rent in question, Tenant shall have the right, exercisable not more than once each Lease Year, to examine Landlord's books and records relating to the prior Lease Year only with respect to both Park Expenses and Building Expenses. Such examination shall be

performed (i) at Landlord's office, (ii) at Tenant's sole cost and expense, (iii) upon prior reasonable written notice, (iv) during normal business hours, and (v) within one hundred twenty (120) days after receipt of the Expense Statement or supplementary invoices or notices, as the case may be. In the event Tenant's examination reveals a discrepancy, Tenant shall notify Landlord of such discrepancy in writing, and, if such discrepancy is mutually agreed upon, Landlord shall within thirty (30) days of such determination, reimburse Tenant for the amount of any overpayment. If Tenant so notifies Landlord of a discrepancy and such discrepancy is not mutually agreed upon within sixty (60) days after Landlord's receipt of Tenant's written notice thereof, either party may refer such dispute to arbitration pursuant to Section 5.2(g) below by sending the other party written notice of arbitration (the "Arbitration Notice"), which notice shall contain a detailed list of each item in dispute and the reason(s) for such dispute within said sixty (60) day period.. If Tenant's examination of Landlord's books and records reveals an overcharge of more than five percent (5%), Landlord shall, within thirty (30) days after receipt of a written invoice, reimburse Tenant for the reasonable costs of such audit. In conducting such audit, Tenant must use an independent certified public accountant experienced in auditing operating costs, which accountant shall be paid on an hourly basis (and not on a contingency or success fee basis). Such audit shall be conducted in accordance with generally accepted rules of auditing practices.

Supplementing Tenant's right to audit pursuant to the terms and limitations set forth herein, Tenant shall not be entitled to audit Landlord's

books and records that apply to any prior Expense Statement or to any calendar year other than the year covered by the most recent Expense Statement delivered to Tenant unless Landlord and Tenant agreed upon the discrepancy alleged by Tenant or, if such discrepancy was settled by arbitration pursuant to Section 5.2(g) below, Tenant was the prevailing party in whole or in material part in such arbitration, and then solely Tenant's additional audit rights shall apply solely to: (i) for the year immediately preceding the calendar year for which Tenant prevailed in such audit (the "Prior Year"); and (ii) the same specific item that was the subject of the previous audit in which Tenant prevailed, but in no event shall Tenant be entitled to audit Landlord's books and records with respect to Building Expenses or Park Expenses for any period prior to the Prior Year. In addition, once having conducted an audit of Landlord's books and records with respect to a specific item in any year, Tenant shall have no right to conduct another audit of the same specific item for such year.

This audit right is personal to the Tenant specified in Article I hereof or a Tenant Entity and is not otherwise transferable.

(f) Arbitration. Any arbitration requested by either party pursuant to the specific provisions of Section 5.2(f) of the Lease, shall be governed by the rules and procedures of the American Arbitration Association, as modified by this Section 5.2(g). Unless otherwise agreed upon by the parties, the arbitration shall be held in Boston, Massachusetts. Within thirty (30) days after delivery of the Arbitration Notice, the parties shall each appoint one certified public accountant licensed and with not less than ten (10) years' continuous accounting experience in the Commonwealth of Massachusetts ending not more than ten (10) years prior to the date of the Arbitration Notice. Within ten days after such appointment and notice, such accoutants shall appoint a third person (together with the first two accountants, collectively, "Arbitration Panel") who is also an accountant meeting the requirements of this Section 5,2(g). In the event that any party fails to timely designate an accountant, such dispute shall automatically be deemed resolved against such party. The Arbitration Panel shall have no authority to change, add to, or subtract from the Lease. The Arbitration Panel shall not have the power to assess or award punitive or exemplary damages. All aspects of this arbitration provision shall be interpreted in accordance with, and the Arbitration Panel shall apply and be bound to follow, Massachusetts substantive law. A hearing record shall be kept if either party so elects and the requesting party shall bear the expense of such record. The Arbitration Panel shall execute and acknowledge a binding award in writing, including factual findings and the reasons on which the award is based, and cause a copy of the award to be simultaneously delivered to both parties. The costs of such arbitration (if any) shall be paid to the prevailing party in the arbitration if and to the extent awarded by the Arbitration Panel. The pendency of determination by an arbitration proceeding pursuant to this Section 5.2(g) shall not operate to relieve any party from its obligations under this Lease. Other than any action necessary to enforce the award of the Arbitration Panel, the parties agree that the provisions of this Section 5.2(g) are a complete defense in any court or before any administrative tribunal with respect to any dispute, controversy, or claim arising under or in connection with Section 5.2(f) of this Lease. If a court proceeding to stay litigation or compel arbitration is necessary, the party who unsuccessfully opposes such proceedings shall pay all associated costs, expenses, and attorneys' fees which are reasonably incurred by the other party.

NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY MASSACHUSETTS LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE PROVIDED BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE MASSACHUSETTS CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN SECTION 5.2(f) OF THIS LEASE TO NEUTRAL ARBITRATION.

5.3 Payments. Tenant shall pay all Base Rent, Additional Rent and costs of every kind relating to the Premises without notice, demand, setoff, deduction, counterclaim, defense or abatement, except as specifically provided in the Lease.

5.4 Security Deposit. Intentionally Omitted.

5.5 Late Payments. Because actual damages resulting from late payments and dishonored checks are difficult to determine, if more than once in any Lease Year, (i) Base Rent and/or any Additional Rent is not received by Landlord or otherwise paid by the due date, or (ii) Tenant's check is not honored, Landlord may charge interest from the date on which the grace period set forth in Section 15.1 expires, if applicable, or from the due date if such grace period is not applicable, at the Default Rate on all amounts not paid or received by Landlord. If late payment by Tenant occurs during more than two (2) consecutive months or more than five (5) times in the aggregate during the initial Lease Term, Landlord may in its sole discretion apply a late charge of five percent (5%) of all then-delinquent and any future delinquent amounts due hereunder.

5.6 Early Occupancy. Notwithstanding the fact that Tenant's obligation to pay Base Rent, Building Expense Rent and Park Expense Rent shall not commence until the Rent Commencement Date, all other obligations hereunder (including Tenant's obligation to pay utilities, electricity and the like and to insure the Premises) shall commence upon the earlier of (i) the date that Tenant commences Tenant's Work, or (ii) the Commencement Date.

ARTICLE VI - UTILITIES

6.1. Utilities. Landlord shall provide connections for water, sewer, telephone, cable, gas, electricity and other utilities to be used at or in connection with the Premises as part of Landlord's Work. In addition to common utilities payable by Tenant as part of Park Expense Rent, Tenant shall make all arrangements for and pay all charges for utility services to the Premises. With respect to connection or "hook up" charges imposed by any public utility company, municipality, or other governmental agency, Landlord shall pay all such charges which pertain to the connection of the building shell to the distribution system of such utility, municipality, or governmental agency. Tenant shall pay all such charges which pertain to (i) Tenant's specific use of the Premises (including, without limitation, deposits required to commence utility service), and (ii) the connection of the interior tenant improvements and/or equipment and fixtures installed by or on behalf Tenant to the utility service.

6.2 Interruption of Utilities. Landlord shall not be liable to Tenant for interruption or curtailment of any service unless caused by the negligence or willful misconduct of Landlord or Landlord's Affiliates, or by defects in design of the utility connections provided by Landlord during the period of the Limited Warranty. Landlord shall use reasonable, good faith efforts to restore any interrupted service actually provided by Landlord as

promptly as reasonable possible and to minimize interference with Tenant's business. Any such interruption or curtailment shall not constitute constructive eviction or grounds for rental abatement. Notwithstanding the foregoing, if such interruption (a) is caused solely by the willful misconduct or negligent acts or omissions of Landlord or Landlord's Affiliates, and (b) renders the Premises untenantable, or any portion thereof inaccessible by Tenant, or makes it impracticable for Tenant to conduct its business in the Premises, each in Tenant's reasonable judgement, then, if such interruption continues for a period of five (5) consecutive days after reasonably detailed written notice thereof from Tenant to Landlord, then the Base Rent and Additional Rent shall be proportionately abated for each successive day such interruption or cessation continues based upon that certain portion of the Premises that are affected by such interruption (other than for reasons of casualty or eminent domain as to

which the provisions of Article XIV shall govern). In addition, in the event that any such interruption or cessation shall continue for more than ninety (90) successive days, after reasonably detailed written notice thereof from Tenant to Landlord, then Tenant shall have the right to terminate this Lease by giving written notice to Landlord and its Mortgagee(s) (of which Tenant has received written notice) of such cancellation, provided that at least ten (10) days prior written notice to Landlord and thirty (30) days prior written notice to Landlord's Mortgagee has been given (which such notice may be given prior to or after the expiration of said ninety (90) day period), unless within such ten (10) day period Landlord repairs or restores such interruption as herein required, in which event such notice of cancellation from Tenant shall be rendered null and void and of no further force or effect. For purposes of this Section, Landlord and Tenant hereby acknowledge and agree that if the Premises (or any portion thereof) is rendered inaccessible by elevator, but accessible by stairway(s), then the Premises (or such portion) will not be deemed "inaccessible" for the purposes hereof..

ARTICLE VII - TRIPLE NET LEASE

7.1 Triple Net Lease. It is intended that this Lease shall be a "triple net lease," and that the Base Rent and Additional Rent to be paid hereunder by Tenant will be received by Landlord without any deduction or offset whatsoever by Tenant, foreseeable or unforeseeable, except as specifically set forth herein. Except as expressly provided to the contrary in this Lease, Landlord shall not be required to make any expenditure, incur any obligation, or incur any liability of any kind whatsoever in connection with this Lease or the ownership, construction (except to the extent specifically agreed to by Landlord as set forth in the Work Letter), maintenance, operation or repair of the Premises, the Property or the Park.

ARTICLE VIII - REPAIR AND MAINTENANCE

8.1 Landlord's Maintenance Obligations. (a) Landlord shall, subject to reimbursement by Tenant pursuant tO Section 5.2 hereof and subject to the following sentence, (i) repair, maintain and replace (as necessary) all portions of Landlord's Work, including without limitation, any damage to the structural portions of the roof, the roof membrane, foundation, exterior walls, and load-bearing portions of walls (excluding wall coverings, painting, glass and doors) of the Premises, provided Tenant has not breached its covenants set forth in this Lease, (ii) provide janitorial service to the Premises consistent with such services provided to comparable first-class office parks in the Property Vicinity, (iii) procure and maintain regularly scheduled preventive maintenance/service contracts servicing the elevators, all hot water and heating and air conditioning systems and equipment ("HVAC") in the Premises and the fire detection and sprinkler system, and (iv) maintain the Park Common Areas in good order and repair. Notwithstanding the foregoing sentence, Landlord shall not be required to make any repair resulting from or relating to (u) any alteration or modification to the Premises or to mechanical equipment within the Premises performed by, for or because of Tenant or to special equipment or systems installed by, for or because of Tenant, (v) the installation, use or operation of Tenant's property, fixtures and equipment, (w) the moving of Tenant's property in or out of the Premises, (x) Tenant's use or occupancy of the Premises in violation of Section 9.1(a) of this Lease, (y) the negligent or willful acts or omissions of Tenant or Tenant's Affiliates, and (z) fire and other casualty or condemnation, except as provided by Article XIV of this Lease. To the extent any portion of the Premises to be maintained by Landlord pursuant to this Section 8.1 is damaged as a result of the negligent act or omission of Tenant or any of Tenant's Affiliates, or a breach by Tenant of its obligations under this Lease, then such repair shall be at Tenant's sole expense.

(b) Landlord shall have no obligation to make repairs under this Section 8.1 until a reasonable time after receipt of written notice from Tenant or Landlord's actual notice of the need for such repairs, except in case of emergencies in which case Landlord shall immediately commence such repairs after receipt of actual notice of the need therefor. Tenant waives any right to repair the Premises at Landlord's expense under any applicable Laws now or hereafter in

effect which might otherwise apply, except as set forth in Section 8.1(c) below.

(c) If Landlord fails to perform any of Landlord's obligations under this Section 8.1, and such failure materially interferes with Tenant's use of the Premises, such that the Premises or a substantial portion thereof are rendered inaccessible or unusable for the Permitted Use, it being understood that this Section 8.1(c) is not intended to cover ordinary or routine maintenance, Tenant shall have the right, but not the obligation, to perform any of such covenants for the account of Landlord after giving Landlord (and its Mortgagee of which Tenant has received written notice) thirty (30) days' prior written notice of Tenant's intention to do so and provided that Landlord has not commenced and diligently pursued the same to completion within such thirty (30) day notice period and following the giving of an additional written notice to Landlord and its Mortgagee and the expiration of an additional cure period of five (5) days. If Tenant shall undertake such performance, Landlord shall reimburse Tenant for all costs and expenses reasonably incurred by Tenant in connection with such performance ("Self-Help Costs") within thirty (30) days after receipt of an invoice therefor from Tenant (together with any back-up documentation reasonably requested by Landlord), together with interest at Default Rate, until paid in full by Landlord. If there remains any amounts unpaid by Landlord to Tenant hereunder after interest has commenced to accrue for at least thirty (30) days and Landlord fails to reimburse Tenant within five (5) days after Tenant gives Landlord a second written notice and its Mortgagee of whom Tenant has been provided notice, then Tenant shall be entitled to offset the unreimbursed costs, together with interest as aforesaid, against fifteen percent (15%) of the monthly Base Rent due hereunder until Tenant has been reimbursed in full.

8.2 Tenant's Maintenance Obligations. (a) Except for the portions of the Premises expressly required to be maintained by Landlord under Section 8.1 above and subject to the Limited Warranties and Third-Party Warranties, Tenant, at Tenant's sole cost and expense, shall maintain the Premises in good order, condition and repair. Notwithstanding any contrary provision of this Section 8.2, Tenant shall have no obligation to repair items damaged as a result of the negligent or willful acts or omissions of Landlord or Landlord's Affiliates.

(b) Tenant's Right to Perform Building Services. It is hereby further acknowledged and agreed that Tenant may, during the Term hereof and upon at least thirty (30) days advance written notice to Landlord, and subject to the expiration or earlier termination by Landlord at Tenant's request where possible of any applicable

service agreements to which Landlord or the Premises are bound or to the payment by Tenant of any cancellation fees thereunder, elect to assume responsibility for or contract directly with an independent third party for all janitorial, building systems repair and maintenance by qualified employees according to manufacturers' specifications, or similar services which were originally provided by Landlord. Notwithstanding the foregoing, Tenant shall have no right to perform Park Services. If Tenant so elects, the associated Building Expenses shall be reduced accordingly; provided, however, that such services contracted for by Tenant shall at all times be consistent with the level and quality of services previously furnished by or on behalf of Landlord, and that Landlord reasonably approves such supplier of services in advance and in writing. In the event of Tenant's failure to meet the level and quality of services required hereunder (i.e. comparable to or better than the level and quality of services originally provided by Landlord), then Landlord shall have the right to resume furnishing such services in the event that Tenant fails to increase the level of services to such level required by Landlord hereunder within thirty (30) days after written notice from Landlord. In connection therewith, the parties hereto agree to execute a lease amendment in form and substance reasonably acceptable to both parties in order to effectuate the foregoing provisions.

ARTICLE IX- TENANT'S COVENANTS

9.1 Tenant's Covenants. In addition to Tenant's other covenants hereunder, Tenant shall, at its expense:

(a) use the Premises solely for the Permitted Use, and for no other purpose; procure and maintain and comply with all required licenses and permits; and not use the Premises in violation of any laws, ordinances, orders, rules or

regulations of any public authority (collectively, "Laws") or of any insurer, Board of Fire Underwriters, or similar insurance rating bureau having jurisdiction over the Premises, including without limitation, the State Premises Code and the Americans With Disabilities Act of 1990, as amended, and any and all regulations promulgated thereunder (collectively, "Insurance Regulations"), or in a manner which may be injurious to or adversely affect the general character of the Premises or the Premises and not conduct any auction, bankruptcy or similar sale thereon, except Tenant's obligation to obtain required licenses and permits shall be waived to the extent Tenant's failure to do so is a result of a defect in Landlord's Work, provided Tenant shall promptly obtain any such permit or license following Landlord's cure of such defect in accordance with Section 8.1 hereof;

(b) pay, as they become due, all taxes imposed upon or relating to Tenant's business and Tenant's personal property;

(c) not act in any manner which prevents Landlord or Tenant from obtaining, or makes void or voidable, any insurance, or if the same creates extra premiums for or increases the rate of, insurance, Tenant will pay the increased cost upon demand;

(d) comply with all applicable mandatory energy conservation controls and requirements imposed or instituted by federal, state or local governments or by the applicable utility provider including controls on the permitted range of temperature settings and requirements necessitating curtailment of the volume of energy consumption or the hours of operation;

(e) not place a load upon the Premises floor which exceeds the weight of permissible live load per square foot of floor area (partitions shall be considered as part of the live load) without Landlord's prior consent, which shall not be unreasonably withheld, conditioned or delayed. Landlord reserves the right to prescribe the weight and position of all safes, files and heavy equipment which Tenant desires to place in the Premises so as properly to distribute the weight thereof. Tenant's business machines and mechanical equipment which cause vibration that may be transmitted to the Premises structure shall be so installed, maintained and used by Tenant, at Tenant's expense, so as to eliminate such vibration. Tenant shall pay the cost of all structural engineering required to determine structural load and all acoustical engineering required to address any vibration to the Premises stucture caused by Tenant;

(f) notwithstanding any permitted use inserted in Article I, not use the Premises for any purpose which would violate the certificate of occupancy for the Premises, any conditional use permit or variance applicable to the Premises or violate any covenants, conditions or other restrictions applicable to the Park (including, without limitation, the Declaration), now in effect or which may hereafter come into effect, whether or not they reflect a change in policy from that now existing, during the Term or any part of the Term hereof, relating in any manner to the Premises or the Park and the occupation and use by Tenant thereof; and

(g) cause any Transferee (defined below) to comply with all the terms and conditions of the Lease.

ARTICLE X-ASSIGNMENT AND SUBLETTING

10.1 Assignment and Subletting

(a) Tenant shall not assign, sublet, mortgage, license, transfer or encumber this Lease of the Premises in whole or in part whether by changes in the ownership or control of any entity which is Tenant, or any direct or indirect owner of Tenant, whether at one time or at intervals, by sale or transfer of stock, partnership or beneficial interests, operation of law or otherwise (each, a "Transfer"), and any purported Transfer shall be void and confer no rights upon any third person, provided that if there is a Transfer and a continuing Default, Landlord may collect rent from the transferee without either waiving the prohibition against Transfers, accepting the transferee, or releasing Tenant from full performance under this Lease, and Landlord shall have the right to terminate this Lease upon thirty (30) days' written notice within

sixty (60) days after written notice from Tenant to Landlord of any Transfer, or within one (1) year after Landlord first learns of the Transfer if no notice is given.

(b) Notwithstanding Section 10.1(a) above, Tenant may, without Landlord's consent, assign this Lease or sublet the entirety of the Premises, or any portion thereof, to any parent, subsidiary, affiliate, or entity into which Tenant has been merged or consolidated or which acquires all or substantially all of Tenant's assets (each, a "Tenant Entity", and each a "Permitted Transfer"), provided that (i) at the time of such Permitted Transfer, there is no Default under any of the terms and conditions of this Lease, (ii) notice of such transfer shall have been delivered to Landlord as soon as practicable but in any event within ten (10) days of the effective date of the Permitted Transfer, (iii) the Tenant Entity shall agree directly with Landlord, by written instrument in form reasonably satisfactory to Landlord, to be bound by all of the obligations of Tenant under this Lease, (iv) subject to the following sentence, the Tenant Entity has a tangible net worth computed in accordance with generally accepted accounting principles at least equal to $50,000,000, as evidenced by annual financial statements provided to Landlord by Tenant's independent certified public accountants, as determined utilizing generally accepted accounting principles, consistently applied, (v) Tenant shall remain fully and primarily liable hereunder, and (vi) no such assignment or sublet shall affect the Permitted Use. Notwithstanding the foregoing, it shall not be reasonable for Landlord to withhold consent to a proposed assignment or sublease if the Tenant Entity is an affiliate or subsidiary of Tenant which does not satisfy the net worth test set forth in (iv) above, if and only if, the Tenant Entity satisfies the other conditions set forth in this paragraph, is of sound financial condition, and is of a character and business reputation consistent with the character of the Premises as a first class building used for the Permitted Use.

(c) In addition, and notwithstanding Section 10.1(a) above, with respect only to a proposed assignment or sublease to an entity other than a Tenant Entity, Landlord agrees not to unreasonably withhold, condition or delay its consent to same, provided that it shall be reasonable for Landlord to withhold its consent if (i) in the reasonable business judgement of Landlord, the proposed assignee or sublessee cannot satisfactorily demonstrate the ability to meet its financial obligations, including those set forth in the proposed assignment or sublease document; (ii) the proposed use would differ materially from the Permitted Use; (iii) the business reputation of the proposed sublessee/assignee is not reasonably satisfactory to Landlord; (iv) said sublessee/assignee will disproportionately utilize the Park Common Areas, or (v) the proposed assignee/sublessee is a tenant or subtenant of the Park and Landlord has comparable space available for lease to such subtenant or tenant in the Park.

(d) In the event Tenant desires to enter into such an assignment or sublease to a party other than a Tenant Entity, Tenant shall notify Landlord in writing of Tenant's intent, the proposed effective date of such assignment or sublease, the terms and conditions of same (including all rent and other consideration to be paid by

the proposed transferee), and shall request Landlord's consent thereto. Upon Landlord's request, Tenant shall provide Landlord with additional reasonable information in connection with said assignment or sublease. Landlord shall respond to Tenant's request within thirty (30) days after receipt thereof.

If Landlord consents in writing to such an assignment or sublet, such consent shall be deemed conditioned upon Tenant's compliance with the following provisions and the failure to so comply shall be deemed to give Landlord reasonable cause for withholding or withdrawing its consent:

(i) At the time of such assignment or sublease, this Lease must be in full force and effect without any Default hereunder on the part of Tenant;

(ii) The assignee or sublessee shall assume, by written recordable instrument, in form and content reasonably satisfactory to Landlord, the due performance of all Tenant's obligations under this Lease, including any accrued obligations at the time of the assignment or sublease;

(iii) A copy of the assignment or sublease instrument and the original assumption agreement (both in form and content reasonably satisfactory to Landlord) fully executed and acknowledged by the transferee, together with a certified copy of a properly executed corporate resolution authorizing such assumption agreement, shall be received by Landlord within ten (10) days from the effective date of such assignment or sublease;

(iv) Such assignment or sublease shall be upon and subject to all the provisions, terms, covenants and conditions of this Lease including, but without limitation, the Permitted Use and Tenant (and any transferees and guarantor(s) of this Lease) shall continue to be and remain primarily and unconditionally liable hereunder;

(v) Unless Landlord terminates the Lease in accordance with Section 10.1(e) below, Tenant shall reimburse Landlord for Landlord's attorneys' fees for examination of and/or preparation of any documents in connection with such assignment or subletting up to $1,500 per request; and

(vi) Tenant shall, within thirty (30) days of receipt thereof, pay to Landlord seventy-five (75%) percent of any rent, sum or other consideration to be paid or given in connection with such assignment or sublease, either initially or over time, in excess of the Base Rent and/or Additional Rent and/or other charges to be paid under this Lease ("Sublease Profits"), as if such amount were originally called for by the terms of this Lease as Additional Rent; provided Tenant may first deduct from the amount owed to Landlord all reasonable and customary expenses directly incurred by Tenant which are attributable to the Transfer, including, without limitation, reasonable legal fees and brokerage commissions paid by Tenant in connection with the assignment or sublease.

(e) If Tenant requests Landlord's consent to a sublease of more than fifty percent (50%) of the Premises, or to assign this Lease to any entity other than to a Tenant Entity, as an alternative to Landlord's consent (but without being so obliged), Landlord, at its option, shall have the right within thirty (30) days of Tenant's request for such consent, to give notice in writing to Tenant of its intention to terminate this Lease as to the space identified in Tenant's request for consent, effective as of the commencement date of the proposed Transfer, and Base Rent and Additional Rent shall be pro rated on a square footage basis and shall be reduced accordingly for the remainder of the Term. Notwithstanding the foregoing, if Landlord notifies Tenant that it intends to terminate the Lease, Tenant shall have the right, for a period of thirty (30) days following receipt of Landlord's notice of its intention to terminate, to withdraw its request for Landlord's consent and this Lease shall thereafter continue to remain in full force and effect without modification as originally called for in this Section 10.1(e).

(f) Notwithstanding anything to the contrary contained herein, during the first two (2) Lease Years of the Term and provided Tenant has not previously Transferred more than twenty-five percent (25%) of floors one and two of the Premises, Landlord agrees not to unreasonably withhold, condition or delay its consent to any proposed sublease(s) of the balance of the Premises, provided, in Landlord's reasonable judgment, the business of each proposed subtenant and its use of the proposed subleased premises shall: (A) be consistent with the Permitted Use; (B) in Landlord's good faith judgement, be in keeping with the standards of the Park; and (C) not violate any "exclusive use" right or other similar restriction theretofore granted to or in favor of any other tenant or

occupant of the Park by Landlord or any affiliate of Landlord, and further provided that the Tenant will not have transferred, more than twenty-five percent (25%) of floors one and two of the Premises after the effective date of such proposed subleases. If Landlord consents to any sublease pursuant to this subsection (Q Tenant shall not be required to pay any Sublease Profits to Landlord during Lease Years one and two, and Landlord shall have no right to terminate the Lease pursuant to subsection (e) hereof in connection therewith. If the term, as may be extended, of any sublease approved under this Section 10.1(f) expires after the end of the second Lease Year, Landlord shall be entitled to Sublease Profits as set forth in Section lO.l(d)(vi) above with respect to such sublease from and after the end of the second Lease Year.

ARTICLE XI-ENVIRONMENTAL

11.1 Environmental Covenants.

(a) Definition. As used in this Lease, the term "Hazardous Material" means any flammable items, explosives, radioactive materials, hazardous or toxic substances, material or waste or related materials, including any substances defined as or including in the definition of "hazardous substances", "hazardous wastes", "infectious wastes", "hazardous materials" or "toxic substances" now or subsequently regulated under any federal, state or local laws, regulations or ordinances including, without limitation, oil, petroleum-based products, paints, solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonia compounds and other chemical products, asbestos, PCBs and similar compounds, and including any different products and materials which arc subsequently found to have adverse effects on the environment or the health and safety of persons. The term "Hazardous Materials Laws" shall mean, without limitation, each and every law, rule, order, statute or regulation described above in this Section, together with (i) any amendments thereto or regulations promulgated thereunder, and (ii) any other laws pertaining to the protection of the environment or governing the use, release, storage, generation or disposal of Hazardous Materials, whether now or existing or hereafter enacted or promulgated.

(b) General Prohibition. Tenant shall not cause (or permit Tenant's Affiliates to cause) any Hazardous Material to be generated, produced, brought upon, used, stored, treated, discharged, released, spilled or disposed of on, in, under or about the Premises, Premises, or Property. Notwithstanding the foregoing, Tenant may use modest amounts of cleaning solvents and other such products typically used in connection with Tenant's business operations, provided that, if usage of any such material exceeds one (1) gallon in any one instance, Tenant informs Landlord in writing of the type and amounts of any such Hazardous Materials, and may also use those substances and materials set forth on Exhibit J attached hereto, provided that any such use and storage shall at all times be in compliance with all applicable Hazardous Materials Laws. Landlord agrees that neither Landlord, nor its agents, employees or contractors, shall cause or permit any Hazardous Materials to be brought upon, kept, or used in or about the Park except in accordance with Hazardous Materials Laws. If Landlord receives notice from any governmental agency or entity having jurisdiction over the Premises, Property or Park, that there exists on the Premises, Property or Park any adverse condition in violation of any Hazardous Materials Laws, and such condition was caused by any act or omission of Landlord, its agents, contractors or employees, Landlord shall promptly take any and all steps necessary to remediate the same to the standard mandated by applicable governmental authority. Landlord shall use reasonable efforts to prevent other tenants from bringing, keeping or using Hazardous Materials in or about the Park.

(c) Notice In the event that Hazardous Materials are discovered upon, in, or under the Premises, or Property, and any governmental agency or entity having jurisdiction over the, Premises or Property requires the removal of such Hazardous Materials, Tenant shall be responsible for removing those Hazardous Materials which it introduced to the Premises or Property, as the case may be, by Tenant or Tenant's Affiliates. Notwithstanding the foregoing, Tenant shall not take any remedial action without first notifying Landlord of Tenant's intention to do so and affording Landlord the opportunity to protect Landlord's interest with respect thereto. Promptly after Tenant's knowledge thereof, Tenant shall notify Landlord in writing of: (i) any spill, release, discharge or disposal of any Hazardous Material in, on or under the Premises, or any portion thereof, (ii) any notice, enforcement, clean-up, removal or other governmental or regulatory action instituted, contemplated, or threatened (if Tenant has notice thereof) pursuant to any Hazardous Materials Laws; (iii) any claim made or threatened by any person against Tenant or the Premises, Premises, or Property relating to Hazardous Materials; and

(iv) any reports made to any governmental agency or entity arising out of or in connection with any Hazardous Materials in, on, under or about or removed from the Property, including any complaints, notices, warnings, reports or asserted

violations in connection therewith.

(d) Limited Liability. In no event shall Tenant be responsible for any Hazardous Material introduced by any one other than Tenant or Tenant's Affiliates.

(e) Indemnification. (i) Tenant shall indemnify, defend and hold Landlord harmless from and against any and all actions (including, without limitation, remedial or enforcement actions of any kind, administrative or judicial proceedings, and orders or judgments arising out of or resulting therefrom), costs, claims, damages (including, without limitation, punitive damages), expenses (including, without limitation, attorneys', consultants' and experts' fees, court costs and amounts paid in settlement of any claims or actions), fines, forfeitures or other civil, administrative or criminal penalties, injunctive or other relief (whether or not based upon personal injury, property damage, or contamination of, or adverse effects upon, the environment, water tables or natural resources), liabilities or losses arising from the generation, use, release, discharge, spill or disposal of Hazardous Materials by Tenant or Tenant's Affiliates in, on, under, or about the Premises, Property or Park.

(ii) Landlord shall indemnify, defend and hold Tenant, its employees, officers, contractors and agents harmless from and against any and all actions (including, without limitation, remedial or enforcement actions of any kind, administrative or judicial proceedings, and orders or judgments arising out of or resulting therefrom), costs, claims, damages (including, without limitation, punitive damages), expenses (including, without limitation, attorneys', consultants' and experts' fees, court costs and amounts paid in settlement of any claims or actions), fines, forfeitures, or other civil, administrative or criminal penalties, injunctive or other relief (whether or not based upon personal injury, property damage, or contamination of, or adverse effects upon, the environment, water tables or natural resources), liabilities or losses arising from, or related to, the treatment, storage, generation, use, release, discharge, spill or disposal of Hazardous Materials on or prior to the Commencement Date at, under or about the Premises, Property, or Park, or brought onto the Premises, Property or Park by Landlord, its agents, contractors or employees after the Commencement Date.

(f) Survival. The respective rights and obligations of Landlord and Tenant under this Section 11.1 shall survive the expiration or earlier termination of this Lease.

ARTICLE XII - CONDITION OF PREMISES

12.1 Improvements. Except for Tenant's Work (the process for approval of which is set forth in the Work Letter), Tenant may not make structural or exterior or non-structural improvements to the Premises ("Alterations") without Landlord's prior written consent. Landlord's consent with respect to structural or exterior Alterations may be given or withheld in Landlord's sole and absolute discretion; however, Landlord's consent to interior or non-structural Alterations (not excepted to the next succeeding paragraph) shall not be unreasonably withheld, conditioned or delayed. In addition, Landlord shall not unreasonably withhold, condition or delay its consent to any reasonable structural reinforcement of the roof of the Premises which Tenant proposes in connection with installation of equipment on the roof of the Premises. At the end of the Term, all Alterations shall remain as part of the Premises unless Landlord otherwise directs Tenant to remove any such Alteration. If requested in writing by Tenant at the time Tenant requests Landlord's consent, Landlord shall, as part of its consent, stipulate which Alterations, or portion thereof, if any, shall be removed at the end of the Term. Alternatively, at the time Tenant requests Landlord's consent to any Alteration, Tenant may also request in writing that it not be required to remove such Alteration at the end of the term. If Landlord consents in writing to such request, then Tenant shall not be required to remove such Alteration at the end of the Term.

Notwithstanding the foregoing, Tenant, without Landlord's consent, may make Alterations to the interior of the Premises which (i) are not structural, (ii) do not adversely affect the electrical, plumbing or mechanical systems of the Premises, (iii) do not decrease the value of the Premises, (iv) are less than $175,000 in any one instance (exclusive of the cost of wiring, including, telephone and data cabling and furniture installation and reconfiguration), (v) are otherwise in conformance with all applicable building, zoning and other codes or regulations affecting or applying to the Premises, and (vi) the aggregate cost of which does not exceed $350,000 in

any consecutive twelve month period; provided, however, Tenant must give twenty (20) days prior written notice to Landlord before making any such improvements.

All work to be performed by or for Tenant pursuant hereto shall be performed diligently and in a first-class, workmanlike manner, and in compliance with all applicable laws, ordinances, regulations and rules of any public authority having jurisdiction over the Premises and/or Tenant and Landlord's insurance carriers. Landlord shall have the right, but not the obligation, to inspect periodically the work on the Premises with reasonable prior notice to Tenant.

12.2 Fixtures: Yield-Up. Except as Landlord directs in writing, Tenant shall, at the expiration or sooner termination of the Lease, remove its personal property, signs and trade fixtures, and peaceably yield-up the Premises, broom-clean and in good order, repair, and condition, normal wear and tear, damage by fire or casualty or condemnation or damage caused by Landlord, its agents, contractors or employees excepted, with all repairs, including painting and patching to the Premises required by such removal, having been made and all utility lines left exposed or unconnected having been capped. Any computer and telecommunications wiring or cabling affixed, embedded or installed in or behind any walls, columns, shafts, floors or ceilings of the Premises (collectively, "Cabling") and any supplemental HVAC or other equipment (including so-called "Liebert" type units) (collectively "HVAC Units") installed or affixed to the Premises or the Property shall be considered fixtures hereunder and shall not be removed or disturbed by Tenant, provided, however, if Tenant leaves Cabling in a non-functional condition at the end of the Term, Landlord may remove such Cabling at Tenant's expense, and further provided that Landlord, at the time Tenant notifies Landlord that it intends to install any HVAC Units, may require Tenant to remove such HVAC Units upon expiration or earlier termination of this Lease. If Tenant fails to remove its property or to make the repairs by five (5) days after the end of the Term, Landlord may remove and store Tenant's property in a public warehouse at Tenant's expense or sell same at public auction, and make the Repairs, and Tenant shall promptly reimburse Landlord for its costs.

12.3 Mechanic's Liens. Tenant shall, within ten (10) days of notice thereof, immediately discharge any mechanic's, materialmen's or other lien, by bonding or otherwise, against the Premises, the Property and/or Landlord's, interest therein arising out of any payment due, or purported to be due, for any labor, services, materials, supplies, or equipment alleged to have been furnished to or for Tenant.

ARTICLE XIII- INSURANCE

13.1 Insurance

(a) Tenant's Insurance. Tenant shall maintain, at its sole expense, the following policies of insurance:

(i) Commercial General Liability Insurance. Liability insurance covering the insured against claims of bodily injury, personal injury and property damage arising out of Tenant's operations, assumed liabilities or use of the Premises, the Property or the Park, including the performance by Tenant of the indemnities set forth herein, with a combined single limit of not less than $3,000,000.00 (or such higher limits as or may be reasonably required by Landlord based upon inflation, increased liability awards, or requirements of any Mortgagee or professional insurance advisors, provided Landlord shall not require higher limits any more often than once every five (5) years.

(ii) Property Insurance. 100% replacement cost "special form, all-risk" property insurance covering the Tenant's personal property, and all other improvements, which insurance shall contain a sprinkler leakage endorsement.

(iii) Boiler and Machinery Insurance. If Tenant shall receive Landlord's prior written consent to operate an the Premises a boiler or other pressured vessels, Tenant shall, as a pre-condition to installing the same,

place and maintain Boiler Insurance with limits of liability in an amount not less than $250,000 per occurrence or as needed, and provide coverage for the full replacement value thereof.

(iv) Worker's Compensation/Employer's Liability Insurance. Worker's Compensation Insurance or similar statutory coverage containing statutorily prescribed limits and Employer's Liability with limits of one (1) million dollars.

(v) Automobile Liability Insurance. Tenant shall, at Tenant's expense, obtain and keep in force at all times a policy of comprehensive automobile liability insurance having a combined single limit of not less than Two Million Dollars ($2,000,000) per occurrence and insuring Tenant against liability for claims arising out of the ownership, maintenance, or use of any owned, hired or non-owned automobiles.

If (i) any insurance policy carried by Landlord with respect to the Property or the Park shall be canceled or cancellation shall be threatened or the coverage thereunder reduced or threatened to be reduced in any way by reason of the use or occupation of the Premises or any part thereof by Tenant, and (ii) Tenant fails to remedy the condition giving rise to cancellation, threatened cancellation or reduction of coverage within twenty (20) days after notice thereof, such failure shall be deemed a default under this Lease, and Landlord may exercise its option to either terminate this Lease or to enter upon the Premises and attempt to remedy such condition, in which event Tenant shall pay immediately to Landlord the costs associated with such termination or entry and attempt to remedy as Additional Rent. Landlord shall not be liable for any damage or injury caused to any property of Tenant or of others located in the Premises as a result of such an entry.

(b) Builder's Risk Insurance. During the period of construction of the Landlord's Work, as described in the Work Letter, Landlord shall maintain builder's all-risk replacement cost insurance on a non-reporting completed value basis, naming as insureds Landlord and Tenant as their interests may appear. Such policy shall have a deductible no greater than $25,000. Prior to commencement of Landlord's Work, Landlord shall deliver to Tenant a certificate of the foregoing insurance.

(c) Landlord's Insurance. Landlord shall procure and continue in force during the Term, as the same may be extended hereunder, (A) "special form, all risk" property insurance, including vandalism, sprinkler leakage and malicious mischief, upon the Premises on a full replacement cost basis, agreed cost value endorsement with agreed values for the Premises, as determined annually by Landlord's insurer, with a reasonable deductible (B) rental interruption insurance for twelve (12) months or the maximum amounts permitted, and (C) liability insurance covering the insured against claims of bodily injury, personal injury and property damage arising out of Landlord's operation of the Park, including the performance of Landlord of the indemnities set forth herein in such amount as may be required by Landlord's lender. Copies of certificates of insurance evidencing the foregoing shall be furnished to Tenant, upon Tenant's reasonable request. All insurance required of Landlord pursuant to this Section shall be effected under policies issued by insurers or recognized responsibility and the coverages required by this Section 13.1(c) may be provided by a single blanket "package policy." Landlord represents and warrants that the Permitted Use will not create extra premiums or make void any of the foregoing coverages carried by Landlord.

(d) Self-Insurance. Anything to the contrary contained herein notwithstanding, with regard to the insurance required to be maintained by Tenant hereunder, the original Tenant named in Article I hereof may elect at any time during the Term or the Extension Period not to carry such insurance and to "self-insure" against such risks provided that (i) Tenant has in effect a commercially reasonable program of self insurance against such risks; (ii) Tenant has and maintains at all times a tangible net worth of at least $300,000,000, ("Approved Net Worth"); (iii) the loss or failure to carry such insurance shall not violate any laws, state code, act, ordinance, judgment, decree, rule, regulation, permit, license, authorization or other governmental requirement; (iv) in the event Tenant ceases to self-insure and subsequently desires to re-commence its self-insurance pursuant to this subsection, Tenant

shall notify Landlord in writing at least thirty (30) days prior to re-commencing such self insurance; (v) if Tenant is not a publicly-traded company on each anniversary of the Commencement Date during which Tenant is self-insuring, Tenant provides Landlord with such documents as may be reasonably necessary to establish that Tenant's tangible net worth is equal to or greater than the Approved Net Worth, and (vi) if at any time Tenant's net worth shall be less than the Approved Net Worth, Tenant promptly shall obtain the third-party insurance required pursuant to Sections 13.1(a) and 13.2 hereof. Tenant hereby releases Landlord and Landlord's Mortgagees, and agrees to indemnify, defend and hold harmless Landlord and Landlord's Mortgagees, from and against all liability resulting from or in any manner relating to Tenant self-insuring. If Tenant elects to self-insure in whole or in part, Landlord and Landlord's Mortgagees shall be entitled to the same benefits it would have enjoyed had insurance otherwise required

to be carried by Tenant hereunder covering such loss in full been in effect, as if a waiver of subrogation/waiver of right of recovery clause otherwise required to be carried by Tenant hereunder had been in effect and as if Landlord and Landlord's Mortgagees had been named on insurance otherwise required to be carried by Tenant hereunder covering the loss in full each as an additional insured for the purpose of preventing any subrogation claim.

13.2 Tenant's Risk. Except as modified by statute, all Tenant's merchandise, furniture, fixtures and property which may be on or about the Premises or Property shall be at the sole risk and hazard of Tenant.

13.3 General Requirements. All insurance policies required to be procured by Tenant or Landlord hereunder shall be with companies whose policies are valid in Massachusetts. Liability policies required to be procured by Tenant shall name Landlord, any and all Mortgagee(s), Landlord's agent, Landlord's property manager, and any other party reasonably designated by Landlord, additional insureds. In addition, all liability insurance obtained by Tenant shall be (a) primary insurance as to all claims thereunder and provide that any insurance carried by Landlord is not excess and is non-contributing with any insurance of Tenant; (b) contain cross liability endorsements or a non-severability of interest clause; (c) be written on an occurrence basis; and (d) specifically cover the liability assumed by Tenant under this Lease including, but not limited to, Tenant's obligations under Section 13.4. Tenant shall deliver a copy of the certificates of all insurance to Landlord prior to entry on the Premises, and upon Landlord's request copies of new certificates not later than thirty (30) days prior to the expiration of each policy. Each policy shall provide (and the certificate shall evidence) that it will not expire, or be canceled or modified without thirty (30) days' prior written notice.

13.4 Indemnity. Subject to the provisions of Section 13.6, Tenant shall defend and save Landlord harmless and its partners, officers, directors, shareholder, members, employees, Mortgagees and agents, and each of their successors and assigns (collectively, the "Landlord Indemnified Parties"), and shall indemnify the Landlord Indemnified Parties from all claims, actions, proceedings, costs, liabilities, penalties and expenses (collectively, "Claims") arising in connection with death, injury and/or tangible property damage, or any other loss (a) suffered in, on, about, or otherwise related to the Premises which Tenant acknowledges are, subject to the terms of the Lease, under Tenant's exclusive or substantial control, charge, custody and possession, except to the extent caused by the negligence or willful misconduct of Landlord, (b) related to Tenant's use and occupancy of the Premises or the Park (or that of Tenant's Affiliates), or (c) anywhere if caused wholly or in part by any act or omission of Tenant or Tenant's Affiliates. If Landlord is threatened with or made a party to any litigation commenced by or against Tenant or any of the above parties, or with respect to any matter described above, Tenant shall indemnify and defend the Landlord Indemnified Parties with counsel reasonably acceptable to the Landlord Indemnified Parties. All of the foregoing shall be limited to the extent required by Law. The obligations of Tenant under this Section 13.4 shall survive the termination of this Lease with respect to any claims or liability arising prior to such termination.

Subject to the provisions of Section 13.6, Landlord shall defend and save Tenant and its partners, members, directors, officers, employees,

shareholders, lenders and agents and each of their successors and assigns (the "Tenant Indemnified Parties") harmless, and shall indemnify the Tenant Indemnified Parties from all Claims arising in connection with death, injury and/or tangible property damage, or any other loss suffered outside of the Premises which is caused wholly or in part by the negligence or willful misconduct of Landlord or the Landlord Indemnified Parties, or their agents, employees, contractors or invitees. If Tenant is threatened with or made a party to any litigation commenced by or against Landlord, Landlord shall indemnify and defend the Tenant Indemnified Parties Tenant with counsel reasonably acceptable to the Tenant Indemnified Parties. All of the foregoing shall be limited to the extent required by Law. The obligations of Landlord under this Section 13.4 shall survive the termination of this Lease with respect to any claims or liability arising prior to such termination.

13.5 Exemption of Landlord from Liability. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property including, but not limited to, Tenant's fixtures, equipment, furniture and alterations, or injury to persons in, upon or about the Premises or the Park arising from any cause, and Tenant hereby waives all claims in respect thereof against Landlord, except to the extent any personal injury results from the negligence or willful misconduct of Landlord or the Landlord Indemnified Parties, or (ii) breaches of the Limited Warranties set forth in Section 3.4 above timely asserted by Tenant. Notwithstanding any provisions of this Lease to the contrary, Tenant hereby agrees that Landlord shall not be liable for injury to Tenant's business or any loss of income therefrom under any circumstances.

13.6. Mutual Releases and Waivers of Subrogation. Landlord and Tenant release each other and the Tenant Indemnified Parties and the Landlord Indemnified Parties, respectively, from liability or responsibility for any loss or damage to their respective property to the extent of actual net property insurance proceeds received (or to the extent said loss would have been covered if the party had complied with the provisions of this Lease). This release shall apply to the parties and anyone claiming through or under the parties by way of subrogation or otherwise, even if the occurrence was caused by the fault or negligence of a party or anyone for whom a party is responsible. Landlord and Tenant each agree that, to the extent it is required to maintain insurance policies hereunder, its policies will include such a provision if available and if necessary without extra cost, or if the other party pays the extra cost, and each promptly shall notify the other of any extra cost.

ARTICLE XIV-CASUALTY AND EMINENT DOMAIN

14.1. Damage. If the Premises become untenantable in whole or part because of fire or other casualty covered by insurance required under the Lease ("Casualty"), or as the result of a taking of, or damage to, the Premises (or any building thereon) in connection with the exercise of any power of eminent domain, condemnation, or purchase under threat or in lieu thereof ("Taking"), then Landlord or Landlord's engineer shall provide written notice to Tenant of its reasonable estimate of the time reasonably required to substantially complete the necessary repairs or restoration ("Landlord's Repair Notice"). Unless the Lease is terminated in accordance with Section 14.2, Landlord, with reasonable dispatch (but subject to delays for adjustment of insurance proceeds or taking awards, as the case may be, and causes beyond Landlord's reasonable control, shall repair the damage in the event of a Casualty (or in the event of a partial Taking which affects the Premises, restore the remainder of the Premises not so taken to substantially the same condition as is reasonably feasible) within one (1) year with respect to substantial reconstruction of at least 50% of the Premises, or, within 120 days in the case of restoration of less than 50% of the Premises from the date of said Casualty or Taking so that the Premises are in substantially the same condition as following completion of Tenant's Work as set forth in Section 3.5, all subject to rights of Mortgagees, zoning laws, and building codes then in existence, and provided Landlord shall not be required to expend more than the net insurance proceeds Landlord receives for damage to the Premises or the net Taking award attributable to the Premises. Notwithstanding the cause for any delay, Landlord shall complete restoration within the same time periods set forth above of the Casualty or Taking. If the Premises are untenantable in whole or in part as a result of Casualty or Taking, the rent payable hereunder during the period in which they are untenantable shall be reduced or abated to such extent as may be fair and reasonable under

all of the circumstances. "Net" means the insurance proceeds or Taking award actually paid to Landlord (and not paid over to a Mortgagee) or Taking award less all costs and expenses, including adjusters and attorney's fees, of obtaining the same. Tenant also shall be required to pay to Landlord any deductible maintained under the property insurance policy specified in Section 13.1(c) above (but only to the extent not already accounted for in Building Expense Rent). Tenant shall give written notice to Landlord of any damage to the Premises at the time Tenant has notice thereof.

Subject to the provisions of Section 13.6 hereof, if the Premises are wholly or partially damaged or destroyed as a result of the willful misconduct of Tenant or any of Tenant's Affiliates, and Landlord elects to undertake to repair or restore all such damage or destruction, such repair and restoration shall be at Tenant's sole cost and expense, and this Lease shall continue in full force and effect without any abatement or reduction in Base Rent or other payments owed by Tenant; provided, however, that Tenant shall be relieved of its obligation pursuant to this Section 14.1 to the extent that insurance proceeds are collected by Landlord pursuant to insurance policies carried by Landlord, in which case Tenant shall be responsible for the payment of the deductible and that portion not covered by insurance.

Under no circumstances shall Landlord be required to repair any damage to, or make any repairs to or replacements of, Tenant's personal property.

14.2 Termination Rights.

(a) If the cost to repair the Premises in the event of a Casualty or Taking exceeds $1,000,000 and the same is not covered by insurance maintained or required to be maintained by Landlord hereunder, or if so much of the Premises is damaged that, in the reasonable judgment of Landlord or Landlord's Mortgagee, it cannot

be rebuilt to a profitable condition within a reasonable period of time, then Landlord may terminate the Lease by written notice to Tenant.

(b) If Landlord's Repair Notice estimates restoration of the Premises will exceed the time frames set forth in Section 14.1 above, or Landlord is required but fails to complete restoration of the Premises within the time frames set forth in Section 14.1 above, then Tenant may terminate the Lease upon thirty (30) days' written notice to Landlord.

(c) In the case of any Casualty occurring during the last two Lease Years of the Term (i) if such Casualty or Taking to the Premises results in more than five percent (5%) of the floor area of the Premises being unsuitable for the Permitted Use or (ii) the damage to the Premises costs more than $100,000.00 to repair, and the same is not covered by insurance maintained or required to be maintained by Landlord hereunder, then either Landlord or Tenant shall have the option to terminate this Lease, provided that Tenant may vitiate Landlord's termination in the event of a Casualty by exercising the Extension Option in accordance with Section 4.3 of this Lease.

(d) If any portion of the Premises or the parking areas or the means of access thereto are taken and the same materially and adversely affects Tenant's operations in the Premises, then Tenant may terminate the Lease upon thirty (30) days' written notice to Landlord.

(e) If a portion of the Park is taken which adversely affects Landlord's operation of the Park, then Landlord may terminate the Lease upon thirty (30) days' written notice to Tenant.

14.3 Abatement. If a portion of the Premises is Taken, and this Lease is not terminated, the Base Rent, and Tenant's Pro-Rata Share shall be reduced proportionately based on the area of the Premises Taken until the earlier of when Landlord's repairs to the Premises are completed or Tenant begins using the damaged area. With respect to a Casualty, however, Base Rent shall equitably abate, but only to the extent that the amount thereof is compensated for and recoverable from the proceeds of rental loss insurance maintained by Landlord. Base Rent shall not, in any event, be reduced or abated by reason of any portion of the Premises being unusable or inaccessible for a

period of three (3) business days or less.

14.4 Taking for Temporary Use. If the Premises are Taken for temporary use (i.e., not in excess of ninety (90) days), this Lease and Tenant's obligations, including the payment of Base Rent, shall continue, except to the extent the Taking renders the Premises or any portion thereof untenantable in which case Base Rent shall abate during the period of untenantability, and Tenant shall be entitled to the entire temporary taking award.

14.5 Disposition of Awards. Except for any separate award for Tenant's movable trade fixtures, relocation expenses, and unamortized leasehold improvements) (provided that the same may not reduce Landlord's award), and any award for a temporary taking, all Taking awards to Landlord or Tenant shall be Landlord's property without Tenant's participation. Tenant may pursue its own claim against the condemning authority.

ARTICLE XV-DEFAULTS AND REMEDIES

15.1 Tenant's Default. The following conditions shall be considered a "Default" by Tenant:

(a) failure to pay Base Rent, Additional Rent, or any other charge within ten (10) days after written notice from Landlord provided that Tenant shall be entitled to only two (2) such notices from Landlord per Lease Year, and any subsequent payment default which occurs within said Lease Year shall be deemed to be a Default if not paid when due;

(b) Tenant's leasehold estate is taken by execution or other process of law; or Tenant is liquidated, dissolved, commits an act of bankruptcy, is declared bankrupt or insolvent according to law or admits in writing its inability to pay debts generally as they become due, or an assignment of Tenant's property is made for the benefit of creditors or a receiver, guardian, conservator, trustee or assignee, or any other similar officer or person is appointed to take charge of any part of Tenant's property; or any reorganization or similar proceedings are

commenced by or against Tenant under any bankruptcy or insolvency law and not dismissed within 60 days from its commencement; or any court enters an order providing for the modification of rights of Tenant's creditors;

(c) abandonment of the Premises for any period of time, or closing for business for an aggregate period during the Term exceeding 60 days (except for Casualties and unavoidable uninsured casualties), unless Tenant is actively and continuously marketing all or a portion of the Premises after such 60-day period;

(d) a Transfer in violation of this Lease; or

(e) failure to perform or observe any other Lease terms or covenants for a period of thirty (30) days after written notice, or if same shall reasonably take longer than thirty (30) days, if Tenant fails to commence same promptly and to complete same with due diligence and in any event within sixty (60) days from the date of notice thereof.

If Tenant Defaults, Landlord may using appropriate legal process at any time either (i) terminate this Lease by written notice effective on the date of the notice or on any date specified in the notice, or (ii) without demand or notice, re-enter, take possession and repossess the Premises and, with a court order and at Tenant's risk, expel Tenant and those claiming under Tenant and remove, store and sell their effects at public action, all without prejudice to any remedies for arrearages or preceding Defaults. The net proceeds of any sale shall be applied to sums due to Landlord from Tenant and the balance paid to Tenant. Tenant waives all statutory rights (including rights of redemption) to the extent such rights may be lawfully waived. With or without terminating this Lease, Landlord may re-let all or any part of the Premises from time to time for periods, at such rental, and upon the terms and conditions as Landlord deems advisable, and may make Improvements and Repairs to the Premises. No re-entry or taking of possession by Landlord shall terminate

this Lease unless Landlord gives a written notice of such intention to Tenant, nor shall Landlord's right to re-let constitute an obligation to re-let or to mitigate damages, provided that notwithstanding the foregoing, Landlord agrees to list the Premises with a broker.

15.2 Damages. Tenant's liability and obligations under this Lease shall survive termination or repossession, and Tenant shall pay as current damages the Base Rent, Additional Rent and other sums up to what would have been the end of the Term in the absence of the termination or repossession, with a credit for the net proceeds, if any, Landlord receives from any reletting of the Premises, after deducting all of Landlord's expenses in connection with the reletting including, without limitation, reasonable attorney's fees, brokerage commissions related to finding a new occupant, the costs to repair the Premises, and the cost to prepare the Premises for reletting, which shall include tenant improvements up to but not to exceed $15.00 per rentable square foot (applicable to the area actually re-let including any partial reletting). Tenant shall pay the current damages to Landlord on the days Base Rent would have been payable if not for the termination or repossession.

Alternatively, at Landlord's election, after any termination or repossession, Tenant shall pay to Landlord, at Landlord's option and on demand, liquidated final damages in lieu of all current damages beyond the date final damages are paid. The final damages shall be the amount by which (i) the Base Rent, Additional Rent and other charges which would be payable from the date to which Tenant paid current damages through what would have been the unexpired Term exceeds (ii) the then market rental value of the Premises for the same period, discounted to present value. If any law validly limits the amount of final liquidated damages to less than described above, Landlord shall be entitled to the maximum amount legally allowed. Landlord shall use commercially reasonable efforts to mitigate its damages.

Nothing contained in this Lease shall limit or prejudice the right of Landlord to prove for and obtain in proceedings for bankruptcy or insolvency by reason of the termination of this Lease an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, the damages are to be provided, whether or not the amount be greater, equal to, or less than the amount of the loss or damages referred to above.

15.3 Landlord's Self-Help. If Tenant Defaults, Landlord may, at its option, without waiving its right to terminate this Lease or its claim for damages, cure the Default, and Tenant shall reimburse Landlord for any amount paid or contractual liability incurred by Landlord in doing so; provided Landlord may immediately cure any default

or failure by Tenant to perform any Lease obligation if the cure or performance is reasonably necessary to protect the Premises or Landlord's interests, or to prevent immediate injury or damage to persons or property.

15.4 Landlord's Default. Landlord shall not be deemed to be in default hereunder unless its default continues for thirty (30) days, (or such additional time as is reasonably required to correct its default provided Landlord promptly commences the cure of and diligently prosecutes the completion of same), after Tenant has given written notice to Landlord specifying the nature of the alleged default.

ARTICLE XVI - SUBORDINATION

16.1 Subordination. Tenant's rights and interests under this Lease shall be (i) subject and subordinate to any existing or future mortgages, deeds of trust, overlease, or similar instruments covering the Premises and to all advances, modifications, renewals, replacements, and extensions thereof ("Mortgages"), or (ii) if any Mortgagee elects, prior to the lien of any present or future Mortgage. After receiving notice from any Mortgagee or ground lessor, which notice states that Landlord is in default under such instrument, Tenant shall attorn to and recognize such Mortgagee or ground lessor as a successor landlord, as if the successor landlord were the originally named Landlord, and no notice from Tenant to Landlord alleging any default by Landlord shall be effective unless and until a copy of the same is given to all Mortgagee(s) or

ground lessor (provided Tenant shall have been furnished with the name and address of such Mortgagee or ground lessor), and the curing of any of Landlord's defaults by such Mortgagee or ground lessor shall be treated as performance by Landlord. All Mortgagees shall have the same opportunity and rights as are available to Landlord to cure a Landlord default, which cure period shall run concurrently with Landlord's cure period specified hereunder.

Notwithstanding the foregoing, if the Premises are, as of the date hereof, subject to any Mortgage, Landlord shall deliver to Tenant the subordination, non-disturbance and attornment agreement in the form attached hereto as Exhibit H executed by the current Mortgagee. Notwithstanding anything to the contrary herein contained, with respect to future Mortgages, Tenant's subordination and attornment obligations hereunder are conditioned upon receipt by Tenant of such future Mortgagee's standard form of subordination, non-disturbance and attornment agreement, with such customary changes as Tenant and such Mortgagee mutually agree upon, Tenant hereby agreeing to negotiate such changes in good faith and without undue delay

ARTICLE XVII- MISCELLANEOUS PROVISIONS

17.1 Parties Bound. Except as otherwise provided, the agreements and conditions to be performed and observed by Landlord or Tenant hereunder shall bind and inure to the heirs, legal representatives, successors and assigns of each, provided no reference to Tenant's successors and assigns will, alone, constitute a consent to a Transfer by Tenant. If Tenant consists of more than one person or entity, or if there is a guarantor, then all such persons, entities and guarantors shall be jointly and severally liable and the word "Tenant," as used in this Lease, including Article IX, includes such person, entities, and guarantors. The word "Landlord" means only the owner, or the lessee if this Lease becomes subject to an overlease, or the mortgagee in possession of the Premises such that, all prior landlords, including Landlord, shall be relieved of all Landlord covenants and obligations accruing after a transfer. If the entity which holds Landlord's interest in this Lease is a trust, then the Landlord obligations shall be binding upon the trustees of said trust, as trustees and not individually, and not upon the trust estate.

17.2 Landlord's Liabilities and Additional Rights.

(a) Landlord shall have no obligation or liability with respect to or in any way connected with the Premises, the Property, or services to be provided from same, except to the extent specifically set forth in this Lease. The obligations of Landlord set forth in this Lease do not constitute personal obligations of the Landlord, or trustees, partners, directors, officers, or shareholders of Landlord, and Tenant shall not seek recourse against the personal assets of Landlord, or the members, trustees, individual, partners, directors, officers, or shareholders of Landlord for satisfaction of any liability in respect to this Lease. Landlord shall not be deemed to have committed a breach of any repair obligations of Landlord hereunder unless it makes repairs negligently or fails to commence repairs within the times provided in this Lease or, if no time is provided, within a reasonable time after

Landlord receives notice from Tenant, and Landlord's liability in any case shall be limited to the cost of making the required repairs.'

(b) Landlord shall not be liable for indirect or consequential damages for any reason whatsoever. Landlord shall not be liable for any inconvenience, interruption or consequences resulting from the failure of utilities or any service, making repairs, improvements or resulting from leaks of steam, gas, electricity, water, or any other substance from pipes, wires or other conduits, or from the bursting or stoppage thereof, or from leaks of water, snow, or rain unless due to the gross negligence or willful misconduct of Landlord, its agents, contractors or employees; provided, however, Landlord shall in no event be liable for indirect or consequential damages.

(c) Tenant agrees for itself and each succeeding holder of Tenant's interest, or any portion thereof, that any judgment, decree or award obtained against Landlord, or any succeeding owner of Landlord's interest, which is related to this Lease or the Property, whether at law or in equity, shall be satisfied out of Landlord's equity in the Property and the rents, profits and

proceeds thereof, and further agrees to look only to such assets and to no other assets of Landlord for satisfaction.

(d) Landlord reserves the right at any time or times during the Term and without charge, abatement or reduction in rent (i) to examine and to show the Premises at reasonable times, provided Landlord shall give Tenant reasonable advance notice and shall use reasonable efforts to minimize interference with Tenant's operations; (ii) to put up "For Sale" or "For Rent" signs on the Property, but not on the exterior of the Premises, Premises or Property, during the last six months of the Lease term; (iii) to show the Premises at reasonable times and after reasonable advance notice from Landlord during the last six (6) months of the Initial Term or any extension thereof; (iv) to perform such work as may be required by this Lease, any public authority, or to facilitate making repairs or improvements to the Premises, the Property or any portion thereof, provided that unless any such work is of an emergency nature, Landlord shall give Tenant reasonable advance notice and in making any entry permitted hereunder, shall use reasonable efforts to minimize interference with Tenant's operations; and (v) to enter upon, giving Tenant reasonable advance notice, and use portions of, the Premises for the foregoing purposes.

(e) Landlord shall have no liability to Tenant for inconvenience, annoyance, or injury to business resulting from Landlord's repairs or improvements made hereunder or the exercise of any rights reserved to Landlord hereunder, and Tenant hereby waives all rights of abatement or claims of constructive eviction.

17.3 Holding Over. If Tenant or anyone claiming under it holds over after the end of the Term, the party shall, prior to Landlord's acceptance of rent, be a Tenant at sufferance, and, after Landlord's acceptance of rent, be a Tenant at will subject to the provisions of this Lease insofar as the same may be made applicable to a tenancy at will; provided that whether or not Landlord has accepted rent, (i) Tenant shall pay (A) during the first three (3) months of any such hold over, Base Rent at 150% of the highest rate of Base Rent payable during the Term, and (B), during any subsequent period of hold over, 200% of the highest rate of Base Rent payable during the Term, and (ii) Tenant shall be liable for all damages incurred by Landlord as a result of the holding over; provided that if Landlord notifies Tenant in writing that it has entered into negotiations for a lease for the Premises (or a portion thereof), which such notice shall specify a period of not less than thirty (30) days after which consequential damages shall commence to accrue if such holdover continues by Tenant, then Tenant shall also be liable for all damages, including consequential damages, suffered by Landlord to the extent caused directly by Tenant's holding over.

17.4 Quiet Enioyment. Provided Tenant timely pays all rent and performs and observes the terms, conditions and covenants of the Lease, Tenant may peaceably and quietly have, hold and enjoy the Premises as provided in the Lease, without hindrance or molestation from Landlord or anyone claiming legally under Landlord, subject to the terms of this Lease.

17.5 Brokerage. Tenant warrants and represents to Landlord, and Landlord warrants and represents to Tenant, that each has dealt with no broker in connection with this Lease except the Broker (if any). Each of Landlord and Tenant agree to defend and indemnify the other against any brokerage claims related to this Lease

other than by the Broker. Landlord shall pay the Broker's commission in accordance with a brokerage agreement by and between Landlord and Broker.

17.6 Certificates. Within twenty (20) days after Landlord's request, Tenant shall deliver to Landlord or to any prospective Mortgagee or purchaser (a) an estoppel certificate in the form attached hereto as Exhibit K, and (b) if Tenant is not a publicly traded company, subject to execution of a confidentiality agreement which is reasonably acceptable to both parties hereto, such financial statements as Landlord reasonably requires (no more than once per Lease Year) to verify the net worth of Tenant or any Transferee, and Tenant represents and warrants that each such financial statement shall be true and accurate as of the date thereof.

17.7 Notices. Any notice, consent, or other communication relating to this Lease shall be given in writing and by hand, by registered or certified mail or overnight express mail such as "Federal Express", postage or charges prepaid, to the other party's Notice Address or for Tenant to the Premises, to such other address or addresses as may be designated by the party by notice, and if to a Mortgagee, to such address as the Mortgagee shall designate in writing and shall be deemed given upon receipt or refusal of receipt.

17.8 No Waiver. The failure of Landlord or Tenant to complain of any act or omission by the other shall not be deemed a waiver of any rights provided under this Lease. Landlord's or Tenant's waiver, express or implied, of any breach of this Lease shall not be deemed a waiver of a breach of any other provision or a consent to any subsequent breach of the same or any other provision. Landlord's consent to or approval to any action on one occasion shall not be deemed a consent to or approval of any other action or to such action on any subsequent occasion. Tenant's payment or Landlord's acceptance of a lesser amount than is due from Tenant to Landlord shall not be deemed anything but payment on account and Landlord's acceptance of a check for a lesser amount with an endorsement or statement thereon or upon a letter accompanying the check that the lesser amount is payment in full shall not be deemed an accord and satisfaction, and Landlord may accept the check without prejudice to recover the balance due or pursue any other remedy. The delivery of keys to any employee of Landlord or to Landlord's Affiliate shall not operate as a termination of this Lease or surrender of the Premises. All of Landlord's rights and remedies under this Lease or by operation of law, either at law or in equity, for any breach shall be distinct, separate, cumulative and non-exclusive and shall not be deemed inconsistent with each other.

17.09 Force Majeure. With the exception of the payment of money, if any party's performance of any act is delayed, or prevented because of strikes, lockouts, power failures, restrictive Laws, riots, insurrection, war, or other causes beyond such party's reasonable control, then said performance shall be excused for the period of the delay and any time period shall be extended for an equivalent period.

17.10 Recording. Tenant shall not record this Lease, but on the request of either party hereto, both parties hereto shall execute and deliver a notice of this Lease in form appropriate for recording or registration.

17.11 Waiver of Jury Trial. LANDLORD AND TENANT HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER, OR IN RESPECT OF ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE.

17.12 Paragraph Headings. All paragraph headings are for convenience and reference only, and shall not be held to explain, modify, amplify or aid in the construction, interpretation or meaning of the provisions of this Lease.

17.13 Governing Law. This Lease shall be governed by the laws of the Commonwealth of Massachusetts.

17.14 Separability; Construction and Interpretation. If any Lease term or provision or the application thereof to any person or circumstance is invalid or unenforceable, the remainder of this Lease, or the application of the term or provision to other persons or circumstances shall not be affected, and the Lease shall be valid and be enforced to the fullest extent permitted by law. If any Lease provision is capable of two constructions, then the provision shall have the meaning which renders it valid.

17.15. When Lease Becomes Binding; Entire Agreement. Landlord's Affiliates have no authority to make or agree to make a lease or any other agreement or undertaking, and the submission of this document for examination and negotiation does not constitute an offer to lease, or a reservation of, or option for, the Premises, and this document shall become effective and binding only upon the execution and delivery by both Landlord and Tenant. All negotiations, considerations, representations, and understandings between Landlord and Tenant are incorporated herein, and no oral statements or prior or contemporaneous written matter, whether by the parties or otherwise, which is not specifically

incorporated herein shall be of any force or effect.

17.16 Execution. This Lease may be executed in any number of original counterparts. Each fully executed counterpart shall be deemed an original.

17.17 Covenants and Conditions. Each term and each provision of this Lease to be performed by Tenant shall be construed to be both a covenant and a condition.

17.18 Harmony. Tenant agrees that with respect to all work of any nature performed during the Term for Tenant, whether related to leasehold improvements, alterations or any other type or manner of work, including without limitation Tenant's Work, Tenant and Tenant's Affiliates shall work in harmony with Landlord and with other tenants and occupants of the Park, and such other contractors, workers, mechanics, suppliers and invitees as shall be working thereon or thereat from time to time prior to or during the Term. If at any time the presence of Tenant's agents, contractors, workers, mechanics, suppliers and/or invitees shall cause or threaten to cause disharmony or otherwise interfere with the orderly operation of other businesses then in the Park, Landlord shall have the right upon written notice to Tenant, to order Tenant to cease all work on the Premises, in which event all work then in progress shall be halted and shall not be recommenced until and unless the conflict(s) which led to Landlord's delivering such notice to Tenant shall have been resolved.

17.19 Non-Smoking Premises. Tenant acknowledges that the Premises are in a non-smoking building. No smoking is allowed inside the Premises. To the extent Tenant's employees desire to smoke outside of the Premises, smoking shall be permitted only in those exterior areas designated by Landlord.

ARTICLE XVIII - RIGHT OF FIRST OFFER

18.1 Right of First Offer. In no event shall Landlord decide to lease, agree to lease, or accept any offer to lease space that becomes available during the Term hereof (as the same may be extended hereunder) within the Park (each such space being an "Offer Space"), unless Landlord first affords Tenant an opportunity to lease such Offer Space in accordance with the provisions of this Article XVIII and only after written notice to Tenant, which notice shall be delivered only at such time as Landlord intends to offer the Offer Space to the market. Landlord's notice to Tenant with respect to the Offer Space ("Landlord's Offer") shall set forth all of the essential terms and conditions upon which Landlord proposes to lease the Offer Space.) Upon receipt of Landlord's Offer, and provided further that there does not then exist an uncured, continuing Default under this Lease and provided further that the Tenant specified in Article I hereof and/or a Tenant Entity are then leasing and occupying at least fifty percent (50%) of the Premises, then Tenant shall have a right to lease the Offer Space on the terms set forth in Landlord's Offer by giving notice to Landlord to such effect within fourteen (14) days after Tenant's receipt of Landlord's Offer. If such notice is not so timely given by Tenant, then Landlord shall be free to lease the Offer Space, or portion thereof, to any third party on the terms and conditions contained in Landlord's Offer (or such greater price or more favorable lease terms) at any time after the expiration of said fourteen (14) day period, subject to Section 18.2 below.

18.2 Partial Waiver of Rights: Substantial Modification of Offer. The non-exercise by Tenant of its rights under Article XVIII as to any one Offer Space by Landlord, shall not be deemed to waive any of Tenant's rights of first offer as to the remainder of any Offer Space that becomes available within the Park, or as to the rentable area described in Landlord's Offer if Landlord determines to "substantially" modify or "substantially" amend the terms of the offering from those specified in Landlord's Offer (in which event Tenant's rights hereunder shall revive and continue with respect to such modified or amended terms. For purposes hereof, the term "substantially" shall mean an Effective Rent (hereinafter defined) set forth in the amended terms being offered by Landlord to third parties which is not less than ninety-five percent (95%) of the Effective Rent offered to Tenant in

Landlord's Offer and refused by Tenant. As used herein, "Effective Rent" shall mean the fixed rent specified in Landlord's Offer or in any third-party offers made by Landlord ("Third Party Offer"), as the case may be, after deducting

from such fixed rent as and to the extent included therein: (i) the sum of the build-out allowance or obligation, if any, provided by Landlord in Landlord's Offer or the Third Party Offer, amortized over the initial term specified in the respective offer, (ii) the cost of so-called free rent, if any, applicable during the initial term amortized over the initial term specified in the respective offer, (iii) the cost of any architectural or plan allowance, moving allowance, holdover contributions or similar financial tenant inducements as set forth in Landlord's Offer or the Third Party Offer, amortized over the initial term specified in the respective offer; and (iv) any necessary adjustments to take into account differences in the two offers, such as any additional rent payments required on account of utilities or Park Expense Rent.

18.3 Lease Amendment. In the event that Tenant accepts Landlord's Offer to lease such Offer Space in the Park, which is the subject of Landlord's offer to Tenant, then Landlord and Tenant hereby agree that they shall enter into a mutually acceptable agreement amending, modifying or supplementing this Lease, specifying that such Offer Space is a part of the Premises under this Lease and demising said Offer Space to Tenant. Such amendment shall be upon all of the same terms and conditions of this Lease, except to the extent otherwise set forth in Landlord's Offer, and shall be signed by Tenant within thirty (30) days of receipt of the proposed agreement from the Landlord in the form as hereinabove required.

18.4 Complete Waiver of Rights. Notwithstanding anything to the contrary in Article XVIII, if Tenant notifies Landlord of its election to lease the Offer Space which was the subject of Landlord's Offer and then fails to execute and deliver the required amendment to this Lease within five (5) business days after the same has been mutually agreed upon by Landlord and Tenant in accordance with this Article XVIII, Tenant shall be deemed bound by the terms and conditions of the required amendment, and failure to observe any of the terms of the required amendment shall be deemed a Default hereunder. Otherwise, if Landlord and Tenant, each acting reasonably and in good faith fail to agree on a mutually agreeable form of amendment to this Lease (or separate lease agreement, as the case may be) within said thirty (30) day period upon receipt of Landlord's proposed form of agreement, unless such date is extended by mutual agreement of both parties hereto, then such failure shall be treated as a non-exercise by Tenant of its right of first offer in accordance with the first paragraph of this Article XVIII.

[SIGNATURES ON NEXT PAGE]

EXECUTED AS A SEALED INSTRUMENT, effective as of the date first set forth in Article I above.

WITNESS: LANDLORD:

BPF TECH CENTRAL, LLC, Delaware limited liability company

By: Bren Schreiber Properties, Inc., a Delaware corporation, as its Agent

_____ By: /s/ Charles B. Lindwall
Charles B. Lindwall, Chief Operating Officer

WITNESS: TENANT:

AGILENT TECHNOLOGIES, INC.

_____ By: /s/ Marie Oh Huber
(Authorized Officer)

Print Name: Marie Oh Huber

Title: Vice President, Assistant Secretary and Assistant General Secretary

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 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