As filed with the Securities and Exchange Commission on January 23, 2002

Registration No. 333-44900

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

POST-EFFECTIVE AMENDMENT NO. 5 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.

[The following is text to a sticker to be attached to the front cover page of the prospectus in a manner that will not obscure the Risk Factors:]

SUPPLEMENTAL INFORMATION - The prospectus of Wells Real Estate Investment Trust, Inc. consists of this sticker, the prospectus dated December 20, 2000, Supplement No. 1 dated February 5, 2001, Supplement No. 2 dated April 25, 2001, Supplement No. 3 dated July 20, 2001, Supplement No. 4 dated August 10, 2001, Supplement No. 5 dated October 15, 2001 and Supplement No. 6 dated January 20, 2002 (the supplements are contained inside the back cover page of the prospectus). Supplement No. 1 includes descriptions of acquisitions of interests in office buildings in Houston, Texas, Minnetonka, Minnesota and Oklahoma City, Oklahoma. Supplement No. 2 includes updated financial statements, prior performance tables and certain other revisions to the prospectus. Supplement No. 3 includes descriptions of acquisitions of interests in office buildings in Nashville, Tennessee and Jacksonville, Florida and certain other revisions to the prospectus. Supplement No. 4 includes descriptions of an acquisition of an office building in Quincy, Massachusetts, the initial transaction under the Section 1031 Exchange Program and certain other revisions to the prospectus. Supplement No. 5 includes descriptions of acquisitions of office buildings in Houston, Texas, Millington, Tennessee and Cary, North Carolina, the acquisition of a build-to-suit property in Irving, Texas, the declaration of fourth quarter dividends and certain other revisions to the prospectus. Supplement No. 6 includes descriptions of acquisitions of office buildings in Tamarac, Florida, Schaumburg, Illinois and Sarasota, Florida, the acquisition of an interest in an office and assembly building in Parker, Colorado, revisions to the "Suitability Standards" section, revisions to the "Plan of Distribution" section and certain other revisions to the prospectus.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

Up to 125,000,000 shares offered to the public

Wells Real Estate Investment Trust, Inc. (Wells REIT) is a real estate investment trust. We invest in commercial real estate properties primarily consisting of high grade office buildings which are leased to large corporate tenants. We currently own interests in 26 office buildings located in 15 states.

We are offering and selling to the public up to 125,000,000 shares for $10 per share and up to 10,000,000 shares to be issued pursuant to our dividend reinvestment plan at a purchase price of $10 per share. An additional 5,000,000 shares are being registered which are reserved for issuance at $12 per share to participating broker-dealers upon their exercise of warrants.

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

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

- lack of a public trading market for the shares
- reliance on Wells Capital, Inc., our advisor, to select properties and conduct our operations
- authorization of substantial fees to the advisor and its affiliates

. borrowing - which increases the risk of loss of our investments

. conflicts of interest facing the advisor and its affiliates

You should see the complete discussion of the risk factors beginning on page 16.

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.
. The offering will terminate on or before December 19, 2002.

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.
December 20, 2000

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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 95% of its taxable income each year for years prior to 2001 and 90% of its taxable income for all future years beginning with the year 2001;
- 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 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 makes

recommendations on all property acquisitions to our board of directors. Our board of directors must approve all of our acquisitions.

Q: Who is Wells Capital?

A: Wells Capital is a Georgia corporation formed in 1984. As of September 30, 2000, Wells Capital had sponsored public real estate programs which have raised in excess of $567,927,422 from approximately 32,868 investors and which own and operate a total of 52 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 buildings located in densely populated suburban markets leased to large corporations on a triple-net basis. Typically, each of our corporate tenants have a net worth in excess of $100,000,000. Current tenants of public real

estate programs sponsored by Wells Capital include The Coca-Cola Company, Motorola, Fairchild Technologies, 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 26 real estate properties.

We own the following properties directly:

Tenant	Building Type	Location	Occupancy
Motorola, Inc.	Office Building	Plainfield, New Jersey	100%
Delphi Automotive Systems, Inc.	Office Building	Troy, Michigan	100%
Avnet, Inc.	Office Building	Tempe, Arizona	100%
Motorola, Inc.	Office Building	Tempe, Arizona	100%
ASM Lithography, Inc.	Office and Warehouse Building	Tempe, Arizona	100%
Dial Corporation	Office Building	Scottsdale, Arizona	100%
Metris Direct, Inc.	Office Building	Tulsa, Oklahoma	100%
Cinemark USA, Inc. and The Coca-Cola Company	Office Building	Plano, Texas	100%
Marconi Data Systems, Inc.	Office, Assembly and Manufacturing Building	Wood Dale, Illinois	100%
Alstom Power, Inc.	Office Building	Richmond, Virginia	100%
Matsushita Avionics Systems Corporation	Office Building	Lake Forest, California	100%
Pennsylvania Cellular Telephone Corp.	Office Building	Harrisburg, Pennsylvania	100%
PricewaterhouseCoopers	Office Building	Tampa, Florida	100%

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

Tenant	Building Type	Location	Occupancy
Quest Software, Inc.	Office Building	Irvine, California	100%
Siemens Automotive Corporation	Office Building	Troy, Michigan	100%
Gartner Group, Inc.	Office Building	Ft. Myers, Florida	100%
Johnson Matthey, Inc.	Research and Development, Office and Warehouse Building	Tredyffrin Township, Pennsylvania	100%
Sprint Communications Company L.P.	Office Building	Leawood, Kansas	100%
EYBL CarTex, Inc.	Manufacturing and Office Building	Fountain Inn, South Carolina	100%

Tenant	Building Type	Location	Occupancy
Fairchild Technologies U.S.A., Inc.	Manufacturing and Office Building	Fremont, California	100%
Cort Furniture Rental Corporation	Office and Warehouse Building	Fountain Valley, California	100%
Iomega Corporation	Office Building	Ogden City, Utah	100%
ODS Technologies, L.P. and GAIAM, Inc.	Office Building	Broomfield, Colorado	100%
Ohmeda, Inc.	Office Building	Louisville, Colorado	100%
Alstom Power, Inc.	Office Building	Knoxville, Tennessee	100%
Avaya, Inc.	Office Building	Oklahoma City, Oklahoma	100%

If you want to read more detailed information about each of these properties, see the "Description of Properties" 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 "triple-net" leases, generally having terms of seven to ten years, many of which have renewal options for an additional five to ten years. "Triple-net" means that the tenant is responsible for repairs, maintenance, property taxes, utilities, insurance and other operating costs. We often enter into leases where we have responsibility for replacement of specific structural components of a property such as the roof of the building or the parking lot.

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

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

Q: What is an "UPREIT"?

A: UPREIT stands for "Umbrella Partnership Real Estate Investment Trust." We use this structure because a sale of property directly to the REIT is generally a taxable transaction to the selling

property owner. In an UPREIT structure, a seller of a property who desires to defer taxable gain on the sale of his property may transfer the property to the UPREIT in exchange for limited partnership units in the UPREIT and defer taxation of gain until the seller later exchanges his UPREIT units on a one-for-one basis for REIT shares. If the REIT shares are publicly traded, the former property owner will achieve liquidity for his investment. Using an UPREIT structure gives us an advantage in acquiring desired properties from persons who may not otherwise sell their properties because of unfavorable tax results.

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

A: We have been making and intend to continue to make dividend distributions on a quarterly basis to our shareholders. The amount of each dividend distribution is determined by the board of directors and typically depends on the amount of distributable funds, current and projected cash requirements, tax considerations and other factors. However, in order to remain qualified as a REIT, we must make distributions of at least 95% of our REIT taxable income each year for years prior to 2001 and 90% of our REIT taxable income for all future years beginning with the year 2001.

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

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

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	Amount	Annualized Percentage Return on an Investment of $10 per Share
3/rd/ Qtr. 1998	$0.15 per share	6.00%
4/th/ Qtr. 1998	$0.16 per share	6.50%

1/st/ Qtr. 1999	$0.17 per share	7.00%
2/nd/ Qtr. 1999	$0.17 per share	7.00%
3/rd/ Qtr. 1999	$0.17 per share	7.00%
4/th/ Qtr. 1999	$0.17 per share	7.00%
1/st/ Qtr. 2000	$0.17 per share	7.00%
2/nd/ Qtr. 2000	$0.18 per share	7.25%
3/rd/ Qtr. 2000	$0.19 per share	7.50%
4/th/ Qtr. 2000	$0.19 per share	7.50%

Q: May I reinvest the dividends I am supposed to receive 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 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 investments. These 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. As of December 10, 2000,

we had received approximately $169,671,659 in gross offering proceeds from the sale of 16,967,166 shares of common stock in our second offering, which commenced on December 20, 1999 and was terminated on December 19, 2000. Of this additional $169,671,659 raised in the second offering, we invested or expect to invest approximately $142,524,194 in real estate properties.

Q: What kind of offering is this?

A: We are offering the public up to 125,000,000 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 December 19, 2002.

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. The purchase price will be placed into an account with Bank of America, N.A., where your funds will be held, along with those of other subscribers, until we withdraw funds for the acquisition of real estate properties or the payment of fees and expenses.

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 shareholders 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 31 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 27 years;

- Douglas P. Williams - Executive Vice President, Secretary and Treasurer of the Wells REIT and former accounting executive at OneSource, Inc., a supplier of janitorial and landscape services;

- John L. Bell - Former owner and Chairman of Bell-Mann, Inc., the largest flooring contractor in the Southeast;

- Richard W. Carpenter - President and a director of Realmark Holdings Corp., a residential and commercial real estate developer;

- Bud Carter - Former broadcast news director and anchorman and current Senior Vice President for The Executive Committee, an organization established to aid corporate presidents and CEOs;

- William H. Keogler, Jr. - Founder and former executive officer and director of Keogler, Morgan & Company, Inc., a full service brokerage firm;

- Donald S. Moss - Former executive officer of Avon Products, Inc.;

- Walter W. Sessoms - Former executive officer of BellSouth

Telecommunications, Inc.; and

- Neil H. Strickland - Founder of Strickland General Agency, Inc., a property and casualty general insurance agency concentrating on commercial customers.

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

A: 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:

Investor Services Department
Wells Capital, Inc.
Suite 250
6200 The Corners Parkway
Norcross, Georgia 30092
(800) 448-1010 or (770) 449-7800
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 26 commercial real estate properties located in 15 states. Our office is located at 6200 The Corners Parkway, Suite 250, Norcross, Georgia 30092. Our telephone number outside the State of Georgia is 800-448-1010 (770-449-7800 in Georgia). We refer to Wells Real Estate Investment Trust, Inc. as the Wells REIT in this prospectus.

Our Advisor

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

Our Management

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

Our REIT Status

As a REIT, we generally are not subject to federal income tax on income that we distribute to our shareholders. Under the Internal Revenue Code, REITs are subject to numerous organizational and operational requirements, including a requirement that they distribute at least 95% of their taxable income for years prior to 2001 and at least 90% of their taxable income for all future years beginning with the year 2001. 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 shareholder 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 shareholders.

- You will not have preemptive rights as a shareholder 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 which 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 shareholders owning at least a majority of the shares will bind all of the shareholders as to certain matters such as the election of directors and amendment of our articles of incorporation.

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

- 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 16 of this prospectus.

Description of Properties

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

Estimated Use of Proceeds of Offering

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

Investment Objectives

Our investment objectives are:

- to maximize cash dividends paid to you;

- to preserve, protect and return your capital contribution;

- to realize growth in the value of our properties upon our ultimate sale of such properties; and

- to provide you with liquidity of your investment by listing the shares on a national exchange or, if we do not obtain listing of the shares by January 30, 2008, by selling our properties and distributing the cash to you.

We may only change these investment objectives upon a majority vote of the shareholders. See the "Investment Objectives and Criteria" section of this

prospectus for a more complete description of our business and objectives.

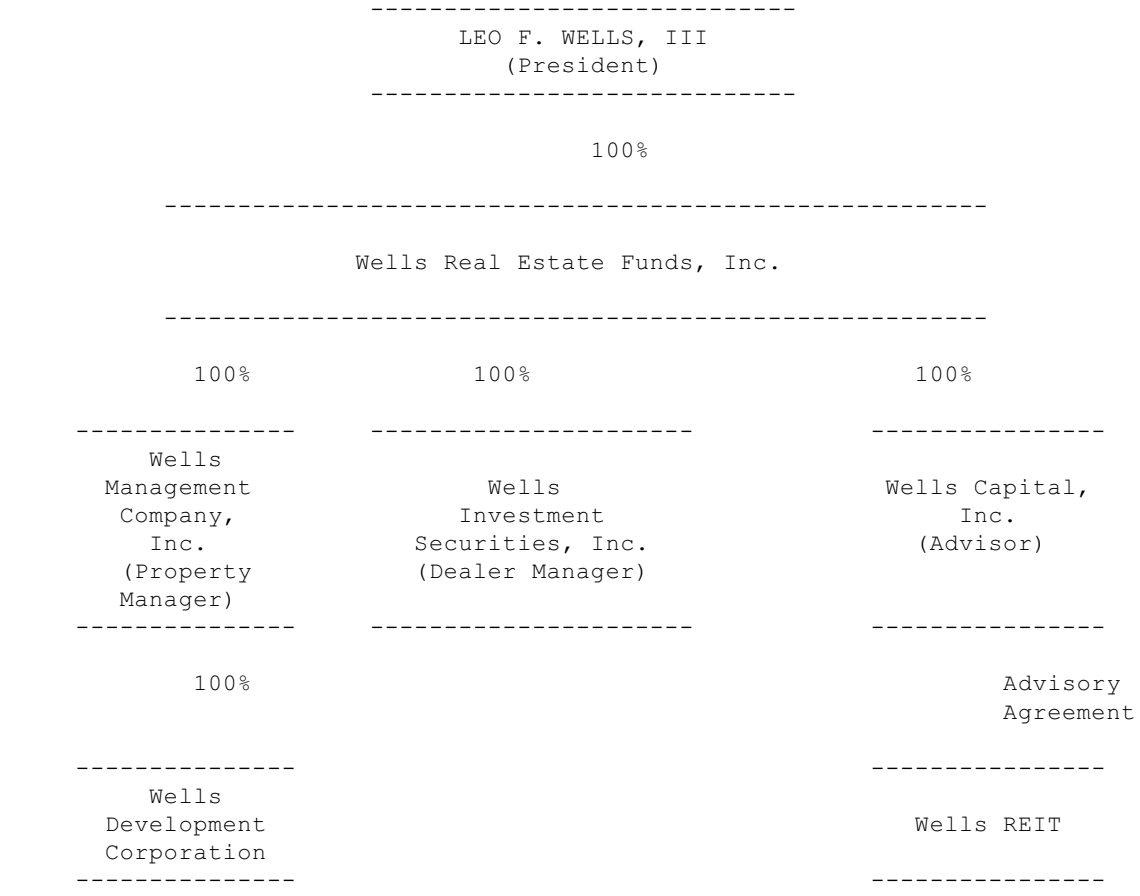
Conflicts of Interest

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 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 51 for a detailed discussion of the various conflicts of interest relating to your investment, as well as the procedures that we have established to resolve a number of these potential conflicts.

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



Prior Offering Summary

Wells Capital and its affiliates have previously sponsored 13 publicly offered real estate limited partnerships and the Wells REIT on an unspecified property or "blind pool" basis. As of September 30, 2000, they have raised approximately $567,927,422 from approximately 36,868 investors in these 14 public real estate programs. The "Prior Performance Summary" on page 114 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 125,000,000 shares to the public at $10 per share. We are also offering up to 10,000,000 shares pursuant to our dividend reinvestment plan at $10 per share, and up to 5,000,000 shares to broker-dealers pursuant to warrants whereby participating broker-dealers will have the right to purchase one share for every 25 shares they sell in this offering. The exercise price for shares purchased pursuant to the warrants is $12 per share.

Terms of the Offering

We will begin selling shares in this offering upon the effective date of this prospectus, and this offering will terminate on or before December 19, 2002. 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 shareholders 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 (135,000,000 shares)
	Offering Stage	
Sales Commissions	7.0% of gross offering proceeds	$94,500,000
Dealer Manager Fee	2.5% of gross offering proceeds	$33,750,000
Offering Expenses	3.0% of gross offering proceeds	$18,600,000
	Acquisition and Development Stage	
Acquisition and Advisory Fees	3.0% of gross offering proceeds	$40,500,000
Acquisition Expenses	0.5% of gross offering proceeds	$ 6,750,000
	Operational Stage	
Property Management and Leasing Fees	4.5% of gross revenues	N/A
Initial Lease-Up Fee for	Competitive fee for geographic	N/A

Newly Constructed Property	location of property based on a survey of brokers and agents (customarily equal to the first month's rent)	
Real Estate Commission	3.0% of contract price for properties sold after investors receive a return of capital plus an 8.0% return on capital	N/A
Subordinated Participation in Net Sale Proceeds (Payable Only if the Wells REIT is not Listed on an exchange)	10.0% of remaining amounts of net sale proceeds after return of capital plus payment to investors of an 8.0% cumulative non-compounded return on the capital contributed by investors	N/A
Subordinated Incentive Listing Fee (Payable only if the Wells REIT is listed on an exchange)	10.0% of the amount by which the adjusted market value of the Wells REIT exceeds the aggregate capital contributions contributed by investors	N/A

There are many additional conditions and restrictions on the amount of compensation Wells Capital and its affiliates may receive. There are also some smaller items of compensation and expense reimbursements that Wells Capital may receive. For a more detailed explanation of these fees and expenses payable to Wells Capital and its affiliates, please see the "Management Compensation" section of this prospectus on page 46.

Dividend Policy

In order to remain qualified as a REIT, we are required to distribute 95% of our annual taxable income to our shareholders in all years prior to 2001 and 90% of our annual taxable income for all future years beginning with the year 2001. We have paid dividends to our shareholders at least quarterly since the first quarter after we commenced operations on June 5, 1998. We calculate our quarterly dividends based upon daily record and dividend declaration dates so investors will be entitled to dividends immediately upon purchasing shares. We expect to pay dividends to you on a quarterly basis.

Listing

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

Dividend Reinvestment Plan

You may participate in our dividend reinvestment plan pursuant to which you may have the dividends you receive reinvested in shares of the Wells REIT. If you participate, you will be taxed on your share of our taxable income even though you will not receive the cash from your dividends. As a result, you may have a tax liability without receiving cash dividends to pay such liability. We may terminate the dividend reinvestment plan in 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 (1) $10 per share, or (2) the price you actually paid for your shares. The board of directors reserves the right to reject any

request for redemption of shares or to amend or terminate the share redemption program at any time. You will have no right to request redemption of your shares after the shares are listed on a national exchange. (See "Description of Shares -- Share Redemption Program.")

Wells Operating Partnership, L.P.

We own all of our real estate properties through Wells Operating Partnership, L.P. (Wells OP), our operating partnership. We are the sole general partner of Wells OP. Wells Capital is currently the only limited partner based on its initial contribution of $200,000. Our ownership of properties in Wells OP is referred to as an "UPREIT." The UPREIT structure allows us to acquire real estate properties in exchange for limited partnership units in Wells OP. This structure will also allow sellers of properties to transfer their properties to Wells OP in exchange for units of Wells OP and defer gain recognition for tax purposes with respect to such transfers of properties. At present, we have no plans to acquire any specific

properties in exchange for units of Wells OP. The holders of units in Wells OP may have their units redeemed for cash under certain circumstances. (See "The Operating Partnership Agreement.")

ERISA Considerations

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

Description of Shares

General

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

Shareholder Voting Rights and Limitations

We hold annual meetings of our shareholders 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 shareholders from time to time for the purpose of conducting certain matters. You are entitled to one vote for each share you own at any of these meetings.

Restriction on Share Ownership

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

For a more complete description of the shares, including restrictions on the ownership of shares, please see the "Description of Shares" section of this prospectus on page 142.

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 acquisition of real estate properties, the selection of tenants and the determination of any financing arrangements. Except for the investments described in this prospectus, you will have no opportunity to evaluate the terms of transactions or other economic or financial data concerning our investments. You must rely entirely on the management ability of Wells Capital and the oversight of the board of directors.

We depend on key personnel.

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

Conflicts of Interest Risks

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

Wells Capital and its affiliates are general partners and sponsors of other real estate programs having investment objectives and legal and financial obligations similar to the Wells REIT. Because Wells Capital and its affiliates have interests in other real estate programs and also engage in other business activities, they may have conflicts of interest in allocating their time between our business and these other activities. During times of intense activity in other programs and ventures, they may devote less time and resources to our business than is necessary or appropriate. (See "Conflicts of Interest.")

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.")

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

We have entered into joint ventures 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, including Wells Real Estate Fund XII, L.P. (Wells Fund XII) or Wells Real Estate Fund XIII, L.P. (Wells Fund XIII). We may also purchase and develop properties in joint ventures or in partnerships, co-tenancies or other co-ownership arrangements with the sellers of the properties, affiliates of the 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.

Affiliates of Wells Capital are currently sponsoring a public offering on behalf of Wells Fund XII and are currently in the process of registering a public offering on behalf of Wells Fund XIII, both of which are or will be unspecified property real estate programs. (See "Prior Performance Summary.") In the event that we enter into a joint venture with Wells Fund XII, Wells Fund XIII or any other Wells program or joint venture, we may face certain additional risks and potential conflicts of interest. For example, Wells Fund XII, 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. The Wells program we have entered into a joint venture with may not desire to sell the properties at that time. Although the terms of any joint venture agreement between the Wells REIT and another Wells program would grant the other Wells program a right of first refusal to buy such properties, it is unlikely that they would have sufficient funds to exercise the right of first refusal under these circumstances.

Under certain joint venture arrangements, neither co-venturer 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 influence 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

Maryland Corporation Law may prevent a business combination involving the Wells REIT.

Provisions of Maryland Corporation Law applicable to us prohibit business combinations 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 shareholder); or
- an affiliate of an interested shareholder.

These prohibitions last for five years after the most recent date on which the interested shareholder became an interested shareholder. Thereafter, any business combination must be recommended by our board of directors and approved by the affirmative vote of at least 80% of the votes entitled to be cast by holders of our outstanding shares and two-thirds of the votes entitled to be cast by holders of our shares other than shares held by the interested shareholder. These requirements could have the effect of inhibiting a change in control even if a change in control were in your best interest. These provisions of Maryland law do not apply, however, to business combinations that are approved or exempted by our board of directors prior to the time that someone becomes an interested shareholder. (See "Description of Shares -- Business Combinations.")

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 shareholders or which may cause a change in the management of the Wells REIT. (See "Description of Shares -- Restriction on Ownership of Shares.")

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 shareholders, including the election of directors. However, you will be bound by the majority vote on matters requiring approval of a majority of the shareholders even if you do not vote with the majority on any such matter.

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

Even though our share redemption program provides you with the opportunity to redeem your shares for $10 per share (or the price you paid for the shares, if lower than $10) after you have held them for a period of one year, you should be fully aware that our share redemption program contains certain restrictions and limitations. Shares will be redeemed on a first-come, first-served basis and will be

limited to the lesser of (1) during any calendar year, three percent (3%) of the weighted average number of shares outstanding during the prior calendar year, or (2) the proceeds we receive from the sale of shares under our dividend reinvestment plan such that in no event shall the aggregate amount of redemptions under our share redemption program exceed aggregate proceeds received from the sale of shares pursuant to our dividend reinvestment plan. In addition, the board of directors reserves the right to reject any request for redemption or to amend or terminate the share redemption program 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 shareholders and potential investors in this offering do not have preemptive rights to any shares issued by the Wells REIT in the future. Therefore, in the event that we (1) sell shares in this offering or sell additional shares in the future, including those issued pursuant to the dividend reinvestment plan, (2) sell securities that are convertible into shares, (3) issue shares in a private offering of securities to institutional investors, (4) issue shares of common stock upon the exercise of the options granted to our independent directors or employees of Wells Capital and Wells Management or the warrants issued and to be issued to participating broker-dealers or our independent directors, or (5) issue shares to sellers of properties acquired by us in connection with an exchange of limited partnership units from Wells OP, existing shareholders and investors purchasing shares in this offering may experience dilution of their equity investment in the Wells REIT.

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 shareholders. (See "Management Compensation.")

The availability and timing of cash dividends is uncertain.

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

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

Substantially all of the gross proceeds of the offering will be used for investment in properties and for payment of various fees and expenses. (See "Estimated Use of Proceeds.") In addition, we do not anticipate that we will maintain any permanent working capital reserves. Accordingly, in the event that we develop a need for additional capital in the future for the improvement of our properties or for any

other reason, we have not identified any sources for such funding, and we cannot assure you that such sources of funding will be available to us for potential capital needs in the future.

Real Estate Risks

General Real Estate RisksReal 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 shareholders. In addition, the resale value of the property could be diminished because the market value of a particular property will depend principally upon the value of the leases of such property.

We are dependent on tenants for our revenue.

Most of our properties are occupied by a single tenant and, therefore, the success of our investments are materially dependant on the financial stability of our tenants. Lease payment defaults by tenants could cause us to reduce the amount of distributions to shareholders. 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 an alternative source of revenue to meet the mortgage payment and prevent a foreclosure if the property is 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.

Motorola, Inc and Marconi Data Systems, Inc. are two of the major tenants in properties which we currently own. In the aggregate, rental income from these two tenants represents approximately 27.9% of our total gross rental revenues. Rental income from Motorola, Inc. represents approximately

18.0% of our gross rental revenues and rental income from Marconi Data Systems, Inc. represents approximately 9.9% of our gross rental revenues. The revenues generated by the properties these two 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 either 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 Properties" and "Management's Discussion and Analysis of Financial Condition and Results of Operations.")

We may not have funding for future tenant improvements.

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

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

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

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

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

If we contract with Wells Development Corporation for newly developed property, we cannot guarantee that our earnest money deposit made to Wells Development Corporation will be fully refunded.

We may enter into one or more contracts, either directly or indirectly

through joint ventures with affiliates, to acquire real property from Wells Development Corporation (Wells Development), an affiliate

of Wells Capital. Properties acquired from Wells Development may be either existing income-producing properties or properties to be developed or under development. We anticipate that we will be obligated to pay a substantial earnest money deposit at the time of contracting to acquire such properties. In the case of properties to be developed by Wells Development, we anticipate we will be required to close the purchase of the property upon completion of the development of the property by Wells Development and the tenant taking possession of the property. At the time of contracting and the payment of the earnest money deposit by us, Wells Development typically will not have acquired title to any real property. Wells Development will only have a contract to acquire land, a development agreement to develop a building on the land and an agreement with a tenant to lease the property upon its completion. We may enter into such a contract with Wells Development even if at the time of contracting we have not yet raised sufficient proceeds in our offering to enable us to close the purchase of such property. However, we will not be required to close a purchase from Wells Development, and will be entitled to a refund of our earnest money, in the following circumstances:

- Wells Development fails to develop the property;
- the tenant fails to take possession under its lease for any reason; or
- we are unable to raise sufficient proceeds from our offering to pay the purchase price at closing.

The obligation of Wells Development to refund our earnest money is unsecured, and it is unlikely that we would be able to obtain a refund of such earnest money deposit from it under these circumstances since Wells Development is an entity without substantial assets or operations. Although Wells Development's obligation to refund the earnest money deposit to us under these circumstances will be guaranteed by Wells Management Company, Inc., an affiliated entity (Wells Management), Wells Management has no substantial assets other than contracts for property management and leasing services pursuant to which it receives substantial monthly fees. Therefore, we cannot assure you that Wells Management would be able to refund all of our earnest money deposit in a lump sum. If we were forced to collect our earnest money deposit by enforcing the guaranty of Wells Management, we will likely be required to accept installment payments over time payable out of the revenues of Wells Management's property management and leasing operations. We cannot assure you that we would be able to collect the entire amount of our earnest money deposit under such circumstances. (See "Investment Objectives and Criteria -- Acquisition of Properties from Wells Development Corporation.")

Competition for investments may increase costs and reduce returns.

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

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

Delays we encounter in the selection, acquisition and development of properties could adversely affect your returns. Where properties are acquired prior to the start of construction or during the early stages of construction, it will typically take several months to complete construction and rent available space. Therefore, you could suffer delays in the distribution of cash dividends attributable to those particular properties.

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

We generally will hold the various real properties in which we invest until such time as Wells Capital determines that a sale or other disposition appears to be advantageous to achieve our investment objectives or until it appears that such objectives will not be met. Otherwise, Wells Capital, subject to approval of the board, may exercise its discretion as to whether and when to sell a property, and we will have no obligation to sell properties at any particular time, except upon a liquidation of the Wells REIT if we do not list the shares by January 30, 2008. We cannot predict with any certainty the various market conditions affecting real estate investments which will exist at any particular time in the future. Due to the uncertainty of market conditions which 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 property may be used or businesses may be operated, and these restrictions may require expenditures. Environmental laws provide for sanctions in the event of noncompliance and may be enforced by governmental agencies or, in certain circumstances, by private parties. In connection with the acquisition and ownership of our properties, we may be potentially liable for such costs. The cost of defending against claims of liability, of compliance with environmental regulatory requirements or of remediating any contaminated property could materially adversely affect the business, assets or results of operations of the Wells REIT and, consequently, amounts available for distribution to you.

Financing Risks

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

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

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

In connection with obtaining certain financing, a lender could impose restrictions on us which 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. The effect of a refinancing or sale could affect the rate of return to shareholders 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.

Federal Income Tax Risks

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

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. In addition, we would generally be disqualified from treatment as a REIT for the four taxable years following the year of losing our REIT status. Losing our REIT status would reduce our net earnings available for investment or distribution to shareholders because of the additional tax liability. In addition, distributions to shareholders would no longer qualify for the distributions paid deduction and we would no longer be required to make distributions. We might be required to borrow funds or liquidate some investments in order to pay the applicable tax.

Qualification as a REIT is subject to the satisfaction of tax requirements and various factual matters and circumstances which are not entirely within our control. New legislation, regulations, administrative interpretations or court decisions could change the tax laws with respect to qualification as a REIT or the federal income tax consequences of being a REIT.

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 a shareholder. 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 139.

Suitability Standards

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

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

- a net worth of at least $150,000; or

- a gross annual income of at least $45,000 and a net worth, excluding the value of a purchaser's home, furnishings and automobiles of at least $45,000.

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

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

Except in the states of Maine, Minnesota, Nebraska and Washington, if you have satisfied the minimum purchase requirements and have purchased units in other Wells programs or units or shares in

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

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

Arizona, Iowa, Massachusetts, Missouri, North Carolina 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.

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

Missouri - Investors must have either (1) a net worth of at least $250,000, or (2) gross annual income of $75,000 and a net worth of at least $75,000.

New Hampshire - Investors must have either (1) a net worth of at least $250,000, or (2) taxable income of $50,000 and a net worth of at least $125,000.

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

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 62,000,000 shares and 135,000,000 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.

	62,000,000 Shares	135,000,000 Shares

	Amount(1)	Percent	Amount(2)	Percent
Gross Offering Proceeds	$620,000,000	100%	$1,350,000,000	100.0%
Less Public Offering Expenses:				
Selling Commissions and Dealer Manager Fee (3)	58,900,000	9.5%	128,250,000	9.5%
Organization and Offering Expenses (4)	18,600,000	3.0%	18,600,000	1.4%
Amount Available for Investment (5)	$542,500,000	87.5%	$1,203,150,000	89.1%
Acquisition and Development:				
Acquisition and Advisory Fees (6)	18,600,000	3.0%	40,500,000	3.0%
Acquisition Expenses (7)	3,100,000	0.5%	6,750,000	0.5%
Initial Working Capital Reserve (8)	(8)	--	(8)	--
Amount Invested in Properties (5)(9)	$520,800,000	84.0%	$1,155,900,000	85.6%

1. Assumes that an aggregate of $620,000,000 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.

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(Footnotes to "Estimated Use of Proceeds")

2. Assumes the maximum offering is sold which includes 125,000,000 shares offered to the public at $10 per share and 10,000,000 shares offered pursuant to our dividend reinvestment plan at $10 per share. Excludes 5,000,000 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 the 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 units sold by them and may reallow out of its dealer manager fee up to 1.5% of gross offering proceeds in marketing fees and due diligence expenses to broker-dealers participating in this offering based on such factors as the volume of units sold by such participating broker-dealers, marketing support provided by such participating broker-dealers and bona fide conference fees incurred. 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, including amounts to reimburse Wells Capital, our advisor, 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. 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 gross offering proceeds without recourse against or reimbursement by the Wells REIT. We currently estimate that approximately $18,600,000 of organization and offering costs will be incurred if the maximum offering of 135,000,000 shares is sold.

5. Until required in connection with the acquisition and development of properties, substantially all of the net proceeds of the offering and, thereafter, the working capital reserves of the Wells REIT,

may be invested in short-term, highly-liquid investments including government obligations, bank certificates of deposit, short-term debt obligations and interest-bearing accounts.

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.

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

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

Management

General

We operate under the direction of our board of directors, the members of which are accountable to us and our shareholders 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. The articles of incorporation of the Wells REIT were reviewed and ratified by the board of directors, including the independent directors, at their initial meeting. This ratification by the 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. The 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 shareholders 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 shareholders upon the affirmative vote of at least a majority of all the votes entitled to be cast at a meeting called for the purpose of the proposed removal. The notice of the meeting shall indicate that the purpose, or one of the purposes, of the meeting is to determine if the director shall be removed. The term "cause" as used in this context is a term used in the Maryland Corporation Law. Since the Maryland Corporation Law does not define the term "cause," shareholders may not know exactly what actions by a director may be grounds for removal.

Unless filled by a vote of the shareholders 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 shareholders. Each director will be bound by the articles of incorporation and the bylaws.

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

Our general investment and borrowing policies are set forth in this prospectus. The 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 shareholders. We will follow the policies on investments and borrowings set forth in this prospectus unless and until they are modified by the directors.

The board is also 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 shareholders. 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 determining that the compensation to be paid to Wells Capital is reasonable in relation to the nature and quality of services to be performed and that the provisions of the advisory agreement are being carried out. Specifically, the independent directors will consider factors such as:

- the amount of the fee paid to Wells Capital 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 its affiliates 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 the performance of our investment portfolio; and
- the quality of our portfolio relative to the investments generated by Wells Capital for its other clients.

Neither the directors nor their affiliates will vote or consent to the voting of shares they now own or hereafter acquire on matters submitted to the shareholders 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 any property acquisitions. However, our board has established an Audit Committee and a Compensation Committee so that these important areas can be addressed in more depth than may be possible at a full board meeting.

Audit Committee

The Audit Committee meets on a regular basis at least three times a year. The Audit Committee members are Messrs. Bell, Carpenter, Carter, Keogler, Moss, Sessoms and Strickland. The board of directors adopted our Audit Committee Charter at its quarterly board meeting held September 27, 2000. The 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 shareholders and others, the system of internal controls which management has established, and the audit and financial reporting process.

Compensation Committee

Our board of directors has also established a Compensation Committee to administer the 2000 Employee Stock Option Plan, as described below, which was approved by the shareholders at our annual shareholders 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.

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	56
Douglas P. Williams	Executive Vice President, Secretary, Treasurer and Director	50
John L. Bell	Director	60
Richard W. Carpenter	Director	63
Bud Carter	Director	62
William H. Keogler, Jr.	Director	55
Donald S. Moss	Director	64
Walter W. Sessoms	Director	66
Neil H. Strickland	Director	64

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 shareholder 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.

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 27 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 26 real estate limited partnerships formed for the purpose of acquiring, developing and operating office buildings and other commercial properties. As of September 30, 2000, these 26 real estate limited partnerships represented investments totaling approximately $313,562,916 from approximately 27,322 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.

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. 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 currently President and director of Realmark Holdings Corp., a residential and commercial real estate developer, and has served in that position since October 1983. Mr. Carpenter is also a managing partner of Carpenter Properties, L.P., a real estate limited partnership. He is also President and director of Commonwealth Oil Refining Company, Inc., a position he has held since 1984.

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

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

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

Mr. Carter currently serves as Senior Vice President for The Executive Committee, a 43-year old 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 14 noncompeting CEOs and presidents. Mr. Carter is a graduate of the University of Missouri where he earned degrees in journalism and social psychology.

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

Mr. Keogler serves on the Board of Trustees of Senior Citizens Services of Atlanta. He graduated from Adelphi University in New York where he earned a degree in psychology.

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

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

Walter W. Sessoms was employed by Southern Bell and its successor company, BellSouth, from 1956 until his retirement in June 1997. While at BellSouth, Mr. Sessoms served in a number of key

positions, including Vice President-Residence for the State of Georgia from June 1979 to July 1981, Vice President-Transitional Planning Officer from July 1981 to February 1982, Vice President-Georgia from February 1982 to June 1989, Senior Vice President-Regulatory and External Affairs from June 1989 to November 1991, and Group President-Services from December 1991 until his retirement on June 30, 1997.

Mr. Sessoms currently serves as a director of the Georgia Chamber of Commerce for which he is a past Chairman of the Board, the Atlanta Civic Enterprises and the Salvation Army's Board of Visitors of the Southeast Region. Mr. Sessoms is also a past executive advisory council member for the University

of Georgia College of Business Administration and past member of the executive committee of the Atlanta Chamber of Commerce. Mr. Sessoms is a graduate of Wofford College where he earned a degree in economics and business administration. He is a member of the Governor's Education Reform Commission.

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 $500 per month plus $125 for each board meeting he attends. 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 shareholders at the annual shareholders 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 the 2000 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 September 30, 2000, each independent director had been granted options to purchase a total of 3,500 shares under the Director Option Plan, of which 1,000 of those shares 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 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 three 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 of the Wells REIT (Director Warrant Plan) was approved by our shareholders at the annual shareholders 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 in the future. The purpose of the Director Warrant Plan is to encourage our independent directors to purchase shares of our common stock. Beginning on the effective date of the Director Warrant Plan and continuing until the earlier to occur of (1) the termination of the Director Warrant Plan by action of the board of directors or otherwise, or (2) 5:00 p.m. EST on the date of listing of our shares on a national securities exchange, each independent director will receive one Warrant for every 25 shares of common stock he purchases. The exercise price of the Warrants will be $12.00 per share.

A total of 500,000 Warrants have been authorized and reserved for issuance under the Director Warrant Plan, each of which will be redeemable for one share of our common stock. Upon our dissolution or liquidation, or upon a reorganization, merger or consolidation, where we are not the surviving corporation, or upon our sale of all or substantially all of our properties, the Director Warrant Plan shall terminate, and any outstanding Warrants shall terminate and be forfeited; provided, however, that holders of Warrants may exercise any Warrants that are otherwise exercisable immediately prior to the effective date of the dissolution, liquidation, consolidation or merger. Notwithstanding the above, the board of directors may provide in writing in connection with any such transaction for any or all of the following alternatives: (1) for the assumption by the successor corporation of the Warrants theretofore granted or the substitution by such corporation for such Warrants of awards covering the stock of the successor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices; (2) for the continuance of the Director Warrant Plan by such successor corporation in which event the Director Warrant Plan and the Warrants shall continue in the manner and under the terms so provided; or (3) for the payment in cash or shares in lieu of and in complete satisfaction of such Warrants.

No Warrant may be sold, pledged, assigned or transferred by an independent director in any manner other than by will or the laws of descent or distribution. All Warrants exercised during the

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

2000 Employee Stock Option Plan

Our 2000 Employee Stock Option Plan of the Wells REIT (Employee Option Plan) was approved by our shareholders at the annual shareholders 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.

The 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 the 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 (i) the date our shares become listed on a national securities exchange, or (ii) 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 shareholders, directors and officers for monetary damages to the fullest extent permitted under current Maryland Corporation Law. We also maintain a directors and officers liability insurance policy. Maryland Corporation Law allows

directors and officers to be indemnified against judgments, penalties, fines, settlements and expenses actually incurred in a proceeding unless the following can be established:

- an act or omission of the director or officer was material to the cause of action adjudicated in the proceeding, and was committed in bad faith or was the result of active and deliberate dishonesty;

- the director or officer actually received an improper personal benefit in money, property or services; or

- with respect to any criminal proceeding, the director or officer had reasonable cause to believe his act or omission was unlawful.

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

This provision does not reduce the exposure of directors and officers to liability under federal or state securities laws, nor does it limit the shareholder'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 shareholders, 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 the 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:

- the 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;

- the 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 shareholders.

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 shareholders 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 shareholders 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 the directors, officers, Wells Capital or its affiliates will not be allowed for liabilities arising from or out of a violation of state or federal securities laws, unless one or more of the following conditions are met:

- there has been a successful adjudication on the merits of each count involving alleged securities law violations;

- such claims have been dismissed with prejudice on the merits by a court of competent jurisdiction; or

- a court of competent jurisdiction approves a settlement of the claims against the indemnitee and finds that indemnification of the settlement and the related costs should be made, and the court considering the request for indemnification has been advised of the position of the Securities and Exchange Commission and of the published position of any state securities regulatory authority in which the securities were offered as to indemnification for violations of securities laws.

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

- approves the settlement and finds that indemnification of the settlement and related costs should be made; or

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

The Advisor

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

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

Name	Age	Position
Leo F. Wells, III	56	President, Treasurer and sole director
Douglas P. Williams	50	Senior Vice President and Assistant Secretary
Stephen G. Franklin	53	Senior Vice President
Kim R. Comer	45	Vice President
Linda L. Carson	57	Vice President
Allen G. Delenick	44	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 shareholder of Financial Service Corporation ("FSC"), an independent financial planning broker-dealer. Mr. Franklin and the other shareholders of FSC later sold their interests in FSC to Mutual of New York Life Insurance Company.

Kim R. Comer 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. Mr. Comer currently serves as Vice President and Director of Customer Care Services. In prior positions with Wells Capital, he served as Vice President of Marketing for the southeast and northeast regions. Mr. Comer has over ten 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.

Linda L. Carson is a Vice President of Wells Capital. She is primarily responsible for fund, property and corporate accounting, SEC reporting and coordination of all audits by the independent public accountants. Ms. Carson also serves as Secretary of Wells Investment Securities, Inc., our Dealer Manager. Ms. Carson joined Wells Capital in 1989 as Staff Accountant, became Controller in 1991 and assumed her current position in 1996. Prior to joining Wells Capital, Ms. Carson was an accountant with an electrical distributor. She is a graduate of City College of New York and has completed additional accounting courses at Kennesaw State. She is also a member of the National Society of Accountants.

Allen G. Delenick is a Vice President of Wells Capital. He is primarily responsible for identifying and analyzing properties for acquisition by conducting due diligence and preparing discounted cash flow analyses on potential acquisitions. Prior to joining Wells Capital in 1998, Mr. Delenick worked for Carter & Associates in Atlanta. In this capacity, he was responsible for project financings, development analysis, acquisitions and dispositions analysis, and occupancy cost analysis. Mr. Delenick previously worked for Portman Properties in Atlanta and Rosewood Properties in Dallas. His primary responsibilities included real estate financial analysis and acquisitions and development due diligence.

He graduated from Lehigh University with a B.S. in business and economics. Mr. Delenick also received an M.B.A. in finance and an M.S. in real estate from Southern Methodist University.

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

The Advisory Agreement

Many of the services to be performed by Wells Capital in managing our day-to-day activities are summarized below. This summary is provided to illustrate the material functions which Wells Capital will perform for us as our advisor and it is not intended to include all of the services which may be

provided to us by third parties. Under the terms of the advisory agreement, Wells Capital undertakes to use its best efforts to present to us investment opportunities consistent with our investment policies and objectives as adopted by the 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, 2001 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 independent 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, at the lesser of actual cost or 90% of competitive rates charged by unaffiliated persons providing similar services.

Wells Capital must reimburse us at least annually for reimbursements paid to Wells Capital in any year to the extent that such reimbursements to Wells Capital cause our operating expenses to exceed the greater of (1) 2% of our average invested assets, which generally consists of the average book value of our real estate properties before reserves for depreciation or bad debts, or (2) 25% of our net income, which is defined as our total revenues less total expenses for any given period excluding reserves for depreciation and bad debt. Such operating expenses do not include amounts payable out of capital contributions which are capitalized for tax and accounting purposes such as the acquisition and advisory fees payable to Wells Capital. To the extent that operating expenses payable or reimbursable by us exceed this limit and the independent directors determine that the excess expenses were justified based on unusual and nonrecurring factors which they deem sufficient, Wells Capital may be reimbursed in future years for the full amount of the excess expenses, or any portion thereof, but only to the extent the reimbursement would not cause our operating expenses to exceed the limitation in any year. Within 60 days after the end of any of our fiscal quarters for which total operating expenses for the 12 months then ended exceed the limitation, there shall be sent to the shareholders 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. Wells Capital, also owns 100 shares of the Wells REIT, which it

acquired upon the initial formation of the Wells REIT. (See "The Operating Partnership Agreement.") Any resale of the shares that Wells Capital currently owns and the resale of any shares which may be acquired by our affiliates are 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 additional shares, Wells Capital has no options or warrants to acquire any additional shares and has no current plans to acquire additional shares. Wells Capital has agreed to abstain from voting any shares it now owns or hereafter acquires in any vote for the election of directors or any vote regarding the approval or termination of any contract with 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 Real Estate Funds, Inc. is the sole shareholder of Wells Management, and Mr. Wells is the President, Treasurer and sole director of Wells Management. (See "Conflicts of Interest.") The other principal officers of Wells Management are as follows:

Name	Age	Positions
M. Scott Meadows	36	Senior Vice President and Secretary
Michael C. Berndt	53	Vice President and Chief Investment Officer
Michael L. Watson	55	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 the Real Property Administrator (RPA) designation of the Building Owners and Managers Institute International. He is currently completing the final phase to receive the Certified Property Manager (CPM) designation from the Institute of Real Estate Management.

Michael C. Berndt is a Vice President and Chief Investment Officer of Wells Management. He is primarily responsible for performing due diligence on properties for acquisition, reviewing all major leasing activities and development and being the primary contact for Wells Management's banks, attorneys, and outside accountants. Prior to joining Wells Management in 1996, Mr. Berndt held several positions with financial, investment and real estate organizations, including Ernst & Young (formerly Ernst & Ernst) and Roe, Martin & Neiman, Inc., a registered investment advisory firm. He also primarily served as in-house counsel and Senior Vice President of Acquisitions for Combined Equities, Inc. and President of Phoenix Financial Corporation, an NASD broker-dealer. He graduated from Samford University with a B.S. in Accounting. Mr. Berndt also received a J.D. from Cumberland Law School and an LL.M. in Taxation from New York University School of Law. Mr. Berndt is a licensed attorney in the State of Alabama and a Certified Public Accountant.

Michael L. Watson is a Vice President of Wells Management. He is primarily responsible for 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 University of Miami with a B.S. in Civil Engineering.

Wells Management is engaged in the business of real estate management. It was organized and commenced active operations in 1983 to lease and manage real estate projects which Wells Capital and its affiliates operate or in which they own an interest. As of September 30, 2000, Wells Management was managing in excess of 4,293,000 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).

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 derives all of its income from its property management and leasing operations. For the fiscal year ended December 31, 1999, Wells Management reported $1,983,066 in gross operating revenues and $400,937 in net income.

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

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

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

Dealer Manager

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

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

Wells Real Estate Funds, Inc. is the sole shareholder of Wells Investment Securities, 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 September 30, 2000, Wells Advisors was acting as the IRA custodian for in excess of $85,843,000 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, Michael C. Berndt and Allen G. Delenick. 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. The 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 to participating broker-dealers.	$94,500,000
Dealer Manager Fee - Wells Investment Securities	Up to 2.5% of gross offering proceeds before reallowance to participating broker-dealers. Wells Investment Securities, in its sole discretion, may reallow a portion of its dealer manager fee of up to 1.5% of the gross offering proceeds to be paid to such participating broker-dealers as a marketing fee and due diligence expense reimbursement, based on such factors as the volume of shares sold by such participating broker-dealers, marketing support and bona fide conference fees incurred.	$33,750,000
Reimbursement of Organization and Offering Expenses - Wells Capital or its Affiliates	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 gross offering proceeds. We currently estimate that approximately $18,600,000 of organization and offering costs will be incurred if the maximum offering of 135,000,000 shares is sold.	$18,600,000
	Acquisition and Development Stage	
Acquisition and Advisory Fees - Wells Capital or its Affiliates (2)	Up to 3.0% of gross offering proceeds for the review and evaluation of potential real property acquisitions.	$40,500,000
Reimbursement of Acquisition Expenses - Wells Capital or its Affiliates (2)	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.	$6,750,000

	Operational Stage	
Property Management and Leasing Fees - Wells	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.
Real Estate Commissions - Wells Capital or its Affiliates	In connection with the sale of properties, an amount not exceeding the lesser of: (A) 50% of the reasonable, customary and competitive real estate brokerage commissions customarily paid for the sale of a comparable property in light of the size, type and location of the property, or (B) 3.0% of the contract price of each property sold, subordinated to distributions to investors from sale proceeds of an amount which, together with prior distributions to the investors, will equal (1) 100% of their capital contributions plus (2) an 8.0% annual cumulative, noncompounded return on their net capital contributions.	Actual amounts are dependent upon results of operations and therefore cannot be determined at the present time.

Subordinated Participation in Net Sale Proceeds - Wells Capital (3)	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 (4)(5)	Upon listing, a fee equal to 10.0% of the amount by which (1) the market value of the outstanding stock of the Wells REIT plus distributions paid by the Wells REIT prior to listing, exceeds (2) the sum of the total amount of capital raised from investors and the amount of cash flow necessary to generate an 8.0% per year cumulative, noncompounded return to investors.	Actual amounts are dependent upon results of operations and therefore cannot be determined at the present time.

The Wells REIT may not reimburse any entity for operating expenses in excess of the greater of 2% of our average invested assets or 25% of our net income for the year.

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(Footnotes to "Management Compensation")

1. The estimated maximum dollar amounts are based on the sale of a maximum of 125,000,000 shares to the public at $10 per share and the sale of 10,000,000 shares at $10 per share pursuant to our dividend reinvestment plan.

2. 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.

3. 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.

4. 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.

The board, 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.

5. 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 be at the lower of the advisor's actual cost or the amount the Wells REIT would be required to pay to independent parties for comparable administrative services in the same geographic location. We will not reimburse Wells Capital or its affiliates for services for which they are 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, the advisor 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 September 30, 2000, 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 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 (1) 6200 The Corners Parkway, Suite 250 Norcross, GA 30092	344	*
Douglas P. Williams (1) 6200 The Corners Parkway, Suite 250 Norcross, GA 30092	100	*

	Shares Beneficially Owned	
	Shares	Percentage
John L. Bell (2) 800 Mt. Vernon Highway, Suite 230 Atlanta, GA 30328	1,000	*
Richard W. Carpenter (2) Realmark Holdings Corporation P.O. Box 421669 (30342) 5570 Glenridge Drive Atlanta, GA 30342	1,000	*
Bud Carter (2) The Executive Committee 100 Mount Shasta Lane Alpharetta, GA 30022-5440	1,000	*
William H. Keogler, Jr. (2) 469 Atlanta Country Club Drive Marietta, GA 30067	1,000	*
Donald S. Moss (2) 114 Summerour Vale Duluth, GA 30097	12,378	*
Walter W. Sessoms (2) 5995 River Chase Circle NW Atlanta, GA 30328	3,761	*
Neil H. Strickland (2) Strickland General Agency, Inc. 3109 Crossing Park P.O. Box 129 Norcross, GA 30091	1,000	*
Northern Trust Co., Custodian for Wayne County Employees' Retirement System Attn: Laura Santiago P.O. Box 92996 Chicago, IL 60675	2,230,262	8.52%
Police & Fireman Retirement System City of Detroit Attn: Ronald J. Stempin 908 Coleman A. Young Municipal Center Detroit, MI 48226	2,083,333	7.96%
All directors and executive officers as a group /(1)(3)/	21,139	*

* Less than 1% of the outstanding common stock.

(1) Includes 100 shares owned by Wells Capital, which is a wholly-owned subsidiary of Wells Real Estate Funds, Inc. Messrs. Wells and Williams are both control persons of Wells Capital, and Mr. Wells is a control person of Wells Real Estate Funds, Inc. Mr. Williams disclaims beneficial ownership of the shares owned by Wells Capital.

(2) Includes options to purchase up to 1,000 shares of common stock, which are exercisable within 60 days of September 30, 2000.

(3) Includes options to purchase an aggregate of up to 7,000 shares of common stock, which are exercisable within 60 days of September 30, 2000.

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 will have a fiduciary obligation to act on behalf of the shareholders. 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 in the future. Wells Capital and such affiliates have legal and financial obligations with respect to these partnerships which are similar to their obligations to the Wells REIT. As general partners, they may have contingent liability for the obligations of such partnerships as well as those of the Wells REIT which, if such obligations were enforced against them, could result in substantial reduction of their net worth.

Wells Capital and its affiliates are currently sponsoring a real estate program known as Wells Real Estate Fund XII, L.P. (Wells Fund XII). The registration statement of Wells Fund XII was declared effective by the Securities and Exchange Commission (SEC) on March 22, 1999 for the offer and sale to the public of up to 7,000,000 units of limited partnership interest at a price of $10.00 per unit. In addition, the initial registration statement of Wells Real Estate Fund XIII, L.P. (Wells Fund XIII) was filed with the SEC on October 31, 2000 for the registration of up to 4,500,000 units of limited partnership interest at a price of $10 per unit. It is intended that the registration of Wells Fund XIII become effective immediately following the termination of the offering of Wells Fund XII, which will occur on or about March 21, 2001.

As described in the "Prior Performance Summary," Wells Capital and its affiliates have sponsored the following 13 other 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), and
13. Wells Real Estate Fund XII, L.P. (Wells Fund XII).

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

Wells Capital or any of its affiliates may temporarily enter into contracts relating to investment in properties to be assigned to the Wells REIT prior to closing or may purchase property in their own name and temporarily hold title for the Wells REIT provided that such property is purchased by the Wells REIT at a price no greater than the cost of such property, including acquisition and carrying costs, to Wells Capital or the affiliate. Further, Wells Capital or such affiliate may not have held title to any such property on our behalf for more than 12 months prior to the commencement of this offering; Wells Capital or its affiliates shall not sell property to the Wells REIT if the cost of the property exceeds the funds reasonably anticipated to be available for the Wells REIT to purchase any such property; and all profits and losses during the period any such property is held by the Wells REIT or its affiliates will accrue to the Wells REIT. 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 properties owned by other Wells programs are located. In such a case, a conflict could arise in the leasing of properties in the event that the Wells REIT and another Wells program were to compete for the same tenants in negotiating leases, or a conflict could arise in connection with the resale of properties in the event that the Wells REIT and another Wells program were to attempt to sell similar properties at the same time. (See "Risk Factors -- Investment Risks"). Conflicts of interest may also exist at such time as the Wells REIT or our affiliates managing property on our behalf seek to employ developers, contractors or building managers as well as under other circumstances. Wells Capital will seek to reduce conflicts relating to the employment of developers, contractors or building managers by making prospective employees aware of all such properties seeking to employ such persons. In

addition, Wells Capital will seek to reduce conflicts which may arise with respect to properties available for sale or rent by making prospective

purchasers or tenants aware of all such properties. However, these conflicts cannot be fully avoided in that Wells Capital may establish differing compensation arrangements for employees at different properties or differing terms for resales or leasing of the various properties.

Affiliated Dealer Manager

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

Affiliated Property Manager

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

Lack of Separate Representation

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

Joint Ventures with Affiliates of Wells Capital

We have entered into joint ventures with other Wells programs to acquire and own properties and are likely to enter into one or more joint venture agreements with other Wells programs for the acquisition, development or improvement of properties. (See "Investment Objectives and Criteria -- Joint Venture Investments.") Wells Capital and its affiliates may have conflicts of interest in determining which Wells program should enter into any particular joint venture agreement. The co-venturer may have economic or business interests or goals which are or which may become inconsistent with our business interests or goals. In addition, should any such joint venture be consummated, Wells Capital may face a conflict in structuring the terms of the relationship between our interests and the interest of the affiliated co-venturer and in managing the joint venture. Since Wells Capital and its affiliates will control both the Wells REIT and the affiliated co-venturer, 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 shareholders of their capital contributions plus cumulative returns on such capital. Subject to oversight by the 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:

- We will not accept goods or services from Wells Capital or its affiliates unless a majority of the 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 the 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 the 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 to our directors for other purposes must be approved by a majority of the 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 the 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 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 which 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, by 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 shareholders holding a majority of the shares.

Decisions relating to the purchase or sale of properties will be made by Wells Capital, as our advisor, subject to approval by the board of directors. See "Management" for a description of the background and experience of the 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 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 commercial properties such as shopping centers, business and industrial parks, manufacturing facilities and warehouse and distribution facilities. We will primarily attempt to acquire commercial properties which 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 Properties" and "Prior Performance Summary.")

We will seek to invest in properties that will satisfy the primary objective of providing cash dividends to shareholders. 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 shareholders. 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 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 which is expected to produce income within two years of its acquisition will not be considered a non-income producing property.

Our investment in real estate generally will take the form of holding fee title or a long-term leasehold estate. We will acquire such interests either directly in Wells OP (See "The Operating Partnership Agreement") or indirectly through limited liability companies or through investments in joint ventures, general partnerships, co-tenancies or other co-ownership arrangements with the developers of the properties, affiliates of Wells Capital or other persons. (See "Joint Venture Investments" below.) 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 intend to invest in properties located in the United States.

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

In making investment decisions for us, Wells Capital will consider relevant real estate property and financial factors, including the 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;
- 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 and delivered to shareholders; and
- title and liability insurance policies.

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 which are not expected to produce income within two years of their acquisition. To help ensure performance by the builders of properties which are under construction, completion of properties under construction shall be guaranteed at the price contracted either by an adequate completion bond or performance bond. Wells Capital may rely 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 which we may acquire. Such persons would be compensated directly by the Wells REIT.

Acquisition of Properties from Wells Development Corporation

Although we have rarely done so in the past, we may acquire properties, directly or through joint ventures with affiliated entities, from Wells Development Corporation (Wells Development), a corporation formed by Wells Management as a wholly-owned subsidiary for the purposes of (1) acquiring existing income-producing commercial real estate properties, and (2) acquiring land, developing commercial real properties, securing tenants for such properties, and selling such properties upon completion to the Wells REIT or other Wells programs. In the case of properties to be developed by Wells Development and sold to the Wells REIT, we anticipate that Wells Development will:

- acquire a parcel of land;

- enter into contracts for the construction and development of a commercial building thereon;

- enter into an agreement with one or more tenants to lease all or a majority of the property upon its completion; and

- secure a financing commitment from a commercial bank or other institutional lender to finance the acquisition and development of the property.

Contracts between Wells Development and the Wells REIT will generally provide for the Wells REIT to acquire the developed property upon its completion and upon the tenant taking possession under its lease.

We will be required to pay a substantial sum to Wells Development at the time of entering into the contract as a refundable earnest money deposit to be credited against the purchase price at closing, which Wells Development will apply to the cost of acquiring the land and initial development costs. We expect that the earnest money deposit will represent approximately twenty to thirty percent (20-30%) of the purchase price of the developed property set forth in the purchase contract.

In the case of properties we acquire from Wells Development that have already been developed, Wells Development will be required to obtain an appraisal for the property prior to our contracting with them, and the purchase price we will pay under the purchase contract will not exceed the fair market value of the property as determined by the appraisal. In the case of properties we acquire from Wells Development which have not yet been constructed at the time of contracting, Wells Development will be required to obtain an independent "as built" appraisal for the property prior to our contracting with them, and the purchase price we will pay under the purchase contract will not exceed the anticipated fair market value of the developed property as determined by the appraisal.

We anticipate that Wells Development will use the earnest money deposit received from the Wells REIT upon execution of a purchase contract as partial payment for the cost of the acquisition of the land and construction expenditures. Wells Development will borrow the remaining funds necessary to complete the development of the property from an independent commercial bank or other institutional lender by pledging the real property, development contracts, leases and all other contract rights relating to the project as security for such borrowing. Our contract with Wells Development will require it to deliver to us at closing title to the property, as well as an assignment of leases. Wells Development will hold the title to the property on a temporary basis only for the purpose of facilitating the acquisition and development of the property prior to its resale to the Wells REIT and other affiliates of Wells Capital.

We may enter into a contract to acquire property from Wells Development notwithstanding the fact that at the time of contracting, we have not yet raised sufficient proceeds to enable us to pay the full amount of the purchase price at closing. We anticipate that we will be able to raise sufficient additional proceeds from the offering during the period between execution of the contract and the date provided in the contract for closing. In the case of properties to be developed by Wells Development, the contract will likely provide that the closing will occur immediately following the completion of the development by Wells Development. However, the contract may also provide that we may elect to close the purchase of the property before the development has been completed, in which case we would obtain an assignment of the construction and development contracts from Wells Development and would complete the construction either directly or through a joint venture with an affiliate. Any contract between the Wells REIT, directly or indirectly through a joint venture with an affiliate, and Wells Development for the purchase of property to be developed by Wells Development will provide that we will be obligated to purchase the property only if:

- Wells Development completes the development of the improvements in accordance with the specifications of the contract, and an approved tenant takes possession of the building under a lease satisfactory to our advisor; and

- we have sufficient proceeds available for investment in properties at closing to pay the balance of the purchase price remaining after payment of the earnest money deposit.

Wells Capital will not cause the Wells REIT to enter into a contract to acquire property from Wells Development if it does not reasonably anticipate that funds will be available to purchase the property at the time of closing. If we enter into a contract to acquire property from Wells Development and, at the time for closing, are unable to purchase the property because we do not have sufficient proceeds available for investment, we will not be required to close the purchase of the property and will be entitled to a refund of our earnest money deposit from Wells Development. Because Wells Development is an entity without substantial assets or operations, however, Wells Development's obligation to refund our earnest money deposit will be guaranteed by Wells Management. See the "Management -- Affiliated Companies" section of this prospectus for a description of Wells Management.

If Wells Management is required to make good on its guaranty, we may not be able to obtain the earnest money deposit from Wells Management in a lump sum since Wells Management's only significant assets are its contracts for property management and leasing services, in which case we would more than likely be required to accept installment payments over some period of time out of Wells Management's operating revenues. (See "Risk Factors -- Real Estate Risks.")

Terms of Leases and Tenant Creditworthiness

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

Wells Capital has developed specific standards for determining the creditworthiness of potential tenants of our properties. While authorized to enter into leases with any type of tenant, we anticipate that a majority of our tenants will be large corporations or other entities which have a net worth in excess of $100,000,000 or whose lease obligations are guaranteed by another corporation or entity with a net worth in excess of $100,000,000. As of September 30, 2000, approximately 75% 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 Properties -- Joint Ventures with Affiliates.") In this connection, we will likely enter into joint ventures with Wells Fund XII, Wells Fund XIII or other Wells programs. Wells Capital also has the authority to cause us to enter into joint ventures, general partnerships, co-tenancies and other participations with real estate developers, owners and others for the purpose of developing, owning and operating real properties. (See "Conflicts of Interest.") In determining whether to invest in a particular joint venture, Wells Capital will evaluate the real property which such joint venture owns or is being formed to own under the same criteria described elsewhere in this prospectus for the selection of real estate property investments of the Wells REIT. (See generally "Investment Objectives and Criteria.")

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

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

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

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

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

In the event that the co-venturer were to elect to sell property held in any such joint venture, however, we may not have sufficient funds to exercise our right of first refusal to buy the other co-venturer's interest in the property held by the joint venture. In the event that any joint venture with an affiliated entity holds interests in more than one property, the interest in each such property may be specially allocated based upon the respective proportion of funds invested by each co-venturer in each such property. 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.")

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 Properties -- 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 shareholders 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 December 10, 2000, we had an aggregate debt leverage ratio of 10% 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 the most favorable terms available to us. 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 the 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. A property may be sold before the end of the expected holding period if:

- 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 which is net leased will be determined in large part by the amount of rent payable under the lease. If a tenant has a repurchase option at a formula price, we may be limited in realizing any appreciation. In connection with our sales of properties we may lend the purchaser all or a portion of the purchase price. In these instances, our taxable income may exceed the cash received in the sale. (See "Federal Income Considerations -- Failure to Qualify as a REIT.") The terms of payment will be affected by custom in the area in which the property being sold is located and the then-prevailing economic conditions.

If our shares are not listed for trading on a national securities exchange or included for quotation on Nasdaq by January 30, 2008, our articles of incorporation require us to begin the sale of all of our properties and distribution of the net sale proceeds to you in liquidation of the Wells REIT. In making the decision to apply for listing of our shares, the directors will try to determine whether listing our shares or liquidating our assets will result in greater value for the shareholders. It cannot be determined at this time the circumstances, if any, under which the 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 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 shareholders 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.

Investment Limitations

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

- 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 except in connection with a sale or other disposition of a property;

- 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 the 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;

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

- invest in 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;

- 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;

- 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;

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

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

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

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

- lend money to Wells Capital or its affiliates.

Wells Capital will continually review our investment activity to attempt to

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

Change in Investment Objectives and Limitations

Our articles of incorporation require that the independent directors review our investment policies at least annually to determine that the policies we are following are in the best interest of the shareholders. Each determination and the basis therefor shall 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 the directors, including a majority of the independent directors, without the approval of the shareholders.

Description of Properties

General

As of December 10, 2000, we had purchased interests in 26 real estate properties located in 15 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.

Tenant	Property Location	% Owned	Purchase Price	Square Feet	Annual Rent	Lease Expiration
Motorola, Inc.	Plainfield, NJ	100%	$33,648,156	236,710	$3,324,428	10/2010
Quest Software, Inc.	Irvine, CA	13.9%	$ 7,193,000	65,006	$1,287,119	12/2003
Delphi Automotive Systems, LLC	Troy, MI	100%	$19,800,000	107,152	$1,848,372	04/2007
Avnet, Inc.	Tempe, AZ	100%	$13,250,000	132,070	$1,516,164	04/2010
Siemens Automotive Corp.	Troy, MI	50%	$14,265,000	77,054	$1,309,918	08/2010
Motorola, Inc.	Tempe, AZ	100%	$16,000,000	133,225	$1,843,834	08/2005
ASM Lithography, Inc.	Tempe, AZ	100%	$17,355,000	95,133	$1,927,788	06/2013
Dial Corporation	Scottsdale, AZ	100%	$14,250,000	129,689	$1,387,672	08/2008

Tenant	Property Location	% Owned	Purchase Price	Square Feet	Annual Rent	Lease Expiration
Metris Direct, Inc.	Tulsa, OK	100%	$12,700,000	101,100	$1,187,925	01/2010
Cinemark USA, Inc./ The Coca Cola Co.	Plano, TX	100%	$21,800,000	66,024/ 52,084	$1,366,491/ $1,302,100	12/2009 11/2006
The Gartner Group, Inc.	Ft. Myers, FL	56.8%	$ 8,320,000	62,400	$ 790,642	12/2008
Marconi Data Systems, Inc.	Wood Dale, IL	100%	$32,630,940	250,354	$2,838,952	11/2011
Johnson Matthey, Inc.	Tredyffrin Township, PA	57%	$ 8,000,000	130,000	$ $789,750	06/2007

Alstom Power, Inc.(1)	Richmond, VA	100%	$11,400,000	102,000	$1,183,731	07/2007
Sprint Communications Company, L.P.	Leawood, KA	56.8%	$ 9,500,000	68,900	$ 999,048	05/2007
EYBL Cartex, Inc.	Greenville, SC	56.8%	$ 5,085,000	169,510	$ 508,530	02/2008
Matsushita Avionics Systems Corporation(1)	Lake Forest, CA	100%	$18,400,000	150,000	$1,830,000	01/2007
Pennsylvania Cellular Telephone Corp.	Harrisburg, PA	100%	$12,291,200	81,859	$1,416,221	11/2007
Pricewaterhouse-Coopers, LLP	Tampa, FL	100%	$21,127,854	130,091	$1,915,741	12/2008
Fairchild Technologies U.S.A., Inc.	Fremont, CA	77.5%	$ 8,900,000	58,424	$ 867,324	11/2004
Cort Furniture Rental Corporation	Fountain Valley, CA	43.7%	$ 6,400,000	52,000	$ 758,964	10/2003
Iomega Corporation	Ogden City, UT	3.7%	$ 5,025,000	108,000	$ 659,868	07/2006
ODS Technologies, L.P. and GAIAM, Inc.	Broomfield, CO	3.7%	$ 8,275,000	51,974	$ 913,908	10/2001
Ohmeda, Inc.	Louisville, CO	3.7%	$10,325,000	106,750	$1,004,520	01/2005
Alstom Power, Inc.	Knoxville, TN	3.7%	$ 7,900,000	87,000	$1,106,520	12/2007
Avaya, Inc.	Oklahoma City, OK	3.7%	$ 5,504,276	55,017	$ 508,383	01/2008

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

Joint Ventures with Affiliates

The Wells Fund VIII-Fund IX-REIT Joint Venture

Wells OP entered into a Joint Venture Agreement 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.

The Quest Building was originally purchased by the Fund VIII-IX Joint Venture in January 1997. On June 9, 2000, the Fund VIII-IX Joint Venture entered into a lease for the Quest Building with Quest Software, Inc. (Quest) and subsequently contributed the Quest Building to the VIII-IX-REIT Joint Venture as its capital contribution at an agreed upon value of $7,612,733. Wells OP is anticipated to contribute a total of approximately $1,250,000 as its capital contribution to the VIII-IX-REIT Joint Venture to fund the necessary tenant improvements required under the lease with Quest, leasing commissions and costs and expenses associated with the transfer of the Quest Building to the VIII-IX-REIT Joint Venture.

The VIII-IX-REIT Joint Venture Agreement provides that all income, loss, profit, net cash flow, resale gain and sale proceeds of the VIII-IX-REIT Joint Venture are to be allocated and distributed between Wells OP, Wells Fund VIII and Wells Fund IX based upon their respective capital contributions to the joint venture. As of December 10, 2000, the joint venture partners of the VIII-IX-REIT Joint Venture had made the following contributions and held the following equity percentage interests:

Joint Venture Partner	Capital Contribution	Equity Interest
Wells OP	$1,230,826	13.9%
Wells Fund VIII	$4,171,778	47.2%
Wells Fund IX	$3,440,955	38.9%

The Wells Fund XII-REIT Joint Venture

Wells Fund XII and Wells OP entered into a Joint Venture Partnership Agreement for the purpose of acquiring, owning, leasing, operating and managing

real properties. The joint venture partnership is 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.

The XII-REIT Joint Venture Agreement provides that all income, loss, profit, net cash flow, resale gain and sale proceeds of the XII-REIT Joint Venture are to be allocated and distributed between Wells OP and Wells Fund XII based upon their respective capital contributions to the joint venture. As of December 10, 2000, the joint venture partners of the XII-REIT Joint Venture had made the following contributions and held the following equity percentage interests:

Joint Venture Partner	Capital Contribution	Equity Interest
Wells OP	$7,096,245	50.00%
Wells Fund XII	$7,096,245	50.00%

The XII-REIT Joint Venture owns the Siemens Building, which is described below.

The Wells Fund XI-Fund XII-REIT Joint Venture

Wells OP entered into an Amended and Restated Joint Venture Partnership Agreement with Wells Fund XI and Wells Fund XII for the purpose of the acquisition, ownership, development, leasing, operation, sale and management of real properties 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.

The XI-XII-REIT Joint Venture Agreement provides that all income, profit, loss, cash flow, resale gain, resale loss and sale proceeds of the XI-XII-REIT Joint Venture will be allocated and distributed among Wells OP, Wells Fund XI and Wells Fund XII based on their respective capital contributions to the joint venture. As of December 10, 2000, the joint venture partners of the XI-XII-REIT Joint Venture had made the following contributions and held the following equity percentage interests:

Joint Venture Partner	Capital Contribution	Equity Interest
Wells OP	$ 17,641,211	56.77%
Wells Fund XI	$ 8,131,351	26.17%
Wells Fund XII	$ 5,300,000	17.06%

The XI-XII-REIT Joint Venture owns the EYBL CarTex Building, the Sprint Building, the Johnson Matthey Building and the Gartner Building, which are described below.

The Fund IX, Fund X, Fund XI and REIT Joint Venture

Wells OP entered into an Amended and Restated Joint Venture Agreement 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) for the purpose of the acquisition, ownership, development, leasing, operation, sale and management

of real properties. The IX-X-XI-REIT Joint Venture, formerly known as Fund IX and X Associates, 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.

The IX-X-XI-REIT Joint Venture Agreement provides that all income, profit, loss, cash flow, resale gain, resale loss and sale proceeds of the IX-X-XI-REIT Joint Venture will be allocated and distributed among Wells OP, Wells Fund IX, Wells Fund X and Wells Fund XI based on their respective capital contributions to the IX-X-XI-REIT Joint Venture. As of December 10, 2000, the joint venture partners of the IX-X-XI-REIT Joint Venture had made the following contributions and held the following equity percentage interests:

Joint Venture Partner	Capital Contribution	Equity Interest
Wells OP	$ 1,421,466	3.74%
Wells Fund IX	$14,833,708	39.00%
Wells Fund X	$18,420,162	48.43%
Wells Fund XI	$ 3,357,436	8.83%

The IX-X-XI-REIT Joint Venture owns the Avaya Building, the Alstom Power Knoxville Building, the Ohmeda Building, the Interlocken Building and the Iomega Building, which are described below.

The Fremont Joint Venture

Wells OP entered into a Joint Venture Agreement 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 real properties, including, but not limited to, the Fairchild Building.

As of December 10, 2000, Wells OP had made total capital contributions to the Fremont Joint Venture of $6,983,110 and held an equity percentage interest in the Fremont Joint Venture of 77.50%, and the Fund X-XI Joint Venture had made total capital contributions to the Fremont Joint Venture of $2,000,000 and held an equity percentage interest in the Fremont Joint Venture of 22.50%.

The Cort Joint Venture

Wells OP entered into a Joint Venture Agreement 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 real properties, including, but not limited to, the Cort Furniture Building.

As of December 10, 2000, Wells OP had made total capital contributions to the Cort Joint Venture of $2,871,430 and held an equity percentage interest in the Cort Joint Venture of 43.67%, and the Fund X-XI Joint Venture made total capital contributions to the Cort Joint Venture of $3,695,000 and held an equity percentage interest in the Cort Joint Venture of 56.33%.

General Provisions of Joint Venture Agreements

Wells OP is acting as the initial Administrative Venturer of the VIII-IX-REIT Joint Venture, the XII-REIT Joint Venture, the XI-XII-REIT Joint Venture, the IX-X-XI-REIT Joint Venture, the Fremont Joint Venture and the Cort Joint

Venture 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 which materially affects these joint ventures or their real property investments.

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.

The Motorola Plainfield Building

The Motorola Plainfield Building is a three-story office building containing approximately 236,710 rentable square feet on a 34.5 acre tract of land. Wells OP purchased the Motorola Plainfield Building on November 1, 2000 for a purchase price of $33,648,156. In consideration for a reduction of the

purchase price and immediate occupancy of the Motorola Plainfield Building, Wells OP agreed to assume a liability in the amount of $424,760 in the form of a rental guaranty from Motorola, Inc. (Motorola) for the remainder of Motorola's previous lease. Construction of the Motorola Plainfield Building was completed in 1976.

The Motorola Plainfield Building is located near Rutgers University in Middlesex County, partially in the Borough of South Plainfield and partially in the Township of Edison.

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

The initial term of the Motorola lease is ten years which commenced on November 1, 2000 and expires on October 31, 2010. Motorola has the right to extend the Motorola lease for two additional five-year periods of time for a base rent equal to the greater of (i) the last year's rent, or (ii) 95% of the then-current "fair market rental rate." The base rent payable for the initial lease term is as follows:

Lease Years	Annual Rent	Monthly Rent
Years 1-5	$ 3,324,428	$ 277,036
Years 6-10	$ 3,557,819	$ 296,485

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, upon giving written notice to Wells OP, Motorola has an expansion right for an additional 143,000 rentable square feet. Upon completion of the expansion, the term of the Motorola lease shall be extended an additional ten 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 ten-year period shall be the greater of (i) the then-current base rent, or (ii) 95% of the then-current "fair market rental rate."

The Quest Building

The Quest Building (formerly the Bake Parkway 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. Construction of the Quest Building was completed in 1984 and the building was refurbished in 1996. 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 and was credited with making a capital contribution to the joint venture in the amount of $7,612,733. (See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources.")

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 has organized their product offerings to target application development and deployment, performance and availability, and information delivery needs of the Oracle and other open systems markets. Quest has grown to more than 1,000 people worldwide and has more than 5,000 installed

customer sites.

The initial term of the lease is 42 months which commenced on June 9, 2000 and expires on December 31, 2003. The base rent payable for the initial six months of the lease was $326,700. 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 Delphi Building

The Delphi Building is a three-story office building containing approximately 107,152 rentable square feet on a 5.52 acre tract of land. Wells OP purchased the Delphi Building on June 29, 2000 for a purchase price of $19,800,000. Construction of the Delphi Building was completed in May 2000.

The Delphi Building is located in Troy, Oakland County, Michigan, in the heart of what is generally called "Automation Alley."

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

The initial term of the Delphi lease is seven years which commenced on May 1, 2000 and expires on April 30, 2007. Delphi LLC has the right to extend the Delphi lease for two additional five-year periods of time at 95% of the then-current fair market rental rate. The base rent payable for the initial lease term is as follows:

Lease Year	Annual Rent	Monthly Rent
Year 1	$ 1,848,372	$ 154,031

Year 2	$ 1,901,948	$ 158,496
Year 3	$ 1,955,524	$ 162,960
Year 4	$ 2,009,100	$ 167,425
Year 5	$ 2,062,676	$ 171,890
Year 6	$ 2,116,252	$ 176,354
Year 7	$ 2,169,828	$ 180,819

The Avnet Building

The Avnet Building is a two-story office building containing approximately 132,070 rentable square feet on a 9.63 acre tract of land located in Tempe, Arizona. Wells OP purchased the Avnet Building on June 12, 2000 for a purchase price of $13,250,000. Construction of the Avnet Building was completed in April 2000.

The Avnet Building is located on a 9.63 acre tract of land within the Arizona State University Research Park. The land upon which the Avnet Building is situated is subject to a long-term ground lease with Price-Elliott Research Park, Inc.

The Avnet 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 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 distributes a variety of computer products to consumers and resellers. Avnet sells products of more than 100 of the world's leading component manufacturers to customers around the world.

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

The base rent payable for the initial lease term is as follows:

Lease Years	Annual Rent	Monthly Rent
Years 1-3	$ 1,516,164	$ 126,347
Years 4-6	$ 1,657,479	$ 138,123
Years 7-10	$ 1,812,000	$ 151,000

Avnet has a right of first refusal to purchase the Avnet Building if Wells OP attempts to sell the Avnet Building during the term of the Avnet lease.

Avnet also has an expansion option which allows Avnet the ability to expand

the Avnet Building during the term of the Avnet lease. Wells OP has the option to undertake the expansion or allow Avnet to undertake the expansion at its own expense, subject to certain terms and conditions.

The Avnet ground lease commenced on April 5, 1999 and expires on September 30, 2083. The ground lease payments required pursuant to the Avnet ground lease are as follows:

Lease Years	Annual Rent
Years 1-10	$ 230,777
Years 11-20	$ 302,108
Years 21-30	$ 390,223
Years 31-40	10% of fair market value of land in year 30
Years 41-50	Rent from year 45 plus 3% per year increase
Years 51-60	Rent from year 55 plus 3% per year increase
Years 61-70	10% of fair market value of land in Year 65
Years 71-85	Rent from year 75 plus 3% per year increase

Wells OP has the right to terminate the Avnet ground lease prior to the expiration of the 30/th/ year.

The Siemens Building

The Siemens Building is a three-story office building containing approximately 77,054 rentable square feet on a 5.3 acre tract of land located in Troy, Michigan. The XII-REIT Joint Venture purchased the Siemens Building on May 10, 2000 for a purchase price of $14,265,000. The Siemens Building is located at 4685 Investment Drive in Troy Michigan in the heart of "Automation Alley."

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

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

Lease Year	Annual Rent	Monthly Rent
Year 1	$ 1,309,918	$ 109,160
Year 2	$ 1,342,281	$ 111,857
Year 3	$ 1,374,643	$ 114,554
Year 4	$ 1,407,006	$ 117,251
Year 5	$ 1,439,369	$ 119,947

Year 6	$ 1,471,731	$ 122,644
Year 7	$ 1,504,094	$ 125,341
Year 8	$ 1,536,457	$ 128,038
Year 9	$ 1,568,819	$ 130,735
Year 10 and first 6 months of Year 11	$ 1,601,182	$ 133,432

Siemens has a one-time right to cancel the Siemens lease effective after the 90th month of the lease term if Siemens (a) provides written notice of such cancellation on or before the last day of the 78th month, and (b) pays a cancellation fee to the XII-REIT Joint Venture currently calculated to be approximately $1,234,160.

The Motorola Tempe Building

The Motorola Tempe Building is a two-story office building containing approximately 133,225 rentable square feet in Tempe, Arizona. Wells OP purchased the Motorola Tempe Building on March 29, 2000 for a purchase price of $16,000,000. Construction of the Motorola Tempe Building was completed in July 1998.

The Motorola Tempe Building is located on a 12.44 acre tract of land at 8075 South River Parkway within the Arizona State University Research Park. The land upon which the Motorola Tempe Building is situated is subject to a long-term ground lease with Price-Elliott Research Park, Inc.

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 initial term of the Motorola lease is seven years which commenced on August 17, 1998 and

expires on August 31, 2005. Motorola has the right to extend the Motorola lease for four additional five-year periods of time at the then-prevailing market rental rate. The rent payable under the Motorola lease, out of which Wells OP will be required to make the ground lease payments described below, is as follows:

Lease Years	Annual Rent	Monthly Rent
Years 1-4	$ 1,843,834	$ 153,653
Years 5-7	$ 2,054,329	$ 171,194

Motorola has an expansion option which allows Motorola the ability to expand the building between 21,000 and 40,000 rentable square feet with additional parking spaces to be constructed by Wells OP. Motorola must exercise its expansion right before August 17, 2001. In the event that Motorola exercises

its expansion option, the rent on the expansion space will be calculated based upon a 10.5% return on costs of the expansion, including construction costs, and Wells OP will be entitled to a development fee in an amount equal to 8% of the cost of the construction of the expansion building shell.

The Motorola ground lease commenced November 19, 1997 and expires on December 31, 2082. The ground lease payments required pursuant to the Motorola ground lease are as follows:

Lease Years	Annual Rent
Years 1-15	$ 243,825
Years 16-25	$ 357,240
Years 26-35	$ 466,015
Years 36-45	10% of Fair Market Value of Land in year 35
Years 46-55	Rent from year 45 plus 3% per year increase
Years 56-65	Rent from year 55 plus 3% per year increase
Years 66-75	10% of Fair Market Value in year 65
Years 76-85	Rent from year 75 plus 3% per year increase

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 ten-year period thereafter.

The ASML Building

The ASML Building is a two-story office and warehouse building containing approximately 95,133 rentable square feet located in Tempe, Arizona. Wells OP purchased the ASML Building on March 29, 2000 for a purchase price of $17,355,000. Construction on the ASML Building was completed in June 1995.

The ASML Building is located on a 9.51 acre tract of land at 8555 South River Parkway within the Arizona State University Research Park. The land upon which the ASML Building is situated is subject to a long-term ground lease with Price-Elliott Research Park, Inc.

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 is 24% owned by Philips Electronics and has

strategic partnerships with a number of major companies including Lucent Technologies, Applied Materials, Samsung, Hyundai and Motorola.

The initial term of the ASML lease is 15 years which commenced on June 4, 1998 and expires on June 30, 2013. The base rent payable for the ASML Building, out of which Wells OP will be required to make the ground lease payments described below, is as follows:

Lease Years	Annual Rent	Monthly Rent
Years 1-5	$ 1,927,788	$ 160,649
Years 6-10	$ 2,130,124	$ 177,510
Years 11-15	$ 2,354,021	$ 196,168

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 ten years from the date of such expansion.

The ASML ground lease commenced on August 22, 1997 and expires on December 31, 2082. The ground lease payments required pursuant to the ASML ground lease are as follows:

Lease Years	Annual Rent
Years 1-15	$ 186,368
Years 16-25	$ 273,340
Years 26-35	$ 356,170
Years 36-45	10% of Fair Market Value of Land in year 35
Years 46-55	Rent from year 45 plus 3% per year increase
Years 56-65	Rent from year 55 plus 3% per year increase
Years 66-75	10% of Fair Market Value in Year 65
Years 76-85	Rent from year 75 plus 3% per year increase

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 ten-year period thereafter.

The Dial Building

The Dial Building is a two-story office building containing approximately 129,689 rentable square feet located in Scottsdale, Arizona. Wells OP purchased the Dial Building on March 29, 2000 for a purchase price of $14,250,000. Construction of the Dial Building was completed in 1997.

The Dial Building is located at 15501 N. Dial Boulevard within the Scottsdale Airpark Development in the City of Scottsdale which is eight miles northeast of the center of Phoenix and is an integral part of metropolitan Phoenix.

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.

The initial term of the Dial lease is 11 years which commenced on August 14, 1997 and expires on August 31, 2008. Dial has the right to extend the Dial lease for two additional five-year periods of time at 95% of the then-current fair market rental rate. The annual rent payable for the initial term of the Dial lease is $1,387,672.

The Metris Building

The Metris Building is a three-story office building containing approximately 101,100 rentable square feet located in Tulsa, Oklahoma. Wells OP purchased the Metris Building on February 11, 2000 for a purchase price of $12,740,000. Construction of the Metris Building was completed on January 14, 2000.

The Metris Building is located on a 14.6 acre tract of land located at 4848 South 129th East Avenue in the Silos Corporate Center, a prominent 126 acre mixed-use park owned by State Farm Insurance Companies. The site is about 11 miles southeast of the Tulsa Commercial Business District and is bordered by the Broken Arrow Expressway, the primary east-west thoroughfare linking the suburb of Broken Arrow to downtown Tulsa.

Wells OP borrowed $8,000,000 from an existing revolving credit facility (Metris Loan) at the time it purchased the Metris Building. The Metris Loan, which is more particularly described in the "Real Estate Loans" section of this prospectus, is secured by a first mortgage against the Metris Building.

The Metris Building is leased to Metris Direct, Inc. (Metris). Metris is a principal subsidiary of Metris Companies Inc. (Metris Companies), a publicly traded company on the New York Stock Exchange and guarantor of 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. The company's customers and prospects include individuals for whom credit bureau information is available and existing customers of a former affiliate, Fingerhut Corporation.

The initial term of the Metris lease is ten years which commenced on February 1, 2000 and expires on January 31, 2010. Metris has the right to extend the Metris lease for two additional five-year periods of time. The base rent payable for the Metris lease is as follows:

Lease Years	Annual Rent	Monthly Rent
Years 1-5	$1,187,925	$ 98,994
Years 6-10	$1,306,718	$108,893

The monthly base rent payable for the renewal terms of the Metris lease shall be equal to the then-current market rate based on the then existing rates for comparable space of equivalent quality in suburban Tulsa, Oklahoma taking into account location, quality, age of the office building, size of premises and any other relevant term or condition in making such fair market value rental rate determination as of 12 months prior to commencement of the renewal term. If the parties are unable to agree upon the market rate within 11 months prior to commencement of the renewal term, the market rate shall then be determined by arbitration.

The Cinemark Building

The Cinemark Building is a five-story office building containing approximately 118,108 rentable square feet located in Plano, Texas. Wells OP

purchased the Cinemark Building on December 21, 1999 for a purchase price of $21,800,000. Construction of the Cinemark Building was completed in September 1999.

The Cinemark Building is located on a 3.52-acre tract of land located at 3900 Dallas Parkway in Plano, Texas. The site is in a good location with quick access to and visibility from the toll road. The City of Plano is located approximately 20 miles north of downtown Dallas and is the largest city in Collin County with a population of nearly 200,000 people.

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 66,024 rentable square feet of the Cinemark Building, and The Coca-Cola Company (Coca-Cola) occupies the remaining 52,084 rentable square feet of the Cinemark Building.

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

The initial term of the Cinemark lease is ten years which commenced on December 21, 1999 and expires on December 20, 2009. Cinemark has the right to extend the Cinemark lease for two additional five-year periods of time. The base rent payable for the Cinemark lease and first renewal term is as follows:

Lease Years	Annual Rent	Monthly Rent
Years 1-7	$1,366,491	$113,874
Years 8-10	$1,481,738	$123,478
Years 11-15	$1,567,349	$130,612

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 based on the then existing rates for comparable space of equivalent quality in Plano, Texas taking into account location, quality, age of the office building, size of premises and any other relevant term or condition in making such fair market value rental rate determination. If the parties are unable to agree upon the market rate within 15 business days after receipt of the renewal notice, each party shall appoint a real estate appraiser to determine the market rate. If the two appraisers cannot agree upon the market rate within 15 days of the commencement of their deliberation, they shall appoint a third appraiser. The market rate shall then be determined by the agreement of any two of the appraisers or the average of the two closest rates if two appraisers cannot agree.

Cinemark shall have a right of first refusal to lease any of the remaining rentable area of the Cinemark Building which subsequently becomes vacant and in which Wells OP receives or makes an acceptable offer or proposal to lease such vacant space to a bona fide third party. Wells OP shall offer to Cinemark in writing the right to include the vacant space under its lease at the rental rate set forth in the third party offer. Cinemark shall then have 15 days to exercise this right of first refusal.

Coca-Cola is the global soft-drink industry leader with world headquarters in Atlanta, Georgia. Coca-Cola manufactures and sells syrups, concentrates and

beverage bases for Coca-Cola, the company's flagship brand, and over 160 other soft drink brands in nearly 200 countries around the world.

The initial term of the Coca-Cola lease is seven years which commenced on December 1, 1999 and expires on November 30, 2006. The base rent payable for the remainder of the Coca-Cola lease term is as follows:

Lease Year	Annual Rent	Monthly Rent
Year 2	$1,302,100	$108,508
Year 3	$1,354,184	$112,848
Year 4	$1,406,268	$117,189
Year 5	$1,458,352	$121,529
Year 6	$1,510,436	$125,870
Year 7	$1,562,520	$130,210

Coca-Cola has the right to extend the lease for two additional five-year periods of time upon 240 days advance notice prior to the end of the term. Within 30 days of the delivery of the renewal notice by Coca-Cola, Wells OP shall deliver a rental notice to Coca-Cola stating the base rent payable during the renewal term, which base rent shall be based upon the prevailing rental rates for space of similar quality, size, utility, location, length of renewal term and credit standing of the tenant. Coca-Cola must then notify Wells OP of its intent to renew the lease on such terms within 30 days of delivery of the rental notice by Wells OP.

The Gartner Building

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

The site is a 4.9 acre tract of land within the Gateway development at 12600 Gateway Boulevard. Gateway is a mixed-use development with over 3,000 acres planned for residential purposes and over 800 acres planned for commercial purposes. Sony Electronics and Ford Motor Credit Company are two of the commercial tenants in this development.

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, which was founded in 1979, is one of the world's leading independent providers of research and analysis related to information and technology solutions. Gartner serves as a consultant to business clients for their information technology purchasing decisions. Gartner has over 80 locations worldwide and over 12,000 clients.

The initial term of the Gartner lease is ten years which commenced on February 1, 1998 and expires on January 31, 2008. Gartner has the right to extend the lease for two additional five-year periods of time. The base rent payable for the remainder of the lease term is as follows:

Lease Year	Annual Rent	Monthly Rent
Year 3	$790,642	$65,887

Year 4	$810,408	$67,534
Year 5	$830,668	$69,222
Year 6	$851,435	$70,953
Year 7	$872,721	$72,727
Year 8	$894,539	$74,545
Year 9	$916,902	$76,409
Year 10	$939,825	$78,319

The monthly base rent payable for each extended term of the lease will be equal to the lesser of (i) the prior rate increased by 2.5%, or (ii) 95% of the then-current market rate which is calculated as a full-service rental rate less anticipated annual operating expenses on a rentable square foot basis charged for space of comparable location, size and conditions in comparable office buildings in the Fort Myers area.

Gartner also has two expansion options for additional buildings under the Gartner lease. The two option plans are described in the lease as the "Small Option Building" and the "Large Option Building".

The "Small Option Building" and the "Large Option Building" expansion options allow Gartner the ability to expand into separate, free standing facilities of 30,000 to 32,000 rentable square feet and 60,000 to 75,000 rentable square feet, respectively. Gartner may exercise its rights for either expansion option by providing notice in writing to the joint venture on or before February 15, 2002. In the event that Gartner exercises either expansion option, the parties shall enter into a separate lease within 30 days of such notice by Gartner with a guaranteed ten year lease term and yearly base rent to be determined by mutual agreement of the parties.

The Marconi Building

The Marconi Building (formerly known as the Videojet Building) is a two-story office, assembly and manufacturing building containing approximately 250,354 rentable square located in Wood Dale, Illinois. Wells OP purchased the Marconi Building on September 10, 1999 for a purchase price of $32,630,940. Construction of the Marconi Building was completed in 1991.

The site is a 15.3 acre tract of land located within the Chancellory Business Park which is adjacent to the western entrance to O'Hare International Airport. The site is also situated very convenient to most of Chicago's major interstates, including the Elgin/O'Hare Expressway which, when finished, will extend along Thorndale Road adjacent to the main entrance to the Chancellory Business Park. The Chancellory Business Park consists of good quality office, manufacturing and warehouse buildings mostly occupied by national tenants such as Sony, Mitsubishi, NEC Minolta and United Airlines.

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

The Marconi Building is leased to Marconi Data Systems, Inc. (formerly known as Videojet Systems International, Inc. until a December 1999 name change). Marconi Data Systems, Inc. (Marconi) is the world's leading producer of state-of-the-art industrial ink jet marking and coding products. Marconi manufactures and distributes industrial ink jet printers, digital imaging systems, laser coding systems, inks and fluids to customers worldwide. The

Marconi lease is guaranteed by GEC Incorporated, a Delaware corporation which is a wholly-owned subsidiary of Marconi, p.l.c. (formerly known as General Electric Company, p.l.c.), a publicly traded United Kingdom corporation that ranks among the largest electronic system and equipment manufacturers in the world.

The initial term of the Marconi lease is 20 years which commenced in November 1991 and expires in November 2011. Marconi has the right to extend the Marconi lease for one additional five-year period of time. The base rent payable for the remainder of the lease term is as follows:

Lease Years	Annual Rent	Monthly Rent
Year 9-10	$2,838,952	$236,579
Years 11-20	$3,376,746	$281,396
Extension Term	$4,667,439	$388,953

The Johnson Matthey Building

The Johnson Matthey Building is a 130,000 square foot research and development, office and warehouse 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 was first constructed in 1973 as a multi-tenant facility and it was subsequently converted into a single-tenant facility in 1998.

The site consists of a 10.0 acre tract of land located at 434-436 Devon Park Drive in Tredyffrin Township, Chester County, Pennsylvania. The site is located along the Route 202 "high tech" corridor close to King of Prussia and is considered a suburb of Philadelphia. The site is within five minutes of Route 422, the Pennsylvania Turnpike and Interstate 76.

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 applies the latest technology to add value to precious metals and other specialized materials. 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 is one of the parent company's primary operating companies in the U.S. and includes the Catalytic Systems Division (CSD). The CSD is the world's leading supplier of catalytic converters for automotive exhaust emission and air pollution control. In addition, Johnson Matthey is the largest U.S. supplier of diesel catalytic converters, which enable customers to meet constantly tightening regulatory requirements.

The lease term of the Johnson Matthey lease is ten years which commenced in July 1998 and expires in June 2007. Johnson Matthey has the right to extend the lease for two additional three-year periods of time. The base rent payable under the Johnson Matthey lease for the remainder of the lease term is as follows:

Lease Year	Annual Rent	Monthly Rent
Year 3	$789,750	$65,813
Year 4	$809,250	$67,438
Year 5	$828,750	$69,063

Year 6	$854,750	$71,229
Year 7	$874,250	$72,854
Year 8	$897,000	$74,750
Year 9	$916,500	$76,375
Year 10	$939,250	$78,271

The monthly base rent payable for each extension term will be equal to the fair market rent taking into consideration rental rates for comparable industrial and research and development properties in the local market area. If the parties cannot agree upon the fair market rent, the matter shall be submitted to arbitration.

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 XI-XII-REIT Joint Venture must give Johnson Matthey written notice of its intent to sell the Johnson Matthey Building, and Johnson Matthey will have ten days from the date of such notice to provide written notice of its intent to purchase the building. If Johnson Matthey exercises its right of first refusal, it must purchase the Johnson Matthey Building on the same terms contained in the offer.

The Alstom Power Richmond Building

The Alstom Power Richmond Building (formerly known as the ABB Richmond Building) is a four-story brick office building containing 102,000 gross square feet located in Midlothian, Virginia. 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. Wells LLC - VA completed construction of the Alstom Power Richmond Building in July 2000 at an aggregate cost of approximately $11,400,000, including the cost of the land.

The Alstom Power Richmond Building is part of a 250-acre office park in the Clover Hill District of Chesterfield County, one of the fastest growing counties in Virginia. Midlothian is located approximately nine miles southwest of the Richmond central business district.

Wells OP originally obtained a construction loan from SouthTrust Bank, N.A. 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 recently 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. (ABB Power) and ABB Alstom Power, Inc. As of June 22, 2000, ABB Alstom Power, Inc. changed its name to Alstom Power, Inc. ABB Power was a subsidiary of Asea Brown Boveri, Inc., a large multi-national engineering and construction company headquartered in Switzerland.

The initial term of the Alstom Power Richmond lease is seven years which commenced on July 24, 2000 and expires on July 23, 2007. Alstom Power has the right to extend the lease for two additional five-year periods of time. Each extension option must be exercised by giving notice to the landlord at least 12 months prior to the expiration of the then-current lease term. The base rent payable under the Alstom Power lease will be as follows:

Lease Year	Annual Rent	Monthly Rent
Year 1	$1,183,731	$ 98,644
Year 2	$1,213,324	$101,110
Year 3	$1,243,657	$103,638
Year 4	$1,274,748	$106,229
Year 5	$1,306,618	$108,885
Year 6	$1,339,283	$111,607
Year 7	$1,372,765	$114,397

The monthly base rent payable for each extended term of the Alstom Power lease will be equal to the "Market Rate" for new leases of office space in that portion of the Richmond, Virginia market that is located south of the James River and west of I-95 for space similar to the premises. In the event the

parties are unable to agree upon the Market Rate, then each party shall appoint a real estate appraiser. If the appraisers are unable to agree upon the Market Rate, they shall appoint a third appraiser and each shall make a determination of the Market Rate. The appraisal that is farthest from the middle appraisal shall be disregarded and the remaining two appraisals shall be averaged to establish the Market Rate.

Alstom Power has a one-time option to terminate the Alstom Power Richmond lease as to a portion of the premises containing between 12,500 and 13,000 rentable square feet as of the third anniversary of the rental commencement date. If Alstom Power elects to exercise this termination option, Alstom Power is required to pay a termination fee equal to eight 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 a rate of ten percent (10%) per annum. Alstom Power must give notice of its intent to exercise such option to terminate at least seven months in advance of the third anniversary; provided, however, that Alstom Power may pay a penalty, as stipulated in the lease, to provide less than seven months notice.

In the event that Alstom Power exercises its termination option as of the third anniversary of the rental commencement date, Alstom Power has a one-time option to terminate the Alstom Power Richmond lease as to a portion of the premises containing between 12,500 and 13,000 rentable square feet as of the fifth anniversary of the rental commencement date. If Alstom Power elects to exercise this termination option, Alstom Power is 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 a rate of ten percent (10%) per annum. Alstom Power must give notice of its intent to exercise such option to terminate at least seven months in advance of the fifth anniversary; provided, however, that Alstom Power may pay a penalty, as stipulated in the lease, to provide less than seven months notice.

In the event that Alstom Power does not exercise its termination option as of the third anniversary of the rental commencement date, 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. If Alstom Power elects to

exercise this termination option, Alstom Power is 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 a rate of ten percent (10%) per annum. Alstom Power must give notice of its intent to exercise such option to terminate at least nine months in advance of the fifth anniversary; provided, however, that Alstom Power may pay a penalty, as stipulated in the lease, to provide less than nine months notice.

The Sprint Building

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

The Sprint Building is located on a 7.1 acre tract of land located adjacent to the Leawood Country Club in Leawood, Kansas near the affluent Overland Park suburb of Kansas City. The site is within walking distance of Ward Parkway Mall and is convenient to downtown Kansas City and I-435, the interstate loop around Kansas City.

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 provides domestic and international voice, video and data communications services as well as integration management and support services for computer networks.

The initial term of the Sprint lease is ten years which commenced on May 19, 1997 and expires in May 2007, subject to Sprint's right to extend the lease for two additional five year periods of time. The annual base rent payable under the Sprint lease is $999,048 through May 18, 2002, and $1,102,404 for the remainder of the lease term. The monthly base rent payable for each extended term of the Sprint lease will be equal to 95% of the then-current market rate for comparable office buildings in the suburban south Kansas City, Missouri and south Johnson County, Kansas areas. If the parties are unable to agree upon the current market rate within 30 days of the date negotiations begin, the current market rate shall be determined by three licensed real estate brokers, one of which will be selected by Sprint, one of which will be selected by the XI-XII-REIT Joint Venture and the final appraiser will be selected by the two appraisers previously selected.

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 which may be exercised in two expansion phases. Sprint's expansion rights involve building on unfinished ground level space that is currently used as covered parking within the existing building footprint and shell. At each exercise of an expansion option, the remaining lease term will be extended to be a minimum of an additional five years from the date of the completion of such expansion space.

Sprint must give written notice to the XI-XII-REIT Joint Venture of its election to exercise each expansion option at least 270 days prior to the date Sprint will require delivery of the expansion space.

If Sprint exercises either 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.

The base rental per square foot for the expansion space shall be determined by the XI-XII-REIT Joint Venture taking into consideration the value of the joint venture's work related to such expansion space and the base rental rate increase per square foot applicable at the end of year five of the lease term. The expansion space base rental rate shall be presented to Sprint no later than 45 days after delivery to the XI-XII-REIT Joint Venture of each expansion notice. In no event shall such rental rate be greater than the base rental rate for the Sprint Building as of the date of the expansion space commencement date.

The EYBL CarTex Building

The EYBL CarTex Building is a manufacturing and office building consisting of a total of 169,510 square feet located in Greenville, South Carolina. The XI-XII-REIT Joint Venture purchased the EYBL CarTex Building on May 18, 1999 for a purchase price of $5,085,000. Construction of the EYBL CarTex Building was originally completed in the early 1980s and an addition was completed in 1989.

The EYBL CarTex Building is located on an 11.9 acre tract of land at 111 SouthChase Boulevard in the SouthChase Industrial Park, which is located adjacent to I-385 in southwest Greenville, South Carolina.

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

The initial term of the EYBL CarTex lease is ten years which commenced on March 1, 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 base rent payable under the EYBL CarTex lease for the remainder of the lease term shall be as follows:

Lease Years	Annual Rent	Monthly Rent
Years 3-4	$508,530	$42,378
Years 5-6	$550,908	$45,909
Years 7-8	$593,285	$49,440
Years 9-10	$610,236	$50,853

The monthly base rent payable for each extended term of the lease will be equal to the fair market rent as submitted by the landlord. If the tenant does not agree to the proposed rent by the landlord for the extension term, tenant may require the fair market rent be determined by three appraisers, one of which will be selected by the tenant, one by the landlord and the final appraiser shall be selected by the first two appraisers.

Under the lease, 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. Within 30 days after landlord receives notice of tenant's intent to exercise its purchase option, landlord shall submit a proposed purchase price for the EYBL CarTex Building based upon its good faith

estimate of the fair market value of the building. If tenant does not agree to the purchase price, tenant may require that the purchase price be established by three appraisers, one of which will be selected by the tenant, one of which will be selected by the landlord and the final appraiser shall be selected by the first two appraisers. In no event, however, will the purchase price under the purchase option be less than $5,500,000.

The Matsushita Building

The Matsushita Building is a two-story office building containing 150,000 rentable square feet. Wells OP purchased an 8.8 acre tract of land on March 15, 1999, for a purchase price of $4,450,230. Wells OP completed construction of the Matsushita Building on January 4, 2000 at an aggregate cost of approximately $18,400,000, including the cost of the land.

The site is located in the Pacific Commercentre, which is a 33 acre master-planned business park positioned near the Irvine Spectrum in the heart of Southern California's Technology Coast. Pacific Commercentre is a nine building complex featuring office, technology, and light manufacturing uses, and is located in the city of Lake Forest in southern Orange County.

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 Avionics manufactures and sells audio-visual products to the airline industry for passenger use in airplanes. Matsushita Electric is a wholly-owned subsidiary of

Matsushita Electric Industrial Co., Ltd. (Matsushita Industrial), a Japanese company which is the world's largest consumer electronics manufacturer. Matsushita Electric has guaranteed the obligations of Matsushita Avionics under the Matsushita lease.

The initial term of the Matsushita lease is seven years which commenced on January 4, 2000 and expires in January 2007. Matsushita Avionics has the option to extend the initial term of the Matsushita lease for two successive five-year periods. Each extension option must be exercised not more than 19 months and not less than 15 months prior to the expiration of the then-current lease term. The base rent payable under the Matsushita lease shall be as follows:

Lease Years	Annual Rent	Monthly Rent
Years 1-2	$1,830,000	$152,500
Years 3-4	$1,947,120	$162,260
Years 5-6	$2,064,240	$172,020
Year 7	$2,181,360	$181,780

The monthly base rent payable during the option term shall be 95% of the stated rental rate at which, as of the commencement of the option term, tenants are leasing non-expansion, non-affiliated, non-sublease, non-encumbered, non-equity space comparable in size, location and quality to the Matsushita project for a term of five years in the Lake Forest and Irvine area of Southern California. The monthly base rent during the option term shall be adjusted upward during the option term at the beginning of the 24th and 48th month of each option term by an amount equal to 6% of the monthly base rent payable immediately preceding such period. Within 30 days of tenant providing written notice of its intent to exercise a renewal option, Wells OP shall deliver to Matsushita Avionics notice containing the proposed rent for the option term. If, after reasonable good faith efforts, landlord and tenant are unable to agree

upon the option rent before the 13th month prior to the expiration of the appropriate lease term, option rent shall be determined by arbitration.

The AT&T Building

The AT&T Building (formerly known as the Vanguard Cellular Building) is a four-story office building containing approximately 81,859 rentable square feet located in Harrisburg, Pennsylvania. Wells OP purchased the AT&T Building on February 4, 1999 for a purchase price of $12,291,200. Construction of the AT&T Building was completed in November 1998.

The AT&T Building is located on 10.5 acres of land in Commerce Park, which is located in the Lower Paxton Township, a planned business park, at the intersection of Progress Avenue and Interstate Drive just off of the Progress Avenue exit of Interstate 81.

Wells OP obtained a loan from Bank of America, N.A. (BOA Loan) in connection with its original purchase of the AT&T Building. The BOA Loan, which is more particularly described in the "Real Estate Loans" section of this prospectus, is secured in part by a first priority mortgage against the AT&T Building.

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

Cellular operates primarily in suburban and rural areas that are close in proximity to major urban areas, which it believes affords several advantages over its traditional urban competitors, including (1) greater network capacity, (2) greater roaming revenue opportunities, (3) lower distribution costs, and (4) higher barriers to entry by competitors.

On May 3, 1999, Vanguard Cellular was merged with and became a wholly-owned subsidiary of AT&T Corp.

The initial term of the Vanguard Cellular lease is ten years which commenced on November 16, 1998 and expires in November 2007. Vanguard has the option to extend the initial term of the Vanguard Cellular lease for three additional five-year periods and one additional four year and 11-month period. 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 following table summarizes the annual base rent payable during the remainder of the initial term of the Vanguard Cellular lease:

Lease Year	Annual Rent	Monthly Rent
Year 3	$1,416,221	$118,018
Year 4	$1,442,116	$120,176
Year 5	$1,468,529	$122,377
Year 6	$1,374,011	$114,501
Year 7	$1,401,491	$116,791
Year 8	$1,429,521	$119,127

Year 9	$1,458,111	$121,509
Year 10	$1,487,274	$123,939

The annual base rent for each extended term under the lease will be equal to 93% of the "fair market rent" determined either (1) as agreed upon by the parties, or (2) as determined by appraisal pursuant to the terms and conditions of the Vanguard Cellular lease. 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. If the fair market rent is to be determined by appraisal, both the landlord and the tenant shall designate an independent appraiser, and both appraisers shall mutually designate a third appraiser. After their appointment, the appraisers shall determine the fair market rent and the fair market escalator by submitting independent appraisals. The fair market rent and fair market escalator shall be deemed to be the middle appraisal of the three submitted.

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

Within 60 days after Wells OP's receipt of the expansion notice, Wells OP shall consult with Pennsylvania Telephone concerning Pennsylvania Telephone's specific requirements with regard to the expansion improvements and, within such 60 day period, Wells OP shall notify Pennsylvania Telephone in writing of the total estimated expansion costs to be incurred in planning and constructing the expansion improvements. Within 60 days after Pennsylvania Telephone receives Wells OP's written notification of the costs for the expansion improvements, Pennsylvania Telephone shall notify Wells OP in writing either (1) that Pennsylvania Telephone authorizes Wells OP to proceed with the construction of the expansion improvements, (2) that Pennsylvania Telephone intends to submit revised specifications within 60 days to

reduce the estimated costs of the expansion improvements to an amount satisfactory to Pennsylvania Telephone, or (3) that Pennsylvania Telephone elects not to expand the premises. If Pennsylvania Telephone fails to deliver its notice to proceed within the above mentioned 60 day period, then Pennsylvania Telephone shall be deemed to have elected not to expand.

If Pennsylvania Telephone delivers its notice to proceed with the expansion improvements, Pennsylvania Telephone shall be deemed to have exercised its option for such full or partial renewal terms such that, as of the date of substantial completion of the expansion improvements, the remaining lease term shall be ten years from such date of substantial completion. Pennsylvania Telephone shall continue to have the right to exercise its option for any of the renewal terms discussed above which remain beyond the ten year additional term; provided that, if the remaining portion of a renewal term after the ten year extension shall be less than one year, then the ten year term shall be further extended to include the remaining portion of the renewal term which is less than one year.

The annual base rent for the expansion improvements for the first 12 months shall be equal to the product of (a) the expansion costs, multiplied by (b) a factor of 1.07, multiplied by (c) the greater of (X) 10.50%, or (Y) an annual interest rate equal to 375 basis points in excess of the ten-year United States Treasury Note Rate then most recently announced by the United States Treasury as

of the commencement date of the expansion improvements. Thereafter, the annual base rent for the expansion improvements shall be increased annually by the lesser of (1) 5%, or (2) 75% of the percentage by which the United States, Bureau of Labor Statistics, Consumer Price Index for All Items - All Urban Wage Earners and Clerical Workers for the Philadelphia Area published nearest to the expiration date of each 12 month period subsequent to the expansion commencement date is greater than the CPI Index most recently published prior to the commencement date.

The PwC Building

The PwC Building is a four-story office building containing approximately 130,090 rentable square feet located in Tampa, Florida. Wells OP purchased the PwC Building on December 31, 1998 for a purchase price of $21,127,854. Construction of the PwC Building was completed in 1998.

The PwC Building is located on approximately 9.0 acres of land located in Sunforest Business Park between Eisenhower Boulevard and George Road approximately 1,250 feet south of West Hillsborough Avenue. The Sunforest Business Park is located in the Westshore Business District, which is a suburban business center surrounding Tampa International Airport.

Wells OP purchased the PwC Building subject to a loan from SouthTrust Bank, N.A. (SouthTrust Loan). 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. These services include audit, accounting and tax advice; management, information technology and human resource consulting; financial advisory services including mergers and acquisitions, business recovery, project finance and litigation support; business process outsourcing services; and legal advice through a global network of affiliated law firms. PwC employs more than 140,000 people in 152 countries.

The initial term of the PwC lease is ten years which commenced on December 28, 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 $1,973,213 ($15.17 per square foot) payable in equal monthly installments of $164,434 during 2000. The base rent escalates at the rate of 3%

per year throughout the ten year lease term. In addition, PwC is required to pay a "reserve" of $13,009 ($.10 per square foot) as additional rent.

The annual base rent for each renewal term under the lease will be equal to the greater of (a) 90% of the "market rent rate" for such space multiplied by the rentable area of the leased premises, or (b) 100% of the base rent paid during the last lease year of the initial term, or the then-current renewal term, as the case may be. If the base rent for the first lease year under the renewal term is determined pursuant to clause (a) above, then the base rent for each lease year of such renewal term after the first lease year shall be 103% of the base rent for the immediately preceding lease year. If the base rent for the first lease year of a renewal term is determined pursuant to clause (b) above, then there shall be no escalation of the base rent until such time that the total base rent paid during the renewal term is equal to the total base rent that would have been paid during such renewal term if the base rent had been determined pursuant to clause (a) above; and thereafter, the base rent for each subsequent lease year of such renewal term shall be 103% of the base rent for the immediately preceding lease year.

The "market rent rate" under the PwC lease shall be determined by agreement of the parties within 30 days after the date on which PwC delivers its notice of

renewal. If Wells OP and PwC are unable to reach agreement on the market rent rate within said 30 day period, then each party shall simultaneously submit to the other in a sealed envelope its good faith estimate of the market rent rate within seven days of expiration of the 30 day period. If the higher of such estimates is not more than 105% of the lower of such estimates then the market rent rate shall be the average of the two estimates. Otherwise, within five days either party may request in writing to resolve the dispute by arbitration. The "market rate rent" shall be based upon the fair market rent then being charged by landlords under new leases of office space in the Westshore Business District for similar space in a building of comparable quality with comparable amenities.

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 by delivering written notice to Wells OP at any time between the 60th day after the rental commencement date and the expiration of the initial term of the lease. If PwC for any reason fails to deliver the expansion notice on or prior to the last day of the initial term, the expansion option shall automatically expire. Upon PwC's delivery of the expansion notice and commencement of construction of the improvements by Wells OP, the term of the lease shall automatically be extended for an additional period of ten years from the date of substantial completion of the expansion building, without further action by either PwC or Wells OP. During the first five lease years of the initial term, Wells OP shall be obligated to construct the expansion building if PwC delivers the expansion notice. Wells OP and PwC have agreed that Wells OP shall not be required to construct the expansion building, however, if PwC delivers the expansion notice after the end of the fifth lease year and, following delivery of such expansion notice, Wells OP determines not to construct the expansion building based upon the base rent it would receive for the expansion building. If Wells OP notifies PwC in writing of such determination within 30 days after Wells OP's receipt of the expansion notice, PwC shall have the right to exercise its option to purchase the PwC building.

If PwC elects to exercise its expansion option, in addition to the construction of a second building which is of a quality equal to or better than the PwC building, 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. Wells OP agrees to fund the cost of the design, development and construction of the expansion building up to a maximum of $150.00 per square foot of rentable area, as increased by increases in the Consumer Price Index between the rental commencement

date and the date of expansion notice. PwC shall be responsible for the payment of any costs of the expansion building in excess of the maximum expansion cost.

The base rent per square foot of rentable area payable for the expansion building in the first lease year of such building shall be an amount equal to the product of (a) the expansion building cost per square foot of rentable area multiplied by (b) the sum of 300 basis points plus the weekly average yield on United States Treasury Obligations, amortized on an annual basis over a period of 20 years. The base rent for each subsequent lease year shall be 103% of the base rent for the immediately preceding lease year.

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. The purchase price for the PwC Building pursuant to the purchase option shall be equal to (a) the average of the monthly base rent for each month remaining in

the initial term as of the closing date on the Purchase Option multiplied by 12, and (b) such average annual base rent shall be multiplied by 11.

The Fairchild Building

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

The Fairchild Building is located on approximately 3 acres at 47320 Kato Road on the corner of Kato Road and Auburn Road in the City of Fremont, 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. The semiconductor equipment group recently unveiled a new line of semiconductor wafer processing equipment which will provide alternatives to the traditional semiconductor chip production methods.

Fairchild is a wholly-owned subsidiary of the Fairchild Corporation (Fairchild Corp). Fairchild Corp is the largest aerospace fastener and fastening system manufacturer and is one of the largest independent aerospace parts distributors in the world. Fairchild Corp is a leading supplier to aircraft manufacturers such as Boeing, Airbus, Lockheed Martin, British Aerospace and Bombardier and to airlines such as Delta Airlines and U.S. Airways. The obligations of Fairchild under the Fairchild lease are guaranteed by Fairchild Corp.

The initial term of the Fairchild lease is seven years which commenced on December 1, 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 payable under the remainder of the Fairchild lease is as follows:

Year	Annual Rent	Monthly Rent
Year 4	$867,324	$72,277
Year 5	$893,340	$74,445
Year 6	$920,136	$76,678
Year 7	$947,736	$78,978

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. If Fairchild and the Fremont Joint Venture are unable to agree upon the fair rental value for the extended lease term, each party shall select an appraiser and the two appraisers shall establish the rent by agreement.

The Cort Furniture Building

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

The Cort Furniture Building is located on two parcels of land totaling

approximately 3.6 acres at 10700 Spencer Street on the southeast corner of Spencer Avenue and Mt. Langley Street adjacent on the south side to Interstate 405.

The Cort Furniture Building is leased to Cort Furniture Rental Corporation (Cort). Cort uses the Cort Furniture Building as its regional corporate headquarters with an attached clearance showroom and warehouse storage areas. Cort is a wholly-owned subsidiary of Cort Business Services Corporation, a New York Stock Exchange Company trading under the symbol CBZ (Cort Business Services). Cort Business Services is the largest and only national provider of high-quality office and residential rental furniture and related accessories. Cort Business Services has operations that cover 32 states and the District of Columbia and includes 119 rental showrooms. The obligations of Cort under the Cort Furniture lease are guaranteed by Cort Business Services.

The initial term of the Cort lease is 15 years which commenced on November 1, 1988 and expires in October 2003. Cort has an option to extend the Cort lease for an additional five-year period of time. The annual base rent payable under the Cort lease is $758,964 through April 30, 2001 at which time the annual base rent will be increased 10% to $834,888 for the remainder of the lease term. The monthly base rent during the first year of the extended term shall be 90% of the then-fair market rental value of the Cort Furniture Building, but will be no less than the rent in the 15th year of the Cort lease. If Cort and the Cort Joint Venture are unable to agree upon a fair rental value for the extended lease term, each party shall select an appraiser and the two appraisers shall provide appraisals on the Cort Furniture Building. If the appraisal values established are within 10% of each other, the average of such appraised value shall be the fair market rental value. If said appraisals are varied by more than 10%, the two appraisers shall appoint a third appraiser and the middle appraisal of the three shall be the fair rental value.

The Iomega Building

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

The Iomega Building is located on an approximately 8.0 acre tract of land at 2976 South Commerce Way in the Ogden Commercial and Industrial Park, which is one mile north of Roy City, one mile northwest of Riverdale City and three miles southwest of the Ogden central business district.

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

The initial term of the Iomega lease is ten years which commenced on August 1, 1996 and expires in July 2006. In March 1999, the IX-X-XI-REIT Joint Venture acquired an adjacent parcel of land and constructed additional parking at the site at an aggregate cost of $874,625. As a result, Iomega increased its monthly base rent and extended the term of its lease until April 30, 2009. The Iomega lease contains no further extension provisions. Iomega's world headquarters are located within one mile of the Iomega Building. The annual base rent payable under the Iomega lease is $659,868. 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 Interlocken Building

The Interlocken Building is a three-story multi-tenant office building with 51,974 rentable square feet located in Broomfield, Colorado. The IX-X-XI-REIT Joint Venture purchased the Interlocken Building on March 20, 1998 for a purchase price of $8,275,000. Construction of the Interlocken Building was completed in December 1996.

The Interlocken Building is located on a 5.1 acre tract of land in the Interlocken Business Park on Highway 36, the Boulder-Denver Turnpike, which is the main thoroughfare between Boulder and Denver. The Interlocken Building is located approximately eight miles southeast of Boulder and approximately 15 miles northwest of Denver. The Interlocken Building is currently leased as follows:

Floor	Tenant	Rentable Sq. Ft.
1	Multiple	15,599
2	ODS Technologies, L.P.	17,146
3	GAIAM, Inc.	19,229

The entire third floor of the Interlocken Building containing 19,229 rentable square feet (37% of the total rentable square feet) is currently under lease to GAIAM, Inc. (GAIAM). GAIAM, formerly known as Transecom, Inc., is a consumer distributor of environmental friendly products, including on-site video and audio production of environmental and alternative health videos using state-of-the-art electronics and sound stage. GAIAM was founded in 1988 and currently employs approximately 60 people.

The GAIAM lease currently expires in October 2001, subject to GAIAM's right to extend for one additional term of five years upon 180 days' notice. The annual base rent payable under the GAIAM lease is approximately $313,800 for the initial term of the lease. In accordance with the GAIAM lease, Golden Rule, Inc., an affiliate of GAIAM, occupies 6,621 rentable square feet of the third floor. GAIAM guarantees the entire payment due under the GAIAM lease. GAIAM also leases 1,510 rentable square feet on the first floor. The base rent payable for this space for the remainder of the lease term is as follows:

Year	Annual Rent	Monthly Rent
Year 2	$25,800	$2,150
Year 3	$26,400	$2,200

GAIAM currently subleases 2,910 rentable square feet on the first floor from TECWorks, Inc./Enterprise Bank. The annual base rent payable for this space is $48,012.

The entire second floor of the Interlocken Building containing 17,146 rentable square feet (34% of total rentable square feet) is currently under lease to ODS Technologies, L.P. (ODS). ODS provides in-home financial transaction services via telephone and television, and it has developed interactive computer-based applications for such in-home purchasing. Originally based in Tulsa, Oklahoma, ODS relocated its business to the Interlocken Building.

The ODS lease expires in September 2003, subject to ODS's right to extend for one additional term of three years upon 180 days' notice. The base rent payable for the remainder of the ODS lease is as follows:

Year	Annual Rent	Monthly Rent
Year 3	$282,600	$23,550
Year 4	$288,600	$24,050
Year 5	$294,600	$24,550

The rental payments to be made by the tenant under the ODS lease are also secured by the assignment of a $275,000 letter of credit which may be drawn upon by the landlord in the event of a tenant default under the lease.

The first floor of the Interlocken Building containing 15,599 rentable square feet is occupied by several tenants, in addition to GAIAM, whose leases expire in 2002. The aggregate annual base rent payable under these leases for 2000 is approximately $243,696.

The Ohmeda Building

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

The Ohmeda Building is located on a 15.0 acre tract of land in the Centennial Valley Business Park approximately five miles southeast of Boulder and approximately 17 miles northwest of Denver. The Ohmeda Building is situated near Highway 36, which is the main thoroughfare between Boulder and Denver.

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. Ohmeda also has a special products division, which produces neonatal and other oxygen care products. Ohmeda recently extended an agreement with Hewlett-Packard to include co-marketing and promotion of combined Ohmeda/H-P neonatal products.

On April 13, 1998, Instrumentarium Corporation, a Finnish company, acquired the division of Ohmeda that occupies the Ohmeda Building. Instrumentarium is an international health care company concentrating on selected fields of medical technology manufacturing, marketing and distribution.

The Ohmeda lease currently expires in January 2005, subject to Ohmeda's right to extend the Ohmeda Lease for two additional five-year periods of time. The base rent payable under the Ohmeda lease is as follows:

Years	Annual Rent	Monthly Rent
Years 1-5	$1,004,520	$83,710
Year 6	$1,054,692	$87,891
Year 7	$1,107,000	$92,250

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. Ohmeda's option to expand the premises is subject to deliverance of at least four months' prior written notice to the IX-X-XI-REIT Joint Venture. During the four months subsequent to the notice of Ohmeda's intention to expand the premises, Ohmeda and the IX-X-XI-REIT Joint Venture shall negotiate in good faith and enter into an amendment to the Ohmeda lease for the construction and rental of the expansion space. If Ohmeda exercises its option to expand the premises, the right to terminate clause described above will automatically be canceled, and the primary lease term shall be extended for a period of ten years from the date on which a certificate of occupancy is issued by the City of Louisville with respect to the expansion space.

The base rental for the expansion space payable under the Ohmeda lease shall be calculated to generate a rate of return to the IX-X-XI-REIT Joint Venture on its project costs and any retrofit expenses with respect to the existing premises incurred by landlord over the new, ten year extended primary lease term, equal to the prime lending rate published by Norwest Bank, N.A. on the first day of such extended primary lease term, plus 3%, plus full amortization of the tenant finish costs with respect to the expansion space and the existing premises. This base rental shall be payable through January 31, 2005. The base rental payable under the Ohmeda lease from February 1, 2005 through the remaining balance of the new, extended ten year primary lease term, shall be based on a combined rental rate equal to the sum of (1) the base rental payable by Ohmeda during lease year number seven for the existing premises, plus (2) the base rent payable by Ohmeda during lease year number seven for the expansion space, plus an amount equal to 2% of the combined rental rate. Thereafter, the base rent payable for the entire premises shall be the base rent payable during the previous lease year plus an amount equal to 2% of the base rent payable during such previous lease year.

The Alstom Power Knoxville Building

The Alstom Power Knoxville Building (formerly known as the ABB Knoxville Building) is a three-story multi-tenant steel-framed office building containing approximately 84,404 square feet located in Knoxville, Tennessee. Wells Fund IX purchased the land and constructed the Alstom Power Knoxville Building. 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. Construction of the Alstom Power Knoxville Building was completed in December 1997.

The Alstom Power Knoxville Building is located on approximately 5.6 acres located in an office park known as Center Point Business Park on Pellissippi Parkway just north of the intersection of Interstates 40 and 75, in Knox County, Tennessee approximately 10 miles west of the Knoxville central business district.

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. (ABB Power) and ABB Alstom Power, Inc. As of June 22, 2000, ABB Alstom Power, Inc. changed its name to Alstom Power, Inc. ABB Power was a subsidiary of Asea Brown Boveri, Inc., a large multi-national engineering and construction company headquartered in Switzerland.

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 initial term of the Alstom Power Knoxville lease is nine years and 11 months which commenced on January 1, 1998 and expires in December 2007. The annual base rent payable under the Alstom Power Knoxville lease is $1,106,520 payable in equal monthly installments of $92,210 during the first five years of the initial lease term, $1,233,120 payable in equal monthly installments of $102,760 during the next two years of the initial lease term, and $1,220,484 payable in equal monthly installments of $101,707 during the last two years and 11 months of the initial lease term.

The IX-X-XI-REIT Joint Venture has agreed to provide Alstom Power on the fifth anniversary of the rental commencement date a redecoration allowance of an amount equal to (1) $5.00 per square foot of useable area of the premises leased which has been leased and occupied by Alstom Power for at least three consecutive years ending with such fifth anniversary reduced by (2) $177,000.

Alstom Power has a one-time option to terminate the Alstom Power Knoxville lease as of the seventh anniversary of the rental commencement date which is exercisable by written notice to the IX-X-XI-REIT Joint Venture at least 12 months in advance of such seventh anniversary. If Alstom Power elects to exercise this termination option, Alstom Power is required to pay to the IX-X-XI-REIT Joint Venture, on or before 90 days prior to the seventh anniversary of the rental commencement date, a termination payment intended to compensate the IX-X-XI-REIT Joint Venture for the present value of certain sums which the joint venture has expended in connection with the Alstom Power Knoxville lease amortized over and attributable to the remaining lease term and a rent payment equal to approximately 15 months of monthly base rental payments. We currently anticipate that the termination payment required to be paid by Alstom Power in the event it exercises its option to terminate the Alstom Power Knoxville lease on the seventh anniversary would be approximately $1,800,000 based upon certain assumptions.

The Avaya Building

The Avaya Building (formerly known as the Lucent Technologies Building) is a one-story office building containing approximately 57,186 rentable square feet which was developed and constructed on certain real property located in Oklahoma City, Oklahoma by Wells Development. 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, which was equal to the aggregate cost to Wells Development of the acquisition, construction and development of the Avaya Building, including interest and other carrying costs, and accordingly, Wells Development made no profit from the sale of the Avaya Building to the IX-X-XI-REIT Joint Venture. Construction of the Avaya Building was completed in January 1998.

The Avaya Building is located on approximately 5.3 acres located in the Quail Springs Office Park, 1400 Hertz Quail Springs Parkway, in the northwest sector of Oklahoma City.

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, who remains liable on the lease, is a telecommunications company which was spun off by AT&T in April 1996. Lucent Technologies, which is traded on the New York Stock Exchange, is in the business of designing, developing and marketing communications systems and technologies ranging from microchips to whole networks and is one of the

world's leading designers, developers and manufacturers of telecommunications system software and products.

The initial term of the Avaya lease is ten years which commenced on January 5, 1998 and expires in January 2008. Avaya has the option to extend the initial term of the Avaya lease for two additional five-year periods. The annual base rent payable under the Avaya lease will be $508,383 payable in equal monthly installments of $42,365 during the first five years of the initial lease term, and $594,152 payable in equal monthly installments of $49,513 during the second five years of the initial lease term. The annual base rent for each extended term under the lease will be based upon the fair market rent then being charged by landlords under new leases of office space in the metropolitan Oklahoma City market for similar space in a building of comparable quality with comparable amenities. The Avaya lease provides that if the parties cannot agree upon the appropriate fair market value rate, the rate will be established by real estate appraisers.

Under the Avaya lease, Avaya also has a one-time option to terminate the Avaya lease on the seventh anniversary of the rental commencement date, which is exercisable by written notice to the landlord at least 12 months in advance of such seventh anniversary. If Avaya elects to exercise its option to terminate the Avaya lease, Avaya would be required to pay a termination payment intended to compensate the landlord for the present value of funds expended as a construction allowance and leasing commissions relating to the Avaya lease, amortized over and attributable to the remaining lease term, and a rental payment equal to approximately 18 months of monthly rental payments. We currently anticipate that the termination payment required to be paid by Avaya, in the event it exercises its option to terminate the Avaya lease on the seventh anniversary, would be approximately $1,339,000 based upon certain assumptions.

Property Management Fees

Wells Management, our Property Manager, has 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 Wells Fund XI and the Wells REIT are authorized to pay aggregate 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 in the joint ventures.

Wells Management has been retained to manage and lease each of the remaining buildings for 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 received 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 and the Alstom Power Richmond Building.

Real Estate Loans

The SouthTrust Loans

Wells OP has established various secured lines of credit with SouthTrust Bank, N.A. (SouthTrust) whereby SouthTrust has agreed to loan in the aggregate an amount of up to $72,140,000 to Wells OP 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 December 15, 2000, the interest rate was 8.44% 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 December 15, 2000, the outstanding principal balance of the $32,393,000 SouthTrust line of credit was $17,028,850.

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 December 15, 2000, there was no outstanding principal balance on the $12,844,000 SouthTrust line of credit.

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 December 15, 2000, there was no outstanding principal balance on the $17,800,000 SouthTrust line of credit.

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 (formerly known as the ABB Richmond Building). After completion of the construction, SouthTrust converted the construction loan into a separate line of credit in the maximum principal amount 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 December 15, 2000, there was no outstanding principal balance on the $7,900,000 SouthTrust line of credit.

The BOA Loan

Wells OP originally obtained a loan in the amount of $6,425,000 from Bank of America, N.A. (BOA Loan), to fund a portion of the purchase price of the AT&T Building (formerly the Vanguard Cellular Building) located in Harrisburg, Pennsylvania. On November 23, 1999, the BOA Loan was converted to a revolving credit loan in the maximum principal amount of $9,825,000 for the acquisition of real properties by Wells OP. On February 24, 2000, the credit limit of the BOA

Loan was increased

further to $26,725,000. The BOA Loan requires monthly payments of interest only and matures on January 4, 2002. The interest rate on the BOA Loan is a variable rate per annum equal to the LIBOR for a thirty-day period plus 200 basis points. As of December 15, 2000, the interest rate on the BOA Loan was 8.69% per annum. The BOA Loan is secured by first priority mortgages against both the AT&T Building and the Marconi Building. As of December 15, 2000, the outstanding principal balance of the BOA Loan was $14,300,149.

The Metris Loan

Wells OP assumed a loan (Metris Loan) with Richter-Schroeder Company, Inc. in connection with its purchase of the Metris Building. The Metris Loan requires monthly payments of interest only and matures on February 11, 2003. The interest rate on the Metris Loan is an annual variable rate equal to the LIBOR for a thirty-day period plus 175 basis points. As of December 15, 2000, the interest rate on the Metris Loan was 8.44% per annum. The Metris Loan is secured by a first mortgage against the Metris Building. As of December 15, 2000, the outstanding principal balance of the Metris Loan was $8,000,000.

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.

This section and other sections of 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 cash distributions anticipated to be distributed to shareholders 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 statement 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, lack of availability of financing and the potential need to fund tenant improvements or other capital expenditures out of operating cash flow.

Liquidity and Capital Resources

We began active operations on June 5, 1998, when we received and accepted subscriptions for 125,000 shares pursuant to our initial public offering, which commenced on January 30, 1998. We terminated our initial public offering on December 19, 1999, and on December 20, 1999, we commenced a follow-on public offering of up to 22,200,000 shares of common stock at $10 per share. As of December 31, 1999, we had raised an aggregate of $134,710,850 in offering proceeds through the sale of 13,471,085 shares. As of December 31, 1999, we had paid $4,714,880 in acquisition and advisory fees and acquisition expenses, $16,838,857 in selling commissions and organizational and offering expenses, and $112,287,969 in capital contributions to Wells OP for investments in joint ventures and acquisitions of real properties. As of December 31, 1999, we were holding net offering proceeds of approximately $869,144 available for investment in additional properties.

Between December 31, 1999, and September 30, 2000, we raised an additional $127,695,246 in offering proceeds through the sale of an additional 12,769,524 shares. Accordingly, as of September 30, 2000, we had raised a total of $262,406,096 in offering proceeds through the sale of 26,240,610 shares of common stock. As of September 30, 2000, we had paid a total of $9,161,189 in

acquisition and advisory

fees and acquisition expenses, had paid a total of $32,718,532 in selling commissions and organizational and offering expenses, had made capital contributions of $211,641,497 to Wells OP for investments in joint ventures and acquisitions of real property, had utilized $657,844 for the redemption of stock pursuant to our share redemption program, and were holding net offering proceeds of $8,227,034 available for investment in additional properties.

Cash and cash equivalents at September 30, 2000 and 1999 were $12,257,161 and $2,850,263, respectively. The increase in cash and cash equivalents resulted primarily from raising additional capital which was offset by increased investments in real property acquisitions.

Operating cash flows are expected to increase as additional properties are added to our investment portfolio. Dividends to be distributed to the shareholders are determined by the board of directors and are dependent upon a number of factors relating to the Wells REIT, 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.

As of September 30, 2000, we had acquired interests in 25 real estate properties. These properties are generating sufficient cash flow to cover our operating expenses and pay quarterly dividends. Dividends declared for the third quarter of 2000 and the third quarter of 1999 totaled $0.1875 and $0.1750 per share, respectively, which were declared on a daily record date basis in the amount of $0.002038 and $0.001902, respectively, per share payable to the shareholders of record at the close of business of each day during the quarter.

On February 18, 1999, Wells OP entered into a Rental Income Guaranty Agreement with the VIII-IX Joint Venture. The Rental Income Guaranty Agreement provided for a guarantee by Wells OP to the VIII-IX Joint Venture that it would receive rental income on the Quest Building (formerly known as the Bake Parkway Building) previously leased to Matsushita Avionics at least equal to the rental and building expenses that the VIII-IX Joint Venture would have received over the remaining term of its original lease with Matsushita Avionics. Matsushita Avionics vacated the Quest Building in December 1999, with the existing lease term ending in September 2003, in order to occupy the Matsushita Building developed and constructed by Wells OP. On June 15, 2000, the VIII-IX-REIT Joint Venture was formed between Wells OP and the VIII-IX Joint Venture for purposes of owning and operating the Quest Building. On July 1, 2000, the VIII-IX Joint Venture transferred the Quest Building to the VIII-IX-REIT Joint Venture as its capital contribution. (See "Description of Properties -- Joint Ventures with Affiliates.") Under the Rental Income Guaranty Agreement, Wells OP also guaranteed that, if a joint venture such as the VIII-IX-REIT Joint Venture was ever formed by the parties for the ownership and operation of the Quest Building, Wells OP would guaranty to the VIII-IX Joint Venture that it would receive monthly cash flow distributions from such joint venture at least equal to the rent and building expenses guaranteed under the Rental Income Guaranty Agreement. Currently the Quest Building is leased by Quest Software, Inc. (Quest) pursuant to a 42 month lease that expires on December 31, 2003. (See "Description of Properties -- The Quest Building.")

Wells OP had paid approximately $542,645 in rental income guaranty payments to the VIII-IX Joint Venture through September 30, 2000, and will continue making payments in the amount of $6,656 per month through February 2001 to cover initial rental concessions granted to Quest in order to induce Quest to rent the Quest Building. Our maximum liability exposure to the VIII-IX Joint Venture for rental income and building expenses potentially payable under this Rental Income Guaranty Agreement of approximately $3,000,000 was taken into account in the economic analysis performed in making the determination to go forward with the development of the Matsushita Building. Although the lease of the Quest Building by Quest has substantially reduced our financial exposure

under the Rental Income Guaranty Agreement, we cannot, at this time, determine the amount of any future liability if Quest

defaults or otherwise fails to make the required payments under its lease. Wells OP continues to guaranty payment under the Rental Income Guaranty Agreement and, consequently, continues to bear some risk, even though their risk has been substantially minimized by the lease with Quest. Payments made to the VIII-IX Joint Venture under the Rental Income Guaranty Agreement are made from capital proceeds raised and are being capitalized over the term of the lease with Matsushita Avionics for the Matsushita Building.

Cash Flows From Operating Activities

Net cash provided by operating activities was $4,737,973 for the nine months ended September 30, 2000 and $2,273,102 for the nine months ended September 30, 1999. The increase in net cash provided by operating activities was due primarily to the purchase of additional properties in late 1999 and 2000.

Cash Flows From Investing Activities

The increase in net cash used in investing activities from $75,420,671 for the nine months ended September 30, 1999 to $113,424,119 for the nine months ended September 30, 2000 was due primarily to the raising of additional capital and funds that have been invested in real property acquisitions.

Cash Flows From Financing Activities

The increase in net cash provided by financing activities from $68,018,429 for the nine months ended September 30, 1999 to $118,013,503 for the nine months ended September 30, 2000 was due primarily to the raising of additional capital and the corresponding increase in funds borrowed to purchase additional properties. We raised $127,695,243 in offering proceeds for the nine months ended September 30, 2000, as compared to $76,927,944 for the nine months ended September 30, 1999. In addition, we received loan proceeds from financing secured by properties of $67,883,130 and repaid notes payable in the amount of $52,903,328 for the nine months ended September 30, 2000.

Results of Operations

As of September 30, 2000, our real estate properties were 100% occupied by tenants. Gross revenues for the nine months ended September 30, 1999 and for the nine months ended September 30, 2000 were $3,996,290 and $15,734,638, respectively. This increase in revenues was due to the purchase of additional properties during late 1999 and 2000. The purchase of interests in additional properties also resulted in an increase in operating expenses, management and leasing fees, and depreciation expense. Our net income increased to $5,737,537 for the first nine months of 2000 as compared to $2,272,432 for the first nine months of 1999.

Subsequent Events

On November 1, 2000, Wells OP acquired a three-story 236,710 square foot office building (Motorola Plainfield Building) located at Durham Avenue on Interstate 287 in South Plainfield, New Jersey for a purchase price of $33,648,156, plus closing costs of $105,225. The Motorola Plainfield Building is 100% leased to Motorola, Inc. (See "Description of Properties -- The Motorola Plainfield Building.")

Property Operations

As of September 30, 2000, we have provided the following operational information relating to our real estate properties:

The Alstom Power Knoxville Building (formerly the ABB Knoxville Building)/ The IX-X-XI-REIT Joint Venture

	Three Months Ended		Nine Months Ended	
	Sept. 30, 2000	Sept. 30, 1999	Sept. 30, 2000	Sept. 30, 1999
Revenues:				
Rental income	$ 288,969	$ 261,986	$ 895,551	$ 784,065
Interest income	19,871	15,024	53,575	46,765
	308,840	277,010	949,126	830,830
Expenses:				
Depreciation	98,454	135,499	295,362	403,699
Management and leasing expenses	36,277	32,260	112,232	93,666
Other operating expenses	(26,544)	(17,097)	(69,178)	(13,390)
	108,187	150,662	338,416	483,975
Net income	$ 200,653	$ 126,348	$ 610,710	$ 346,855
Occupied percentage	100%	98.28%	100%	98.28%
Our ownership percentage	3.71%	3.74%	3.71%	3.74%
Cash distributed to the Wells REIT	$ 11,074	$ 9,855	$ 33,513	$ 28,263
Net income allocated to the Wells REIT	$ 7,451	$ 4,721	$ 22,700	$ 13,043

Rental income increased in 2000, over 1999, due primarily to the increased occupancy level of the property. Total expenses decreased due to a decrease in depreciation expense. This decrease resulted from an accelerated depreciation on tenant improvements for a short-term lease in 1999 for 23,092 square feet. Other operating expenses are negative due to an offset of tenant reimbursements in operating costs, as well as management and leasing fee reimbursements. Tenants are billed an estimated amount for the current year common area maintenance (CAM) which is then reconciled the following year and the difference billed to the tenant. Net income and cash distributions increased in 2000, over 1999, due to a combination of increased rental income and decreased operating expenses.

Our ownership percentage interest in the IX-X-XI-REIT Joint Venture decreased slightly due to additional capital contributions made by Wells Fund IX and Wells Fund X, respectively, to the IX-X-XI-REIT Joint Venture in the first and second quarters of 2000 for funding of capital improvements.

The Ohmeda Building/The IX-X-XI-REIT Joint Venture

	Three Months Ended		Nine Months Ended	
	Sept. 30, 2000	Sept. 30, 1999	Sept. 30, 2000	Sept. 30, 1999
Revenues:				
Rental income	$ 256,829	$ 256,829	$ 770,486	$ 770,486
Expenses:				
Depreciation	81,576	81,576	244,728	244,728
Management and leasing expenses	12,826	11,618	41,656	35,293
Other operating expenses	(7,585)	3,899	73,410	(188)
	86,817	97,093	359,794	279,833

Net income	$ 170,012	$ 159,736	$ 410,692	$ 490,653

Occupied percentage	100%	100%	100%	100%
Our ownership percentage	3.71%	3.74%	3.71%	3.74%
Cash distributed to the Wells REIT	$ 9,130	$ 8,804	$ 23,726	$ 26,992
Net income allocated to the Wells REIT	$ 6,312	$ 5,969	$ 15,265	$ 18,438

Net income decreased in 2000, as compared to 1999, due to an overall increase in expenses. Operating expenses increased significantly due, in part, to a significant rise in real estate taxes, which resulted from the revaluation of the property by Boulder County authorities in 1999. A later reduction in taxes resulting from an appeal in 2000 was offset by a CAM credit to the tenant.

Rental income remained stable for the three months ended September 30, 2000, as compared to the same period in 1999. Total expenses decreased for the three month period ended September 30, 2000, as compared to the same period for 1999, due largely to other operating expenses being negative. This was due to an offset of tenant reimbursements in operating costs, as well as management and leasing fee reimbursements. Cash distributions and net income allocated to the Wells REIT for the three month period ended September 30, 2000 increased slightly as compared to 1999.

The Interlocken Building/The IX-X-XI-REIT Joint Venture

	Three Months Ended		Nine Months Ended	
	Sept. 30, 2000	Sept. 30, 1999	Sept. 30, 2000	Sept. 30, 1999
Revenues:				
Rental income	$ 207,454	$ 207,791	$ 635,898	$ 622,070
Expenses:				
Depreciation	71,670	71,670	215,010	215,010
Management and leasing expenses	27,019	18,899	83,736	54,518
Other operating costs	(2,165)	(5,291)	(54,699)	5,342
	96,524	85,278	244,047	274,870
Net income	$ 110,930	$ 122,513	$ 391,851	$ 347,200
Occupied percentage	100%	100%	100%	100%
Our ownership percentage	3.71%	3.74%	3.71%	3.74%
Cash distributed to the Wells REIT	$ 6,800	$ 7,200	$ 22,679	$ 20,952
Net income allocated to the Wells REIT	$ 4,119	$ 4,578	$ 14,566	$ 13,041

Rental income increased due to a tenant occupying additional space previously leased to another tenant at a lower rate. Other operating expenses are negative due to an offset of tenant reimbursements in operating costs, as well as management and leasing fee reimbursements. Tenants are billed an estimated amount for current year CAM which is then reconciled the following year and the difference billed to the tenants. Due to these CAM reimbursements, management and leasing fees increased since these fees are charged based on actual receipts.

Cash distributions and net income allocated to the Wells REIT for the quarter ended September 30, 2000 decreased in 2000, as compared to 1999, due to a decrease in net income.

The Avaya Building (formerly the Lucent Technologies Building)/ The IX-X-XI-REIT Joint Venture

	Three Months Ended		Nine Months Ended	
	Sept. 30, 2000	Sept. 30, 1999	Sept. 30, 2000	Sept. 30, 1999
Revenues:				
Rental income	$ 145,752	$ 145,752	$ 437,256	$ 437,256
Expenses:				
Depreciation	45,801	45,801	137,403	137,403
Management and leasing expenses	5,369	5,370	16,109	16,109
Other operating expenses	1,669	1,766	9,688	13,964
	52,839	52,937	163,200	167,476
Net income	$ 92,913	$ 92,815	$ 274,056	$ 269,780
Occupied percentage	100%	100%	100%	100%
Our ownership percentage	3.71%	3.74%	3.71%	3.74%
Cash distributed to the Wells REIT	$ 4,723	$ 4,750	$ 14,048	$ 14,006
Net income allocated to the Wells REIT	$ 3,450	$ 3,468	$ 10,187	$ 10,140

Rental income, depreciation, and management and leasing expenses remained stable in 2000, as compared to 1999, while other operating expenses were slightly lower, due primarily to a one-time charge for consulting fees in 1999 which did not occur in 2000.

On September 30, 2000, Lucent Technologies, Inc. assigned its interest in the lease as tenant to Avaya, Inc., the former Enterprise Networks Group of Lucent Technologies.

The Iomega Building/The IX-X-XI-REIT Joint Venture

	Three Months Ended		Nine Months Ended	
	Sept. 30, 2000	Sept. 30, 1999	Sept. 30, 2000	Sept. 30, 1999
Revenues:				
Rental income	$ 168,250	$ 150,009	$ 504,750	$ 397,755
Expenses:				
Depreciation	55,062	48,495	165,186	145,485
Management and leasing expenses	7,319	8,291	21,879	17,629
Other operating expenses	2,253	1,290	12,620	3,815
	64,634	58,076	199,685	166,929
Net income	$ 103,616	$ 91,933	$ 305,065	$ 230,826
Occupied percentage	100%	100%	100%	100%
Our ownership percentage	3.71%	3.74%	3.71%	3.74%
Cash distributed to the Wells REIT	$ 5,713	$ 5,103	$ 16,940	$ 13,702

Net income allocated to the Wells REIT	$ 3,848	$ 3,435	$ 11,339	$ 8,672

Rental income increased in 2000, as compared to 1999, due to the completion of the parking lot complex in the second quarter of 1999. Total expenses increased in 2000, over 1999, due to an increase in depreciation and real estate tax expenses relating to the new parking lot. Cash distributions increased in 2000, over 1999, due primarily to the increase in net income.

The Cort Furniture Building/The Cort Joint Venture

	Three Months Ended		Nine Months Ended	
	Sept. 30, 2000	Sept. 30, 1999	Sept. 30, 2000	Sept. 30, 1999
Revenues:				
Rental income	$ 198,885	$ 198,885	$ 596,656	$ 596,656
Expenses:				
Depreciation	46,641	46,641	139,923	139,923
Management and leasing expenses	8,701	7,590	23,881	22,770
Other operating expenses	6,445	5,993	10,375	19,446
	61,787	60,224	174,179	182,139
Net income	$ 137,098	$ 138,661	$ 422,477	$ 414,517
Occupied percentage	100%	100%	100%	100%
Our ownership percentage	43.7%	43.7%	43.7%	43.7%
Cash distributed to the Wells REIT	$ 76,243	$ 76,926	$ 233,613	$ 230,137
Net income allocated to the Wells REIT	$ 59,867	$ 60,550	$ 184,484	$ 181,008

Rental income, depreciation, and management and leasing expenses remained stable in 2000, as compared to 1999, while other operating expenses are lower due to common area maintenance (CAM) reimbursements billed in 2000 to the tenants. Tenants are billed an estimated amount for CAM which is then reconciled the following year, and the difference is billed to the tenant. No CAM was charged to the tenant in 1999.

The Fairchild Building/The Fremont Joint Venture

	Three Months Ended		Nine Months Ended	
	Sept. 30, 2000	Sept. 30, 1999	Sept. 30, 2000	Sept. 30, 1999
Revenues:				
Rental income	$ 225,195	$ 225,210	$ 675,585	$ 675,631
Expenses:				
Depreciation	71,382	71,382	214,146	214,146
Management and leasing expenses	9,175	9,303	27,525	27,970
Other operating expenses	3,244	6,457	9,856	13,772
	83,801	87,142	251,527	255,888
Net income	$ 141,394	$ 138,068	$ 424,058	$ 419,743
Occupied percentage	100%	100%	100%	100%

Our ownership percentage	77.5%	77.5%	77.5%	77.5%
Cash distributed to the Wells REIT	$ 158,817	$ 151,627	$ 476,354	$ 459,174
Net income allocated to the Wells REIT	$ 109,587	$ 107,009	$ 328,663	$ 325,318

Rental income, net income and cash distributions to the Wells REIT remained stable in 2000, as compared to 1999.

The PwC Building

	Three Months Ended		Nine Months Ended	
	Sept. 30, 2000	Sept. 30, 1999	Sept. 30, 2000	Sept. 30, 1999
Revenues:				
Rental income	$ 552,298	$ 552,297	$1,656,894	$1,656,637
Expenses:				
Depreciation	206,037	205,236	618,111	616,257
Management and leasing expenses	37,760	37,612	116,142	111,147
Other operating expenses	(28,672)	(77,618)	(134,352)	103,599
	215,125	165,230	599,901	831,003
Net income	$ 337,173	$ 387,067	$1,056,993	$ 825,634
Occupied percentage	100%	100%	100%	100%
Our ownership percentage	100%	100%	100%	100%
Cash distributed to the Wells REIT	$ 488,547	$ 526,399	$1,512,625	$1,244,179
Net income allocated to the Wells REIT	$ 337,173	$ 387,067	$1,056,993	$ 825,634

Rental income has remained stable. Other operating expenses are negative due to increased CMA billings in 2000. Management and leasing fee reimbursements are also included in other operating expenses. Tenants are billed an estimated amount for current year CAM which is then reconciled the following year, and the difference billed to the tenants.

The AT&T Building (formerly the Vanguard Cellular Building)

	Three Months Ended		Nine Months Ended	Nine Months Ended
	Sept. 30, 2000	Sept. 30, 1999	Sept. 30, 2000	Sept. 30, 1999
Revenues:				
Rental income	$ 340,832	$ 455,471	$1,022,497	$ 930,145
Expenses:				
Depreciation	120,744	120,750	362,232	321,972
Management and leasing expenses	15,525	20,532	46,201	29,082
Other operating expenses	831	3,362	6,941	12,931
Interest expense	2,915	27,470	9,331	206,046
	140,015	172,114	424,705	570,031
Net income	$ 200,817	$ 283,357	$ 597,792	$ 360,114
Occupied percentage	100%	100%	100%	100%

Our ownership percentage	100%	100%	100%	100%
Cash distributed to the Wells REIT	$ 314,681	$ 300,004	$ 953,280	$ 579,189
Net income allocated to the Wells REIT	$ 200,817	$ 283,357	$ 597,792	$ 360,114

Rental income decreased for the three months ended September 30, 2000, as compared to the three months ended September 30, 1999, due to an understatement of straight line rent in that was adjusted in the third quarter of 1999. Interest expense has decreased in 2000 due to a substantial decrease in the note payable related to this property.

Since the AT&T Building was purchased in February 1999, comparable income and expenses figures for the prior period ended September 30, 1999 covered only eight months. Accordingly, the prior period is not comparable to the nine months ended September 30, 2000.

The EYBL CarTex Building/The XI-XII-REIT Joint Venture

	Three Months Ended Sept. 30, 2000	Three Months Ended Sept. 30, 1999	Nine Months Ended Sept. 30, 2000	Five Months Ended Sept. 30, 1999
Revenues:				
Rental income	$ 142,207	$ 140,048	$ 422,385	$ 210,173
Expenses:				
Depreciation	49,902	49,902	149,702	83,170
Management and leasing expenses	16,197	3,814	27,415	14,663
Other operating expenses	3,416	5,165	16,163	5,165
	69,515	58,881	193,280	102,998
Net income	$ 72,692	$ 81,167	$ 229,105	$ 107,175
Occupied percentage	100%	100%	100%	100%
Our ownership percentage	56.8%	56.8%	56.8%	70.1%
Cash distributed to the Wells REIT	$ 67,917	$ 68,084	$ 190,825	$ 103,599
Net income allocated to the Wells REIT	$ 44,820	$ 46,791	$ 130,047	$ 65,039

Since the acquisition of the property by the XI-XII-REIT Joint Venture, the property has remained 100% occupied, and no significant changes have occurred to its operations.

Rental income increased slightly for the three month period ended September 30, 2000, as compared to the same period in 1999. Total expenses increased for the three month period ended September 30, 2000, as compared to the same period in 1999, due to an annual leasing commission paid to an outside broker pursuant to the terms of the purchase agreement. Cash distributions and net income allocated to the Wells REIT decreased for the three month period ended September 30, 2000 because of the decrease in net income.

Since the EYBL CarTex Building was purchased in May 1999, comparable income and expense figures for the prior period ended September 30, 1999 covered only five months. Accordingly, the prior period is not comparable to the nine month period ended September 30, 2000.

Our ownership interest in the XI-XII-REIT Joint Venture decreased due to the admittance of Wells Fund XII to the XI-REIT Joint Venture on June 21,

1999. Our ownership interest was 70.1% for May and June of 1999 and 56.8% for July through September of 1999.

The Sprint Building/The XI-XII-REIT Joint Venture

	Three Months Ended Sept. 30, 2000	Three Months Ended Sept. 30, 1999	Nine Months Ended Sept. 30, 2000	Three Months Ended Sept. 30, 1999
Revenues:				
Rental income	$ 265,997	$ 264,654	$ 797,991	$ 264,654
Expenses:				
Depreciation	81,779	81,776	245,336	81,776
Management and leasing expenses	11,239	7,493	33,718	7,493
Other operating expenses	3,306	1,283	13,964	1,283
	96,324	90,552	293,018	90,552
Net income	$ 169,673	$ 174,102	$ 504,973	$ 174,102
Occupied percentage	100%	100%	100%	100%
Our ownership percentage	56.8%	56.8%	56.8%	56.8%
Cash distributed to the Wells REIT	$ 133,516	$ 137,150	$ 398,252	$ 137,150
Net income allocated to the Wells REIT	$ 96,311	$ 100,192	$ 286,638	$ 100,192

Since the acquisition of the property by the XI-XII-REIT Joint Venture, the property has remained 100% occupied, and no significant changes have occurred to its operations.

Rental income increased slightly for the three months ended September 30, 2000, as compared to the same period in 1999. Total expenses increased for the three months ended September 30, 2000, as compared to the same period in 1999, due largely to the increase in management and leasing fees as well as other operating expenses. Cash distributions and net income allocated to the Company decreased for the three months ended September 30, 2000 due to a decrease in net income.

Since the Sprint Building was purchased in July 1999, comparative income and expense figures for the prior period ended September 30, 1999 covered only three months. Accordingly, the prior period is not comparable to the nine month period ended September 30, 2000.

The Johnson Matthey Building/The XI-XII-REIT Joint Venture

	Three Months Ended Sept. 30, 2000	Two Months Ended Sept. 30, 1999	Nine Months Ended Sept. 30, 2000
Revenues:			
Rental income	$ 219,349	$ 123,566	$ 648,297
Expenses:			
Depreciation	63,869	42,567	191,606

Management and leasing expenses	9,230	0	27,089
Other operating expenses	(1,535)	470	8,594
	71,564	43,037	227,289
Net income	$ 147,785	$ 80,529	$ 421,008
Occupied percentage	100%	100%	100%
Our ownership percentage	56.8%	56.8%	56.8%
Cash distributed to the Wells REIT	$ 110,419	$ 66,517	$ 318,504
Net income allocated to the Wells REIT	$ 83,836	$ 44,409	$ 238,977

Since the acquisition of the property by the XI-XII-REIT Joint Venture, the property has remained 100% occupied, and no significant changes have occurred to its operations.

Since the Johnson Matthey Building was purchased in August 1999, comparative income and expense figures for the prior period covered only two months. Accordingly, the prior period cannot be compared to the nine months ended September 30, 2000.

The Gartner Building/The XI-XII-REIT Joint Venture

	Three Months Ended Sept. 30, 2000	One Month Ended Sept. 30, 1999	Nine Months Ended Sept. 30, 2000
Revenues:			
Rental income	$ 216,567	$ 32,502	$ 637,375
Expenses:			
Depreciation	77,623	25,874	232,868
Management and leasing expenses	9,970	0	29,218
Other operating expenses	(7,603)	0	(27,396)
	79,990	25,874	234,690
Net income	$ 136,577	$ 6,628	$ 402,685
Occupied percentage	100%	100%	100%
Our ownership percentage	56.8%	56.8%	56.8%
Cash distributed to the Wells REIT	$ 110,861	$ 10,374	$ 328,570
Net income allocated to the Wells REIT	$ 77,525	$ 3,763	$ 228,574

Other operating expenses are negative due to an offset of tenant reimbursements in operating costs both for the first quarter of 2000 as well as the fourth quarter of 1999. Since the building was purchased in September of 1999, we were not able to estimate the amount to be billed for 1999 until the first quarter of 2000.

Since the acquisition of the property by the XI-XII-REIT Joint Venture, the property has remained 100% occupied, and no significant changes have occurred to its operations.

Since the Gartner Building was purchased in September 1999, comparative income and expense figures for the prior period ended September 30, 1999 covered only one month. Accordingly, the prior period is not comparable to the nine

month period ended September 30, 2000.

The Marconi Building (formerly the Videojet Building)

	Three Months Ended Sept. 30, 2000	One Month Ended Sept. 30, 1999	Nine Months Ended Sept. 30, 2000
Revenues:			
Rental income	$ 817,819	$ 219,376	$ 2,453,457
Expenses:			
Depreciation	293,352	97,774	880,056
Management and leasing expenses	35,510	10,679	108,472
Other operating expenses	4,433	254	16,928
	333,295	108,707	1,005,456
Net income	$ 484,524	$ 110,669	$ 1,448,001
Occupied percentage	100%	100%	100%
Our ownership percentage	100%	100%	100%
Cash distributed to the Wells REIT	$ 673,367	$ 157,899	$ 2,016,472
Net income allocated to the Wells REIT	$ 484,524	$ 110,669	$ 1,448,001

Since the Marconi Building was purchased in September 1999, comparable income and expense figures for the prior period ended September 30, 1999 covered only one month. Accordingly, the prior period is not comparable to the nine month period ended September 30, 2000.

The Matsushita Building

	Three Months Ended Sept. 30, 2000	Nine Months Ended Sept. 30, 2000
Revenues:		
Rental income	$ 492,420	$ 1,509,449
Expenses:		
Depreciation	244,909	754,423
Management and leasing expenses	48,022	138,940
Other operating expenses	17,211	51,891
	310,142	945,254
Net income	$ 182,278	$ 564,195
Occupied percentage	100%	100%
Our ownership percentage	100%	100%
Cash distributed to the Wells REIT	$ 441,254	$ 1,156,810
Net income generated to the Wells REIT	$ 182,278	$ 564,195

Construction of the Matsushita Building is complete, and the aggregate of all costs and expenses incurred by Wells OP with respect to the acquisition and construction of the Matsushita Building was $18,576,701. The monthly base

rent for the Matsushita Building is $154,602.

Since the Matsushita Building opened in January 2000, comparable income and expense figures for the prior period are not available.

The Cinemark Building

	Three Months Ended Sept. 30, 2000	Nine Months Ended Sept. 30, 2000
Revenues:		
Rental income	$ 701,262	$ 2,104,128
Interest income	3,084	$ 4,332
	704,346	2,108,460
Expenses:		
Depreciation	212,310	636,896
Management and leasing expenses	38,127	100,167
Other operating expenses	144,809	453,912
	395,246	1,190,975
Net income	$ 309,100	$ 917,485
Occupied percentage	100%	100%
Our ownership percentage	100%	100%
Cash distributed to the Wells REIT	$ 474,274	$ 1,412,711
Net income allocated to the Wells REIT	$ 309,100	$ 917,485

Since the Cinemark Building was purchased in December 1999, comparable income and expense figures for the prior period are not available.

The Metris Building

	Three Months Ended Sept. 30, 2000	Nine Months Ended Sept. 30, 2000
Revenues:		
Rental income	$ 308,459	$ 790,503
Expenses:		
Depreciation	120,792	318,298
Management and leasing expenses	13,365	34,102
Other operating expenses	3,892	10,970
	138,049	363,370
Net income	$ 170,410	$ 427,133
Occupied percentage	100%	100%
Our ownership percentage	100%	100%
Cash distributed to the Wells REIT	$ 281,392	$ 717,190
Net income allocated to the Wells REIT	$ 170,410	$ 427,133

Since the Metris Building was purchased in February 2000, comparable income and expense figures for the prior period are not available.

The Dial Building

	Three Months Ended Sept. 30, 2000	Seven Months Ended Sept. 30, 2000
Revenues:		
Rental income	$ 346,918	$ 705,027
Expenses:		
Depreciation	120,591	251,094
Management and leasing expenses	15,710	32,122
Other operating expenses	19,459	32,400
	155,760	315,616
Net income	$ 191,158	$ 389,411
Occupied percentage	100%	100%
Our ownership percentage	100%	100%
Cash distributed to the Wells REIT	$ 325,069	$ 667,145
Net income allocated to the Wells REIT	$ 191,158	$ 389,411

Since the Dial Building was purchased in March 2000, comparable income and expense figures for the prior period are not available.

The ASML Building

	Three Months Ended Sept. 30, 2000	Seven Months Ended Sept. 30, 2000
Revenues:		
Rental income	$ 586,875	$ 1,189,297
Expenses:		
Depreciation	193,620	391,056
Management and leasing expenses	26,366	54,688
Other operating expenses	75,823	131,993
	295,809	577,737
Net income	$ 291,066	$ 611,560
Occupied percentage	100%	100%
Our ownership percentage	100%	100%
Cash distributed to the Wells REIT	$ 401,031	$ 835,306
Net income allocated to the Wells REIT	$ 291,066	$ 611,560

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Since the ASML Building was purchased in March 2000, comparable income and expense figures for the prior period are not available.

The Motorola Tempe Building

	Three Months Ended Sept. 30, 2000	Seven Months Ended Sept. 30, 2000
Revenues:		
Rental income	$485,835	$986,539
Expenses:		
Depreciation	184,064	366,103
Management and leasing expenses	20,654	42,352
Other operating expenses	84,162	150,817
	288,880	559,272
Net income	$196,955	$427,267
Occupied percentage	100%	100%
Our ownership percentage	100%	100%
Cash distributed to the Wells REIT	$366,882	$764,851
Net income allocated to the Wells REIT	$196,955	$427,267

Since the Motorola Tempe Building was purchased in March 2000, comparable income and expense figures for the prior period are not available.

The Siemens Building/The XII-REIT Joint Venture

	Three Months Ended Sept. 30, 2000	Five Months Ended Sept. 30, 2000
Revenues:		
Rental income	$376,103	$598,678
Expenses:		
Depreciation	106,736	176,070
Management and leasing expenses	14,736	18,020
Other operating expenses	1,805	2,032
	123,277	196,122
Net income	$252,826	$402,556
Occupied percentage	100%	100%
Our ownership percentage	50%	50%
Cash distributed to the Wells REIT	$155,462	$248,781
Net income allocated to the Wells REIT	$126,413	$201,278

Since the Siemens Building was purchased in May 2000, comparative income and expense figures for the prior period are not available.

The Avnet Building

	Three Months Ended Sept. 30, 2000	Four Months Ended Sept. 30, 2000
Revenues:		
Rental income	$442,449	$533,037
Expenses:		
Depreciation	132,714	176,952
Management and leasing expenses	21,008	21,008
Other operating expenses	59,576	72,007
	213,298	269,967
Net income	$229,151	$263,070
Occupied percentage	100%	100%
Our ownership percentage	100%	100%
Cash distributed to the Wells REIT	$298,703	$366,292
Net income allocated to the Wells REIT	$229,151	$263,070

Since the Avnet Building was purchased in June 2000, comparable income and expense figures for the prior period are not available.

The Delphi Building

	Three Months Ended Sept. 30, 2000	Four Months Ended Sept. 30, 2000
Revenues:		
Rental income	$516,205	$532,947
Expenses:		
Depreciation	216,137	219,372
Management and leasing expenses	22,167	22,167
Other operating expenses	1,650	8,782
	239,954	250,321
Net income	$276,251	$282,626
Occupied percentage	100%	100%
Our ownership percentage	100%	100%
Cash distributed to the Wells REIT	$458,077	$461,653
Net income allocated to the Wells REIT	$276,251	$282,626

Since the Delphi Building was purchased in June 2000, comparable income and expense figures for the prior period are not available.

The Alstom Power Richmond Building (formerly the ABB Richmond Building)

	Three Months Ended Sept. 30, 2000
Revenues:	
Rental income	$228,597
Expenses:	
Depreciation	110,097
Management and leasing expenses	29,694
Other operating expenses	(34,658)
	105,133
Net income	$123,634
Occupied percentage	100%
Our ownership percentage	100%
Cash distributed to the Wells REIT	$243,186
Net income allocated to the Wells REIT	$123,464

On July 24, 2000, Wells OP completed a build-to-suit four-story office building containing approximately 99,057 rentable square feet on a 7.49 acre tract of land in Richmond, Virginia (Alstom Power Richmond Building). The aggregate of all costs and expenses incurred by Wells OP with respect to the acquisition and construction of the Alstom Power Richmond Building was $11,654,666.

The building is 100% leased to Alstom Power, Inc. with a lease expiration of July 31, 2007. The monthly base rent for the Alstom Power Richmond Building is $98,644. On December 30, 1999, ABB Power Generation, Inc. merged into ABB Alstom Power, Inc., and on June 22, 2000, ABB Alstom Power, Inc. changed its name to Alstom Power, Inc.

Since the Alstom Power Richmond Building was completed in July 2000, comparable income and expense figures for the prior period are not available.

The Quest Building (formerly the Bake Parkway Building)/VIII-IX-REIT Joint Venture

	Three Months Ended Sept. 30, 2000
Revenues:	
Rental income	$259,148
Expenses:	
Depreciation	46,368
Management and leasing expenses	0
Other operating expenses	16,283
	62,651
Net income	$196,497
Occupied percentage	100%
Our ownership percentage	7%
Cash distributed to the Wells REIT	$ 8,842
Net income allocated to the Wells REIT	$ 11,529

On June 15, 2000, the VIII-IX-REIT Joint Venture was formed between Wells OP and Fund VIII and IX Associates, a Georgia joint venture between Wells Fund VIII and Wells Fund IX. On July 1, 2000, Fund VIII and IX Associates contributed its interest in the two-story office building containing approximately 65,006 rentable square feet on a 4.4 acre tract of land located in Irvine, California (Quest Building), formerly known as the Bake Parkway Building, to the VIII-IX-REIT Joint Venture.

On August 1, 2000, Quest Software, Inc. commenced a 42 month lease for 100% of the Quest Building.

Construction of tenant improvements to the Quest Building required under the Quest lease and other costs and expenses related to the Quest Building are being funded by capital contributions from Wells OP and are anticipated to cost approximately $1,250,000 in the aggregate.

Inflation

The real estate market has not been affected significantly by inflation in the past three years due to the relatively low inflation rate. There are provisions in a majority of our tenant leases to protect us from the impact of inflation. These leases contain common area maintenance charges, 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. These provisions should reduce our exposure to increases in costs and operating expenses resulting from inflation.

Prior Performance Summary

The information presented in this section represents the historical experience of real estate programs managed by Wells Capital 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 13 publicly offered real estate limited partnerships in which Leo F. Wells, III has served as a general partner, 12 of such limited partnerships have completed their respective offerings. These 12 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), and
12. Wells Real Estate Fund XI, L.P. (1998).

In addition to the foregoing real estate limited partnerships, Wells Capital and its affiliates sponsored the initial public offering of shares of common stock of the Wells REIT. The initial public offering 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 from our initial public offering.

Wells Capital and its affiliates sponsored a second public offering of shares of common stock of the Wells REIT. The second public offering began on December 20, 1999 and was terminated on December 19, 2000. As of December 10, 2000, we had received gross proceeds of approximately $169,671,659 from the sale of approximately 16,967,166 shares from our second public offering.

Wells Capital and its affiliates are currently also sponsoring a public offering of 7,000,000 units on behalf of Wells Real Estate Fund XII, L.P., a public limited partnership. Wells Fund XII began its offering on March 22, 1999 and, as of September 30, 2000, Wells Fund XII had raised $20,618,517 from 1,082 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); and (3) annual operating results of prior programs (Table III). No information is given as to results of completed programs or sales or disposals of property because, as of December 31, 1999, the date of the Prior Performance Tables, none of the Wells programs had sold any of their properties.

In addition to the real estate programs sponsored by Wells Capital and its affiliates discussed above, they are also sponsoring an index mutual fund which invests in various REIT stocks known as the Wells S&P REIT Index Fund (REIT Fund). The REIT Fund is a mutual fund which seeks to provide investment results corresponding to the performance of the S&P REIT Index by investing in the REIT stocks included in the S&P REIT Index. The REIT Fund began its offering on January 12, 1998 and, as of September 30, 2000, the REIT Fund had raised $48,330,317 from 2,080 investors.

Publicly Offered Unspecified Real Estate Programs

Wells Capital and its affiliates have previously sponsored the above listed 12 publicly offered real estate limited partnerships and are currently sponsoring Wells Fund XII offered on an unspecified property or "blind pool" basis. The total amount of funds raised from investors in the offerings of these 13 publicly offered limited partnerships, as of September 30, 2000, was approximately $284,902,809, and the total number of investors in such programs was approximately 25,627.

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 and Wells Fund XI available for investment in real properties have been invested in properties. As of September 30, 2000, approximately 65% of the aggregate gross rental income of the 12 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. Wells Fund I recently sold one of its buildings and is in the process of marketing the remainder of its properties for sale. However, none of the other Wells programs has liquidated its real estate portfolio or, except for the one building recently sold by Wells Fund I, sold any of its real properties to date. Accordingly, no

assurance can be made that the Wells programs will ultimately be successful in meeting their investment objectives. (See "Risk Factors.")

The aggregate dollar amount of the acquisition and development costs of the properties purchased by the previously sponsored Wells programs, as of December 31, 1999, was $370,247,877 of which $332,000 (or approximately .09%) had not yet been expended on the development of certain of the projects which are still under construction. Of the aggregate amount, approximately 82% was or will be spent on acquiring or developing office buildings, and approximately 18% was or will be spent on acquiring or developing shopping centers. Of the aggregate amount, approximately 9% was or will be spent on new properties, 58% on existing or used properties and 33% 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 XII and the 12 Wells programs listed above as of September 30, 2000:

Type of Property	New	Used	Construction
Office Buildings	29.0%	38.2%	19.1%
Shopping Centers	0%	4.5%	9.2%

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

- a three-story medical office building in Atlanta, Georgia;
- a commercial office building in Atlanta, Georgia;
- a shopping center in DeKalb County, Georgia having Kroger as the anchor tenant;
- a shopping center in Knoxville, Tennessee;
- a shopping center in Cherokee County, Georgia having Kroger as the anchor tenant; 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 recently sold one of two commercial office buildings known as Peachtree Place located in a suburb of Atlanta, Georgia. Wells Fund I is in the process of marketing the remainder of its properties for sale pending the outcome of a proxy solicitation recommending that the Class A Limited Partners vote in favor of an amendment to the Partnership Agreement to change the method of distribution of net sale proceeds.

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 shopping center in Cherokee County, Georgia having Kroger as the anchor tenant;
- a project consisting of seven office buildings and a shopping center in Tucker, Georgia;
- a two-story office building in Charlotte, North Carolina leased to First Union Bank;
- a four-story office building in Houston, Texas leased to The Boeing Company;
- a restaurant property in Roswell, Georgia leased to Brookwood Grill of Roswell, Inc.; and
- a combined retail and office development in Roswell, Georgia.

The prospectus of Wells Fund II and Wells Fund II-OW provided that the properties purchased by Wells Fund II and Wells Fund II-OW would typically be held for a period of eight to 12 years, but that the general partners may exercise their discretion as to whether and when to sell the properties owned by Wells Fund II and Wells Fund II-OW and that the partnerships were under no obligation to sell their properties at any particular time. Wells Fund II and Wells Fund II-OW acquired their properties between 1987 and 1989, and have not yet liquidated or sold any of their properties.

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 leased to The Boeing Company;
- a restaurant property in Roswell, Georgia leased to Brookwood Grill of Roswell, Inc.;
- a combined retail and office development in Roswell, Georgia;
- a two-story office building in Greenville, North Carolina leased to International Business Machines Corporation (IBM);
- a shopping center in Stockbridge, Georgia having Kroger as the anchor tenant; and
- a two-story office building in Richmond, Virginia leased to General Electric.

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 General

Electric; and

- two two-story office buildings in Stockbridge, Georgia.

Wells Fund V terminated its offering on March 3, 1993, and received gross proceeds of $17,006,020 representing subscriptions from 1,667 limited partners. $15,209,666 of the gross proceeds were attributable to sales of Class A Units, and $1,796,354 of the gross proceeds were attributable to sales of Class B Units. Limited partners in Wells Fund V who purchased Class B Units are entitled to change the status of their units to Class A, but limited partners who purchased Class A Units are not entitled to change the status of their units to Class B. After taking into effect conversion elections made by limited partners subsequent to their subscription for units, as of December 31, 1999, $15,664,160 of units of Wells Fund V were treated as Class A Units, and $1,341,860 of units were treated as Class B Units. Wells Fund V owns interests in the following properties:

- a four-story office building in Jacksonville, Florida leased to IBM and CTI;
- two two-story office buildings in Stockbridge, Georgia;
- a four-story office building in Hartford, Connecticut leased to Hartford Fire Insurance Company;
- two restaurant properties in Stockbridge, Georgia leased to Apple Restaurants, Inc. and Glenn's Open Pit Bar-B-Que; 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, 1999, $21,959,690 of units of Wells Fund VI were treated as Class A Units, and $3,040,310 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;
- two restaurant properties in Stockbridge, Georgia leased to Apple Restaurants, Inc. and Glenn's Open Pit Bar-B-Que;
- 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 shopping center in Cherokee County, Georgia having Kroger as the anchor tenant;
- 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 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, 1999, $20,362,672 of units in Wells Fund VII were treated as Class A Units, and $3,817,502 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 shopping center in Cherokee County, Georgia having Kroger as the anchor tenant;
- 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.

Certain financial information for Wells Fund VII is summarized below:

	1999	1998	1997	1996	1995
Gross Revenues	$962,630	$846,306	$816,237	$543,291	$925,246
Net Income	$895,795	$754,334	$733,149	$452,776	$804,043

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, 1999, $4,748,439 of units in Wells Fund VIII were treated as Class A Units, and $27,284,250 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.

Certain financial information for Wells Fund VIII is summarized below:

	1999	1998	1997	1996	1995
Gross Revenues	$1,360,497	$1,362,513	$1,204,018	$1,057,694	$402,428
Net Income	$1,266,946	$1,269,171	$1,102,567	$ 936,590	$273,914

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, 1999, $30,723,220 of units in Wells Fund IX were treated as Class A Units, and $4,276,780 of units were treated as Class B Units. Wells Fund IX owns interests in the following properties:

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

- a one-story office and warehouse building in Weber County, Utah leased to Iomega Corporation;
- a three-story office building in Boulder County, Colorado; and
- a one-story office building in Oklahoma City, Oklahoma leased to Avaya, Inc.

Certain financial information for Wells Fund IX is summarized below:

	1999	1998	1997	1996
Gross Revenues	$1,593,734	$1,561,456	$1,199,300	$406,891
Net Income	$1,490,331	$1,449,955	$1,091,766	$298,756

Wells Fund X terminated its offering on December 30, 1997, and received gross proceeds of $27,128,912 representing subscriptions from 1,806 limited partners. $21,160,992 of the gross proceeds were contributable to sales of Class A Units, and $5,967,920 were attributable to sales of Class B Units. After taking into effect conversion elections made by limited partners subsequent to their subscriptions for units, as of December 31, 1999, $21,669,662 of units in Wells Fund X were treated as Class A Units and $5,454,250 of units were treated as Class B Units. Wells Fund X owns interests in the following properties:

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

Certain financial information for Wells Fund X is summarized below:

	1999	1998	1997
Gross Revenues	$1,309,281	$1,204,597	$372,507
Net Income	$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, 1999, $13,369,062 of units in Wells Fund XI were treated as Class A Units and

$3,163,740 of units were treated as Class B Units. Wells Fund XI owns interests in the following properties:

- a three-story office building in Knox County, Tennessee leased to Alstom Power, Inc.;
- a one-story office building in Oklahoma City, Oklahoma leased to Avaya, Inc.;
- a two-story office building in Boulder County, Colorado leased to Ohmeda, Inc.;
- a three-story office building in Boulder County, Colorado;

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

Certain financial information for Wells Fund XI is summarized below:

	1999	1998
Gross Revenues	$766,586	$262,729
Net Income	$630,528	$143,295

Wells Fund XII began its offering on March 22, 1999. As of September 30, 2000, Wells Fund XII had received gross proceeds of $20,618,517 representing subscriptions from 1,082 limited partners. $15,959,857 of the gross proceeds were attributable to sales of cash preferred units and $4,658,660 were attributable to sales of 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.; and

. a three-story office building in Troy, Michigan leased to Siemens Automotive 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 13 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 and Wells Fund III.

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

Federal Income Tax Considerations

General

The following is a summary of material federal income tax considerations associated with an investment in the shares. This summary does not address all possible tax considerations that may be material to an investor and does not constitute tax advice. Moreover, this summary does not deal with all tax aspects that might be relevant to you, as a prospective shareholder, in light of your personal circumstances; nor does it deal with particular types of shareholders 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 Shareholders). The Internal Revenue Code provisions governing the federal income tax treatment of REITs are highly technical and complex, and this summary is qualified in its entirety by the express language of applicable Internal Revenue Code provisions, Treasury Regulations promulgated thereunder and administrative and judicial interpretations thereof.

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

Opinion of Counsel

Holland & Knight LLP has acted as our counsel, has reviewed this summary and is of the opinion that it fairly summarizes the federal income tax considerations addressed that are material to shareholders. 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, 1999, provided that we have operated and will continue to operate

in accordance with various assumptions and the factual representations we made to counsel concerning our business, properties and operations. It must be emphasized that Holland & Knight LLP's opinion is based on various assumptions and is conditioned upon the assumptions and representations we made concerning our business and properties. Moreover, our qualification for taxation as a REIT depends on our ability to meet the various qualification tests imposed under the Internal Revenue Code discussed below, the results of which will not be reviewed by Holland & Knight LLP. Accordingly, we cannot assure you that the actual results of our operations for any one taxable year will satisfy these requirements. (See "Risk Factors -- Failure to Qualify as a REIT.")

The statements made in this section of the prospectus and in the opinion of Holland & Knight LLP are based upon existing law and Treasury Regulations, as currently applicable, currently published administrative positions of the Internal Revenue Service and judicial decisions, all of which are subject to change, either prospectively or retroactively. We cannot assure you that any changes will not modify the conclusions expressed in 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 shareholders, because the REIT provisions of the Internal Revenue Code generally allow a REIT to deduct distributions paid to its shareholders. This substantially eliminates the federal "double taxation" on earnings (taxation at both the corporate level and shareholder 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 (i) 85% of our REIT ordinary income for the year, (ii) 95% of our REIT capital gain net income for such year and (iii) 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 ten 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 shareholders.

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 shareholders 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 shareholders. 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 shareholders may be required to treat all or a portion of their distributions from us as "unrelated business taxable income" if tax-exempt shareholders, in the aggregate, exceed certain ownership thresholds set forth in

the Internal Revenue Code. (See "Taxation of Tax-Exempt Shareholders.")

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 m et:

  - 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.

If we acquire ownership of property by reason of the default of a borrower on a loan or possession of property by reason of a tenant default, if the property qualifies and we elect to treat it as foreclosure property, the income from the property will qualify under the 75% Income Test and the 95% Income Test notwithstanding its failure to satisfy these requirements for three years, or if extended for good cause, up to a total of six years. In that event, we must satisfy a number of complex rules, one of which is a requirement that we operate the property through an independent contractor. We will be subject to tax on that portion of our net income from foreclosure property that does not otherwise qualify under the 75% Income Test.

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

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

The 5% test 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 shareholders each year in the amount of at least 95% of our REIT taxable income (computed without regard to the dividends paid deduction and our capital gain and subject to certain other potential adjustments) for all tax years prior to 2001 and at least 90% of our REIT taxable income for all future years beginning with the year 2001.

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 shareholders.

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, it is possible that we may experience timing differences between (1) the actual receipt of income and payment of deductible expenses, and (2) the inclusion of that income. It is also possible that we may 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 pay 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;

. shareholders, 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 shareholder'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 shareholder'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

shareholders 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 shareholders 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 TransactionsSale-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. Shareholders

Definition

In this section, the phrase "U.S. shareholder" 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. shareholders will be taxed as described below.

Distributions Generally

Distributions to U.S. shareholders, 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 shareholders 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. shareholder's shares, and the amount of each distribution in excess of a U.S. shareholder'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 shareholder of record on a specified date in any of these months will be treated as both paid by us and received by the shareholder on December 31 of the year, provided that we actually pay the distribution during January of the following calendar year. U.S. shareholders 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, shareholders 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. shareholders 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. shareholder 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 shareholders may not be able to utilize any of their "passive losses" to offset this income in their personal tax returns. Our distributions (to the extent they do not constitute a return of capital) will generally be treated as investment income for purposes of the limitations on the deduction of investment interest. Net capital gain from a disposition of shares and capital gain distributions generally will be included in investment income for purposes of the investment interest deduction limitations only if, and to the extent, you so elect, in which case any such capital gains will be taxed as ordinary income.

Certain Dispositions of the Shares

In general, any gain or loss realized upon a taxable disposition of shares by a U.S. shareholder 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. shareholder 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. shareholder 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. Shareholders

Under some circumstances, U.S. shareholders 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 shareholder:

- 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 shareholders, 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. shareholder will be allowed as a credit against the U.S. shareholder's U.S. federal income tax liability and may entitle the U.S. shareholder to a refund, provided that the required information is furnished to the Internal Revenue Service. U.S. shareholders 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 Shareholders

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. The payment of dividends to a tax-exempt employee pension benefit trust or other domestic tax-exempt shareholder generally will not constitute unrelated business taxable income to such shareholder unless such shareholder has borrowed to acquire or carry its shares.

In the event that we were 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 certain percentage of the dividend distributions paid to them as unrelated business taxable income. 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 (ii) 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 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 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 shareholder in question is able to deduct amounts "set aside" or placed in reserve for certain purposes so as to offset the unrelated business taxable income generated. Any such organization which is a prospective shareholder should consult its own tax advisor concerning these "set aside" and reserve requirements.

Special Tax Considerations for Non-U.S. Shareholders

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. shareholders") are complex. The following discussion is intended only as a summary of these rules. Non-U.S. investors 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. shareholders 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. shareholder's conduct of a trade or business in the United States. A corporate Non-U.S. shareholder 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. shareholders 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. shareholder 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. shareholder'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. shareholder 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. shareholder 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. shareholder as if the distributions were gains "effectively connected" with a U.S. trade or business. Accordingly, a Non-U.S. shareholder will be taxed at the normal capital gain rates applicable to a U.S. shareholder (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. shareholder that is not entitled to a treaty exemption.

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

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. shareholders, 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., distributions 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. shareholder exceeds the shareholder's U.S. tax liability with respect to that distribution, the Non-U.S. shareholder may file a claim with the Internal Revenue Service for a refund of the excess.

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

A sale of our shares by a Non-U.S. shareholder 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. shareholders. 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. shareholder'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 shareholder'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. shareholder would be subject to the same treatment as a U.S. shareholder 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. shareholder 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. shareholder if the Non-U.S. shareholder 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. shareholders 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. Shareholders

Additional issues may arise for information reporting and backup withholding for Non-U.S. shareholders. Non-U.S. shareholders 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 shareholder 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 shares in his 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 (the "Check-the-Box-Regulations"), an unincorporated entity with at least two members may elect to be classified either as an association taxable as a corporation or as a partnership. If such an entity fails to make an

election, it generally will be treated as a partnership for federal income tax purposes. Wells OP intends to be classified as a partnership for federal income tax purposes and will not elect to be treated as an association taxable as a corporation under the Check-the-Box-Regulations.

Even though Wells OP will elect to be treated as a partnership for federal income tax purposes, it may be taxed as a corporation if it is deemed to be a "publicly traded partnership." A publicly traded partnership is a partnership whose interests are traded on an established securities market or are readily tradable on a secondary market (or the substantial equivalent thereof); provided, that even if the foregoing requirements are met, a publicly traded partnership will not be treated as a corporation for federal income tax purposes if at least 90% of such partnership's gross income for a taxable year consists of "qualifying income" under Section 7704(d) of the Internal Revenue Code. Qualifying income generally includes any income that is qualifying income for purposes of the 95% Income Test applicable to REITs (90% Passive-Type Income Exception). (See "Requirements for Qualification as a REIT -- Operational Requirements - Gross Income Tests").

Under applicable Treasury Regulations (PTP Regulations), limited safe harbors from the definition of a publicly traded partnership are provided. Pursuant to one of those safe harbors (Private Placement Exclusion), interests in a partnership will not be treated as readily tradable on a secondary market or the substantial equivalent thereof if (i) 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 (ii) 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. Even if Wells OP is considered a publicly traded partnership under the PTP Regulations because it is deemed to have more than 100 partners, however, Wells OP should not be treated as a corporation because it should be eligible for the 90% Passive-Type Income Exception described above.

We have not requested, and do not intend to request, a ruling from the Internal Revenue Service that Wells OP will be classified as a partnership for federal income tax purposes. Holland & Knight LLP is of the opinion, however, that based on certain factual assumptions and representations, Wells OP will more likely than not be treated for federal income tax purposes as a partnership and not as an association taxable as a corporation, or as a publicly traded partnership. Unlike a tax ruling, however, an opinion of counsel is not binding upon the Internal Revenue Service, and no assurance can be given that the Internal Revenue Service will not challenge the status of Wells OP as a partnership for federal income tax purposes. If such challenge were sustained by a court, Wells OP would be treated as a corporation for federal income tax purposes, as described below. In addition, the opinion of Holland & Knight LLP is based on existing law, which is to a great extent the result of administrative and judicial interpretation. No assurance can be given that administrative or judicial changes would not modify the conclusions expressed in the opinion.

If for any reason Wells OP were taxable as a corporation, rather than a partnership, for federal income tax purposes, we would not be able to qualify as a REIT. (See "Federal Income Tax Considerations -- Requirements for Qualification as a REIT -- Operational Requirements - Gross Income Tests" and "Requirements for Qualification as a REIT -- Operational Requirements - Asset Tests.") In addition, any change in Wells OP's status for tax purposes might be

treated as a taxable event, in which case we might incur a tax liability without any related cash distribution. Further, items of income and deduction of Wells OP would not pass through to its partners, and its partners would be treated as shareholders 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 under Section 704(b) of the Internal Revenue Code 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 partner's 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. It is possible that we may (1) be allocated lower amounts of depreciation deductions for tax purposes with respect to contributed properties than would be allocated to us if each such property were to have a tax basis equal to its fair market value at the time of contribution, and (2) be allocated taxable gain in the event of a sale of such contributed properties in excess of the economic profit allocated to us as a result of such sale. These allocations may cause us to recognize taxable income in excess of cash proceeds received by us, which might adversely affect our ability to comply with the REIT

distribution requirements, although we do not anticipate that this event will occur. The foregoing principles also will affect the calculation of our earnings and profits for purposes of determining which portion of our distributions is taxable as a dividend. The allocations described in this paragraph may result in a higher portion of our distributions being taxed as a dividend than would have

occurred had we purchased such properties for cash.

Basis in Operating Partnership Interest. The adjusted tax basis of our partnership interest in Wells OP generally is equal to (1) the amount of cash and the basis of any other property contributed to Wells OP by us, (2) increased by (A) our allocable share of Wells OP's income and (B) our allocable share of 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 indebtedness of Wells OP.

If the allocation of our distributive share of Wells OP's loss would reduce the adjusted tax basis of our partnership interest in Wells OP below zero, the recognition of such loss will be deferred until such time as the recognition of such loss 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 constitute taxable income to us. 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. To the extent that Wells OP acquires properties for cash, 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 such 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.

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 acquired by Wells OP for cash will be allocated among the partners in accordance with their respective percentage interests in Wells OP.

Our share of any gain realized by Wells OP on the sale of any property held by Wells OP as inventory or other property held primarily for sale to customers in the ordinary course of Wells OP's trade or business will be treated as income from a prohibited transaction that is subject to a 100% penalty tax. Such prohibited transaction income also may have an adverse effect upon our ability to satisfy the Income Tests for maintaining our REIT status. (See "Federal Income Tax Considerations -- Requirements for Qualification as a REIT -- Gross Income Tests" above.) We, however, do not presently intend to acquire

or hold or allow Wells OP to acquire or hold any property that represents inventory or other property held primarily for sale to customers in the ordinary course of our or Wells OP's trade or business.

ERISA Considerations

The following is a summary of some non-tax considerations associated with an investment in our shares by a qualified employee pension benefit plan or an IRA. This summary is based on provisions of ERISA and the Internal Revenue Code, as amended through the date of this prospectus, and relevant regulations and opinions issued by the Department of Labor and the Internal Revenue Service. We cannot assure you that adverse tax decisions or legislative, regulatory or administrative changes which would significantly modify the statements expressed herein will not occur. 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 attendant 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 Shareholders"); 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.

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, the lending of money or the extension

of credit between a Benefit Plan and a party in interest or disqualified person, and 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. 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 the commingling of assets 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 (the 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 below.

Specifically, the Plan Assets Regulation provides that the underlying assets of REITs will not be treated as assets of a Benefit Plan investing therein if the interest the Benefit Plan acquires is a "publicly-offered security." A publicly-offered security must be:

- sold as part of a public offering registered under the Securities Act of 1933, as amended, and be part of a class of securities registered under the Securities Exchange Act of 1934, as amended, within a specified time period;

- part of a class of securities that is owned by 100 or more persons who are independent of the issuer and one another; and

- "freely transferable."

Our shares are being sold as part of an offering of securities to the public pursuant to an effective registration statement under the Securities Act, and are part of a class registered under the Securities Exchange Act. In addition, we have over 100 independent shareholders. 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. 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 shareholder, 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 our advisor or affiliates of our advisor were treated as fiduciaries with respect to Benefit Plan shareholders, 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 shareholders 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." 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 shareholders subject to ERISA who permitted the prohibited transaction to occur or who otherwise breached their fiduciary responsibilities, or a non-fiduciary participating in a prohibited transaction, could be required to restore to the Benefit Plan any profits they realized as a result of the transaction or breach, and make good to the Benefit Plan any losses incurred by the Benefit Plan as a result of the transaction or breach. With respect to an IRA that invests in our shares, the occurrence of a prohibited transaction involving the individual who established the IRA, or his or her beneficiary, would cause the IRA to lose its tax-exempt status under Section 408(e)(2) of the Internal Revenue Code.

We have obtained an opinion from Holland & Knight LLP that our shares more likely than not constitute "publicly-offered securities" and, accordingly, it is more likely than not that our underlying assets should not be considered "plan assets" under the Plan Assets Regulation, assuming the offering takes place as described in this prospectus. If our underlying assets are not deemed to be "plan assets," the problems discussed in the immediately preceding three paragraphs are not expected to arise.

Other Prohibited Transactions

Regardless of whether the shares qualify for the "publicly-offered security" exception of the Plan Assets Regulation, a prohibited transaction could occur if the Wells REIT, Wells Capital, any selected dealer or any of their affiliates is a fiduciary (within the meaning of Section 3(21) of ERISA) with respect to any Benefit Plan purchasing the shares. Accordingly, unless an administrative or statutory exemption applies, shares should not be purchased by a Benefit Plan with respect to which any of the above persons is a fiduciary. A person is a fiduciary with respect to a Benefit Plan under Section 3(21) of ERISA if, among other things, the person has discretionary authority or control with respect to "plan assets" or provides investment advice for a fee with respect to "plan assets." Under a regulation issued by the Department of Labor, a person shall be deemed to be providing investment advice if that person renders advice as to the advisability of investing in our shares and that person regularly provides investment advice to the Benefit Plan pursuant to a mutual agreement or understanding (written or otherwise) (1) that

the advice will serve as the primary basis for investment decisions, and (2) that the advice will be individualized for the Benefit Plan based on its particular needs.

Annual Valuation

A fiduciary of an employee benefit plan subject to ERISA is required to determine annually the fair market value of each asset of the plan as of the end of the plan's fiscal year and to file a report reflecting that value with the Department of Labor. When the fair market value of any particular asset is not available, the fiduciary is required to make a good faith determination of that asset's "fair market value" assuming an orderly liquidation at the time the determination is made. In addition, a trustee or custodian of an IRA must provide an IRA participant with a statement of the value of the IRA each year. In discharging its obligation to value assets of a plan, a fiduciary subject to ERISA must act consistently with the relevant provisions of the plan and the general fiduciary standards of ERISA.

Unless and until our shares are listed on a national securities exchange or are included for quotation on Nasdaq, it is not expected that a public market for the shares will develop. To date, neither the Internal Revenue Service nor the Department of Labor has promulgated regulations specifying how a plan fiduciary should determine the "fair market value" of the shares, namely when the fair market value of the shares is not determined in the marketplace. Therefore, to assist fiduciaries in fulfilling their valuation and annual reporting responsibilities with respect to ownership of shares, we intend to provide reports of our annual determinations of the current value of our net assets per outstanding share to those fiduciaries (including IRA trustees and custodians) who identify themselves to us and request the reports. 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, the value of the properties and our other assets will be based on a valuation. Such valuation will be performed by a person independent of us and of Wells Capital.

We anticipate that we will provide annual reports of our determination of value (1) to IRA trustees and custodians not later than January 15 of each year, and (2) to other Benefit Plan fiduciaries within 75 days after the end of each calendar year. Each determination may be based upon valuation information available as of October 31 of the preceding year, up-dated, however, for any material changes occurring between October 31 and December 31.

We intend to revise these valuation procedures to conform with any relevant guidelines that the Internal Revenue Service or the Department of Labor may hereafter issue. Meanwhile, we cannot assure you:

- that the value determined by us could or will actually be realized by us or by shareholders upon liquidation (in part because appraisals or 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 shareholders could realize this value if they were to attempt to sell their shares; or
- that the value, or the method used to establish value, 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 the 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 December 10, 2000, approximately 30,185,358 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 shareholders, including election of our directors. Our articles of incorporation do not provide for cumulative voting in the election of 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 shareholders. 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. The 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 shareholder approval.

Meetings and Special Voting Rrquirements

An annual meeting of the shareholders will be held each year, at least 30 days after delivery of our annual report. Special meetings of shareholders may be called only upon the request of a majority of the directors, a majority of the independent directors, the chairman, the president or upon the written request of shareholders 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 shareholder 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, shareholders are entitled to vote at a duly held meeting at which a quorum is present on (1) amendment of our articles of incorporation, (2) liquidation or dissolution of the Wells REIT, (3) reorganization of the Wells REIT, (4) merger, consolidation or sale or other disposition of substantially all of our assets, and (5) termination of our status as a REIT. Shareholders 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 shareholder 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 shareholder and decides whether to award interest from the date of the merger or sale of assets and costs of the proceeding to the dissenting shareholders.

Our advisor is selected and approved annually by our directors. While the shareholders do not have the ability to vote to replace Wells Capital or to select a new advisor, shareholders 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.

Shareholders are entitled to receive a copy of our shareholder list upon request. The list provided by us will include each shareholder's name, address and telephone number, if available, and number of shares owned by each shareholder and will be sent within ten days of the receipt by us of the request. A shareholder requesting a list will be required to pay reasonable costs of postage and duplication. We have the right to request that a requesting shareholder represent to us that the list will not be used to pursue commercial interests.

In addition to the foregoing, shareholders 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 shareholders in the context of the solicitation of proxies for voting on matters presented to shareholders or, at our option, provide requesting shareholders with a copy of the list of shareholders so that the requesting shareholders 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 which 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 the 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.

The 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 (a) the price per share in the transaction that created such shares-in-trust, or (b) 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) the board of directors determines it is no longer in the best interest of the Wells REIT 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 the shareholders of the Wells REIT.

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. In addition, the ownership limit does not apply to a person or persons which the directors so exempt from the ownership limit 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 distributions are declared. Dividends will be paid to investors who are shareholders as of the record dates selected by the 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 95% (90% beginning in year 2001) of our taxable

income. (See "Federal Income Tax Considerations -- Requirements for Qualification as a REIT.")

Dividends will be declared at the discretion of the board of directors, in accordance with our earnings, cash flow and general financial condition. The 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 shareholders, provided that the securities distributed to shareholders are readily marketable. Shareholders 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 the dividend reinvestment plan for $10 per share, less any discounts authorized in the "Plan of Distribution" section of this prospectus, until all of the shares registered as part of this offering have been sold. After this time, we may purchase shares either through purchases on the open market, if a market then exists, or through an additional issuance of shares. In any case, the price per share will be equal to the then-prevailing market price, which shall equal the price on the securities exchange or over-the-counter market on which such shares are listed at the date of purchase if such shares are then listed. A copy of our Amended and Restated Dividend Reinvestment Plan as currently in effect is included as Exhibit B to this prospectus.

You may elect to participate in the dividend reinvestment plan by completing the Subscription Agreement, the enrollment form or by other written notice to the plan administrator. Participation in the plan will begin with the next distribution made after receipt of your written notice. We may terminate the dividend reinvestment plan for any reason at any time upon 10 days' prior written notice to participants. Your participation in the plan will also be terminated to the extent that a reinvestment of your distributions in our shares would cause the percentage ownership limitation contained in our articles of incorporation to be exceeded.

If you elect to participate in the dividend reinvestment plan and are subject to federal income taxation, you will incur a tax liability for dividends allocated to you even though you have elected not to receive the dividends in cash but rather to have the dividends held pursuant to the dividend reinvestment plan. Specifically, you will be treated as if you have received the dividend from us in cash and then applied such dividend to the purchase of additional shares. You will be taxed on the amount of such dividend as ordinary income to the extent such dividend is from current or accumulated earnings and profits, unless we have designated all or a portion of the dividend as a capital gain dividend.

Share Redemption Program

Prior to the time that our shares are listed on a national securities exchange, shareholders 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 the 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. The board of directors reserves the right in its sole discretion at any time and from time to time to (1) waive the one-year holding period in the event of the death or bankruptcy of a shareholder or other exigent circumstances, (2) reject any request for redemption, (3) change the purchase price for redemptions, or (4) otherwise amend the terms of our share redemption program.

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 three percent (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 the 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.

The share redemption program is only intended to provide interim liquidity for shareholders 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 purchase under the share redemption program will be cancelled, and will have the status of authorized, but unissued shares. We will not reissue such shares 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 issued in compliance with such laws.

If we terminate, reduce the scope of or otherwise change the share redemption program, we will disclose the changes in reports filed with the Commission.

Restrictions on Roll-Up Transactions

In connection with any proposed transaction considered a "Roll-up Transaction" involving the Wells REIT and the issuance of securities of an entity (a Roll-up Entity) that would be created or would survive after the successful completion of the Roll-up Transaction, an appraisal of all properties shall be obtained from a competent independent appraiser. The properties shall be appraised on a consistent basis, and the appraisal shall be based on the evaluation of all relevant information and shall indicate the value of the properties as of a date immediately prior to the announcement of the proposed Roll-up Transaction. The appraisal shall assume an orderly liquidation of properties over a 12-month period. The terms of the engagement of the independent appraiser shall clearly state that the engagement is for our benefit and the shareholders. A summary of the appraisal, indicating all material assumptions underlying the appraisal, shall be included in a report to shareholders 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: shareholder voting rights; the term of our existence; compensation to Wells Capital; or our investment objectives.

On connection with a proposed Roll-up Transaction, the person sponsoring the Roll-up Transaction must offer to shareholders 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 shareholders 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 shareholder's pro rata share of the appraised value of our net assets.

We are prohibited from participating in any proposed Roll-up Transaction:

- which would result in the shareholders 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;

- which 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 shareholders.

Business Combinations

Under Maryland Corporation Law, business combinations between a Maryland corporation and an interested shareholder or the interested shareholder's affiliate are prohibited for five years after the most recent date on which the shareholder becomes an interested shareholder. For this purpose, the term "business combinations" includes mergers, consolidations, share exchanges, asset transfers and issuances or reclassifications of equity securities. An "interested shareholder" is defined for this purpose as:

(1) any person who beneficially owns ten percent or more of the voting power of the corporation's shares; or

(2) an affiliate or associate of the corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner of ten percent or more of the voting power of the then outstanding voting shares of the corporation.

After the five-year prohibition, any business combination between the corporation and an interested shareholder generally must be recommended by the board of directors of the corporation and approved by the affirmative vote of at least:

(1) 80% of the votes entitled to be cast by holders of outstanding voting shares of the corporation; and

(2) two-thirds of the votes entitled to be cast by holders of voting shares of the corporation other than shares held by the interested shareholder or its affiliate with whom the business combination is to be effected, or held by an affiliate or associate of the interested shareholder voting together as a single voting group.

These super-majority vote requirements do not apply if the corporation's common shareholders receive a minimum price, as defined under Maryland Corporation Law, for their shares in the form of cash or other consideration in the same form as previously paid by the interested shareholder for its shares. None of these provisions of the Maryland Corporation Law will 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 shareholder becomes an interested shareholder.

The business combination statute may discourage others from trying to acquire control of the Wells REIT and increase the difficulty of consummating any offer.

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 Acquisitions, 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 bylaws that the control share provisions of Maryland Corporation Law will not apply to transactions involving the Wells REIT, but the board of directors retains the discretion to change this provision in the future.

"Control shares" are voting shares which, if aggregated with all other shares owned by the acquiror or with respect to which the acquiror has the right to vote or to direct the voting of, other than solely by virtue of revocable proxy, would entitle the acquiror to exercise voting power in electing directors within one of the following ranges of voting powers:

- one-fifth or more but less than one-third;
- one-third or more but less than a majority; or
- a majority or more of all voting power.

Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained shareholder approval.

Except as otherwise specified in the statute, a "control share acquisition" means the acquisition of control shares.

Once a person who has made or proposes to make a control share acquisition has undertaken to pay expenses and has satisfied other required conditions, the person may compel the board of directors to call a special meeting of shareholders to be held within 50 days of demand to consider the voting rights of the shares. If no request for a meeting is made, the corporation may itself present the question at any shareholders meeting.

If voting rights are not approved for the control shares at the meeting or if the acquiring person does not deliver an "acquiring person statement" for the control shares as required by the statute, the corporation may redeem any or all of the control shares for their fair value, except for control shares for which voting rights have previously been approved. Fair value is to be determined for this purpose without regard to the absence of voting rights for the control shares, and is to be determined as of the date of the last control share acquisition or of any meeting of shareholders at which the voting rights for control shares are considered and not approved.

If voting rights for control shares are approved at a shareholders meeting and the acquiror becomes entitled to vote a majority of the shares entitled to vote, all other shareholders may exercise appraisal rights. The fair value of the shares as determined for purposes of these appraisal rights may not be less than the highest price per share paid in the control share acquisition. Some of the limitations and restrictions otherwise applicable to the exercise of dissenters' rights do not apply in the context of a control share acquisition.

The control share acquisition statute does not apply to shares acquired in a merger, consolidation or share exchange if the corporation is a party to the transaction or to acquisitions approved or exempted by the articles of incorporation or bylaws of the corporation.

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-free basis. Further, Wells OP is structured to make distributions with respect to limited partnership units which are equivalent to the dividend distributions made to shareholders 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 September 30, 2000, 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 1% 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 shareholders.

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.

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

We are offering a maximum of 125,000,000 shares to the public through Wells Investment Securities, Inc., the Dealer Manager, a registered broker-dealer affiliated with the 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 10,000,000 shares for sale pursuant to our dividend reinvestment plan at a price of $10.00 per share. An additional 5,000,000 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 140,000,000 shares are being registered in this offering.

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 coordinating sales efforts, training of personnel and generally performing "wholesaling" functions. We will not pay referral or similar fees to any accountants, attorneys or other persons in connection with the distribution of the shares. Shareholders 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 shareholders purchasing shares other than pursuant to the dividend reinvestment plan.

We will also award to the Dealer Manager one soliciting dealer warrant for every 25 shares they sell during the offering period. The Dealer Manager may retain or reallow these warrants to broker-dealers participating in the offering, 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 broker-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 shareholders 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.

The Dealer Manager may authorize certain other broker-dealers who are members of the NASD to sell shares. In the event of the sale of shares by such other broker-dealers, the Dealer Manager may reallow its commissions in the amount of up to 7.0% of the gross offering proceeds to such participating broker-dealers. In addition, the Dealer Manager, in its sole discretion, may reallow to broker-dealers participating in the offering a portion of its dealer manager fee in the aggregate amount of up to 1.5% of gross offering proceeds to be paid to such participating broker-dealers as marketing fees and as reimbursement of due diligence expenses, based on such factors as the number of shares sold by such participating broker-dealers, the assistance of such participating broker-dealers in marketing the offering and bona fide conference fees incurred.

We anticipate that the total underwriting compensation, including sales commissions, the dealer manager fee and underwriting expense reimbursements, will not exceed 9.5% of gross offering proceeds, except for the soliciting dealer warrants described above.

We have agreed to indemnify the participating broker-dealers, including the Dealer Manager, against certain liabilities arising under the Securities Act of 1933, as amended.

The broker-dealers participating in the offering of our shares 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 offered 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 and 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 shareholders 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 shareholders for a vote.

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. 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.

We will place the subscription proceeds in an interest-bearing account with Bank of America, N.A., Atlanta, Georgia. Subscription proceeds held in the account may be invested in securities backed by the United States government or bank money-market accounts or certificates of deposit of national or state banks that have deposits insured by the Federal Deposit Insurance Corporation, including certificates of deposit of any bank acting as depository or custodian for any such funds, as directed by our advisor. Subscribers may not withdraw funds from the account. We will withdraw funds from the account periodically for the acquisition of real estate properties or the payment of fees and expenses. We generally admit shareholders to the Wells REIT on a daily basis.

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 the 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 offering of shares will terminate on or before December 19, 2002. However, we reserve the right to terminate this offering at any time prior to such termination date.

The proceeds of this offering will be received and held in trust for the benefit of purchasers of shares to 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 ten business days.

We may sell shares to retirement plans of broker-dealers participating in the offering, to broker-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 50,000 or more shares ($500,000) to a "purchaser" as defined below, a participating broker-dealer may agree in his sole discretion to reduce the amount of his selling commissions. Such reduction will be credited to the purchaser by reducing the total purchase price payable by such purchaser. The following table illustrates the various discount levels available:

Dollar Volume	Sales Commissions		Purchase Price	Manager Fee Per	Net Proceeds
Shares Purchased	Percent	Per Share	Per Share	Share	Per Share
Under $500,000	7.0%	$0.7000	$10.0000	$0.25	$9.05
$500,000-$999,999	5.0%	$0.4895	$ 9.7895	$0.25	$9.05
$1,000,000 and Over	3.0%	$0.2876	$ 9.5876	$0.25	$9.05

For example, if an investor purchases 100,000 shares, he could pay as little as $958,760 rather than $1,000,000 for the shares, in which event the commission on the sale of such shares would be $28,760 ($0.2876 per share), and, after payment of the dealer manager fee, we would receive net proceeds of $905,000 ($9.05 per share). The net proceeds to the Wells REIT will not be affected by volume discounts.

Because all investors will be deemed to have contributed the same amount per share to the Wells REIT for purposes of declaring and paying dividends, an investor qualifying for a volume discount will receive a higher 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, and must set forth the basis for such request. Any such request will be subject to verification by the advisor 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, the advisor may, in its sole discretion, waive the "purchaser" requirements and aggregate subscriptions, including subscriptions to public real estate programs previously sponsored by the 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 broker-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. If such investor does not reduce the purchase price, the excess amount submitted over the discounted purchase price shall be returned to the actual separate subscribers

for shares. Except as provided in this paragraph, separate subscriptions will not be cumulated, combined or aggregated.

In addition, in order to encourage purchases in amounts of 500,000 or more shares, a potential purchaser who proposes to purchase at least 500,000 shares may agree with Wells Capital and the Dealer Manager to have the acquisition and advisory fees payable to Wells Capital with respect to the sale of such shares reduced to 0.5%, to have the dealer manager fee payable to the Dealer Manager with respect to the sale of such shares reduced to 0.5%, and to have the selling commissions payable with respect to the sale of such shares reduced to 0.5%, in which event the aggregate fees payable with respect to the sale of such shares would be reduced by $1.10 per share, and the purchaser of such shares would be required to pay a total of $8.90 per share purchased, rather than $10.00 per share. The net proceeds to the Wells REIT would not be affected by such fee reductions. Of the $8.90 paid per share, we anticipate that approximately $8.40 per share or approximately 94.4% will be used to acquire properties and pay required acquisition expenses relating to the acquisition of properties. All such sales must be made through registered broker-dealers.

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 who, in connection with their purchase of shares, have engaged the services of a registered investment advisor with whom the investor has agreed to pay a fee for investment advisory services in lieu of normal commissions based on the volume of securities sold may agree with the participating broker-dealer selling such shares and the Dealer Manager to reduce the amount of selling commissions payable with respect to such sale to zero. The net proceeds to the Wells REIT will not be affected by eliminating the commissions payable in connection with sales to investors purchasing through such investment advisors. All such sales must be made through registered broker-dealers.

Neither the Dealer Manager nor its affiliates will directly or indirectly compensate any person engaged as an investment advisor by a potential investor as an inducement for such investment advisor to advise favorably for investment in the Wells REIT.

In addition, subscribers for shares may agree with their participating broker-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. Shareholders 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 shareholders 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 shareholder 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 shareholder 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.

Shareholders 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 shareholders 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 shareholder 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 shareholders may be pledged by the Wells REIT, the Dealer Manager, the advisor 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 shareholders 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 shareholders 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 shareholders to make any further payments of deferred commissions under the deferred commission option shall terminate, and participating broker-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 shareholders who are subject to any such acceleration of their deferred commission obligations. In no event may Wells REIT withhold in excess of $0.60 per share in the aggregate for the payment of deferred commissions.

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 the advisor and its affiliates, property brochures and articles and publications concerning real estate. In addition, the sales material may contain certain quotes from various publications without obtaining the consent of the author or the publication for use of the quoted material in the sales material.

The offering of shares is made only by means of this prospectus. Although the information contained in such sales material will not conflict with any of the information contained in this prospectus, such material does not purport to be complete, and should not be considered a part of this prospectus or the registration statement of which this prospectus is a part, or as incorporated by reference in this prospectus or said registration statement or as forming the basis of the offering of the shares.

Legal Opinions

The legality of the shares being offered hereby has been passed upon for the Wells REIT by Holland & Knight LLP (Counsel). The statements under the caption "Federal Income Tax Consequences" as they relate to federal income tax matters have been reviewed by such Counsel, and Counsel has opined as to certain income tax matters relating to an investment in shares of the Wells REIT. Counsel has represented Wells Capital, our advisor, as well as affiliates of Wells Capital, in other matters and may continue to do so in the future. (See "Conflicts of Interest.")

Experts

Audited Financial Statements

The audited financial statements of the Wells REIT as of December 31, 1999 and 1998, and for each of the years in the two-year period ended December 31, 1999, included in this prospectus and elsewhere in the registration statement, have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect thereto, and are included in this prospectus in reliance upon the authority of said firm as experts in giving said report.

The Statements of Revenues over Certain Operating Expenses of the Dial Building, the ASML Building, the Motorola Tempe Building and the Motorola Plainfield Building for the year ended December 31, 1999, included in this prospectus and elsewhere in the registration statement, have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto, and are included in this prospectus in reliance upon the authority of said firm as experts in giving said reports.

Unaudited Financial Statements

The unaudited interim financial statements of the Wells REIT as of September 30, 2000, and for the three and nine-month periods ended September 30, 2000 and 1999, which are included in this prospectus, have not been audited.

The Statements of Revenues over Certain Operating Expenses of the Motorola Plainfield Building for the nine months ended September 30, 2000, which are included in this prospectus, have not been audited.

The unaudited pro forma financial statements of the Wells REIT for the year ended December 31, 1999, and for the nine-month period ended September 30, 2000, 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 facilities in Washington, D.C. at Judiciary Plaza, Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549;
- the Northeast Regional Office in New York at 7 World Trade Center, Suite 1300, New York, New York 10048; and
- the Midwest Regional Office in Chicago, Illinois at 500 West Madison Street, Suite 1400, Chicago, Illinois 66661-2511.

The Commission maintains a Web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the Commission. The address of the Commission's website is http://www.sec.gov.

Glossary

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

"Dealer Manager" means Wells Investment Securities, Inc.

"IRA" means an individual retirement account established pursuant to Section 408 or Section 408A of the Internal Revenue Code.

"NASAA Guidelines" means the Statement of Policy Regarding Real Estate Investment Trusts of the North American Securities Administrators Association, Inc., as revised and adopted on September 29, 1993.

"Property Manager" means Wells Management Company, Inc.

"UBTI" means unrelated business taxable income, as that term is defined in Sections 511 through 514 of the Internal Revenue Code.

Index to Financial Statements and Prior Performance Tables

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Wells Real Estate Investment Trust, Inc.:

We have audited the accompanying consolidated balance sheets of WELLS REAL ESTATE INVESTMENT TRUST, INC. (a Maryland corporation) AND SUBSIDIARY as of December 31, 1999 and 1998 and the related consolidated statements of income, shareholders' equity, and cash flows for each of the two years in the period ended December 31, 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements 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 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 consolidated 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, 1999 and 1998 and the results of their operations and their cash flows for each of the two years in the period ended December 31, 1999 in conformity with accounting principles generally accepted in the United States.

/s/ ARTHUR ANDERSEN LLP

Atlanta, Georgia
January 20, 2000

WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 1999 AND 1998

ASSETS

	1999	1998
REAL ESTATE ASSETS, at cost:		
Land	$ 14,500,822	$ 1,520,834
Building, less accumulated depreciation of $1,726,103 and $0 at December 31, 1999 and		

1998, respectively	81,507,040	20,076,845
Construction in progress	12,561,459	0
Total real estate assets	108,569,321	21,597,679
INVESTMENT IN JOINT VENTURES	29,431,176	11,568,677
CASH AND CASH EQUIVALENTS	2,929,804	7,979,403
DEFERRED OFFERING COSTS	964,941	548,729
DEFERRED PROJECT COSTS	28,093	335,421
DUE FROM AFFILIATES	648,354	262,345
PREPAID EXPENSES AND OTHER ASSETS	1,280,601	540,319
Total assets	$143,852,290	$42,832,573
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Accounts payable and accrued expenses	$ 461,300	$ 187,827
Notes payable	23,929,228	14,059,930
Dividends payable	2,166,701	408,176
Due to affiliate	1,079,466	554,953
Total liabilities	27,636,695	15,210,886
COMMITMENTS AND CONTINGENCIES		
MINORITY INTEREST OF UNIT HOLDER IN OPERATING PARTNERSHIP	200,000	200,000
SHAREHOLDERS' EQUITY:		
Common shares, $.01 par value; 40,000,000 shares authorized, 13,471,085 shares issued and outstanding at December 31, 1999 and 3,154,136 shares issued and outstanding at December 31, 1998	134,710	31,541
Additional paid-in capital	115,880,885	27,056,112
Retained earnings	0	334,034
Total shareholders' equity	116,015,595	27,421,687
Total liabilities and shareholders' equity	$143,852,290	$42,832,573

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, 1999 AND 1998

	1999	1998
REVENUES:		
Rental income	$4,735,184	$ 20,994
Equity in income of joint ventures	1,243,969	263,315
Interest income	502,993	110,869
Other income	13,249	0
	6,495,395	395,178
EXPENSES:		
Depreciation	1,726,103	0
Interest expense	442,029	11,033
Operating costs, net of reimbursements	(74,666)	0
Management and leasing fees	257,744	0
General and administrative	123,776	29,943
Legal and accounting	115,471	19,552
Computer costs	11,368	616
Amortization of organizational costs	8,921	0
	2,610,746	61,144
NET INCOME	$3,884,649	$334,034

EARNINGS PER SHARE:		
Basic and diluted	$ 0.50	$ 0.40

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, 1999 AND 1998

	Common Stock		Additional Paid-In	Retained	Total Shareholders'
	Shares	Amount	Capital	Earnings	Equity
BALANCE, December 31, 1997	100	$ 1	$ 999	$ 0	$ 1,000
Issuance of common stock	3,154,036	31,540	31,508,820	0	31,540,360
Net income	0	0	0	334,034	334,034
Dividends ($.31 per share)	0	0	(511,163)	0	(511,163)
Sales commissions	0	0	(2,996,334)	0	(2,996,334)
Other offering expenses	0	0	(946,210)	0	(946,210)
BALANCE, December 31, 1998	3,154,136	31,541	27,056,112	334,034	27,421,687
Issuance of common stock	10,316,949	103,169	103,066,321	0	103,169,490
Net income	0	0	0	3,884,649	3,884,649
Dividends ($.70 per share)	0	0	(1,346,240)	(4,218,683)	(5,564,923)
Sales commissions	0	0	(9,801,197)	0	(9,801,197)
Other offering expenses	0	0	(3,094,111)	0	(3,094,111)
BALANCE, December 31, 1999	13,471,085	$134,710	$115,880,885	$ 0	$116,015,595

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, 1999 AND 1998

	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 3,884,649	$ 334,034

Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Equity in income of joint ventures	(1,243,969)	(263,315)
Depreciation	1,726,103	0
Amortization of organizational costs	8,921	0
Changes in assets and liabilities:		
Prepaid expenses and other assets	(749,203)	(540,319)
Accounts payable and accrued expenses	273,473	187,827
Due to affiliates	108,301	6,224
Total adjustments	123,626	(609,583)
Net cash provided by (used in) operating activities	4,008,275	(275,549)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment in real estate	(85,514,506)	(21,299,071)
Investment in joint ventures	(17,641,211)	(11,276,007)
Deferred project costs paid	(3,610,967)	(1,103,913)
Distributions received from joint ventures	1,371,728	178,184
Net cash used in investing activities	(105,394,956)	(33,500,807)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable	40,594,463	14,059,930
Repayments of notes payable	(30,725,165)	0
Dividends paid to shareholders	(3,806,398)	(102,987)
Issuance of common stock	103,169,490	31,540,360
Sales commissions paid	(9,801,197)	(2,996,334)
Other offering costs paid	(3,094,111)	(946,210)
Net cash provided by financing activities	96,337,082	41,554,759
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(5,049,599)	7,778,403
CASH AND CASH EQUIVALENTS, beginning of year	7,979,403	201,000
CASH AND CASH EQUIVALENTS, end of year	$ 2,929,804	$ 7,979,403
SUPPLEMENTAL DISCLOSURES OF NONCASH ACTIVITIES:		
Deferred project costs applied to real estate assets	$ 3,183,239	$ 298,608
Deferred project costs contributed to joint ventures	$ 735,056	$ 469,884
Deferred offering costs due to affiliate	$ 416,212	$ 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, 1999 AND 1998

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 40,000,000 (exclusive of 2,200,000 shares available pursuant to the Company's dividend reinvestment plan) 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 with this, 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 amounts of the Operating Partnership.

The Operating Partnership owns the following properties directly: (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 building located in Wood Dale, Illinois; and (iv) the Cinemark Building, a five-story office building located in Plano, Texas.

The Company also owns interests in several properties through a joint venture among the Operating Partnership, Wells Real Estate Fund IX, L.P. ("Wells Fund IX"), Wells Real Estate Fund X, L.P. ("Wells Fund X"), and Wells Real Estate Fund XI, L.P. ("Wells Fund XI"). This joint venture is referred to as the Fund IX, Fund X, Fund XI, and REIT Joint Venture ("Fund IX, X, XI, and REIT Joint Venture"). In addition, the Company owns an interest in several properties through a joint venture between Wells Fund XI, Wells Real Estate Fund XII, L.P. ("Wells Fund XII"), and the Operating Partnership, which is referred to as Wells Fund XI, XII and REIT Joint Venture. The Company owns two properties through a joint venture between the Operating Partnership and Fund X and XI Associates, a joint venture between Wells Fund X and Wells Fund XI.

Through its investment in the Fund IX, X, XI, and REIT Joint Venture, the Company owns interests in the following properties: (i) a three-story office building in Knoxville, Tennessee (the "ABB 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 warehouse facility in Ogden, Utah (the "Iomega Building"), and (v) a one-story office building in Oklahoma City, Oklahoma (the "Lucent Technologies Building").

The following properties are owned by the Company through its investment in a joint venture with Fund X and XI Associates: (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 warehouse and office building in Fremont, California (the "Fairchild Building") owned by Wells/Fremont Associates.

Through its investment in the Wells Fund XI, XII, and REIT Joint Venture, the Company owns interests in the following properties: (i) a two-story manufacturing and office building in Greenville County, 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").

Use of Estimates and Factors Affecting the Company

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles 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 (the "Code"), commencing with the taxable year ended December 31, 1998. As a result, the Company generally will not be subject to federal income taxation at the corporate level to the extent it distributes annually at least 95% of its REIT taxable income, as defined in the Code, to its shareholders and satisfies certain other requirements. Additionally, the Operating Partnership is not subject to federal or state income taxes. Accordingly, no provision has been made for federal or state income taxes in the accompanying consolidated financial statements for the years ended December 31, 1999 and 1998.

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 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, 1999.

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.

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 investment in the joint ventures is 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.

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.

Earnings Per Share

Earnings per share is 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.

2. DEFERRED PROJECT COSTS

The Company paid a percentage of shareholder contributions to the Advisor for acquisition and advisory services. 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, 1999 were $4,714,880 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, 1999 and 1998 represent fees not yet applied to properties.

3. DEFERRED OFFERING COSTS

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

As of December 31, 1999, the Advisor paid organization and offering expenses on behalf of the Company in the aggregate amount of $5,005,262, of which the Advisor was reimbursed $4,040,321, which did not exceed the 5% limitation. The unpaid portion of deferred offering costs is $964,941 and is included in due to affiliate in the accompanying balance sheet.

4. RELATED-PARTY TRANSACTIONS

Due from affiliates at December 31, 1999 represents the Operating Partnership's share of the cash to be distributed from its joint venture investments for the fourth quarter of 1999 and 1998 as follows:

	1999	1998
Fund IX, X, XI, and REIT Joint Venture	$ 32,079	$ 38,360
Wells/Orange County Associates	75,953	77,123
Wells/Fremont Associates	152,681	146,862
Fund XI, XII, and REIT	387,641	0
	$648,354	$262,345

The Company entered into a property management 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 Wells Management management and leasing fees equal to the lesser of (a) fees that would be paid to a comparable outside firm, or (b) 4.5% of the gross revenues generally paid over the life of the lease 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. In the case of commercial properties which are leased on a long-term (ten or more years) net lease basis, the maximum property management fee from such leases shall be 1% of the gross revenues generally paid over the life of the leases except for a one-time initial leasing fee of 3% of the gross revenues on each lease payable over the first five full years of the original lease term.

The Operating Partnership's portion of the management and leasing fees and lease acquisition costs paid to Wells Management by the joint ventures was $336,517 for the year ended December 31, 1999.

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, 1999 and 1998 are summarized as follows:

	1999		1998	
	Amount	Percent	Amount	Percent
Fund IX, X, XI, and REIT Joint Venture	$ 1,388,884	4%	$ 1,443,378	4%
Wells/Orange County Associates	2,893,112	44	2,958,617	44
Wells/Fremont Associates	6,988,210	78	7,166,682	78
Fund XI, XII, and REIT Joint Venture	18,160,970	57	0	0
	$29,431,176		$11,568,677	

The following is a rollforward of the Operating Partnership's investment in joint ventures for the years ended December 31, 1999 and 1998:

	1999	1998
Investment in joint ventures, beginning of year	$11,568,677	$ 0
Equity in income of joint ventures	1,243,969	263,315
Contributions to joint ventures	18,376,267	11,745,890
Distributions from joint ventures	(1,757,737)	(440,528)
Investment in joint ventures, end of year	$29,431,176	$11,568,677

Fund IX, X, XI, and REIT Joint Venture

On March 20, 1997, Wells Fund IX and Wells 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 ABB Building, to the Fund IX and X Associates joint venture. A 83,885-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 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 Lucent Technologies 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.

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, 1999 and 1998

ASSETS

	1999	1998
Real estate assets, at cost:		
Land	$ 6,698,020	$ 6,454,213
Building and improvements, less accumulated depreciation of $2,792,068 in 1999 and $1,253,156 in 1998	29,878,541	30,686,845
Construction in progress	0	990
Total real estate assets	36,576,561	37,142,048
Cash and cash equivalents	1,146,874	1,329,457
Accounts receivable	554,965	133,257
Prepaid expenses and other assets	526,409	441,128
Total assets	$38,804,809	$39,045,890

LIABILITIES AND PARTNERS' CAPITAL

Liabilities:		
Accounts payable	$ 704,914	$ 409,737
Due to affiliates	6,379	4,406
Partnership distributions payable	804,734	1,000,127
Total liabilities	1,516,027	1,414,270
Partners' capital:		
Wells Real Estate Fund IX	14,590,626	14,960,100
Wells Real Estate Fund X	18,000,869	18,707,139
Wells Real Estate Fund XI	3,308,403	2,521,003
Wells Operating Partnership, L.P.	1,388,884	1,443,378
Total partners' capital	37,288,782	37,631,620
Total liabilities and partners' capital	$38,804,809	$39,045,890

The Fund IX, X, XI, and REIT Joint Venture
(A Georgia Joint Venture)
Statements of Income (Loss)
for the Years Ended December 31, 1999, 1998, and 1997

	1999	1998	1997
Revenues:			
Rental income	$3,932,962	$2,945,980	$ 28,512
Interest income	120,080	20,438	0
	4,053,042	2,966,418	28,512
Expenses:			
Depreciation	1,538,912	1,216,293	36,863
Management and leasing fees	286,139	226,643	1,711
Operating costs, net of reimbursements	(43,501)	(140,506)	10,118
Property administration expense	63,311	34,821	0
Legal and accounting	35,937	15,351	0
	1,880,798	1,352,602	48,692
Net income (loss)	$2,172,244	$1,613,816	$(20,180)
Net income (loss) allocated to Wells Real Estate Fund IX	$ 850,072	$ 692,116	$(10,145)
Net income (loss) allocated to Wells Real Estate Fund X	$1,056,316	$ 787,481	$(10,035)
Net income (loss) allocated to Wells Real Estate Fund XI	$ 184,335	$ 85,352	$ 0
Net income allocated to Wells Operating Partnership, L.P.	$ 81,501	$ 48,867	$ 0

The Fund IX, X, XI, and REIT Joint Venture
(A Georgia Joint Venture)
Statements of Partners' Capital
for the Years Ended December 31, 1999, 1998, and 1997

	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, 1996	$ 0	$ 0	$ 0	$ 0	$ 0
Net loss	(10,145)	(10,035)	0	0	(20,180)
Partnership contributions	3,712,938	3,672,838	0	0	7,385,776
Balance, December 31, 1997	3,702,793	3,662,803	0	0	7,365,596
Net income	692,116	787,481	85,352	48,867	1,613,816
Partnership contributions	11,771,312	15,613,477	2,586,262	1,480,741	31,451,792
Partnership distributions	(1,206,121)	(1,356,622)	(150,611)	(86,230)	(2,799,584)
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

The Fund IX, X, XI, and REIT Joint Venture
(A Georgia Joint Venture)
Statements of Cash Flows
for the Years Ended December 31, 1999, 1998, and 1997

	1999	1998	1997
Cash flows from operating activities:			
Net income (loss)	$ 2,172,244	$ 1,613,816	$ (20,180)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	1,538,912	1,216,293	36,863
Changes in assets and liabilities:			
Accounts receivable	(421,708)	(92,745)	(40,512)
Prepaid expenses and other assets	(85,281)	(111,818)	(329,310)
Accounts payable	295,177	29,967	379,770
Due to affiliates	1,973	1,927	2,479
Total adjustments	1,329,073	1,043,624	49,290
Net cash provided by operating activities	3,501,317	2,657,440	29,110
Cash flows from investing activities:			
Investment in real estate	(930,401)	(24,788,070)	(5,715,847)
Cash flows from financing activities:			
Distributions to joint venture partners	(3,820,491)	(1,799,457)	0
Contributions received from partners	1,066,992	24,970,373	5,975,908
Net cash (used in) provided by financing activities	(2,753,499)	23,170,916	5,975,908
Net (decrease) increase in cash and cash equivalents	(182,583)	1,040,286	289,171
Cash and cash equivalents, beginning of year	1,329,457	289,171	0
Cash and cash equivalents, end of year	$ 1,146,874	$ 1,329,457	$ 289,171
Supplemental disclosure of noncash activities:			
Deferred project costs contributed to joint venture	$ 43,024	$ 1,470,780	$ 318,981
Contribution of real estate assets to joint venture	$ 0	$ 5,010,639	$ 1,090,887

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, 1999 and 1998

ASSETS

	1999	1998
Real estate assets, at cost:		
Land	$2,187,501	$2,187,501
Building, less accumulated depreciation of $278,652 in 1999 and $92,087 in 1998	4,385,463	4,572,028
Total real estate assets	6,572,964	6,759,529
Cash and cash equivalents	176,666	180,895
Accounts receivable	49,679	13,123
Total assets	$6,799,309	$6,953,547

LIABILITIES AND PARTNERS' CAPITAL

Liabilities:		
Accounts payable	$ 0	$ 1,550

Partnership distributions payable	173,935	176,614
Total liabilities	173,935	178,164
Partners' capital:		
Wells Operating Partnership, L.P.	2,893,112	2,958,617
Fund X and XI Associates	3,732,262	3,816,766
Total partners' capital	6,625,374	6,775,383
Total liabilities and partners' capital	$6,799,309	$6,953,547

Wells/Orange County Associates
(A Georgia Joint Venture)
Statements of Income
for the Years Ended December 31, 1999 and 1998

	1999	1998
Revenues:		
Rental income	$795,545	$331,477
Interest income	0	448
	795,545	331,925
Expenses:		
Depreciation	186,565	92,087
Management and leasing fees	30,360	12,734
Operating costs, net of reimbursements	22,229	2,288
Interest	0	29,472
Legal and accounting	5,439	3,930
	244,593	140,511
Net income	$550,952	$191,414
Net income allocated to Wells Operating Partnership, L.P.	$240,585	$ 91,978

Net income allocated to Fund X and XI Associates	$310,367	$ 99,436

Wells/Orange County Associates
(A Georgia Joint Venture)
Statements of Partners' Capital
for the Years Ended December 31, 1999 and 1998

	Wells Operating Partnership, L.P.	Fund X and XI Associates	Total Partners' Capital
Balance, December 31, 1997	$ 0	$ 0	$ 0
Net income	91,978	99,436	191,414
Partnership contributions	2,991,074	3,863,272	6,854,346
Partnership distributions	(124,435)	(145,942)	(270,377)
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

Wells/Orange County Associates
(A Georgia Joint Venture)
Statements of Cash Flows
for the Years Ended December 31, 1999 and 1998

	1999	1998
Cash flows from operating activities:		
Net income	$ 550,952	$ 191,414
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	186,565	92,087
Changes in assets and liabilities:		
Accounts receivable	(36,556)	(13,123)
Accounts payable	(1,550)	1,550
Total adjustments	148,459	80,514
Net cash provided by operating activities	699,411	271,928
Cash flows from investing activities:		
Investment in real estate	0	(6,563,700)
Cash flows from financing activities:		
Issuance of note payable	0	4,875,000
Payment of note payable	0	(4,875,000)
Distributions to partners	(703,640)	(93,763)
Contributions received from partners	0	6,566,430
Net cash (used in) provided by financing activities	(703,640)	6,472,667
Net (decrease) increase in cash and cash equivalents	(4,229)	180,895
Cash and cash equivalents, beginning of year	180,895	0
Cash and cash equivalents, end of year	$ 176,666	$ 180,895
Supplemental disclosure of noncash activities:		
Deferred project costs contributed to joint venture	$ 0	$ 287,916

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 warehouse 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, 1999 and 1998

ASSETS

	1999	1998
Real estate assets, at cost:		
Land	$2,219,251	$2,219,251
Building, less accumulated depreciation of $428,246 in 1999 and $142,720 in 1998	6,709,912	6,995,439
Total real estate assets	8,929,163	9,214,690
Cash and cash equivalents	189,012	192,512

Accounts receivable	92,979	34,742
Total assets	$9,211,154	$9,441,944

LIABILITIES AND PARTNERS' CAPITAL

Liabilities:		
Accounts payable	$ 2,015	$ 3,565
Due to affiliate	5,579	2,052
Partnership distributions payable	186,997	189,490
Total liabilities	194,591	195,107
Partners' capital:		
Wells Operating Partnership, L.P.	6,988,210	7,166,682
Fund X and XI Associates	2,028,353	2,080,155
Total partners' capital	9,016,563	9,246,837
Total liabilities and partners' capital	$9,211,154	$9,441,944

Wells/Fremont Associates
(A Georgia Joint Venture)
Statements of Income
for the Years Ended December 31, 1999 and 1998

	1999	1998
Revenues:		
Rental income	$902,946	$401,058
Interest income	0	3,896
	902,946	404,954
Expenses:		
Depreciation	285,526	142,720
Management and leasing fees	37,355	16,726
Operating costs, net of reimbursements	16,006	3,364
Interest	0	73,919
Legal and accounting	4,885	6,306
	343,772	243,035
Net income	$559,174	$161,919
Net income allocated to Wells Operating Partnership, L.P.	$433,383	$122,470
Net income allocated to Fund X and XI Associates	$125,791	$ 39,449

Wells/Fremont Associates
(A Georgia Joint Venture)
Statements of Partners' Capital
for the Years Ended December 31, 1999 and 1998

	Wells Operating Partnership, L.P.	Fund X and XI Associates	Total Partners' Capital
Balance, December 31, 1997	$ 0	$ 0	$ 0
Net income	122,470	39,449	161,919
Partner contributions	7,274,075	2,083,334	9,357,409
Partnership distributions	(229,863)	(42,628)	(272,491)

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

Wells/Fremont Associates
(A Georgia Joint Venture)
Statements of Cash Flows
for the Years Ended December 31, 1999 and 1998

	1999	1998
Cash flows from operating activities:		
Net income	$ 559,174	$ 161,919
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	285,526	142,720
Changes in assets and liabilities:		
Accounts receivable	(58,237)	(34,742)
Accounts payable	(1,550)	3,565
Due to affiliate	3,527	2,052
Total adjustments	229,266	113,595
Net cash provided by operating activities	788,440	275,514
Cash flows from investing activities:		
Investment in real estate	0	(8,983,111)
Cash flows from financing activities:		
Issuance of note payable	0	5,960,000
Payment of note payable	0	(5,960,000)
Distributions to partners	(791,940)	(83,001)
Contributions received from partners	0	8,983,110
Net cash (used in) provided by financing activities	(791,940)	8,900,109
Net (decrease) increase in cash and cash equivalents	(3,500)	192,512
Cash and cash equivalents, beginning of year	192,512	0
Cash and cash equivalents, end of year	$ 189,012	$ 192,512
Supplemental disclosure of noncash activities:		
Deferred project costs contributed to joint venture	$ 0	$ 374,299

Fund XI, XII, and REIT Joint Venture

On May 1, 1999, the Operating Partnership entered into a joint venture with Wells Fund XII and Wells Fund XI. On May 18, 1999, the joint venture purchased a 169,510-square-foot, two-story manufacturing and office building, known as EYBL CarTex, 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 Sheet

December 31, 1999

ASSETS

Real estate assets, at cost:	
Land	$ 5,048,797
Building and improvements, less accumulated depreciation of $506,582	26,811,869
Total real estate assets	31,860,666
Cash and cash equivalents	766,278
Accounts receivable	133,777
Prepaid assets and other expenses	26,486
Total assets	$32,787,207

LIABILITIES AND PARTNERS' CAPITAL

Liabilities:	
Accounts payable	$ 112,457
Partnership distributions payable	680,294
Total liabilities	792,751
Partners' capital:	
Wells Real Estate Fund XI	8,365,852
Wells Real Estate Fund XII	5,467,634
Wells Operating Partnership, L.P.	18,160,970
Total partners' capital	31,994,456
Total liabilities and partners' capital	$32,787,207

The Fund XI, XII, and REIT Joint Venture
(A Georgia Joint Venture)
Statement of Income
for the Year Ended December 31, 1999

Revenues:	
Rental income	$1,443,446
Other income	57
	1,443,503
Expenses:	
Depreciation	506,582
Management and leasing fees	59,230
Operating costs, net of reimbursements	6,433
Property administration	14,185
Legal and accounting	4,000
	590,430
Net income	$ 853,073
Net income allocated to Wells Real Estate Fund XI	$ 240,031
Net income allocated to Wells Real Estate Fund XII	$ 124,542
Net income allocated to Wells Operating Partnership, L.P.	$ 488,500

The Fund XI, XII, and REIT Joint Venture
(A Georgia Joint Venture)
Statement of Partners' Capital
for the Year Ended December 31, 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

The Fund XI, XII, and REIT Joint Venture
(A Georgia Joint Venture)
Statement of Cash Flows
for the Year Ended December 31, 1999

Cash flows from operating activities:	
Net income	$ 853,073
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	506,582
Changes in assets and liabilities:	
Accounts receivable	(133,777)
Prepaid expenses and other assets	(26,486)
Accounts payable	112,457
Total adjustments	458,776
Net cash provided by operating activities	1,311,849
Cash flows from financing activities:	
Distributions to joint venture partners	(545,571)
Net increase in cash and cash equivalents	766,278
Cash and cash equivalents, beginning of year	0
Cash and cash equivalents, end of year	$ 766,278
Supplemental disclosure of noncash activities:	
Deferred project costs contributed to joint venture	$ 1,294,686
Contribution of real estate assets to joint venture	$31,072,562

6. INCOME TAX BASIS NET INCOME AND PARTNERS' CAPITAL

The Operating Partnership's income tax basis net income for the years ended December 31, 1999 and 1998 are calculated as follows:

	1999	1998
Financial statement net income	$3,884,649	$ 334,034
Increase (decrease) in net income resulting from:		
Depreciation expense for financial reporting purposes in excess of amounts for income tax purposes	949,631	82,618
Rental income accrued for financial reporting purposes in excess of amounts for income tax purposes	(789,599)	(35,427)
Expenses deductible when paid for income tax purposes, accrued for financial reporting purposes	49,906	1,634
Income tax basis net income	$4,094,587	$ 382,859

The Operating Partnership's income tax basis partners' capital at December 31, 1999 and 1998 is computed as follows:

	1999	1998
Financial statement partners' capital	$116,015,595	$27,421,687
Increase (decrease) in partners' capital resulting from:		
Depreciation expense for financial reporting purposes in excess of amounts for income tax purposes	1,032,249	82,618
Capitalization of syndication costs for income tax purposes, which are accounted for as cost of capital for financial reporting purposes	12,896,312	3,942,545
Accumulated rental income accrued for financial reporting purposes in excess of amounts for income tax purposes	(825,026)	(35,427)
Accumulated expenses deductible when paid for income tax purposes, accrued for financial reporting purposes	51,540	1,634
Dividends payable	2,166,701	408,176
Income tax basis partners' capital	$131,337,371	$31,821,233

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, 1999 is as follows:

Year ended December 31:	
2000	$ 11,737,408
2001	11,976,253
2002	12,714,291
2003	12,856,557
2004	12,581,882
Thereafter	54,304,092
	$116,170,483

Three tenants contributed 32%, 16%, and 15% of rental income for the year ended December 31, 1999. In addition, four tenants will contribute 34%, 20%, 17%, and 11% of future minimum rental income.

The future minimum rental income due the Fund IX, X, XI, and REIT Joint Venture under noncancelable operating leases at December 31, 1999 is as follows:

Year ended December 31:	
2000	$ 3,666,570
2001	3,595,686
2002	3,179,827
2003	3,239,080
2004	3,048,152
Thereafter	5,181,003
	$21,910,318

Four tenants contributed 25%, 18%, 13%, and 12% of rental income for the year ended December 31, 1999. In addition, four tenants will contribute 28%, 22%, 15%, and 10% of future minimum rental income.

The future minimum rental income due Wells/Orange County Associates under noncancelable operating leases at December 31, 1999 is as follows:

Year ended December 31:

2000	$ 758,964
2001	809,580
2002	834,888
2003	695,740
	$3,099,172

One tenant contributed 100% of rental income for the year ended December 31, 1999 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, 1999 is as follows:

Year ended December 31:	
2000	$ 869,492
2001	895,577
2002	922,444
2003	950,118
2004	894,833
	$4,532,464

One tenant contributed 100% of rental income for the year ended December 31, 1999 and will contribute 100% of future minimum rental income.

The future minimum rental income due from XI, XII and REIT under noncancelable operating leases at December 31, 1999 is a follows:

Year ended December 31:	
2000	$ 3,085,362
2001	3,135,490
2002	3,273,814
2003	3,367,231
2004	3,440,259
Thereafter	9,708,895
	$26,011,051

Four tenants contributed approximately 34%, 22%, 22%, and 12% of rental income for the year ended December 31, 1999. In addition, four tenants will contribute approximately 30%, 27%, 22%, and 18% of future minimum rental income.

8. NOTES PAYABLE

At December 31, 1999, the Operating Partnership had outstanding debt of $23,929,228. Of this amount, $11,430,696 was borrowed under a construction loan with Bank of America in order to finance the construction of a new building for Matsushita Avionics (the "Matsushita Project") and improvements for the AT&T Building. This loan is secured by the Matsushita Project and matures on May 10, 2001. The remaining $12,498,532 was borrowed against the revolving line of credit from SouthTrust Bank, which is collateralized by the PwC Building and matures on December 31, 2000. Interest is paid monthly and accrued at a variable rate based on LIBOR plus 200 basis points for both of these debt instruments. During 1999, the Company paid and capitalized interest costs of $847,451 and $463,873, respectively. The estimated fair value of these notes approximates their carrying value.

The Operating Partnership also has a $9,825,000 line of credit from Bank of America, which bears interest at a variable rate based on LIBOR plus 200 basis points. No balance was outstanding at December 31, 1999 under this line of credit.

9. COMMITMENTS AND CONTINGENCIES

On February 18, 1999, the Operating Partnership entered into a rental income guaranty agreement with Fund VIII and IX Associates (the "joint venture"), whereby the Operating Partnership guaranteed that the joint venture would receive rental income on the existing Matsushita Building, equal to at least the rent and building expenses that the joint venture would have received from Matsushita Avionics over the remaining term of the existing lease. Matsushita Avionics vacated the building on January 3, 2000, while the existing lease term extends through September 2003. The Company paid approximately $61,000 to the joint venture related to the rental income and building expenses due from Matsushita Avionics for the remainder of January 2000. Such payments are made from the Company's operating cash flow and reduce cash available for dividends.

On July 22, 1999, the Operating Partnership purchased a 7.49 acre tract of land located in Midlothian, Chesterfield County, Virginia for the purpose of constructing a four-story, 100,000 rentable square foot office building (the "ABB Project"). The Operating Partnership entered into an office lease with ABB Power Generation, Inc. ("ABB"), pursuant to which ABB has agreed to lease the ABB Project upon its completion.

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.

10. 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 SFAS No. 123, "Accounting for Stock-Based Compensation." As permitted by the provisions of SFAS No. 123, the Company applies Accounting Principles Board ("APB") 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 1999 is as follows:

	Number	Exercise Price
Outstanding at December 31, 1998	0	$ 0
Granted	27,500	12
Outstanding at December 31, 1999	27,500	$12
Outstanding options exercisable as of December 31, 1999	5,500	$12

The weighted average remaining contractual life of options outstanding at December 31, 1999 is approximately 9.5 years. Based on the terms of the options, the fair value of the options granted during 1999 is $0.

11. QUARTERLY RESULTS (UNAUDITED)

Presented below is a summary of the unaudited quarterly financial information for the years ended December 31, 1999 and 1998:

	1999 Quarters Ended			
	March 31	June 30	September 30	December 31
Revenues	$988,000	$1,204,938	$1,803,352	$2,499,105
Net income	393,438	601,975	1,277,019	1,612,217
Basic and diluted earnings per share	$ 0.10	$ 0.09	$ 0.18	$ 0.13
Dividends per share	0.17	0.17	0.18	0.18

	1998 Quarters Ended			
	March 31	June 30	September 30	December 31
Revenues	$ 0	$10,917	$73,292	$310,969
Net income	0	10,899	62,128	261,007
Basic and diluted earnings per share	$0.00	$ 0.16	$ 0.06	$ 0.18
Dividends per share	0.00	0.00	0.15	0.16

WELLS REAL ESTATE INVESTMENT TRUST, INC.
AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

ASSETS

	September 30, 2000	December 31, 1999
REAL ESTATE, at cost:		
Land	$ 21,695,304	$ 14,500,822
Building and improvements, less accumulated depreciation of $6,810,792 in 2000 and $1,726,103 in 1999	188,671,038	81,507,040
Construction in progress	295,517	12,561,459
Total real estate	210,661,859	108,569,321
INVESTMENT IN JOINT VENTURES (NOTE 2)	36,708,242	29,431,176
DUE FROM AFFILIATES	859,515	648,354
CASH AND CASH EQUIVALENTS	12,257,161	2,929,804
DEFERRED PROJECT COSTS (Note 1)	471,005	28,093
DEFERRED OFFERING COSTS (Note 1)	1,108,206	964,941
PREPAID EXPENSES AND OTHER ASSETS	6,344,905	1,280,601
Total assets	$268,410,893	$143,852,290

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES:		
Accounts payable and accrued expenses	$ 975,821	$ 461,300
Notes payable (Note 3)	38,909,030	23,929,228
Due to affiliates (Note 4)	1,372,508	1,079,466
Dividends payable	4,475,982	2,166,701
Total liabilities	45,733,341	27,636,695
COMMITMENTS AND CONTINGENCIES		
MINORITY INTEREST OF UNIT HOLDER IN OPERATING PARTNERSHIP	200,000	200,000

SHAREHOLDERS' EQUITY:		
Common shares, $.01 par value; 40,000,000 shares authorized, 26,174,825 shares issued and outstanding at September 30, 2000 and 13,471,085 shares issued and outstanding at December 31, 1999	261,748	134,710
Additional paid-in capital	222,215,804	115,880,885
Retained earnings	0	0
Total shareholders' equity	222,477,552	116,015,595
Total liabilities and shareholders' equity	$268,410,893	$143,852,290

See accompanying condensed notes to financial statements.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended		Nine Months Ended	
	September 30, 2000	September 30, 1999	September 30, 2000	September 30, 1999
REVENUES:				
Rental income	$5,819,968	$1,227,144	$13,712,371	$2,806,158
Equity in income of joint ventures	635,065	384,887	1,684,247	783,065
Interest income	131,578	191,321	338,020	407,067
	6,586,611	1,803,352	15,734,638	3,996,290
EXPENSES:				
Operating costs, net of reimbursements	289,140	(75,997)	631,407	(46,381)
Management and leasing fees	381,766	68,823	919,630	150,908
Depreciation	2,155,366	423,760	5,084,689	1,036,003
Administrative costs	41,626	21,076	273,484	91,016
Legal and accounting	32,883	22,187	130,603	78,637
Computer costs	2,353	2,119	8,846	8,182
Amortization of loan costs	64,016	2,433	150,143	6,488
Interest expense	1,094,233	61,932	2,798,299	399,005
	4,061,383	526,333	9,997,101	1,723,858
NET INCOME	$2,525,228	$1,277,019	$5,737,537	$2,272,432
BASIC AND DILUTED EARNINGS PER SHARE	$ 0.11	$ 0.18	$ 0.30	$ 0.37

See accompanying condensed notes to financial statements.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 1999

AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2000

	Common Stock		Additional Paid-In	Retained	Total Shareholders'
	Shares	Amount	Capital	Earnings	Equity
BALANCE, December 31, 1998	3,154,136	$ 31,541	$ 27,056,112	$ 334,034	$ 27,421,687

Issuance of common stock	10,316,949	103,169	103,066,321	0	103,169,490
Net income	0	0	0	3,884,649	3,884,649
Dividends ($.70 per share)	0	0	(1,346,240)	(4,218,683)	(5,564,923)
Sales commission	0	0	(9,801,197)	0	(9,801,197)
Other offering expenses	0	0	(3,094,111)	0	(3,094,111)
BALANCE, December 31, 1999	13,471,085	134,710	115,880,885	0	116,015,595
Issuance of common stock	12,769,524	127,695	127,567,548	0	127,695,243
Net income	0	0	0	5,737,537	5,737,537
Dividends ($.544 per share)	0	0	(4,695,767)	(5,737,537)	(10,433,304)
Sales commission	0	0	(12,068,553)	0	(12,068,553)
Other offering expenses	0	0	(3,811,122)	0	(3,811,122)
Common stock retired	(65,784)	(657)	(657,187)	0	(657,844)
BALANCE, September 30, 2000	26,174,825	$ 261,748	$ 222,215,804	$ 0	$ 222,477,552

See accompanying condensed notes to financial statements.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended	
	September 30, 2000	September 30, 1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 5,737,537	$ 2,272,432
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	5,084,689	1,036,003
Amortization of loan costs	150,143	6,488
Equity in income of joint ventures	(1,684,247)	(783,065)
Changes in assets and liabilities:		
Accounts payable	514,521	326,166
Increase in prepaid expenses and other assets	(5,214,447)	(667,823)
Increase due to affiliates	149,777	82,901
Net cash provided by operating activities	4,737,973	2,273,102
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investments in real estate	(103,469,511)	(55,913,594)
Investment in joint ventures	(7,612,005)	(17,641,421)
Deferred project costs	(4,446,307)	(2,692,478)
Distributions received from joint ventures	2,103,704	826,822
Net cash used in investing activities	(113,424,119)	(75,420,671)
Cash flows from financing activities:		
Proceeds from note payable	67,883,130	25,598,666
Repayment of note payable	(52,903,328)	(22,732,539)
Dividends paid	(8,124,023)	(2,159,649)
Issuance of common stock	127,695,243	76,927,944
Sales commissions paid	(12,068,553)	(7,308,155)
Offering costs paid	(3,811,122)	(2,307,838)
Common stock retired	(657,844)	0
Net cash provided by financing activities	118,013,503	68,018,429
NET INCREASE IN CASH AND CASH EQUIVALENTS	9,327,357	(5,129,140)
CASH AND CASH EQUIVALENTS, beginning of year	2,929,804	7,979,403
CASH AND CASH EQUIVALENTS, end of period	$ 12,257,161	$ 2,850,263
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING ACTIVITIES:		
Deferred project costs applied to joint ventures	$ 295,680	$ 735,056
Deferred project costs applied to real estate	$ 3,707,715	$ 2,273,411
Decrease in deferred offering cost accrual	$ (143,265)	$ (200,640)

See accompanying condensed notes to financial statements.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARY

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) General

Wells Real Estate Investment Trust, Inc. (the "Company" or "Registrant") is a Maryland corporation formed on July 3, 1997. The Company is the sole general partner of 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 for investment purposes income-producing commercial properties.

On January 30, 1998, the Company commenced a public offering of up to 16,500,000 shares of common stock at $10 per share pursuant to a Registration Statement on Form S-11 under the Securities Act of 1933. The Company commenced active operations on June 5, 1998, when it received and accepted subscriptions for 125,000 shares. The Company terminated its initial public offering on December 19, 1999, and on December 20, 1999, the Company commenced a second follow-on public offering of up to 22,200,000 shares of common stock at $10 per share. As of September 30, 2000, the Company had sold 26,240,610 shares for total capital contributions of $262,406,096. After payment of $9,161,189 in acquisition and advisory fees and acquisition expenses, payment of $32,718,532 in selling commissions and organization and offering expenses, capital contributions and acquisition expenditures by Wells OP of $211,641,497 in property acquisitions and common stock redemptions of $657,844 pursuant to the Company's share redemption program, the Company was holding net offering proceeds of $8,227,034 available for investment in properties. An additional $38,909,030 was spent for acquisition expenditures and was funded by loans from various lending institutes.

Wells OP owns interest in properties both directly and through equity ownership in the following joint ventures: (i) the Fund IX-X-XI-REIT Joint Venture, a joint venture among Wells OP and Wells Real Estate Fund IX, L.P., Wells Real Estate Fund X, L.P. and Wells Real Estate Fund XI, L.P. (the "Fund IX-X-XI-REIT Joint Venture"), (ii) Wells/Fremont Associates (the "Fremont Joint Venture"), a joint venture between Wells OP and Fund X and Fund XI Associates, which is a joint venture between Wells Real Estate Fund X, L.P. and Wells Real Estate Fund XI, L.P. (the "Fund X-XI Joint Venture"), (iii) Wells/Orange County Associates (the "Cort Joint Venture") a joint venture between Wells OP and the Fund X-XI Joint Venture, (iv) the Fund XI-XII-REIT Joint Venture, a joint venture among Wells OP, Wells Real Estate Fund XI, L.P., and Wells Real Estate Fund XII, L.P. (the "Fund XI-XIII-REIT Joint Venture"), (v) the Fund XII-REIT Joint Venture, a joint venture between Wells OP and Wells Real Estate Fund XII, L.P. (the "Fund XII-REIT Joint Venture"), and (vi) the Fund VIII-IX-REIT Joint Venture, a joint venture between Wells OP and the Fund VIII-IX Joint Venture.

As of September 30, 2000, Wells OP owned interest in the following properties either directly or through its interests in joint ventures: (i) a three-story office building in Knoxville, Tennessee (the "ABB-Knoxville 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 building in Oklahoma City, Oklahoma (the "AVAYA Building"); (v) a one-story warehouse and office building in Ogden, Utah (the "Iomega Building"), all five of which are owned by the Fund IX-X-XI-REIT Joint Venture; (vi) a two-story warehouse office building in Fremont, California (the "Fremont Building"), which is owned by the Fremont Joint Venture; (vii) a one-story warehouse and office building in Fountain Valley, California (the

"Cort Building"), which is owned by the Cort Joint Venture; (viii) a four-story office building in Tampa, Florida (the "PWC Building"); (ix) a four-story office building in Harrisburg, Pennsylvania (the "AT&T Building"), which are owned directly by Wells OP; (x) a two-story manufacturing and office building located in Fountain Inn, South Carolina (the "EYBL

CarTex Building"); (xi) a three-story office building located in Leawood, Kansas (the "Sprint Building"); (xii) a one story office building and warehouse in Tredyffrin Township, Pennsylvania (the "Johnson Matthey Building"); (xiii) a two-story office building in Ft. Meyers, Florida (the "Gartner Building"), all four of which are owned by Fund XI-XII-REIT Joint Venture; (xiv) a two-story office building located in Lake Forest, California (the "Matsushita Project"); (xv) a four-story office building in Richmond, Virginia (the "Alstom Power-Richmond Building"); (xvi) a two-story office building and warehouse in Wood Dale, Illinois (the "Marconi Building"); (xvii) a five-story office building in Plano, Texas (the "Cinemark Building"); (xviii) a three-story office building in Tulsa, Oklahoma (the "Metris Building"); (xix) a two-story office building in Scottsdale, Arizona (the "Dial Building"); (xx) a two-story office building in Tempe, Arizona (the "ASML Building"); (xxi) a two-story office building in Tempe, Arizona (the "Motorola Building"); (xxii) a two-story office building in Tempe, Arizona (the "Avnet Building"); (xxiii) a three-story office building in Troy, Michigan (the "Delphi Building"); all ten of which are owned directly by Wells OP; (xxiv) a three-story office building in Troy, Michigan (the "Siemens Building"), which is owned by the Fund XII-REIT Joint Venture; and (xxv) a two-story office building in Orange County, California (the "Quest Building"), formerly the Bake Parkway Building, previously owned by Fund VIII-IX Joint Venture, which is now owned by the Fund VIII-IX-REIT Joint Venture.

(b) Deferred Project Costs

The Company pays Acquisition and Advisory Fees and Acquisition Expenses to Wells Capital, Inc., the Advisor, for acquisition and advisory services and as reimbursement for acquisition expenses. These payments may not exceed 3 1/2% of shareholders' capital contributions. Acquisition and Advisory Fees and Acquisition Expenses paid as of September 30, 2000, amounted to $9,161,189 and represented approximately 3 1/2% of shareholders' capital contributions received. These fees are allocated to specific properties as they are purchased.

(c) Deferred Offering Costs

The Advisor pays all the offering expenses for the Company. The Advisor may be reimbursed by the Company to the extent that such offering expenses do not exceed 3% of shareholders' capital contributions.

(d) Employees

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

(e) Insurance

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

(f) Competition

The Company will experience competition for tenants from owners and managers of competing projects which may include its affiliates. As a result, the Company may be required to provide free rent; reduced charges for tenant improvements and other inducements, all of which may have an adverse impact on results of

operations. At the time the Company elects to dispose of its properties, the Company will also be in competition with sellers of similar properties to locate suitable purchasers for its properties.

(g) Basis of Presentation

Substantially all of the Company's business is conducted through Wells OP. At December 31, 1997, the Wells OP had issued 20,000 limited partner units to Wells Capital, Inc., the Advisor, in exchange for a capital contribution of $200,000. The Company is the sole general partner in Wells OP; consequently, the accompanying consolidated financial statements of the Company include the amounts of both the Company and Wells OP.

The consolidated financial statements of the Company have been prepared in accordance with instructions to Form 10-Q and do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. These quarterly statements have not been examined by independent accountants, but in the opinion of the Board of Directors, the statements for the unaudited interim periods presented include all adjustments, which are of a normal and recurring nature, necessary to present a fair presentation of the results for such periods. For further information, refer to the financial statements and footnotes included in the Company's Form 10-K for the year ended December 31, 1999.

(h) Distribution Policy

The Company will make distributions (not including a return of capital for federal income tax purposes) equal to at least 95% of its real estate investment trusts taxable income through the taxable year 2000. It is the Company's policy to make regular quarterly distributions to holders of the shares. Distributions will be made to those shareholders who are shareholders as of the record date selected by the Directors. Distributions will be declared on a daily basis and paid on a quarterly basis during the Offering period and declared and paid quarterly thereafter.

(i) Income Taxes

The Company has made an election under Section 856 (C) of the Internal Revenue Code 1986, as amended (the "Code"), to be taxed as a Real Estate Investment Trust ("REIT") under the Code beginning with its taxable year ended December 31, 1998. As a REIT for federal income tax purposes, the Company generally will not be subject to federal income tax on income that it distributes to its shareholders. If the Company fails to qualify as a REIT in any taxable year, it will then be subject to federal income tax on its taxable income at regular corporate rates and will not be permitted to qualify for treatment as a REIT for federal income tax purposes for four years following the year during which qualification is lost. Such an event could materially adversely affect the Company's net income and net cash available to distribute to shareholders. However, the Company believes that it is organized and operates in such a manner as to qualify for treatment as a REIT and intends to continue to operate in the foreseeable future in such a manner so that the Company will remain qualified as a REIT for federal income tax purposes.

(j) Statement of Cash Flows

For the purpose of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents include cash and short-term investments.

2. INVESTMENTS IN JOINT VENTURES

The Company owned interests in 25 office buildings through its ownership in Wells OP, which owns interest in six joint ventures. The Company does not have

control over the operations of these joint ventures; however, it does exercise significant influence. Accordingly, investment in joint venture is recorded using the equity method.

The following describes additional information about certain of the properties in which the Company owns an interest as of September 30, 2000.

Fund VIII-IX-REIT Joint Venture

On June 15, 2000, the Fund VIII-IX-REIT Joint Venture was formed between Wells OP and Fund VIII and Fund IX Associates, a Georgia joint venture partnership between Wells Real Estate Fund VIII, L.P. and Wells Real Estate Fund IX, L.P. (the "Fund VIII-IX Joint Venture"). On July 1, 2000, the Fund VIII-IX Joint Venture contributed its interest in the Bake Parkway Building to the Fund VIII-IX-REIT Joint Venture. The Bake Parkway 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.

A 42-month lease for the entire Bake Parkway Building has been signed by Quest Software, Inc. Occupancy occurred on August 1, 2000. Quest is a publicly traded corporation that provides software database management and disaster recovery services for its clients.

Construction of tenant improvements required under the Quest lease is anticipated to cost approximately $1,250,000 and will be funded by Wells OP.

The Alstom Power-Richmond Building

On July 24, 2000, the Company completed a build-to-suit project of a 99,057 square-foot, four-story, office building. The Class "A" property is located at 5309 Commonwealth Centre Drive in Richmond, Virginia.

The $11.4 million acquisition is 100% owned by the Company and is leased to Alstom Power, Inc. The tenant has signed a seven-year lease, which commenced on July 24, 2000. Alstom Power is the world's largest power generation group. Formerly ABB Power Generation and Alstom, the two companies merged in December 1999 to form ABB Alstom Power, Inc. and in June 2000 changed its name to Alstom Power, Inc. The group employs 58,000 people in more than 100 countries.

The building is located on 7.49 acres within the Waterford Business Park. The Waterford Park is a 20-acre office park in Chesterfield County.

3. NOTES PAYABLE

Notes payable, as of September 30, 2000, consists of loans of (i) $9,181,877 due to Bank of America secured by a first priority mortgage against the Matsushita Property; (ii) $21,627,153 due to Bank of America secured by first mortgages on the AT&T and Marconi buildings; (iii) $8,000,000 due to Richter-Schroeder Company, Inc. secured by a first mortgage against the Metris Building; and (iv) $100,000 due to Ryan Companies US, Inc. secured by a first mortgage on the Avnet Building.

4. DUE TO AFFILIATES

Due to affiliates consists of Acquisitions and Advisory Fees and Acquisition Expenses, deferred offering costs, and other operating expenses paid by the Advisor on behalf of the Company. Also included in Due to Affiliates is the Matsushita lease guarantee which is explained in detail in the Company's Form 10-K for the year ended December 31, 1999. Payments of $542,645 have been made as of September 30, 2000 toward fulfilling the Matsushita agreement.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Wells Real Estate Investment Trust, Inc.:

We have audited the accompanying statement of revenues over certain operating expenses for the DIAL BUILDING for the year ended December 31, 1999. This financial statement is the responsibility of management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 audit provides a reasonable basis for our opinion.

As described in Note 2, this financial statement excludes certain expenses that would not be comparable with those resulting from the operations of the Dial Building after acquisition by the Wells Operating Partnership, L.P. (on behalf of Wells Real Estate Investment Trust, Inc.). The accompanying statement of revenues over certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and is not intended to be a complete presentation of the Dial Building's revenues and expenses.

In our opinion, the statement of revenues over certain operating expenses presents fairly, in all material respects, the revenues over certain operating expenses of the Dial Building for the year ended December 31, 1999, in conformity with accounting principles generally accepted in the United States.

/s/ ARTHUR ANDERSEN LLP

Atlanta, Georgia
April 10, 2000

DIAL BUILDING

STATEMENT OF REVENUES

OVER CERTAIN OPERATING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 1999

RENTAL REVENUES	$ 1,388,868
OPERATING EXPENSES, net of reimbursements	0
REVENUES OVER CERTAIN OPERATING EXPENSES	$ 1,388,868

The accompanying notes are an integral part of this statement.

DIAL BUILDING

NOTES TO STATEMENT OF REVENUES

OVER CERTAIN OPERATING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 1999

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Description of Real Estate Property Acquired

On March 29, 2000, the Wells Operating Partnership L.P. ("Wells OP"), a Delaware Limited Partnership formed to acquire, own, lease, operate and manage real properties on behalf of the Wells Real Estate Investment Trust, Inc., acquired the Dial Building from Ryan Companies US, Inc. ("Ryan"). Ryan is not an affiliate of Wells OP. The purchase price of the Dial Building was $14,250,000. Wells OP incurred additional acquisition expenses in connection with the purchase of the Dial Building, including attorney's fees, recording fees, loan fees, and other closing costs, of approximately $35,712. The funds used to purchase the Dial Building consisted of cash and proceeds from Wells OP's lines of credit with SouthTrust Bank, N.A. and Bank of America, N.A.

The entire 129,689 rentable square feet of the Dial Building is currently under a net lease agreement (the "Lease") with Dial Corporation ("Dial"). The Lease was assigned to Wells OP at closing. The Lease commenced on August 14, 1997 and expires on August 31, 2008. Dial has the right to extend the Lease for two additional five-year periods at 95% of the then-current fair market rental rate. Under the Lease, Dial is required to pay as additional rent all real estate taxes, special assessments, utilities, insurance, and other operating costs associated with the Dial Building during the term of the Lease. In addition, Dial is responsible for repair and maintenance of the roof, walls, structure, and foundation, landscaping, and heating, ventilating, air conditioning, mechanical, electrical, plumbing, and other systems.

Rental Revenues

Rental income from the lease is recognized on a straight-line basis over the life of the lease.

2. BASIS OF ACCOUNTING

The accompanying statement of revenues over certain operating expenses is presented on the accrual basis. This statement has been prepared in accordance with the applicable rules and regulations of the Securities and Exchange Commission for real estate properties acquired. Accordingly, the statement excludes certain historical expenses, such as depreciation, interest, and management fees, not comparable to the operations of the Dial Building after acquisition by Wells OP.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Wells Real Estate Investment Trust, Inc.:

We have audited the accompanying statement of revenues over certain operating expenses for the ASML BUILDING for the year ended December 31, 1999. This financial statement is the responsibility of management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 audit provides a reasonable basis for our opinion.

As described in Note 2, this financial statement excludes certain expenses that would not be comparable with those resulting from the operations of the ASML Building after acquisition by the Wells Operating Partnership, L.P. (on behalf of Wells Real Estate Investment Trust, Inc.). The accompanying statement of revenues over certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and is not intended to be a complete presentation of the ASML Building's revenues and expenses.

In our opinion, the statement of revenues over certain operating expenses presents fairly, in all material respects, the revenues over certain operating expenses of the ASML Building for the year ended December 31, 1999, in conformity with accounting principles generally accepted in the United States.

/s/ ARTHUR ANDERSEN LLP

Atlanta, Georgia
April 10, 2000

ASML BUILDING

STATEMENT OF REVENUES

OVER CERTAIN OPERATING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 1999

REVENUES:	
Rental income	$1,849,908
Tenant reimbursements	242,143
Total revenues	2,092,051
OPERATING EXPENSES:	
Ground lease	206,625
Insurance	9,628
Total operating expenses	216,253
REVENUES OVER CERTAIN OPERATING EXPENSES	$1,875,798

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The accompanying notes are an integral part of this statement.

ASML BUILDING

NOTES TO STATEMENT OF REVENUES

OVER CERTAIN OPERATING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 1999

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Description of Real Estate Property Acquired

On March 29, 2000, the Wells Operating Partnership L.P. ("Wells OP"), a Delaware Limited Partnership formed to acquire, own, lease, operate, and manage real properties on behalf of the Wells Real Estate Investment Trust, Inc., acquired the ASML Building from Ryan Companies U.S., Inc. ("Ryan"). Ryan is not an affiliate of Wells OP. The purchase price of the ASML Building was $17,355,000. Wells OP incurred additional acquisition expenses in connection with the purchase of the ASML Building, including attorney's fees, recording fees, loan fees, and other closing costs, of approximately $48,875. The funds used to purchase the ASML Building consisted of cash and proceeds obtained from Wells OP's lines of credit with SouthTrust Bank, N.A. and Bank of America, N.A. Wells OP also assumed a ground lease with Research Park on 9.51 acres. The ground lease commenced August 22, 1997 and expires on December 31, 2082.

The entire 95,133 rentable square feet of the ASML Building is currently under a net lease agreement (the "Lease") with ASML Lithography, Inc. ("ASML"). The Lease was assigned to Wells OP at closing. The Lease commenced on June 4, 1998 and expires on June 30, 2013. ASML has the right to extend the Lease for two additional five-year periods at the prevailing market rental rate, but in no event less than the rate in force at the end of the preceding lease term. Under the Lease, ASML is required to pay as additional rent the rent associated with the ground lease described above and all real estate taxes, special assessments, utilities, insurance, and other operating costs associated with the ASML Building during the term of the Lease. In addition, ASML is responsible for repair and maintenance of the roof, walls, structure, and foundation, landscaping, and the heating, ventilating, air conditioning, mechanical, electrical, plumbing, and other systems.

Rental Revenues

Rental income from the lease is recognized on a straight-line basis over the life of the lease.

2. BASIS OF ACCOUNTING

The accompanying statement of revenues over certain operating expenses is presented on the accrual basis. This statement has been prepared in accordance with the applicable rules and regulations of the Securities and Exchange Commission for real estate properties acquired. Accordingly, the statement excludes certain historical expenses, such as depreciation, interest, and management fees, not comparable to the operations of the ASML Building after acquisition by Wells OP.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Wells Real Estate Investment Trust, Inc.:

We have audited the accompanying statement of revenues over certain operating expenses for the MOTOROLA BUILDING for the year ended December 31, 1999. This financial statement is the responsibility of management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 audit provides a reasonable basis for our opinion.

As described in Note 2, this financial statement excludes certain expenses that would not be comparable with those resulting from the operations of the Motorola Building after acquisition by the Wells Operating Partnership, L.P. (on behalf of Wells Real Estate Investment Trust, Inc.). The accompanying statement of revenues over certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and is not intended to be a complete presentation of the Motorola Building's revenues and expenses.

In our opinion, the statement of revenues over certain operating expenses presents fairly, in all material respects, the revenues over certain operating expenses of the Motorola Building for the year ended December 31, 1999, in conformity with accounting principles generally accepted in the United States.

/s/ ARTHUR ANDERSEN LLP

Atlanta, Georgia
April 10, 2000

MOTOROLA BUILDING

STATEMENT OF REVENUES

OVER CERTAIN OPERATING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 1999

REVENUES:	
Rental income	$1,817,366
Tenant reimbursements	290,287
Total revenues	2,107,653
OPERATING EXPENSES:	
Ground lease	243,826
Insurance	11,951

Total operating expenses	255,777
REVENUES OVER CERTAIN OPERATING EXPENSES	$1,851,876

The accompanying notes are an integral part of this statement.

MOTOROLA BUILDING

NOTES TO STATEMENT OF REVENUES

OVER CERTAIN OPERATING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 1999

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Description of Real Estate Property Acquired

On March 29, 2000, the Wells Operating Partnership L.P. ("Wells OP"), a Delaware Limited Partnership formed to acquire, own, lease, operate and manage real properties on behalf of the Wells Real Estate Investment Trust, Inc., acquired the Motorola Building from Ryan Companies US, Inc. ("Ryan"). Ryan is not an affiliate of Wells OP. The purchase price of the Motorola Building was $16,000,000. Wells OP incurred additional acquisition expenses in connection with the purchase of the Motorola Building, including attorney's fees, recording fees, loan fees, and other closing costs, of approximately $36,622. The funds used to purchase the Motorola Building consisted of cash and proceeds obtained from Wells OP's lines of credit with SouthTrust Bank, N.A. and Bank of America, N.A. In addition, $5,000,000 in loan proceeds were provided by Ryan as seller financing. Wells OP also assumed a ground lease with Research Park on 12.44 gross acres. The ground lease commenced November 19, 1997 and expires on December 31, 2082.

The entire 133,225 rentable square feet of the Motorola Building is currently under a net lease agreement (the "Lease") with Motorola, Inc. ("Motorola"). The Lease was assigned to Wells OP at closing. The initial term of the Lease is seven years, which commenced on August 17, 1998 and expires on August 31, 2005. Motorola has the right to extend the Lease for four additional five-year periods at the prevailing market rental rate. Under the lease, Motorola is required to pay as additional rent the rent associated with the ground lease described above and all real estate taxes, special assessments, utilities, insurance, and other operating costs associated with the Motorola Building during the term of the Lease. In addition, Motorola's responsible for repair and maintenance of the roof, walls, structure, and foundation, landscaping, and the heating, ventilating, air conditioning, mechanical, electrical, plumbing, and other systems.

Rental Revenues

Rental income from the lease is recognized on a straight-line basis over the life of the lease.

2. BASIS OF ACCOUNTING

The accompanying statement of revenues over certain operating expenses is presented on the accrual basis. This statement has been prepared in accordance with the applicable rules and regulations of the Securities and Exchange Commission for real estate properties acquired. Accordingly, the statement excludes certain historical expenses, such as depreciation, interest, and

management fees, not comparable to the operations of the Motorola Building after acquisition by Wells OP.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Wells Real Estate Investment Trust, Inc.:

We have audited the accompanying statement of revenues over certain operating expenses for the MOTOROLA PLAINFIELD BUILDING for the year ended December 31, 1999. This financial statement is the responsibility of management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 audit provides a reasonable basis for our opinion.

As described in Note 2, this financial statement excludes certain expenses that would not be comparable with those resulting from the operations of the Motorola Plainfield Building after acquisition by the Wells Operating Partnership, L.P. (on behalf of Wells Real Estate Investment Trust, Inc.). The accompanying statement of revenues over certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and is not intended to be a complete presentation of the Motorola Plainfield Building's revenues and expenses.

In our opinion, the statement of revenues over certain operating expenses presents fairly, in all material respects, the revenues over certain operating expenses of the Motorola Plainfield Building for the year ended December 31, 1999, in conformity with accounting principles generally accepted in the United States.

/s/ Arthur Andersen LLP

Atlanta, Georgia
November 30, 2000

MOTOROLA PLAINFIELD BUILDING

STATEMENTS OF REVENUES

OVER CERTAIN OPERATING EXPENSES

FOR THE YEAR ENDED DECEMBER 31,1999

AND THE NINE MONTHS ENDED SEPTEMBER 30, 2000 (UNAUDITED)

	September 30, 2000	December 31, 1999
	(unaudited)	
RENTAL REVENUES	$770,000	$2,310,000
OPERATING EXPENSES, net of reimbursements	73,739	10,916
REVENUES OVER CERTAIN OPERATING EXPENSES	$696,261	$2,299,084

The accompanying notes are an integral part of these statements.

MOTOROLA PLAINFIELD BUILDING

NOTES TO STATEMENTS OF REVENUES

OVER CERTAIN OPERATING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 1999

AND THE NINE MONTHS ENDED SEPTEMBER 30, 2000 (UNAUDITED)

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Description of Real Estate Property Acquired

On November 1, 2000, the Wells Operating Partnership L.P. ("Wells OP"), a Delaware Limited Partnership formed to acquire, own, lease, operate and manage real properties on behalf of the Wells Real Estate Investment Trust, Inc., acquired the Motorola Plainfield Building from WHMAB Real Estate Limited Partnership ("WHMAB"). WHMAB is not an affiliate of Wells OP. The total purchase price of the Motorola Plainfield Building was $34,072,916, which includes an obligation of WHMAB assumed by Wells OP at closing to reimburse the tenant, Motorola, Inc. ("Motorola"), a maximum of $424,760 for certain rent payments required of it under its prior lease. Wells OP incurred additional acquisition expenses in connection with the purchase of the Motorola Plainfield Building, including attorney's fees, recording fees, loan fees, and other closing costs, of approximately $105,225. The funds used to purchase the Motorola Plainfield Building consisted of cash and proceeds from Wells OP's line of credit with SouthTrust Bank, N.A.

The entire 236,710 rentable square feet of the Motorola Plainfield Building is currently under a net lease agreement (the "Lease") with Motorola. The Lease was assigned to Wells OP at closing. The Lease commenced on November 1, 2000 and expires on October 31, 2010. Motorola has the right to extend the Lease for two additional five-year periods of time for a base rent equal to the greater of (i) the last year's rent, or (ii) 95% of the then-current fair market rental rate. Under the Lease, Motorola is required to pay as additional rent all real estate taxes, special assessments, utilities, insurance, and other operating costs associated with the Motorola Plainfield Building during the term of the Lease. In addition, Motorola is responsible for repair and maintenance of the roof, walls, structure, and foundation, landscaping, and heating, ventilating, air conditioning, mechanical, electrical, plumbing, and other systems.

Prior to commencement of the Lease with Motorola, 220,000 rentable square feet of the Motorola Plainfield Building was under a net lease agreement (the "Previous Lease") with a tenant. The Previous Lease commenced on May 14, 1997 and expired on April 30, 2000. Under the Previous Lease, the tenant was required to pay as additional rent all real estate taxes, special assessments, utilities,

insurance, and other operating costs associated with the Motorola Plainfield Building during the term of the Previous Lease. In addition, the tenant was responsible for repair and maintenance of the roof, walls, structure, and foundation, landscaping, and heating, ventilating, air conditioning, mechanical, electrical, plumbing, and other systems.

The Motorola Plainfield Building did not have any tenants for the period from May 1, 2000 to October 31, 2000.

Rental Revenues

Rental income from leases is recognized on a straight-line basis over the life of the lease.

2. BASIS OF ACCOUNTING

The accompanying statement of revenues over certain operating expenses is presented on the accrual basis. This statement has been prepared in accordance with the applicable rules and regulations of the Securities and Exchange Commission for real estate properties acquired. Accordingly, the statement excludes certain historical expenses, such as depreciation, interest, and management fees, not comparable to the operations of the Motorola Plainfield Building after acquisition by Wells OP.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

UNAUDITED PRO FORMA FINANCIAL STATEMENTS

The following unaudited pro forma balance sheet as of September 30, 2000 has been prepared to give effect to the acquisition of the Motorola Plainfield Building by the Wells Operating Partnership, L.P. ("Wells OP"), as if the acquisition occurred as of September 30, 2000. The following unaudited pro forma statements of income for the year ended December 31, 1999 and the nine months ended September 30, 2000 have been prepared to give effect to the acquisition of the Dial Building, the ASML Building, and the Motorola Tempe Building (together, the "Prior Acquisitions") and the Motorola Plainfield Building by the Wells OP as if each acquisition occurred on January 1, 1999.

Wells OP is a Delaware limited partnership that was organized to own and operate properties on behalf of the Wells Real Estate Investment Trust, Inc. Wells Real Estate Investment Trust, Inc. is the general partner of the Wells OP.

These unaudited pro forma financial statements are prepared for informational purposes only and are not necessarily indicative of future results or of actual results that would have been achieved had the acquisitions been consummated at the beginning of the period presented.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA BALANCE SHEET

SEPTEMBER 30, 2000

(Unaudited)

ASSETS

	Wells Real Estate Investment Trust, Inc.	Pro Forma Adjustments	Pro Forma Total
REAL ESTATE ASSETS, AT COST:			
Land	$ 21,695,304	$ 9,652,500(a) 402,509(b)	$ 31,750,313
Buildings less accumulated depreciation of $6,810,792	188,671,038	24,525,641(a) 1,022,719(b)	214,219,398
Construction in progress	295,517	0	295,517
Total real estate assets	210,661,859	35,603,369	246,265,228
INVESTMENT IN JOINT VENTURES	36,708,242	0	36,708,242
CASH AND CASH EQUIVALENTS	12,257,161	(10,753,381)(a) (954,223)(b) (82,973)(c)	466,584
DEFERRED OFFERING COSTS	1,108,206	0	1,108,206
DEFERRED PROJECT COSTS	471,005	(471,005)(b)	0
DUE FROM AFFILIATES	859,515	0	859,515
PREPAID EXPENSES AND OTHER ASSETS	6,344,905	82,973(c)	6,427,878
Total assets	$ 268,410,893	$23,424,760	$ 291,835,653

LIABILITIES AND SHAREHOLDERS' EQUITY

	Wells Real Estate Investment Trust, Inc.	Pro Forma Adjustments	Pro Forma Total
LIABILITIES:			
Accounts payable and accrued expenses	$ 975,821	$ 424,760(a), (d)	$ 1,400,581
Notes payable	38,909,030	23,000,000(a)	61,909,030
Dividends payable	4,475,982	0	4,475,982
Due to affiliate	1,372,508	0	1,372,508
Total liabilities	45,733,341	23,424,760	69,158,101
COMMITMENTS AND CONTINGENCIES			
MINORITY INTEREST OF UNIT HOLDER IN OPERATING PARTNERSHIP	200,000	0	200,000
SHAREHOLDERS' EQUITY:			
Common shares, $.01 par value; 40,000,000 shares authorized, 13,471,085 shares issued and outstanding	261,748	0	261,748
Additional paid-in capital	222,215,804	0	222,215,804
Retained earnings	0	0	0
Total shareholders' equity	222,477,552	0	222,477,552
Total liabilities and shareholders' equity	$ 268,410,893	$ 23,424,760	$ 291,835,653

(a) Reflects Wells Real Estate Investment Trust Inc.'s purchase price for the building.

(b) Reflects deferred project costs allocated to the land and building at approximately 4.17% of the purchase price.

(c) Reflects loan fees incurred in connection with the receipt of loan proceeds from the SouthTrust Bank, N.A., line of credit.

(d) Reflects assumption of obligation of Wells OP to reimburse the tenant of certain rent payments required of it under its prior lease.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 1999

(Unaudited)

	Wells Real Estate Investment Trust, Inc.	Pro Forma Adjustments: Prior Acquisitions	Pro Forma Adjustments: Motorola Plainfield	Pro Forma Total
REVENUES:				
Rental income	$4,735,184	$5,056,142(a)	$2,310,000(a)	$12,101,326
Equity in income of joint ventures	1,243,969	0	0	1,243,969
Interest income	502,993	0	0	502,993
Other income	13,249	0	0	13,249
	6,495,395	5,056,142	2,310,000	13,861,537
EXPENSES:				
Depreciation and amortization	1,726,103	1,842,818(b)	1,021,934(b)	4,614,561
			23,706(c)	
Interest	442,029	2,758,350(d)	1,787,100(f)	5,437,479
		450,000(e)		
Operating costs, net of reimbursements	(74,666)	(60,400)(g)	10,916(h)	(124,150)
Management and leasing fees	257,744	282,116(i)	138,600(i)	678,460
General and administrative	123,776	0	0	123,776
Legal and accounting	115,471	0	0	115,471
Computer costs	11,368	0	0	11,368
Amortization of organizational costs	8,921	0	0	8,921
	2,610,746	5,272,884	2,982,256	10,865,886
NET INCOME	$3,884,649	$ (216,742)	$ (672,256)	$ 2,995,651
HISTORICAL EARNINGS PER SHARE (BASIC AND DILUTED)	$ 0.50			
PRO FORMA EARNINGS PER SHARE (BASIC AND DILUTED)				$ 0.11(j)

(a) Rental income recognized on a straight-line basis.

(b) Depreciation expense on the building using the straight-line method and a 25-year life.

(c) Amortization of loan costs over term of SouthTrust Bank, N.A. line of credit.

(d) Interest expense on the $9,000,000 line of credit with SouthTrust Bank, N.A. and the $26,500,000 line of credit with Bank of America, N.A., which bear interest at 7.77% for the year ended December 31, 1999.

(e) Interest expense on the $5,000,000 note payable with Ryan Companies U.S., Inc., the seller, which bears interest at 9%.

(f) Interest expense on the $23,000,000 line-of-credit with SouthTrust Bank, N.A., which bears interest at 7.77% for the year ended December 31, 1999.

(g) Consists of ground lease and insurance expense for the ASML Building and the Motorola Tempe Building, net of tenant reimbursements.

(h) Consists of non-reimbursable operating expenses.

(i) Management and leasing fees equal approximately 6% of rental

income.

(j) As of the property acquisition date of November 1, 2000, Wells Real Estate Investment Trust, Inc. had 27,970,106 shares of common stock outstanding; pro forma earnings per share is calculated as if these shares were outstanding for the entire year ended December 31, 1999.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA STATEMENT OF INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2000

(Unaudited)

	Wells Real Estate Investment Trust, Inc.	Pro Forma Adjustments: Prior Acquisitions	Pro Forma Adjustments: Motorola Plainfield	Pro Forma Total
REVENUES:				
Rental income	$13,712,371	$1,440,432(a)	$ 770,000(a)	$15,922,803
Equity in income of joint ventures	1,684,247	0	0	1,684,247
Interest income	338,020	0	0	338,020
	15,734,638	1,440,432	770,000	17,945,070
EXPENSES:				
Depreciation and amortization	5,084,689	460,704(b)	766,451(b)	6,329,624
			17,780(c)	
Interest	2,798,299	777,450(d)	1,546,620(f)	5,234,869
		112,500(e)		
Operating costs, net of reimbursements	631,407	(15,099)(g)	73,739(h)	690,047
Management and leasing fees	919,630	86,426(i)	46,200(i)	1,052,256
General and administrative	273,484	0	0	273,484
Legal and accounting	130,603	0	0	130,603
Computer costs	8,846	0	0	8,846
Amortization of organizational costs	150,143	0	0	150,143
	9,997,101	1,421,981	2,450,790	13,869,872
NET INCOME	$ 5,737,537	$ 18,451	$(1,680,790)	$ 4,075,198
HISTORICAL EARNINGS PER SHARE (BASIC AND DILUTED)	$ 0.30			
PRO FORMA EARNINGS PER SHARE (BASIC AND DILUTED)				$ 0.15(j)

REVENUES:

(a) Rental income recognized on a straight-line basis.

(b) Depreciation expense on the building using the straight-line method and a 25-year life.

(c) Amortization of loan costs over term of SouthTrust Bank, N.A. line of credit.

(d) Interest expense on the $9,000,000 line of credit with SouthTrust Bank, N.A. and the $26,500,000 line of credit with Bank of America, N.A., which bear interest at 8.76% for the nine months ended September 30, 2000.

(e) Interest expense on the $5,000,000 note payable with Ryan Companies U.S., Inc., the seller, which bears interest at 9%.

(f) Interest expense on the $23,000,000 line-of-credit with SouthTrust Bank, N.A., which bears interest at 8.97% for the nine

months ended September 30, 2000.

(g) Consists of ground lease and insurance expense for the ASML Building and the Motorola Tempe Building, net of tenant reimbursements.

(h) Consists of non-reimbursable operating expenses.

(i) Management and leasing fees equal approximately 6% of rental income.

(j) As of the property acquisition date of November 1, 2000, Wells Real Estate Investment Trust, Inc. had 27,970,106 shares of common stock outstanding; pro forma earnings per share is calculated as if these shares were outstanding for the entire nine months ended September 30, 2000.

PRIOR PERFORMANCE TABLES

The following Prior Performance Tables (Tables) provide information relating to real estate investment programs sponsored by the 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.") All of the Wells Public Programs, except for the Wells REIT, have used substantial amounts of 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 "Prior Performance Summary" section of this prospectus.

Investors in the Wells REIT will not own any interest in other Wells Public Programs and should not assume that they will experience returns, if any, comparable to those experienced by investors in the 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 provide an 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) and Table V (sales or disposals of property) have been omitted since none of the Wells Public Programs have sold any of their properties to date.

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. As described above, no Wells Public Program has sold or disposed of any property held by it. 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, 1996. 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, 1999.

	Wells Real Estate Fund IX, L.P.	Wells Real Estate Fund X, L.P.	Wells Real Estate Fund XI, L.P.	Wells Real Estate Investment Trust, Inc.
Dollar Amount Raised	$35,000,000/(3)/	$ 27,128,912/(4)/	$ 16,532,802/(5)/	$ 132,181,919/(6)/
Percentage Amount Raised	100.0%/(3)/	100%/(4)/	100%/(5)/	100%/(6)/
Less Offering Expenses				
Underwriting Fees	10.0%	10.0%	9.5%	9.5%
Organizational Expenses	5.0%	5.0%	3.0%	3.0%
Reserves/(1)/	0.0%	0.0%	0.0%	0.0%
Percent Available for Investment	85.0%	85.0%	87.5%	87.5%
Acquisition and Development Costs				
Prepaid Items and Fees related to				
Purchase of Property	2.0%	5.4%	0.0%	1.1%
Cash Down Payment	67.1%	60.5%	84.0%	82.0%
Acquisition Fees/(2)/	4.0%	4.0%	3.5%	3.5%
Development and Construction Costs	11.9%	14.1%	0.0%	0.3%
Reserve for Payment of Indebtedness	0.0%	0.0%	0.0%	0.0%
Total Acquisition and Development Cost	85.0%	84.0%	87.5%	86.9%
Percent Leveraged	0.0%	0.0%	0.0%	17.6%
Date Offering Began	01/05/96	12/31/96	2/31/97	01/30/98
Length of Offering	12 mo.	12 mo.	12 mo.	23 mo.
Months to Invest 90% of Amount Available for Investment (Measured from Beginning of Offering)	14 mo.	19 mo.	20 mo.	21 mo.
Number of Investors as of 12/31/99	2,120	1,812	1,345	3,839

(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 IX, L.P. closed its offering on December 30, 1996, and the total dollar amount raised was $35,000,000.

(4) Total dollar amount registered and available to be offered was $35,000,000. Wells Real Estate Fund X, L.P. closed its offering on December 30, 1997, and the total dollar amount raised was $27,128,912.

(5) 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.

(6) Total dollar amount registered and available to be offered was $165,000,000. Wells Real Estate Investment Trust, Inc. closed its initial offering on December 20, 1999, and the total dollar amount raised in its initial offering was $132,181,919.

TABLE II
(UNAUDITED)
COMPENSATION TO SPONSOR

The following sets forth the compensation received by Wells Capital 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, 1996. These partnerships have not sold or refinanced any of their properties to date. All figures are as of December 31, 1999.

	Wells Real Estate Fund IX, L.P.	Wells Real Estate Fund X, L.P.	Wells Real Estate Fund XI, L.P.	Wells Real Estate Investment Trust, Inc.	Other Public Programs/(1)/
Date Offering Commenced	01/05/96	12/31/96	12/31/97	01/30/98	--
Dollar Amount Raised	$35,000,000	$ 27,128,912	$ 16,532,802	$132,181,919	$206,241,095
to Sponsor from Proceeds of Offering:					
Underwriting Fees/(2)/	$ 309,556	$ 260,748	$ 151,911	$ 1,530,882	$ 924,156
Acquisition Fees					
Real Estate Commissions	--	--	--	--	--
Acquisition and Advisory Fees/(3)/	$ 1,400,000	$ 1,085,157	$ 578,648	$ 4,626,367	$ 10,159,399
Dollar Amount of Cash Generated from Operations Before Deducting Payments to Sponsor/(4)/	$ 7,064,631	$ 4,262,319	$ 2,133,705	$ 8,002,132	$ 38,076,886
Amount Paid to Sponsor from Operations:	$ 169,661	$ 105,410	$ 22,200	$ 129,208	$ 1,434,957
Property Management Fee/(1)/	--	--	--	--	--
Partnership Management Fee	$ 133,784	$ 105,132	$ 61,058	$ 101,605	$ 1,613,725
Reimbursements	$ 260,082	$ 176,108	$ 33,492	$ 129,208	$ 1,580,482
Leasing Commissions	--	--	--	--	--
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) 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., and Wells Real Estate Fund VIII, 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. At December 31, 1999, the

amount of such deferred fees due the general partners totaled $2,397,266.

(2) 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.

(3) 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.

(4) Includes $487,134 in net cash provided by operating activities, $6,013,970 in distributions to limited partners and $563,527 in payments to sponsor for Wells Real Estate Fund IX, L.P.; $400,825 in net cash provided by operating activities, $3,474,844 in distributions to limited partners and $386,650 in payments to sponsor for Wells Real Estate Fund X, L.P.; $(150,720) in net cash used by operating activities, $2,167,675 in distributions to limited partners and $116,750 in payments to sponsor for Wells Real Estate Fund XI, L.P.; $3,732,726 in net cash provided by operating activities, $3,909,385 in dividends and $360,021 in payments to sponsor for Wells Real Estate Investment Trust, Inc.; and $2,167,163 in net cash provided by operating activities, $31,280,559 in distributions to limited partners and $4,629,164 in payments to sponsor for other public programs.

TABLE III
(UNAUDITED)

The following six tables set forth operating results of Wells Public Programs the offerings of which have been completed since December 31, 1994. 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 VII, L.P.

	1999	1998	1997	1996	1995
Gross Revenues/(1)/	$ 982,630	$ 846,306	$ 816,237	$ 543,291	$ 925,246
Profit on Sale of Properties	--	--	--	--	--
Less: Operating Expenses/(2)/	85,273	85,722	76,838	84,265	114,953
Depreciation and Amortization/(3)/	1,562	6,250	6,250	6,250	6,250
Net Income GAAP Basis/(4)/	$ 895,795	$ 754,334	$ 733,149	$ 452,776	$ 804,043
Taxable Income: Operations	$ 1,255,666	$ 1,109,096	$ 1,008,368	$ 657,443	$ 812,402
Cash Generated (Used By):					
Operations	(82,763)	(72,194)	(43,250)	20,883	431,728
Joint Ventures	1,777,010	1,770,742	1,420,126	760,628	424,304
	$ 1,694,247	$ 1,698,548	$ 1,376,876	$ 781,511	$ 856,032
Less Cash Distributions to Investors:					
Operating Cash Flow	1,688,290	1,636,158	1,376,876	781,511	856,032
Return of Capital	--	--	2,709	10,805	22,064
Undistributed Cash Flow from Prior Year Operations	--	--	--	--	9,643
Cash Generated (Deficiency) after Cash Distributions	$ 5,957	$ 62,390	$ (2,709)	$ (10,805)	$ (31,707)
Special Items (not including sales and financing):					
Source of Funds:					
General Partner Contributions	--	--	--	--	--

Increase in Limited Partner Contributions	$ --	$ --	$ --	$ --	$ 805,212
	$ 5,957	$ 62,390	$ (2,709)	$ (10,805)	$ 773,505
Use of Funds:					
Sales Commissions and Offering Expenses	--	--	--	--	$ 244,207
Return of Original Limited Partner's Investment	--	--	--	--	100
Property Acquisitions and Deferred Project Costs	0	181,070	169,172	736,960	14,971,002
Cash Generated (Deficiency) after Cash Distributions and Special Items	$ 5,957	$ (118,680)	$ (171,881)	$ (747,765)	$(14,441,804)
Net Income and Distributions Data per $1,000 Invested:					
Net Income on GAAP Basis:					
Ordinary Income (Loss)	93	85	86	62	57
- Operations Class A Units	(248)	(224)	(168)	(98)	(20)
- Operations Class B Units	--	--	--	--	--
Capital Gain (Loss)					
Tax and Distributions Data per $1,000 Invested:					
Federal Income Tax Results:					
Ordinary Income (Loss)					
- Operations Class A Units	89	82	78	55	55
- Operations Class B Units	(144)	(134)	(111)	(58)	(16)
Capital Gain (Loss)	--	--	--	--	--
Cash Distributions to Investors:					
Source (on GAAP Basis)					
- Investment Income Class A Units	83	81	70	43	52
- Return of Capital Class A Units	--	--	--	--	--
- Return of Capital Class B Units	--	--	--	--	--
Source (on Cash Basis)					
- Operations Class A Units	83	81	70	42	51
- Return of Capital Class A Units	--	--	--	1	1
- Operations Class B Units	--	--	--	--	--
Source (on a Priority Distribution Basis)/(5)/					
- Investment income Class A Units	67	65	54	29	30
- Return of Capital Class A Units	16	16	16	14	22
- 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 $403,325 in equity in earnings of joint ventures and $521,921 from investment of reserve funds in 1995, $457,144 in equity in earnings of joint ventures and $86,147 from investment of reserve funds in 1996, $785,398 in equity in earnings of joint ventures and $30,839 from investment of reserve funds in 1997, $839,037 in equity in earnings of joint ventures and $7,269 from investment of reserve funds in 1998, and $981,104 in equity in earnings of joint ventures and $1,526 from investment of reserve funds in 1999. At December 31, 1999, the leasing status was 97% 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 $25,468 for 1994, $140,533 for 1995, $605,247 for 1996, $877,869 for 1997, $955,245 for 1998, and $982,052 for 1999.

(4) In accordance with the partnership agreement, net income or loss, depreciation and amortization are allocated $950,826 to Class A Limited Partners, $(146,503) to Class B Limited Partners and $(280) to the General Partners for 1995; $1,062,605 to Class A Limited Partners, $(609,829) to Class B Limited Partners and $0 to the General Partners for 1996; $1,615,965 to class A Limited Partners, $(882,816) to Class B Limited Partners and $0 to the General Partners for 1997; $1,704,213 to Class A Limited Partners, $(949,879) to Class B Limited Partners and $0 to the General Partners for 1998; and $1,879,410 to Class A Limited Partners, $(983,615) to Class B Limited Partners and $0 to the General Partners for 1999.

(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, 1999, the aggregate amount of such priority distributions payable to Class B Limited Partners totaled $1,680,730.

TABLE III (UNAUDITED)
OPERATING RESULTS OF PRIOR PROGRAMS
WELLS REAL ESTATE FUND VIII, L.P.

	1999	1998	1997	1996	1995
Gross Revenues/(1)/	$ 1,360,497	$ 1,362,513	$ 1,204,018	$ 1,057,694	$ 402,428
Profit on Sale of Properties	--	--	--	--	--
Less: Operating Expenses/(2)/	87,301	87,092	95,201	114,854	122,264
Depreciation and Amortization/(3)/	6,250	6,250	6,250	6,250	6,250
Net Income GAAP Basis/(4)/	$ 1,266,946	$ 1,269,171	$ 1,102,567	$ 936,590	273,914
Taxable Income: Operations	$ 1,672,844	$ 1,683,192	$ 1,213,524	$ 1,001,974	404,348
Cash Generated (Used By):					
Operations	(87,298)	(63,946)	7,909	623,268	204,790
Joint Ventures	2,558,623	2,293,504	1,229,282	279,984	20,287
	$ 2,471,325	$ 2,229,558	$ 1,237,191	$ 903,252	$ 225,077
Less Cash Distributions to Investors:					
Operating Cash Flow	2,379,215	2,218,400	1,237,191	903,252	--
Return of Capital	--	--	183,315	2,443	--
Undistributed Cash Flow from Prior Year Operations	--	--	--	225,077	--
Cash Generated (Deficiency) after Cash Distributions	$ 92,110	$ 11,158	$ (183,315)	$ (227,520)	$ 225,077
Special Items (not including sales and financing):					
Source of Funds:					
General Partner Contributions	--	--	--	--	--
Increase in Limited Partner Contributions/(5)/	--	--	--	1,898,147	30,144,542
	$ 92,110	$ 11,158	$ (183,315)	$ 1,670,627	$ 30,369,619
Use of Funds:					
Sales Commissions and Offering Expenses	--	--	--	464,760	4,310,028
Return of Limited Partner's Investment	--	--	8,600	--	--
Property Acquisitions and Deferred Project Costs	0	1,850,859	10,675,811	7,931,566	6,618,273
Cash Generated (Deficiency) after Cash Distributions and Special Items	$ 92,110	$ (1,839,701)	$ (10,867,726)	$ (6,725,699)	$ 19,441,318
Net Income and Distributions Data per $1,000 Invested:					
Net Income on GAAP Basis:					
Ordinary Income (Loss)					
- Operations Class A Units	91	91	73	46	28
- Operations Class B Units	(247)	(212)	(150)	(47)	(3)
Capital Gain (Loss)	--	--	--	--	--
Tax and Distributions Data per $1,000 Invested:					
Federal Income Tax Results:					
Ordinary Income (Loss)					
- Operations Class A Units	88	89	65	46	17
- Operations Class B Units	154	(131)	(95)	(33)	(3)
Capital Gain (Loss)	--	--	--	--	--
Cash Distributions to Investors:					
Source (on GAAP Basis)					
- Investment Income Class A Units	87	83	54	43	--
- Return of Capital Class A Units	--	--	--	--	--
- Return of Capital Class B Units	--	--	--	--	--
Source (on Cash Basis)					
- Operations Class A Units	87	83	47	43	--
- Return of Capital Class A Units	--	--	7	0	--
- Operations Class B Units	--	--	--	--	--
Source (on a Priority Distribution Basis)/(5)/					
- Investment Income Class A Units	70	69	42	33	--
- Return of Capital Class A Units	17	16	12	10	--
- 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 $28,377 in equity in earnings of joint ventures and $374,051 from investment of reserve funds in 1995, $241,819 in equity in earnings of joint ventures and $815,875 from investment of reserve funds in 1996, $1,034,907 in equity in earnings of joint ventures and $169,111 from investment of reserve funds in 1997, $1,346,367 in equity in earnings of joint ventures and $16,146 from investment of reserve funds in 1998, and $1,360,494 in equity in earnings of joint ventures and $3 from investment of reserve funds in 1999. At December 31, 1999, the leasing status was 98% 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 $14,058 for 1995, $265,259 for 1996, $841,666 for 1997,

$1,157,355 for 1998, and $1,209,171 for 1999.

(4) In accordance with the partnership agreement, net income or loss, depreciation and amortization are allocated $294,221 to Class A Limited Partners, $(20,104) to Class B Limited Partners and $(203) to the General Partners for 1995; $1,207,540 to Class A Limited Partners, $(270,653) to Class B Limited Partners and $(297) to the General Partners for 1996; $1,947,536 to Class A Limited Partners, $(844,969) to Class B Limited Partners and $0 to the General Partners for 1997; $2,431,246 to Class A Limited Partners, $(1,162,075) to Class B Limited Partners and $0 to the General Partners for 1998; and $2,481,559 to Class A Limited Partners, $(1,214,613) to Class B Limited Partners and $0 to the General Partners for 1999.

(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, 1999, the aggregate amount of such priority distributions payable to Class B Limited Partners totaled $1,464,810.

TABLE III (UNAUDITED)
OPERATING RESULTS OF PRIOR PROGRAMS
WELLS REAL ESTATE FUND IX, L.P.

	1999	1998	1997	1996	1995
Gross Revenues/(1)/	$ 1,593,734	$ 1,561,456	$ 1,199,300	$ 406,891	N/A
Profit on Sale of Properties	--	--	--	--	
Less: Operating Expenses/(2)/	90,903	105,251	101,284	101,885	
Depreciation and Amortization/(3)/	12,500	6,250	6,250	6,250	
Net Income GAAP Basis/(4)/	$ 1,490,331	$ 1,449,955	$ 1,091,766	$ 298,756	
Taxable Income: Operations	$ 1,924,542	$ 1,906,011	$ 1,083,824	$ 304,552	
Cash Generated (Used By):					
Operations	$ (94,403)	$ 80,147	$ 501,390	$ 151,150	
Joint Ventures	2,814,870	2,125,489	527,390	--	
	$ 2,720,467	$ 2,205,636	$ 1,028,780	$ 151,150	
Less Cash Distributions to Investors:					
Operating Cash Flow	2,720,467	2,188,189	1,028,780	149,425	
Return of Capital	15,528	--	41,834	--	
Undistributed Cash Flow From Prior Year Operations	17,447	--	1,725	--	
Cash Generated (Deficiency) after Cash Distributions	$ (32,975)	$ 17,447	$ (43,559)	$ 1,725	
Special Items (not including sales and financing):					
Source of Funds:					
General Partner Contributions	--	--	--	--	
Increase in Limited Partner Contributions	--	--	--	35,000,000	
	$ (32,975)	$ 17,447	$ (43,559)	$35,001,725	
Use of Funds:					
Sales Commissions and Offering Expenses	--	323,039	4,900,321		
Return of Original Limited Partner's Investment	--	--	100	--	
Property Acquisitions and Deferred Project Costs	190,853	9,455,554	13,427,158	6,544,019	
Cash Generated (Deficiency) after Cash Distributions and Special Items	$ (223,828)	$ (9,438,107)	$(13,793,856)	$23,557,385	
Net Income and Distributions Data per $1,000 Invested:					
Net Income on GAAP Basis:					
Ordinary Income (Loss)	89	88	53	28	
- Operations Class A Units	(272)	(218)	(77)	(11)	
- Operations Class B Units	--	--	--	--	
Capital Gain (Loss)					
Tax and Distributions Data per $1,000 Invested:					
Federal Income Tax Results:					
Ordinary Income (Loss)					
- Operations Class A Units	86	85	46	26	
- Operations Class B Units	(164)	(123)	(47)	(48)	
Capital Gain (Loss)	--	--	--	--	
Cash Distributions to Investors:					
Source (on GAAP Basis)					
- Investment Income Class A Units	88	73	36	13	
- Return of Capital Class A Units	2	--	--	--	
- Return of Capital Class B Units	--	--	--	--	
Source (on Cash Basis)					
- Operations Class A Units	89	73	35	13	
- Return of Capital Class A Units	1	--	1	--	
- Operations Class B Units	--	--	--	--	

Source (on a Priority Distribution Basis)/(5)/				
- Investment Income Class A Units	77	61	29	10
- Return of Capital Class A Units	13	12	7	3
- 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 $23,077 in equity in earnings of joint ventures and $383,884 from investment of reserve funds in 1996, and $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, and $1,593,734 in equity in earnings of joint ventures and $0 from investment of reserve funds in 1999. At December 31, 1999, 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 $25,286 for 1996, $469,126 for 1997, $1,143,407 for 1998, and $1,210,939 for 1999.

(4) In accordance with the partnership agreement, net income or loss, depreciation and amortization are allocated $330,270 to Class A Limited Partners, $(31,220) to Class B Limited Partners and $(294) to the General Partners for 1996; $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; and $2,713,636 to Class A Limited Partners, $(1,223,305) to Class B Limited Partners and $0 to the General Partners for 1999.

(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, 1999, the aggregate amount of such priority distributions payable to Class B Limited Partners totaled $993,010.

TABLE III (UNAUDITED)
OPERATING RESULTS OF PRIOR PROGRAMS
WELLS REAL ESTATE FUND X, L.P.

	1999	1998	1997	1996	1995
Gross Revenues/(1)/	$ 1,309,281	$ 1,204,597	$ 372,507	N/A	N/A
Profit on Sale of Properties	--	--	--		
Less: Operating Expenses/(2)/	98,213	99,034	88,232		
Depreciation and Amortization/(3)/	18,750	55,234	6,250		
Net Income GAAP Basis/(4)/	$ 1,192,318	$ 1,050,329	$ 278,025		
Taxable Income: Operations	$ 1,449,771	$ 1,277,016	$ 382,543		
Cash Generated (Used By):					
Operations	(99,862)	300,019	200,668		
Joint Ventures	2,175,915	886,846	--		
	$ 2,076,053	$ 1,186,865	$ 200,668		
Less Cash Distributions to Investors:					
Operating Cash Flow	2,067,801	1,186,865	--		
Return of Capital	--	19,510	--		
Undistributed Cash Flow From Prior Year Operations	--	200,668	--		
Cash Generated (Deficiency) after Cash Distributions	$ 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		
	$ 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	17,613,067	5,188,485
Cash Generated (Deficiency) after Cash Distributions and Special Items	$ 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)	97	85	28
- Operations Class A Units	(160)	(123)	(9)
- Operations Class B Units	--	--	--
Capital Gain (Loss)			
Tax and Distributions Data per $1,000 Invested:			
Federal Income Tax Results:			
Ordinary Income (Loss)			
- Operations Class A Units	92	78	35
- Operations Class B Units	(100)	(64)	0
Capital Gain (Loss)	--	--	--
Cash Distributions to Investors:			
Source (on GAAP Basis)			
- Investment Income Class A Units	95	66	--
- Return of Capital Class A Units	--	--	--
- Return of Capital Class B Units	--	--	--
Source (on Cash Basis)			
- Operations Class A Units	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	71	48	--
- Return of Capital Class A Units	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, and $869,555 in equity in earnings of joint ventures and $215,042 from investment of reserve funds in 1998, and $1,309,281 in equity in earnings of joint ventures and $0 from investment of reserve funds in 1999. At December 31, 1999, 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, and $891,911 for 1999.

(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; and $2,084,229 to Class A Limited Partners, $(891,911) to Class B Limited Partners and $0 to the General Partners for 1999.

(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, 1999, the aggregate amount of such priority distributions payable to Class B Limited Partners totaled $909,527.

TABLE III (UNAUDITED)
OPERATING RESULTS OF PRIOR PROGRAMS
WELLS REAL ESTATE FUND XI, L.P.

	1999	1998	1997	1996	1995
Gross Revenues/(1)/	766,586	262,729	N/A	N/A	N/A
Profit on Sale of Properties	--	--			
Less: Operating Expenses/(2)/	111,058	113,184			

Depreciation and Amortization/(3)/	25,000	6,250
Net Income GAAP Basis/(4)/	$ 630,528	$ 143,295
Taxable Income: Operations	$ 704,108	$ 177,692
Cash Generated (Used By):		
Operations	40,906	(50,858)
Joint Ventures	705,394	102,662
	$ 746,300	$ 51,804
Less Cash Distributions to Investors:		
Operating Cash Flow	746,300	51,804
Return of Capital	49,761	48,070
Undistributed Cash Flow From Prior Year Operations	--	--
Cash Generated (Deficiency) after Cash Distributions	$ (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
	$ (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	$(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	77	20
- Operations Class B Units	(112)	(32)
Capital Gain (Loss)	--	--
Tax and Distributions Data per $1,000 Invested:		
Federal Income Tax Results:		
Ordinary Income (Loss)		
- Operations Class A Units	71	18
- Operations Class B Units	(73)	(17)
Capital Gain (Loss)	--	--
Cash Distributions to Investors:		
Source (on GAAP Basis)		
- Investment Income Class A Units	60	8
- Return of Capital Class A Units	--	--
- Return of Capital Class B Units	--	--
Source (on Cash Basis)		
- Operations Class A Units	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	46	6
- Return of Capital Class A Units	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, and $607,579 in equity in earnings of joint ventures and $159,007 from investment of reserve funds in 1999. At December 31, 1999, 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, and $353,840 for 1999.

(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; and $1,009,368 to Class A Limited Partners, $(378,840) to Class B Limited Partners and $0 to the General Partners for 1999.

(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, 1999, the aggregate amount of such priority distributions payable to Class B Limited Partners totaled $213,006.

EXHIBIT A

SUBSCRIPTION AGREEMENT

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

Ladies and Gentlemen:

The undersigned, by signing and delivering a copy of the attached Subscription Agreement Signature Page, hereby tenders this subscription and applies for the purchase of the number of shares of common stock ("Shares") of Wells Real Estate Investment Trust, Inc., a Maryland corporation (the "Company"), 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 the Company dated December 20, 2000 (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 the Company 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 the Company'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 the Company.

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 the Company 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. Company: 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. or Wells Real Estate Fund XII, L.P. or in any other public real estate program may invest as little as $25 (2.5 Shares) except for residents of Maine, Minnesota, Nebraska or Washington. Shares may be purchased only by persons meeting the standards set forth under the Section of the Prospectus entitled "Investor Suitability Standards." Please indicate the state in which the sale was made.
	b. DEFERRED COMMISSION OPTION: Please check the box if you have agreed with your Broker-Dealer to elect the Deferred Commission Option, as described in the Prospectus, as supplemented to date. By electing the Deferred Commission Option, you are required to pay only $9.40 per Share purchased upon subscription. For the next six years following the year of subscription, or lower if required to satisfy outstanding deferred commission obligations, you will have a 1% sales commission ($.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 the Company 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 the Company. 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 the Company. If additional investments in the Company are made, the investor agrees to notify the Company 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 the Company. The investor agrees to

notify the Company 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 reinvested dividends, less any discounts authorized by the Prospectus.

b. DIVIDEND ADDRESS: If cash dividends are to be sent to an address Oher 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 the Company.

IF YOU NEED FURTHER ASSISTANCE IN COMPLETING THIS
SUBSCRIPTION AGREEMENT SIGNATURE PAGE,
PLEASE CALL 1-800-448-1010

SEE PRECEDING PAGE
FOR INSTRUCTIONS

Special Instructions:

WELLS REAL ESTATE INVESTMENT TRUST, INC.
SUBSCRIPTION AGREEMENT SIGNATURE PAGE

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 Investments (Minimum $25)
State in which sale was made _____

Check the following box to elect the Deferred Commission Option: [_]
(This election must be agreed to by the Broker-Dealer listed below)

2. ===== ADDITIONAL INVESTMENTS ==========

Please check if you plan to make additional investments in the Company: [_]
[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.]

3. ===== TYPE OF OWNERSHIP ==========

[_] IRA (06)
[_] Keogh (10)
[_] Qualified Pension Plan (11)
[_] Qualified Profit Sharing Plan (12)
[_] Other Trust _____
For the Benefit of _____
[_] Company (15)

[_] Individual (01)
[_] Joint Tenants With Right of Survivorship (02)
[_] Community Property (03)
[_] Tenants in Common (04)
[_] Custodian: A Custodian for _____ under the Uniform Gift to Minors Act or the Uniform Transfers to Minors Act of the State of _____ (08)
[_] Other _____

4. ===== REGISTRATION NAME AND ADDRESS =====
Please print name(s) in which Shares are to be registered. Include trust name if applicable.
[_] Mr [_] Mrs [_] Ms [_] MD [_] PhD [_] DDS [_] Other _____

_____

Taxpayer Identification Number
[_][_]-[_][_][_][_][_][_][_]

_____

Social Security Number
[_][_][_]-[_][_]-[_][_][_][_]

_____

_____
Street Address
or P.O. Box

_____
City ---------- State ---------- Zip Code ----------
---------- ----------
Home Business
Telephone No. ( ) Telephone No. ( )
---------- ----------

---------- ----------
Birthdate Occupation
---------- ----------

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 Business
Telephone No. ( ) Telephone No. ( )
---------- ----------

---------- ----------
Birthdate Occupation
---------- ----------

==========

(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 Company to accept this subscription, I hereby represent and warrant to you as follows:

(a)	I have received the Prospectus.	Initials	Initials
(b)	I accept and agree to be bound by the terms and conditions of the Articles of Incorporation.	Initials	Initials
(c)	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
(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 therefor, without the prior written consent of the Commissioner of the Department of Corporations of the State of California, except as permitted in the Commissioner's Rules, and I understand that my Shares, or any document evidencing my Shares, will bear a legend reflecting the substance of the foregoing understanding.	Initials	Initials
(e)	ARKANSAS, NEW MEXICO AND TEXAS RESIDENTS ONLY: I am purchasing the Shares for my own account and acknowledge that the investment is not liquid.	Initials	Initials

I declare that the information supplied above is true and correct and may be relied upon by the Company in connection with my investment in the Company. Under penalties of perjury, by signing this Signature Page, I hereby certify that (a) I have provided herein my correct Taxpayer Identification Number, and (b) I am not subject to back-up withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to back-up withholding.

Signature of Investor or Trustee	Signature of Joint Owner, if applicable	Date

(MUST BE SIGNED BY TRUSTEE(S) IF IRA, KEOGH OR QUALIFIED PLAN.)

7. ===== DISTRIBUTIONS ==========

7a. Check the applicable box to participate in the Dividend Reinvestment Plan: Percentage of participation: 100% [_] Other [_] ___%

7b. Complete the following section only to direct dividends to a party other than registered owner:

Name

Account Number

Street Address or P.O. Box

City State Zip Code

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

The Broker-Dealer or authorized representative must sign below to complete order. Broker-Dealer warrants that it is a duly licensed Broker-Dealer and may lawfully offer Shares in the state designated as the investor's address or the state in which the sale was made, if different. The Broker-Dealer or authorized representative warrants that he has reasonable grounds to believe this investment is suitable for the subscriber as defined in Section 3(b) of the Rules of Fair Practice of the NASD Manual and that he has informed subscriber of all aspects of liquidity and marketability of this investment as required by Section 4 of such Rules of Fair Practice.

Broker-Dealer Name Telephone No. ( )

Broker-Dealer Street Address or P.O. Box

City State Zip Code

Registered Representative Name Telephone No. ( )

Reg. Rep. Street Address or P.O. Box

City State Zip Code

Broker-Dealer Signature, if required

Registered Representative Signature

Please mail completed Subscription Agreement (with all signatures) and check(s) made payable to:
Wells Real Estate Investment Trust, Inc.
6200 The Corners Parkway, Suite 250
Norcross, Georgia 30092
800-448-1010 or 770-449-7800

Overnight address:
6200 The Corners Parkway, Suite 250
Norcross, Georgia 30092

Mailing address:
P.O. Box 926040
Norcross, Georgia 30092-9209

FOR COMPANY USE ONLY:

ACCEPTANCE BY COMPANY Amount _____ Date _____

Received and Subscription Accepted: Check No. _____ Certificate No. _____
By: _____ Wells Real Estate Investment Trust, Inc.

Broker-Dealer # Registered Representative # Account #

EXHIBIT B

AMENDED AND RESTATED

DIVIDEND REINVESTMENT PLAN
As of December 20, 1999

Wells Real Estate Investment Trust, Inc., a Maryland corporation (the "Company"), pursuant to its Amended and Restated Articles of Incorporation, adopted a Dividend Reinvestment Plan (the "DRP"), which is hereby amended and restated in its entirety as set forth below. Capitalized terms shall have the same meaning as set forth in the Articles unless otherwise defined herein.

1. Dividend Reinvestment. As agent for the shareholders ("Shareholders") of the Company who (a) purchased shares of the Company's common stock (the "Shares") pursuant to the Company's initial public offering (the "Initial Offering"), which commenced on January 30, 1998 and will terminate on or before January 30, 2000, (b) purchase Shares pursuant to the Company's second public offering (the "Second Offering"), which will commence immediately upon the termination of the Initial Offering, or (c) purchase Shares pursuant to any future offering of the Company ("Future Offering"), and who elect to participate in the DRP (the "Participants"), the Company will apply all dividends and other distributions declared and paid in respect of the Shares held by each Participant (the "Dividends"), including Dividends paid with respect to any full or fractional Shares acquired under the DRP, to the purchase of the Shares for such Participants directly, if permitted under state securities laws and, if not, through the Dealer Manager or Soliciting Dealers registered in the Participant's state of residence.

2. Effective Date. The effective date of this Amended and Restated Dividend Reinvestment Plan (the "DRP") shall be the date that the Second Offering becomes effective with the Securities and Exchange Commission (the "Commission").

3. Procedure for Participation. Any Shareholder who purchased Shares pursuant to the Initial Offering, the Second Offering or any Future Offering and who has received a prospectus, as contained in the Company's registration statement filed with the Commission, may elect to become a Participant by completing and executing the Subscription Agreement, an enrollment form or any other appropriate authorization form as may be available from the Company, the Dealer Manager or Soliciting Dealer. Participation in the DRP will begin with the next Dividend payable after receipt of a Participant's subscription, enrollment or authorization. Shares will be purchased under the DRP on the date that Dividends are paid by the Company. Dividends of the Company are currently paid quarterly. Each Participant agrees that if, at any time prior to the listing of the Shares on a national stock exchange or inclusion of the Shares for quotation on the National Association of Securities Dealers, Inc. Automated Quotation System ("Nasdaq"), he or she fails to meet the suitability requirements for making an investment in the Company or cannot make the other representations or warranties set forth in the Subscription Agreement, he or she will promptly so notify the Company in writing.

4. Purchase of Shares. Participants will acquire DRP Shares from the Company at a fixed price of $10 per Share until (i) all 2,200,000 of the DRP Shares registered in the Second Offering are issued or (ii) the Second Offering terminates and the Company elects to deregister with the Commission the unsold DRP Shares. Participants in the DRP may also purchase fractional Shares so that 100% of the Dividends will be used to acquire Shares. However, a Participant will not be able to acquire DRP Shares to the extent that any such purchase would cause such Participant to exceed the Ownership Limit as set forth in the Articles.

Shares to be distributed by the Company in connection with the DRP may (but

are not required to) be supplied from: (a) the DRP Shares which will be registered with the Commission in connection with the Company's Second Offering, (b) Shares to be registered with the Commission in a Future Offering for use in the DRP (a "Future Registration"), or (c) Shares of the Company's common stock purchased by the Company for the DRP in a secondary market (if available) or on a stock exchange or Nasdaq (if listed) (collectively, the "Secondary Market").

Shares purchased on the Secondary Market as set forth in (c) above will be purchased at the then-prevailing market price, which price will be utilized for purposes of purchases of Shares in the DRP. Shares acquired by the Company on the Secondary Market or registered in a Future Registration for use in the DRP may be at prices lower or higher than the $10 per Share price which will be paid for the DRP Shares pursuant to the Initial Offering and the Second Offering.

If the Company acquires Shares in the Secondary Market for use in the DRP, the Company shall use reasonable efforts to acquire Shares for use in the DRP at the lowest price then reasonably available. However, the Company does not in any respect guarantee or warrant that the Shares so acquired and purchased by the Participant in the DRP will be at the lowest possible price. Further, irrespective of the Company's ability to acquire Shares in the Secondary Market or to complete a Future Registration for shares to be used in the DRP, the Company is in no way obligated to do either, in its sole discretion.

It is understood that reinvestment of Dividends does not relieve a Participant of any income tax liability which may be payable on the Dividends.

5. Share Certificates. The ownership of the Shares purchased through the DRP will be in book-entry form only until the Company begins to issue certificates for its outstanding common stock.

6. Reports. Within 90 days after the end of the Company's fiscal year, the Company shall provide each Shareholder with an individualized report on his or her investment, including the purchase date(s), purchase price and number of Shares owned, as well as the dates of Dividend distributions and amounts of Dividends paid during the prior fiscal year. In addition, the Company shall provide to each Participant an individualized quarterly report at the time of each Dividend payment showing the number of Shares owned prior to the current Dividend, the amount of the current Dividend and the number of Shares owned after the current Dividend.

7. Commissions and Other Charges. In connection with Shares sold pursuant to the DRP, the Company will pay selling commissions of 7%; a dealer manager fee of 2.5%; and, in the event that proceeds from the sale of DRP Shares are used to acquire properties, acquisition and advisory fees and expenses of 3.5%, of the purchase price of the DRP Shares.

8. Termination by Participant. A Participant may terminate participation in the DRP at any time, without penalty by delivering to the Company a written notice. Prior to listing of the Shares on a national stock exchange or Nasdaq, any transfer of Shares by a Participant to a non-Participant will terminate participation in the DRP with respect to the transferred Shares. If a Participant terminates DRP participation, the Company will ensure that the terminating Participant's account will reflect the whole number of shares in his or her account and provide a check for the cash value of any fractional share in such account. Upon termination of DRP participation, Dividends will be distributed to the Shareholder in cash.

9. Amendment or Termination of DRP by the Company. The Board of Directors of the Company may by majority vote (including a majority of the Independent

Directors) amend or terminate the DRP for any reason upon 10 days' written notice to the Participants.

10. Liability of the Company. The Company shall not be liable for any act done in good faith, or for any good faith omission to act, including, without limitation, any claims or liability; (a) arising out of failure to terminate a Participant's account upon such Participant's death prior to receipt of notice in writing of such death; and (b) with respect to the time and the prices at which Shares are purchased or sold for a Participant's account. To the extent that indemnification may apply to liabilities arising under the Securities Act of 1933, as amended, or the securities act of a sate, the Company has been advised that, in the opinion of the Commission and certain state securities commissioners, such indemnification is contrary to public policy and, therefore, unenforceable.

ALPHABETICAL INDEX

Until March 20, 2001 (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 125,000,000 Shares
of Common Stock
Offered to the Public

PROSPECTUS

WELLS INVESTMENT
SECURITIES, INC.

December 20, 2000

WELLS REAL ESTATE INVESTMENT TRUST, INC.
SUPPLEMENT NO. 1 DATED FEBRUARY 5, 2001 TO THE PROSPECTUS
DATED DECEMBER 20, 2000

This document supplements, and should be read in conjunction with, the prospectus of Wells Real Estate Investment Trust, Inc. dated December 20, 2000. When we refer to the "prospectus" in this supplement, we are also referring to any and all supplements to the prospectus. Unless otherwise defined in this supplement, capitalized terms used in this supplement shall have the same meanings as set forth in the prospectus.

The purpose of this supplement is to describe the following:

(1) The status of the offering of shares in Wells Real Estate Investment Trust, Inc. (Wells REIT);

(2) The acquisition by Wells Operating Partnership, L.P. (Wells OP) of a six-story office building in Houston, Texas leased to Stone & Webster, Inc. and SYSCO Corporation (Stone & Webster Building);

(3) The acquisition by Wells OP of an eight-story office building in Minnetonka, Minnesota leased to Metris Direct, Inc. (Metris Minnetonka Building);

(4) The acquisition by the Fund XII-REIT Joint Venture Partnership of 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. (AT&T Call Center Buildings);

(5) Revisions to the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of the prospectus;

(6) Statements of revenue over operating expenses for the Stone & Webster Building and the AT&T Call Center Buildings; and

(7) Unaudited Pro Forma Financial Statements for the Wells REIT.

Status of the Offering

We commenced our initial public offering of common stock on January 30, 1998. Our initial public offering was terminated on December 19, 1999. We received approximately $132,181,919 in gross offering proceeds from the sale of 13,218,192 shares in our initial public offering. We commenced a second offering of common stock on December 20, 1999. Our second public offering was terminated on December 19, 2000. We received approximately $175,229,193 in gross offering

proceeds from the sale of 17,522,919 shares in our second public offering.

Pursuant to the prospectus, we commenced our third offering of common stock on December 20, 2000. As of January 31, 2001, we had received an additional $25,133,848 in gross offering proceeds from the sale of 2,513,385 shares in the third offering. Accordingly, as of January 31, 2001, we had received in the aggregate approximately $332,544,960 in gross offering proceeds from the sale of 33,254,496 shares of our common stock.

Stone & Webster Building

Purchase of the Stone & Webster Building. On December 21, 2000, Wells OP, the operating partnership for the Wells REIT, purchased a six-story office building with approximately 312,564 rentable square feet located at 1430 Enclave Parkway, Houston, Harris County, Texas. Wells OP purchased this building from Cardinal Paragon, Inc. (Cardinal) pursuant to that certain Agreement of Purchase and Sale of Property between Cardinal and Wells OP. Cardinal purchased the Stone & Webster Building in a sale-leaseback transaction from Enclave Parkway Realty, Inc., an affiliate of Stone & Webster, Inc. (Stone & Webster), on December 21, 2000. Cardinal is not in any way affiliated with the Wells REIT or our Advisor, Wells Capital, Inc.

The purchase price for the Stone & Webster Building was $44,970,000. Wells OP also incurred additional acquisition expenses in connection with the purchase of the Stone & Webster Building, including attorneys' fees, recording fees, structural report and environmental report fees, and other closing costs, of approximately $45,000. In order to finance part of the acquisition of the Stone & Webster Building, Wells OP obtained an acquisition loan of $35,900,000 from Guaranty Federal Bank, F.S.B. (Guaranty Federal Loan) and $3,000,000 in seller financing from Cardinal (Seller Financing).

An independent appraisal of the Stone & Webster Building was prepared by Abbot & Associates, Inc., real estate appraisers, as of November 20, 2000, pursuant to which the market value of the 9.96 acre parcel of land containing the leased fee interest subject to the leases described below was estimated to be $46,500,000 and the additional 4.34 acre parcel of land (described below) was estimated to be $1,890,000, in cash or terms equivalent to cash. This value estimate was based upon a number of assumptions, including that the Stone & Webster Building will continue operating at a stabilized level with the tenants described below occupying 100% of the rentable area, and is not necessarily an accurate reflection of the fair market value of the property or the net proceeds which would result from an immediate sale of this property. Wells OP also obtained an environmental report and an engineering inspection report prior to the closing evidencing that the condition of the land and the Stone & Webster Building were satisfactory.

Description of the Loans. The Guaranty Federal Loan in the amount of $35,900,000 requires monthly payments of interest only and matures on December 20, 2001. In the event that the principal balance of the loan is not repaid in full by March 31, 2001, Wells OP is required to make a principal payment of $6,000,000 on such date. The interest rate on the Guaranty Federal Loan is a variable rate equal to the London InterBank Offered Rate (LIBOR) for a 30-day period plus 250 basis points if the principal balance of the loan is in excess of $25,900,000; 200 basis points if the principal balance of the loan is between $24,195,001 and $25,900,000; and 180 basis points if the principal balance of the loan is less or equal to $24,195,000. As of January 31, 2001, the principal balance of the Guaranty Federal Loan was $24,100,000. Wells OP has secured separate interest rates for two portions of the Guaranty Federal Loan, each having an interest rate of LIBOR plus 180 basis points on the date the rate for such portion was secured. As of January 31, 2001, the interest rate on the Guaranty Federal Loan was 7.61% per annum on the first $21,900,000 of the principal loan balance and 7.66% per annum on the remaining $2,200,000 of the

principal balance. The Guaranty Federal Loan is secured by a first priority mortgage against the Stone & Webster Building.

The Seller Financing consists of a $3,000,000 loan to Wells OP from Cardinal. The Seller Financing requires the payment of the full principal balance plus accrued interest on the earlier of: (i) December 20, 2001, or (ii) the date that the Guaranty Federal Loan is repaid in full. The interest rate on the Seller Financing is 6% per annum. The Seller Financing is secured by a second priority mortgage against the Stone & Webster Building.

Description of the Stone & Webster Building and Site. The Stone & Webster Building, which was completed in 1994, is a six-story office building containing approximately 312,564 rentable square feet located on a 9.96 acre tract of land. In addition, this site includes 4.34 acres of unencumbered land available for expansion. The first four floors of the Stone & Webster Building are occupied by Stone & Webster, and the fifth and sixth floors are occupied by SYSCO Corporation (SYSCO).

Location of the Stone & Webster Building. The Stone & Webster Building is located in a growing area with nearby access to the Houston freeway system, employment centers and shopping centers. The site is within two miles of Interstate 10 near the intersection of Briar Forest Drive and Dairy Ashford Road. There is a planned development to the southeast of the site known as Westchase which comprises 1,347 acres of land developed for a variety of uses such as high-rise office buildings, office/warehouse buildings, apartment complexes, condominium projects, retail shopping centers and hotels.

The Stone & Webster Lease. Stone & Webster occupies 206,048 rentable square feet (floors 1 through 4) of the Stone & Webster Building under an Office Building Lease between Wells OP and Stone & Webster entered into at closing. The current term of the Stone & Webster lease is ten years, which commenced on December 21, 2000, and expires on December 20, 2010. Stone & Webster has the right to extend the Stone & Webster lease for two additional five-year periods of time for a base rent equal to the greater of (i) the last year's rent, or (ii) the then-current fair market rental value. In the event that the parties cannot agree upon the fair market rental value, such value shall be determined in accordance with the appraisal procedure contained in the Stone & Webster lease.

Stone & Webster is a full-service engineering and construction company offering managerial and technical resources for solving complex energy, environmental, infrastructure and industrial challenges. Stone & Webster, which was founded in 1889 as an electrical testing laboratory and consulting firm, has evolved into a global organization employing more than 5,000 people worldwide.

The Stone & Webster lease is guaranteed by The Shaw Group, Inc., the parent company of Stone & Webster. Shaw Group is the largest supplier of fabricated piping systems and services in the world. Shaw Group distinguishes itself by offering comprehensive solutions consisting of integrated engineering and design, pipe fabrication, construction and maintenance services and the manufacture of specialty pipe fittings and supports to the power generation, crude oil refining, chemical and petrochemical processing and oil and gas exploration and production industries. Shaw Group has approximately 13,000 employees with offices in the United States, Australia, Canada, the United Kingdom, Venezuela and Bahrain. Shaw Group reported net income of approximately $18.1 million on revenues of approximately $494 million for the fiscal year 1999, and reported a net worth, as of December 31, 1999, of over $174 million.

The annual base rent payable under the Stone & Webster lease is $4,533,056 ($22 per square foot) payable in monthly installments of $377,754.67 for the first five years of the lease term and $5,213,014 ($25.30 per square foot)

payable in monthly installments of $434,417.83 for the remainder of the lease term.

Pursuant to the Stone & Webster lease, Stone & Webster is required to pay its proportionate share of taxes relating to the Stone & Webster Building and all operating costs incurred by the landlord in maintaining and operating the Stone & Webster Building, including garbage and waste disposal, janitorial service and window cleaning, security, insurance, water and sewer charges, wages, salaries and employee benefits of all employees engaged in the operation, maintenance and management of the building, indoor and outdoor landscaping, utilities and repairs, replacements and general maintenance. Wells OP, as the landlord, will be responsible for maintaining the common areas of the building, the roof, foundation, exterior walls and windows, load bearing items and the central heating, ventilation and air conditioning, electrical, mechanical and plumbing systems of the building.

The SYSCO Lease. SYSCO currently occupies 106,516 rentable square feet (floors 5 and 6) of the Stone & Webster Building under a Lease Agreement. The landlord's interest in the SYSCO lease was assigned to Wells OP at the closing. The initial term of the SYSCO lease is ten years, which commenced on October 1, 1998, and expires on September 30, 2008.

SYSCO is the largest marketer and distributor of foodservice products in North America. SYSCO operates from 101 distribution facilities and provides its products and services to about 356,000 restaurants and other users across the United States and portions of Canada. SYSCO distributes a wide variety of fresh and frozen meats, seafood, poultry, fruits and vegetables, plus bakery products, canned and dry foods, paper and disposable products, sanitation items, dairy foods, beverages, kitchen and tabletop equipment, as well as medical and surgical supplies. SYSCO reported net income of approximately $362 million on revenues of approximately $17 billion for the fiscal year ending July 2000, and reported a net worth, as of June 30, 2000, of over $1.4 billion.

The annual base rent payable under the SYSCO lease is $2,130,320 ($20 per square foot) payable in monthly installments of $177,526.67 for the first five years of the lease term and $2,236,836 ($21 per square foot) payable in monthly installments of $186,403 for the remainder of the lease term.

Pursuant to the SYSCO lease, SYSCO is required to pay its proportionate share of taxes and operating costs incurred by the landlord in maintaining and operating the Stone & Webster Building, including supplies and materials, utilities, insurance and repairs, replacements, general maintenance and wages and salaries (including management fees not to exceed 3% of gross revenues attributable to the building) of all employees engaged in maintaining and operating the Stone & Webster Building. Wells OP, as the landlord, will be responsible for maintaining the common areas of the building, the roof, foundation, exterior walls and windows, load bearing items and the central heating, ventilation and air conditioning, electrical, mechanical and plumbing systems of the building.

Metris Minnetonka Building

Purchase of the Metris Minnetonka Building. On December 21, 2000, Wells OP purchased a nine-story office building with approximately 300,633 rentable square feet located at 10900 Wayzata Boulevard, Minnetonka, Minnesota. Wells OP purchased the Metris Minnetonka Building from Opus Northwest, L.L.C. (Opus), pursuant to that certain Purchase Agreement dated October 31, 2000 (Metris Agreement) between Opus and the Advisor. Opus is not in any way affiliated with the Wells REIT or the Advisor.

The rights under the Metris Agreement were assigned by the Advisor, the original purchaser under the Metris Agreement, to Wells OP at closing. The

purchase price for the Metris Minnetonka Building was $52,800,000. Wells OP also incurred additional acquisition expenses in connection with the purchase of the Metris Minnetonka Building, including attorneys' fees, recording fees, loan fees, and other closing costs, of approximately $100,000. In order to finance the acquisition of the Metris Minnetonka Building, Wells OP obtained $52,800,000 in loan proceeds by drawing down on an existing line of credit with SouthTrust Bank, N.A.

An independent appraisal of the Metris Minnetonka Building was prepared by CB Richard Ellis, Inc., real estate appraisers, as of October 26, 2000, pursuant to which the market value of the land and the leased fee interest subject to the lease described below was estimated to be $52,800,000, in cash or terms equivalent to cash. This value estimate was based upon a number of assumptions, including that the Metris Minnetonka Building will continue operating at a stabilized level with Metris Direct, Inc. (Metris) occupying 100% of the rentable area, and is not necessarily an accurate reflection of the fair market value of the property or the net proceeds which would result from an immediate sale of this property. Wells OP also obtained an environmental report and an engineering inspection report prior to the closing evidencing

that the condition of the land and the Metris Minnetonka Building were satisfactory.

Description of the Metris Minnetonka Building and Site. As set forth above, the Metris Minnetonka Building is a nine-story office building containing approximately 300,633 rentable square feet. The Metris Minnetonka Building was completed in August 2000. The Metris Minnetonka Building is leased to Metris as its corporate headquarters. The Metris Minnetonka Building is Phase II of a two phase office complex known as Crescent Ridge Corporate Center. Phase I of Crescent Ridge Corporate Center is an eight-story multi-tenant building which is connected to the Metris Minnetonka 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 Minnetonka Building is constructed of steel frames with reinforced concrete masonry floors and roofs. The exterior is earth tone cast stone and reflective glass with marble medallion accents. The building features state of the art technology capabilities, including fiber optic cabling, individual heating and cooling controls for every 1,200 square feet of tenant space, a combination of fluorescent and parabolic lighting, a wet sprinkler system, and four computer-controlled traction passenger elevators with 2,500 pound maximum capacity. Each floor contains approximately 34,000 square feet. The office areas and hallways are carpeted, the flooring in the restrooms is ceramic tile and the flooring in the lobby is natural stone. Drop acoustical ceilings are installed in the office areas at the nine foot level. Other amenities at the Metris Minnetonka Building include a conference center, a full service cafeteria, two-story vaulted lobbies, a fitness area and locker facilities and a card access system. The Metris Minnetonka Building is located on an irregularly shaped 13.58 acre site which overlooks a large adjoining wetland area.

Location of the Metris Minnetonka Building. The Metris Minnetonka Building is located in Minnetonka, Minnesota, which is a western suburb of Minneapolis. The site is located within the Interstate 394 corridor at the northeast corner of Interstate 394 and County Road 73 (Hopkins Crossroads). The Interstate 394 corridor contains approximately 6,500,000 square feet in office space and is an attractive location for, among other reasons, its proximity to Minneapolis/St. Paul, its proximity to executive housing around Lake Minnetonka and the Minneapolis lakes area and its proximity and accessibility to labor markets. Among other corporate headquarter locations located within the Interstate 394 corridor are Cargill, Carlson Companies, General Mills, Life USA and Travelers Express. There are significant limitations on new developments within the

Interstate 394 corridor which is anticipated to result in a supply constrained situation and projected low vacancy rates.

Description of Metris Lease. Metris occupies all 300,633 rentable square feet of the Metris Minnetonka Building pursuant to that certain Multitenant Office Lease Agreement dated March 29, 1999. The Metris lease commenced on September 1, 2000 and has an expiration date of December 31, 2011. Metris has the right to renew the Metris lease for an additional five-year term with not less than 18 months notice prior to the expiration of the initial term at fair market rent, but in no event less than the basic rent payable in the immediate preceding period. In the event that the parties cannot agree upon the fair market rent for the renewal term, the fair market rent will be determined in accordance with the appraisal provisions of the Metris lease.

Metris is a principal subsidiary of Metris Companies, Inc. (Metris Companies), a publicly traded company listed on the New York Stock Exchange (symbol MXT) which has guaranteed the Metris lease. Metris Companies is an information-based direct marketer of consumer credit products and fee based services primarily to moderate income consumers. Metris Companies consumer credit products are primarily unsecured credit cards issued by its subsidiary, Direct Merchants Credit Card Bank. Metris Companies customers and prospects include individuals for whom credit bureau information is available and existing customers of a former affiliate, Fingerhut Corporation. Metris Companies markets its fee

based services, including debt waiver programs (credit insurance for death or disability), membership clubs, extended service plans and third party insurance, to its credit card customers. For calendar year 1999, Metris Companies had net income of approximately $115 million on revenues of approximately $1.369 billion, and reported a net worth, as of December 31, 1999, of approximately $623 million. Metris Companies employs approximately 3,400 people. Metris Companies carries a B+ rating by S & P for its senior debt, with a stable outlook.

Rental income for the initial 136-month term is summarized as follows:

Dates	Annual Net Rent	PSF
Sept. '00 - Dec. '06	$4,960,445	$16.50
Jan. '07 - Dec. '09	$5,576,742	$18.55
Jan. '10 - Dec. '10	$6,178,008	$20.55
Jan. '11 - Dec. '11	$6,478.641	$21.55

While Metris was granted certain rental concessions under the Metris lease, Opus, the seller, has agreed to cover the free rent, so as to yield the above net effective rates to Wells OP. In addition, Metris is required to pay annual parking and storage fees of $132,384 through December 2006 and $164,052 payable on a monthly basis for the remainder of the lease term.

Pursuant to the Metris lease, Metris is required to pay 100% of operating costs incurred by the landlord in maintaining and operating the Metris Minnetonka Building, including all property taxes, insurance premiums, maintenance and repair costs, steam, electricity, water, sewer, gas and other utility charges, fuel, lighting, window washing, janitorial services and reasonable management fees (not to exceed 1.75% of gross revenues from the Metris Minnetonka Building). Wells OP, as the landlord, will be responsible for repair and maintenance of the foundations, exterior walls and roof of the Metris Minnetonka Building and the electrical, mechanical, plumbing, heating and air conditioning systems.

The Metris lease also contains a construction warranty pursuant to which the landlord has warranted to Metris that the tenant improvements and related materials, equipment and installation shall be free from defects in workmanship and shall conform to the plans and specifications. The landlord is obligated to repair, correct or replace, as necessary, any defective item occasioned by a breach of such warranty if notified by Metris within one year from the commencement date of the Metris lease. Pursuant to the Metris Agreement, however, Opus has assumed the obligation for any such repairs so long as Wells OP notifies Opus of any claims by Metris under the construction warranty no later than January 20, 2002.

AT&T Call Center Buildings

Purchase of the AT&T Call Center Buildings. On December 28, 2000, the Wells Fund XII - REIT Joint Venture Partnership (Fund XII-REIT Joint Venture), a joint venture between Wells OP and Wells Real Estate Fund XII, L.P. (Wells Fund XII), acquired a one-story office building and a two-story office building containing an aggregate of approximately 128,500 rentable square feet located at 3201 Quail Springs Parkway, Oklahoma City, Oklahoma. The Fund XII-REIT Joint Venture purchased the AT&T Call Center Buildings from OKC Real Estate Investments, Inc. (OKC) pursuant to that certain Agreement for the Purchase and Sale of Property between OKC, as seller, and the Advisor, as purchaser. OKC is not in any way affiliated with the Registrant or the Advisor.

The Advisor, the original purchaser under the agreement, assigned its rights under the agreement to the Fund XII-REIT Joint Venture at closing. The Fund XII-REIT Joint Venture paid a purchase price of $15,300,000 for the AT&T Call Center Buildings and incurred additional acquisition expenses in

connection with the purchase of the AT&T Call Center Buildings, including attorneys' fees, recording fees and other closing costs, of approximately $27,554.

Wells OP made a capital contribution of $6,736,554 and Wells Fund XII made a capital contribution of $8,591,000 to the Fund XII-REIT Joint Venture to fund their respective shares of the acquisition costs for the AT&T Call Center Buildings.

Description of the AT&T Call Center Buildings and the Site. As set forth above, the AT&T Call Center Buildings consist of a one-story office building and a two-story office building containing approximately 50,000 and 78,500 rentable square feet, respectively, on a 11.34 acre tract of land. Construction on the buildings was completed in April 1998 and December 2000, respectively. The two adjacent buildings are connected by a mutual hallway. Both buildings are constructed using a steel frame with steel beams on a concrete slab with concrete footings. The exterior walls are made of tilt-up concrete panels with punched openings around the perimeter. The windows consist of tempered glass in aluminum frames. The interior walls consist of gypsum board covered with semi-gloss enamel paint. In addition, the two-story office building contains a fully equipped cafeteria and an elevator. There are approximately 775 paved surface parking spaces at the site.

The AT&T Call Center Buildings are located in the Quail Springs Office Park North in Oklahoma City, Oklahoma. Quail Springs Office Park North is located in the northwest sector of Oklahoma City, approximately eight to 11 miles northwest of the central business district. Oklahoma City is known for its competitive real estate prices, available space for business, supportive governmental services, good labor quality and diversified economic base. The city's largest employers include the State of Oklahoma, Avaya, Inc., Southwestern Bell Telephone and General Motors Corporation.

An independent appraisal of the AT&T Call Center Buildings was prepared by Isaacs & Associates, real estate appraisers and consultants, as of July 14, 2000, pursuant to which the market value of the land and the leased fee interest subject to the AT&T lease and the Jordan lease (described below) was estimated to be $15,400,000, in cash or terms equivalent to cash. This value estimate was based upon a number of assumptions, including that the AT&T Call Center Buildings will continue operating at a stabilized level with tenants occupying 100% of the rentable area, and is not necessarily an accurate reflection of the fair market value of the property or the net proceeds which would result from an immediate sale of this property. The Fund XII-REIT Joint Venture also obtained an environmental report and an engineering inspection report prior to the closing evidencing that the condition of the land and the AT&T Call Center Buildings were satisfactory.

The AT&T Lease. 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 are currently under a net lease agreement with AT&T Corp. (AT&T). The landlord's interest in the AT&T lease was assigned to the Fund XII-REIT Joint Venture at the closing. The AT&T lease commenced on April 1, 2000, and the initial term expires on November 30, 2010. AT&T has the right to extend the AT&T lease for two additional five-year periods of time at the then-current fair market rental rate upon delivering written notice within 240 days prior to lease expiration.

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. During fiscal year 1999, AT&T had net income of approximately $3.43 billion on revenues of over $62.39 billion.

The base rent payable for the initial lease term of the AT&T lease is as follows:

Lease Months	Annual Rent	Rentable Square Feet/Year
Months 1 to 8*	$ 300,000	$12.00
Months 9 to 35	$1,242,000	$12.00
Months 36 to 65	$1,293,750	$12.50
Months 66 to 95	$1,345,500	$13.00
Months 96 to 125	$1,397,250	$13.50

*For occupancy of 25,000 square feet of the one-story office building only.

Under the AT&T lease, AT&T is required to pay, as additional monthly rent, its gas, water and electricity costs and all operating expenses, including but not limited to, garbage and waste disposal, telephone, sprinkler service, janitorial service, security, insurance premiums, all taxes, assessments and

other governmental levies and such other operating expenses with respect to its portion of the AT&T Call Center Buildings. In addition, AT&T is responsible for all routine maintenance and repairs to its portion of the AT&T Call Center Buildings. The Fund XII-REIT Joint Venture, as landlord, will be responsible for the repair and replacement of the roof, foundation, load bearing items, exterior surface walls, plumbing, pipes, conduits and electrical, mechanical and plumbing systems of the AT&T Call Center Buildings. AT&T must obtain written consent from the Fund XII-REIT Joint Venture before making any alterations to the premises in excess of $10,000.

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), as described below, if Jordan vacates the premises.

The Jordan Lease. Jordan currently occupies the remaining 25,000 rentable square feet contained in the one-story office building under a net lease agreement. The landlord's interest in the Jordan lease was also assigned to the Fund XII-REIT Joint Venture at the closing. The Jordan lease commenced on April 1, 1998, and the initial term expires on March 31, 2008. Jordan has the right to extend the Jordan lease for one additional five-year period of time at the then-current fair market rental rate upon delivering written notice within 240 days prior to expiration of the initial lease term.

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. Jordan employs approximately 100 employees and has been in business for over 35 years.

The base rent payable for the initial lease term of the Jordan lease is as follows:

Lease Months	Annual Rent	Rentable Square Feet/Year
Months 1 to 60	$294,500	$11.78
Months 61 to 120	$332,000	$13.28

Under the Jordan lease, Jordan is required to pay as additional monthly rent its gas, water and electricity costs and all operating expenses, including, but not limited to, garbage and waste disposal, telephone, sprinkler service, janitorial service, security, insurance premiums, all taxes, assessments and

other governmental levies and such other operating expenses with respect to its portion of the one-story building. In addition, Jordan is responsible for all routine maintenance and repairs to its portion of the one-story building. The Fund XII-REIT Joint Venture, as landlord, will be responsible for the repair and replacement of the roof, foundation, load bearing items, exterior surface walls, plumbing, pipes, conduits and electrical, mechanical and plumbing systems of the AT&T Call Center Buildings.

Property Fees

Wells Management Company, Inc. (Wells Management), an affiliate of the Advisor to Wells REIT, has been retained to manage and lease both the Stone & Webster Building and the Metris Minnetonka Building. The Wells REIT shall pay management and leasing fees to Wells Management in the amount of 4.5% of gross revenues from the Stone & Webster Building and the Metris Minnetonka Building, subject to certain limitations.

Wells Management has also been retained to manage and lease the AT&T Call Center Buildings. The Fund XII-REIT Joint Venture will pay management and leasing fees to Wells Management in the amount of 4.5% of gross revenues from the AT&T Call Center Buildings, subject to certain limitations.

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

The information contained on page 98 in the "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources" section of the prospectus is revised as of the date of this supplement by the deletion of the first two paragraphs of that section and the insertion of the following paragraphs in lieu thereof:

> We began active operations on June 5, 1998, when we received and accepted subscriptions for 125,000 shares pursuant to our initial public offering, which commenced on January 30, 1998. We terminated our initial public offering on December 19, 1999. Of the $132,181,919 raised in the initial offering, we invested a total of $111,032,812 in properties. On December 20, 1999, we commenced a follow-on public offering of up to 22,200,000 shares of common stock at $10 per share. We terminated our follow-on public offering on December 19, 2000. Of the $175,229,193 raised in the follow-on offering, we invested a total of $147,192,522 in properties.
>
> Pursuant to the prospectus, we commenced this third offering of shares of our common stock on December 20, 2000. As of January 31, 2001, we had received an additional $25,133,848 in gross offering proceeds from the sale of 2,513,385 shares in the third offering. As of January 31, 2001, we had raised in the aggregate a total of $332,544,960 in offering proceeds through the sale of 33,254,496 shares of common stock. As of January 31, 2001, we had paid a total of $11,586,654 in acquisition and advisory fees and acquisition expenses, had paid a total of $41,380,909 in selling commissions and organizational and offering expenses, had made capital contributions of $272,237,045 to Wells OP for investments in joint ventures and acquisitions of real property, had utilized $1,497,691 for the redemption of stock pursuant to our share redemption program, and were holding net offering proceeds of $5,842,661 available for investment in additional properties.

Financial Statements

The statements of revenues over certain operating expenses of the Stone & Webster Building and the AT&T Call Center Buildings for the year ended December 31, 1999, included in this supplement and elsewhere in the registration statement, have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto, and are included in this supplement in reliance upon the authority of said firm as experts in giving said reports.

The statements of revenues over certain operating expenses of the Stone & Webster Building and the AT&T Call Center Buildings for the nine months ended September 30, 2000, included in this supplement and elsewhere in the registration statement have not been audited.

The Pro Forma Statements of Income and Pro Forma Balance Sheet of the Wells REIT as of December 31, 1999 and September 30, 2000, which are included in this

supplement, have not been audited.

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Wells Real Estate Investment Trust, Inc.:

We have audited the accompanying statement of revenues over certain operating expenses for the STONE & WEBSTER BUILDING for the year ended December 31, 1999. This financial statement is the responsibility of management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 audit provides a reasonable basis for our opinion.

As described in Note 2, this financial statement excludes certain expenses that would not be comparable with those resulting from the operations of the Stone & Webster Building after acquisition by the Wells Operating Partnership, L.P. (on behalf of Wells Real Estate Investment Trust, Inc.). The accompanying statement of revenues over certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and is not intended to be a complete presentation of the Stone & Webster Building's revenues and expenses.

In our opinion, the statement of revenues over certain operating expenses presents fairly, in all material respects, the revenues over certain operating expenses of the Stone & Webster Building for the year ended December 31, 1999, in conformity with accounting principles generally accepted in the United States.

/s/ Arthur Andersen LLP

Atlanta, Georgia
January 19, 2001

STONE & WEBSTER BUILDING

STATEMENTS OF REVENUES

OVER CERTAIN OPERATING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 1999

AND THE NINE MONTHS ENDED SEPTEMBER 30, 2000

	2000	1999
	(Unaudited)	
RENTAL REVENUES	$1,637,685	$2,183,580
OPERATING EXPENSES, net of reimbursements	1,250,097	1,666,796
REVENUES OVER CERTAIN OPERATING EXPENSES	$ 387,588	$ 516,784

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The accompanying notes are an integral part of these statements.

STONE & WEBSTER BUILDING

NOTES TO STATEMENTS OF REVENUES

OVER CERTAIN OPERATING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 1999

AND THE NINE MONTHS ENDED SEPTEMBER 30, 2000 (UNAUDITED)

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Description of Real Estate Property Acquired

On December 21, 2000, the Wells Operating Partnership L.P. ("Wells OP"), a Delaware Limited Partnership formed to acquire, own, lease, operate, and manage real properties on behalf of the Wells Real Estate Investment Trust, Inc., acquired the Stone & Webster Building from Cardinal Paragon, Inc. ("Cardinal"). Cardinal is not an affiliate of Wells OP. The total purchase price of the Stone & Webster Building was $44,970,000. Wells OP incurred additional acquisition expenses in connection with the purchase of the Stone & Webster Building, including attorney's fees, recording fees, loan fees, and other closing costs, of approximately $45,000. The funds used to purchase the Stone & Webster Building consisted of cash and proceeds from notes payable to Guarantee Federal Bank, F.S.B. and Cardinal.

Stone & Webster, Inc. ("Stone & Webster") occupies 206,048 of the entire 312,564 rentable square feet of the Stone & Webster Building under an office building lease between Wells OP and Stone & Webster (the "Stone & Webster Lease") entered into at closing. The current term of the Stone & Webster Lease is ten years, which commenced on December 28, 2000 and expires on December 31, 2010. Stone & Webster has the right to extend the Stone & Webster Lease for two additional five-year periods for a base rent equal to the greater of (i) the last year's rent, or (ii) the then-current "fair market rental value." In the event that the parties cannot agree upon the fair market rental value, such value shall be determined in accordance with the appraisal procedure contained in the Stone & Webster Lease. The Stone & Webster Lease is guaranteed by The Shaw Group, Inc., the parent company of Stone & Webster. Pursuant to the Stone & Webster Lease, Stone & Webster is required to pay its proportionate share of property taxes relating to the Stone & Webster Building and all operating costs incurred by the landlord in maintaining and operating the Stone & Webster Building, including garbage and waste disposal, janitorial service and window cleaning, security, insurance, water and sewer charges, wages, salaries, and employee benefits of all employees engaged in the operation, maintenance and management of the building, indoor and outdoor landscaping, utilities and repairs, replacements and general maintenance.

SYSCO occupies the remaining 106,516 rentable square feet of the Stone & Webster Building under a Lease Agreement (the "SYSCO Lease"). The landlord's interest in the SYSCO Lease was assigned to Wells OP at the closing. The initial term of the SYSCO Lease is ten years, which commenced on October 1, 1998, and expires on September 20, 2008. Pursuant to the SYSCO Lease, SYSCO is required to pay its proportionate share of property

taxes and operating costs incurred by the landlord in maintaining and operating the Stone & Webster Building, including supplies and materials, utilities, insurance and repairs, replacements, general maintenance and wages and salaries (including management fees not to exceed 3% of gross revenues attributable to the building) of all employees engaged in such operation.

Rental Revenues

Rental income from leases is recognized on a straight-line basis over the life of the lease.

2. BASIS OF ACCOUNTING

The accompanying statement of revenues over certain operating expenses is presented on the accrual basis. This statement has been prepared in accordance with the applicable rules and regulations of the Securities and Exchange Commission for real estate properties acquired. Accordingly, the statement excludes certain historical expenses, such as depreciation, interest, and management fees, not comparable to the operations of the Stone & Webster Building after acquisition by Wells OP.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Wells Real Estate Fund XII, L.P. and
Wells Real Estate Investment Trust, Inc.:

We have audited the accompanying statement of revenues over certain operating expenses for the AT&T CALL CENTER BUILDINGS for the year ended December 31, 1999. This financial statement is the responsibility of management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 audit provides a reasonable basis for our opinion.

As described in Note 2, this financial statement excludes certain expenses that would not be comparable with those resulting from the operations of the AT&T Call Center Buildings after acquisition by the Wells Fund XII--REIT Joint Venture. The accompanying statement of revenues over certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and is not intended to be a complete presentation of the AT&T Call Center Buildings' revenues and expenses.

In our opinion, the statement of revenues over certain operating expenses presents fairly, in all material respects, the revenues over certain operating expenses of the AT&T Call Center Buildings for the year ended December 31, 1999, in conformity with accounting principles generally accepted in the United States.

/s/ Arthur Andersen LLP

Atlanta, Georgia
January 19, 2001

AT&T CALL CENTER BUILDINGS

STATEMENTS OF REVENUES

OVER CERTAIN OPERATING EXPENSES

FOR THE YEAR ENDED DECEMBER 31,1999

AND THE NINE MONTHS ENDED SEPTEMBER 30, 2000

	2000 (Unaudited)	1999
RENTAL REVENUES	$867,914	$313,250
OPERATING EXPENSES, net of reimbursements	6,273	20,155
REVENUES OVER CERTAIN OPERATING EXPENSES	$861,641	$293,095

The accompanying notes are an integral part of these statements.

AT&T CALL CENTER BUILDINGs

NOTES TO STATEMENTS OF REVENUES

OVER CERTAIN OPERATING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 1999

AND THE NINE MONTHS ENDED SEPTEMBER 30, 2000 (UNAUDITED)

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Description of Real Estate Property Acquired

On December 28, 2000, the Wells Fund XII-REIT Joint Venture (the "Joint Venture") acquired the AT&T Call Center Buildings from OKC Real Estate Investments, Inc. ("OKC"). The Joint Venture is a joint venture partnership between Wells Real Estate Fund XII, L.P. ("Wells Fund XII") and Wells Operating Partnership, L.P. ("Wells OP"), a Delaware Limited Partnership formed to acquire, own, lease, operate, and manage real properties on behalf of Wells Real Estate Investment Trust, Inc. OKC is not an affiliate

of Wells Fund XII or Wells OP. The total purchase price of the AT&T Call Center Buildings was $15,300,000. Additional acquisition expenses incurred in connection with the purchase of the AT&T Call Center Buildings, included attorney's fees, recording fees, loan fees, and other closing costs, of approximately $28,000. Wells Fund XII contributed $8,591,000, and Wells OP contributed $6,737,000 to the Joint Venture for their respective shares of the purchase of the AT&T Call Center Buildings.

AT&T Corp. ("AT&T") occupies 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 under a net lease agreement (the "AT&T Lease"). The landlord's interest in the AT&T Lease was assigned to the Joint Venture at the closing. The initial term of the AT&T Lease commenced on April 1, 2000 and expires on November 30, 2010. AT&T has the right to extend the AT&T Lease for two additional five-year periods at the then-current fair market rental rate upon delivering written notice within 240 days prior to expiration of the lease. Under the AT&T lease, AT&T is required to pay, as additional monthly rent, its gas, water, and electricity costs and all operating expenses, including, but not limited to, garbage and waste disposal, telephone, sprinkler service, janitorial service, security, insurance premiums, all taxes, assessments and other governmental levies, and such other operating expenses with respect to its portion of the AT&T Call Center Buildings. In addition, AT&T is responsible for all routine maintenance and repairs to its portion of the AT&T Call Center Buildings.

Jordan Associates, Inc. ("Jordan") currently occupies the remaining 25,000 rentable square feet contained in the one-story building under a net lease agreement (the "Jordan Lease"). The landlord's interest in the Jordan lease was also assigned to the Fund XII-REIT Joint Venture at the closing. The initial term of the Jordan Lease commenced on April 1, 1998 and expires on March 31, 2008. Jordan has the right to extend the Jordan lease for one additional five-year period at the then-current fair market rental rate upon delivering written notice within 240 days prior to expiration of the initial lease term. Under the Jordan Lease, Jordan is required to pay as additional monthly rent, its gas, water, and electricity costs, and all operating expenses, including, but not limited to, garbage and waste disposal, telephone, sprinkler service, janitorial service, security, insurance premiums, all taxes, assessments and other governmental levies, and such other operating expenses with respect to its portion of the AT&T Call Center Buildings. In addition, Jordan is responsible for all routine maintenance and repairs to its portion of the AT&T Call Center Buildings.

Rental Revenues

Rental income from leases is recognized on a straight-line basis over the life of the lease.

2. BASIS OF ACCOUNTING

The accompanying statement of revenues over certain operating expenses is presented on the accrual basis. This statement has been prepared in accordance with the applicable rules and regulations of the Securities and Exchange Commission for real estate properties acquired. Accordingly, the statement excludes certain historical expenses, such as depreciation, interest, and management fees, not comparable to the operations of the AT&T Call Center Buildings after acquisition by the Joint Venture.

The following unaudited pro forma balance sheet as of September 30, 2000 has been prepared to give effect to the acquisition of the Motorola Plainfield Building ("Prior Acquisition"), the Stone & Webster Building, and the Metris Minnetonka Building by the Wells Operating Partnership, L.P. ("Wells OP"), and the AT&T Call Center Buildings by the Wells XII-REIT Joint Venture (a joint venture between the Wells OP and Wells Real Estate Fund XII, L.P.), as if the acquisitions occurred on September 30, 2000. The following unaudited pro forma statements of income (loss) for the year ended December 31, 1999 for and the nine months ended September 30, 2000 have been prepared to give effect to the acquisition of the Dial Building, the ASML Building, the Motorola Tempe Building, the Motorola Plainfield Building (together, the "Prior Acquisitions"), the Stone & Webster Building, the Metris Minnetonka Building and the AT&T Call Center Buildings as if each acquisition occurred on January 1, 1999.

Wells OP is a Delaware limited partnership that was organized to own and operate properties on behalf of the Wells Real Estate Investment Trust, Inc. Wells Real Estate Investment Trust, Inc. is the general partner of the Wells OP.

These unaudited pro forma financial statements are prepared for informational purposes only and are not necessarily indicative of future results or of actual results that would have been achieved had the acquisitions been consummated at the beginning of the period presented.

As of September 30, 2000, the date of the accompanying pro forma balance sheet, Wells OP held cash of $12,257,161. The additional cash used to purchase the Stone & Webster Building, the Metris Minnetonka Building, and the AT&T Call Center Buildings including deferred project costs paid to Wells Capital, Inc. (an affiliate of Wells OP), was raised through the issuance of additional shares subsequent to September 30, 2000, but prior to the acquisition dates of December 21, 2000, December 21, 2000, and December 28, 2000, respectively. This balance is reflected in due to affiliates in the accompanying pro forma balance sheet.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA BALANCE SHEET

SEPTEMBER 30, 2000

(Unaudited)

ASSETS

	Wells Real Estate Investment Trust, Inc.	Pro Forma Adjustments				Pro Forma Total
		Prior Acquisition	Stone & Webster	Metris Minnetonka	AT&T Call Center Buildings	
REAL ESTATE ASSETS, at cost:						
Land	$ 21,695,304	$9,652,500(a) 402,509(b)	$7,100,000(a) 296,070(b)	$ 7,700,000(a) 321,090(b)	0	$ 47,167,473
Buildings less accumulated depreciation of $6,810,792	188,671,038	24,525,641(a) 1,022,719(b)	37,914,954(a) 1,581,054(b)	45,151,969(a) 1,882,837(b)	0	300,750,212
Construction in progress	295,517	0	0	0	0	295,517
Total real estate assets	210,661,859	35,603,369	46,892,078	55,055,896	0	348,213,202
INVESTMENT IN JOINT						

VENTURES	36,708,242	0	0	0	7,017,244(e)	43,725,486
CASH AND CASH EQUIVALENTS	12,257,161	(10,753,381)(a) (954,223)(b) (82,973)(c)	(466,584)(a)	0	0	0
DEFERRED OFFERING COSTS	1,108,206	0	0	0	0	1,108,206
DEFERRED PROJECT COSTS	471,005	(471,005)(b)	0	0	0	0
DUE FROM AFFILIATES	859,515	0	0	0	0	859,515
PREPAID EXPENSES AND OTHER ASSETS	6,344,905	82,973(c)	0	0	0	6,427,878
Total assets	$268,410,893	$23,424,760	$46,425,494	$55,055,896	$7,017,244	$400,334,287

LIABILITIES AND SHAREHOLDERS' EQUITY

		Pro Forma Adjustments				
	Wells Real Estate Investment Trust, Inc.	Prior Acquisitions	Stone & Webster	Metris Minnetonka	AT&T Call Center Buildings	Pro Forma Total
LIABILITIES:						
Accounts payable and accrued expenses	$ 975,821	$ 424,760(a)(d)	$ 0	$ 0	$ 0	$ 1,400,581
Notes payable	38,909,030	23,000,000(a)	38,900,000(a)	52,850,000(a)	0	153,659,030
Dividends payable	4,475,982	0	0	0	0	4,475,982
Due to affiliate	1,372,508	0	5,648,370(a) 1,877,124(b)	1,969(a) 2,203,927(b)	6,736,554(a) 280,690(b)	18,121,142
Total liabilities	45,733,341	23,424,760	46,425,494	55,055,896	7,017,244	177,656,735
COMMITMENTS AND CONTINGENCIES						
MINORITY INTEREST OF UNIT HOLDER IN OPERATING PARTNERSHIP	200,000	0	0	0	0	200,000
SHAREHOLDERS' EQUITY:						
Common shares, $.01 par value; 40,000,000 shares authorized, 13,471,085 shares issued and outstanding	261,748	0	0	0	0	261,748
Additional paid-in capital	222,215,804	0	0	0	0	222,215,804
Retained earnings	0	0	0	0	0	0
Total shareholders' equity	222,477,552	0	0	0	0	222,477,552
Total liabilities and shareholders' equity	$268,410,893	$23,424,760	$46,425,494	$55,055,896	$7,017,244	$400,334,287

(a) Reflects Wells Real Estate Investment Trust, Inc.'s purchase price for the building.

(b) Reflects deferred project costs allocated to the land and building at approximately 4.17% of the purchase price.

(c) Reflects loan fees incurred in connection with the receipt of loan proceeds from the SouthTrust Bank, N.A., line of credit.

(d) Reflects assumption of obligation of Wells OP to reimburse the tenant of certain rent payments required of it under its prior lease.

(e) Reflects Wells Real Estate Investment Trust, Inc.'s contribution to the Wells Fund XII-REIT Joint Venture

WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA STATEMENT OF INCOME (LOSS)

FOR THE YEAR ENDED DECEMBER 31, 1999

(Unaudited)

	Wells Real Estate Investment Trust, Inc.	Pro Forma Adjustments: Prior Acquisitions	Stone & Webster	Metris Minnetonka	AT&T Call Center Buildings	Pro Forma Total
REVENUES:						
Rental income	$4,735,184	$7,366,142(a)	$ 2,183,580(a)	$ 0	$ 0	$14,284,906
Equity in income (loss) of joint ventures	1,243,969	0	0	0	(121,813)(l)	1,122,156
Interest income	502,993	0	0	0	0	502,993
Other income	13,249	0	0	0	0	13,249
	6,495,395	7,366,142	2,183,580	0	(121,813)	15,923,304
EXPENSES:						
Depreciation and amortization	1,726,103	2,864,752(b) 23,706(c)	1,579,840(b)	1,881,392(b)	0	8,075,793
Interest	442,029	2,758,350(d) 450,000(e) 1,787,100(f)	3,279,080(j)	3,762,920(k)	0	12,479,479
Operating costs, net of reimbursements	(74,666)	(60,400)(g) 10,916 (h)	1,666,796(h)	34,092(h)	0	1,576,738
Management and leasing fees	257,744	315,537 (i)	98,261(i)	0	0	671,542
General and administrative	123,776	0	0	0	0	123,776
Legal and accounting	115,471	0	0	0	0	115,471
Computer costs	11,368	0	0	0	0	11,368
Amortization of organizational costs	8,921	0	0	0	0	8,921
	2,610,746	8,149,961	6,623,977	5,678,404	0	23,063,088
NET INCOME (LOSS)	$3,884,649	$ (783,819)	$(4,440,397)	$(5,678,404)	$ (121,813)	$(7,139,784)
HISTORICAL EARNINGS PER SHARE (BASIC AND DILUTED)	$ 0.50					
PRO FORMA LOSS PER SHARE (BASIC AND DILUTED)(m)						$ (0.24)(m)
PRO FORMA LOSS PER SHARE (BASIC AND DILUTED)(n)						$ (0.23)(n)

(a) Rental income is recognized on a straight-line basis.

(b) Depreciation expense on the building is recognized using the straight-line method and a 25 year life.

(c) Amortization of loan costs over term of SouthTrust Bank, N.A. line of credit.

(d) Interest expense on the $9,000,000 line of credit with SouthTrust Bank, N.A. and the $26,500,000 line of credit with Bank of America, N.A., which bear interest at 7.77% for the year ended December 31, 1999.

(e) Interest expense on the $5,000,000 note payable with Ryan Companies U.S., Inc., the seller, which bears interest at 9% for the year ended December 31, 1999.

(f) Interest expense on the $23,000,000 line-of-credit with SouthTrust Bank, N.A., which bears interest at 7.77% for the year ended December 31, 1999.

(g) Consists of ground lease and insurance expense for the ASML Building and the Motorola Tempe Building, net of tenant reimbursements.

(h) Consists of non-reimbursable operating expenses.

(i) Management and leasing fees equal approximately 4.5% of rental income.

(j) Interest expense on the $3,000,000 note payable to Cardinal Paragon, Inc. and $35,900,000 note payable to Guaranteed Federal Bank, F.S.B., which

bear interest at 6% and 8.63%, respectively, for the year ended December 31, 1999.

(k) Interest expense on the $52,850,000 line of credit with SouthTrust Bank, N.A., which bears interest at 7.12% for the year ended December 31, 1999.

(l) Reflects Wells Real Estate Investment Trust, Inc.'s equity in loss of the Wells XII-REIT Joint Venture.

(m) As of the acquisition date of December 21, 2000, for the Stone & Webster Building and the Metris Minnetonka Building, Wells Real Estate Investment Trust, Inc. had 30,665,147 shares of common stock outstanding; pro forma earnings per share is calculated as if these shares were outstanding for the entire year ended December 31, 1999.

(n) As of the acquisition date of December 28, 2000 for the AT&T Call Center Buildings, Wells Real Estate Investment Trust, Inc. had 31,244,246 shares of common stock outstanding; pro forma earnings per share is calculated as if these shares were outstanding for the entire year ended December 31, 1999.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA STATEMENT OF INCOME (LOSS)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2000

(Unaudited)

		Pro Forma Adjustments				
	Wells Real Estate Investment Trust, Inc.	Prior Acquisitions	Stone & Webster	Metris Minnetonka	AT&T Call Center Buildings	Pro Forma Total
REVENUES:						
Rental income	$13,712,371	$ 2,210,432(a)	$ 1,637,685(a)	$ 586,435(a)	$ 0	$18,146,923
Equity in income of joint ventures	1,684,247	0	0	0	193,604(n)	1,877,851
Interest income	338,020	0	0	0	0	338,020
	15,734,638	2,210,432	1,637,685	586,435	193,604	20,362,794
EXPENSES:						
Depreciation and amortization	5,084,689	1,227,155(b) 17,780(c)	1,184,880(b)	1,411,044(b)	0	8,925,548
Interest	2,798,299	777,450(d) 112,500(e) 1,546,620(f)	2,555,910(j)	3,186,855(k)	0	10,977,634
Operating costs, net of reimbursements	631,407	(15,099)(g) 73,739(h)	1,250,097(h)	22,728(h)	0	1,962,872
Management and leasing fees	919,630	99,470(i)	73,696(i)	26,390(i)	0	1,119,186
General and administrative	273,484	0	0	0	0	273,484
Legal and accounting	130,603	0	0	0	0	130,603
Computer costs	8,846	0	0	0	0	8,846
Amortization of organizational costs	150,143	0	0	0	0	150,143
	9,997,101	3,839,615	5,064,583	4,647,017	0	23,548,316
NET INCOME (LOSS)	$ 5,737,537	$(1,629,183)	$(3,426,898)	$ (4,060,582)	$193,604	$ (3,185,522)
HISTORICAL EARNINGS PER SHARE (BASIC) AND DILUTED)	$ 0.30					
PRO FORMA LOSS PER SHARE (BASIC AND DILUTED)(l)						$ (0.11)(l)
PRO FORMA LOSS PER SHARE (BASIC AND DILUTED)(m)						$ (0.10)(m)

(a) Rental income is recognized on a straight-line basis.

(b) Depreciation expense on the building is recognized using the straight-line method and a 25 year life.

(c) Amortization of loan costs over term of SouthTrust Bank, N.A. line of credit.

(d) Interest expense on the $9,000,000 line of credit with SouthTrust Bank, N.A. and the $26,500,000 line of credit with Bank of America, N.A., which bear interest at 8.76% for the nine months ended September 30, 2000.

(e) Interest expense on the $5,000,000 note payable with Ryan Companies U.S., Inc., the seller, which bears interest at 9% for the nine months ended September 30, 2000.

(f) Interest expense on the $23,000,000 line-of-credit with SouthTrust Bank, N.A., which bears interest at 8.97% for the nine months ended September 30, 2000.

(g) Consists of ground lease and insurance expense for the ASML Building and the Motorola Tempe Building, net of tenant reimbursements.

(h) Consists of non-reimbursable operating expenses.

(i) Management and leasing fees equal approximately 4.5% of rental income.

(j) Interest expense on the $3,000,000 note payable to Cardinal Paragon, Inc. and the $35,900,000 note payable to Guaranteed Federal Bank, F.S.B, which bear interest at 6% and 8.99%, respectively, for the nine months ended September 30, 2000.

(k) Interest expense on the $52,850,000 line of credit with South Trust Bank, N.A., which bears interest at 8.04% for the nine months ended September 30, 2000.

(l) As of the acquisition date of December 21, 2000 for the Stone & Webster Building and the Metris Minnetonka Building, Wells Real Estate Investment Trust, Inc. had 30,665,147 shares of common stock outstanding; pro forma earnings per share is calculated as if these shares were outstanding for the entire nine months ended September 30, 2000.

(m) As of the acquisition date of December 28, 2000 for the AT&T Call Center Buildings, Wells Real Estate Investment Trust, Inc. had 31,244,246 shares of common stock outstanding; pro forma earnings per share is calculated as if these shares were outstanding for the entire nine months ended September 30, 2000.

(n) Reflect Wells Real Estate Investment Trust, Inc.'s equity in income of the Wells XII--REIT Joint Venture.

WELLS REAL ESTATE INVESTMENT TRUST, INC.
SUPPLEMENT NO. 2 DATED APRIL 25, 2001 TO THE PROSPECTUS
DATED DECEMBER 20, 2000

This document supplements, and should be read in conjunction with, the prospectus of Wells Real Estate Investment Trust, Inc. dated December 20, 2000, as supplemented and amended by Supplement No. 1 dated February 5, 2001. When we refer to the "prospectus" in this supplement, we are also referring to any and all supplements to the prospectus. Unless otherwise defined in this supplement,

capitalized terms used in this supplement shall have the same meanings as set forth in the prospectus.

The purpose of this supplement is to describe the following:

(1) The status of the offering of shares in Wells Real Estate Investment Trust, Inc. (Wells REIT);

(2) Revisions to the "Investment Objectives and Criteria," "Risk Factors" and "Federal Income Tax Risks" sections of the prospectus to include a description of the Wells REIT's participation in the Section 1031 Exchange Program sponsored by affiliates of Wells Capital, Inc., our Advisor, and risks associated therewith;

(3) Revisions to the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of the prospectus;

(4) Revisions to the "Description of Shares - Share Redemption Program" section of the prospectus;

(5) Updated audited financial statements of the Wells REIT; and

(6) Updated prior performance tables.

Status of the Offering

We commenced our initial public offering of common stock on January 30, 1998. Our initial public offering was terminated on December 19, 1999. We received approximately $132,181,919 in gross offering proceeds from the sale of 13,218,192 shares in our initial public offering. We commenced a second offering of common stock on December 20, 1999. Our second public offering was terminated on December 19, 2000. We received approximately $175,229,193 in gross offering proceeds from the sale of 17,522,919 shares in our second public offering.

Pursuant to the prospectus, we commenced our third offering of common stock on December 20, 2000. As of April 15, 2001, we had received an additional $83,074,813 in gross offering proceeds from the sale of 8,307,482 shares in the third offering. Accordingly, as of April 15, 2001, we had received in the aggregate approximately $390,485,925 in gross offering proceeds from the sale of 39,048,593 shares of our common stock.

Investment Objectives and Criteria - Section 1031 Exchange Program

The following paragraphs are hereby inserted into the "Investment Objectives and Criteria" section of the prospectus at the top of page 64:

Section 1031 Exchange Program

Wells Development Corporation (Wells Development), 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 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. It is anticipated that Wells Development will sponsor a series of private placement offerings of co-tenancy interests in various properties to 1031 Participants.

Wells Development anticipates that properties acquired in connection with the Section 1031 Exchange Program will be financed by obtaining a new first mortgage secured by the property acquired. In order to finance the remainder of the purchase price for properties to be acquired by Wells Exchange, it is anticipated that Wells Exchange will obtain a short-term loan from an institutional lender for each property. Following its acquisition of a property, Wells Exchange will attempt to sell co-tenancy interests to 1031 Participants, the proceeds of which will be used to pay off the short-term loan. At the closing of each property to be acquired by Wells Exchange, Wells OP 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 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 consideration for such obligation, 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 approve each Take Out Purchase and Escrow Agreement we enter into with Wells Exchange. Accordingly, Wells Exchange intends to purchase only real estate properties which otherwise meet the investment objectives of the Wells REIT. Wells OP may execute a Take Out Purchase and Escrow Agreement providing for the potential purchase of the unsold co-tenancy interests from Wells Exchange only after a majority of the directors of the Wells REIT, 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, the directors of the Wells REIT 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 Take Out Purchase and Escrow Agreements, 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 pursuant to a Take Out Purchase and Escrow Agreement, 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 the Take Out Purchase and Escrow Agreements, 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.")

Risk Factors - Section 1031 Exchange Program

The following paragraphs are hereby inserted into the "Risk Factors" section of the prospectus as the first full paragraph at the top of page 20:

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.

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 is able to successfully challenge 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 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 Take Out 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 shareholders of the Wells REIT. In addition, disclosure of any such litigation may adversely affect our ability to raise additional capital in the future through the sale of stock. (See "Investment Objectives and Criteria - Section 1031 Exchange Program.")

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

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

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

- the risk that a co-tenant may at any time have economic or business interests or goals which are or which become inconsistent with our business interests or goals;
- the risk that a co-tenant may be in a position to take action contrary to our instructions or requests or contrary to our policies or objectives; or
- the possibility that a co-tenant might become insolvent or bankrupt, which may be an event of default under mortgage loan financing documents or allow the bankruptcy court to

reject the Tenants in Common Agreement or Management Agreement entered into by the co-tenants owning interests in the property.

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

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

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

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

Institutional lenders may view our obligations under Take Out Purchase and Escrow 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 matter 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

The information contained on page 24 in the "Federal Income Tax Risks" section of the prospectus is revised as of the date of this supplement by the deletion of the first two paragraphs of that section and the insertion of the following paragraphs in lieu thereof:

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

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 for shareholders. 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 shareholders because of the substantial tax liabilities which would be imposed

on us. We might also be required to borrow funds or liquidate some investments in order to pay the applicable tax.

Qualification as a REIT is subject to the satisfaction of requirements set forth in the 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.

In this regard, Wells Development, an affiliate of our advisor, is sponsoring a program involving the offering and sale of co-tenancy interests by Wells Exchange in real properties to investors seeking to complete Section 1031 like-kind exchanges. In connection with this program, we have agreed to enter into a series of transactions whereby Wells OP will enter into a number of Take Out Purchase and Escrow Agreements with Wells Exchange which will, in effect, guarantee the sale of the co-tenancy interests being offered by Wells Exchange. In consideration for entering into these Take Out Purchase and Escrow Agreements, Wells OP will be paid fees which could be characterized as gross revenue not constituting income "qualifying" 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 all such 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. (See "Investment Objectives and Criteria -Section 1031 Exchange Program.")

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 Take Out Fees paid to Wells OP 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.")

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

The information contained on page 98 in the "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources" section of the prospectus is revised as of the date of this supplement by the deletion of the first two paragraphs of that section and the insertion of the following paragraphs in lieu thereof:

We began active operations on June 5, 1998, when we received and accepted subscriptions for 125,000 shares pursuant to our initial public offering, which commenced on January 30, 1998. We terminated our initial public offering on December 19, 1999. Of the $132,181,919 raised in the initial offering, we invested a total of $111,032,812 in properties. On December 20, 1999, we commenced a follow-on public offering of up to 22,200,000 shares of common stock at $10 per share. We terminated our follow-on public

offering on December 19, 2000. Of the $175,229,193 raised in the follow-on offering, we invested a total of $147,192,522 in properties.

Pursuant to the prospectus, we commenced this third offering of shares of our common stock on December 20, 2000. As of April 15, 2001, we had received an additional $83,074,813 in gross offering proceeds from the sale of 8,307,482 shares in the third offering. As of April 15, 2001, we had raised in the aggregate a total of $390,485,925 in offering proceeds through the sale of 39,048,593 shares of common stock. As of April 15, 2001, we had paid a total of $13,584,221 in acquisition and advisory fees and acquisition expenses, had paid a total of $48,515,076 in selling commissions and organizational and offering expenses, had made capital contributions of $323,477,000 to Wells OP for investments in joint ventures and acquisitions of real property, had utilized $2,365,315 for the redemption of stock pursuant to our share redemption program, and were holding net offering proceeds of $2,544,313 available for investment in additional properties.

Description of Shares - Share Redemption Program

The information contained on page 147 in the "Description of Shares - Share Redemption Program" section of the prospectus is revised as of the date of this supplement by the deletion of the first full paragraph on page 147 and the insertion of the following paragraph in lieu thereof:

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 the 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. The 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 shareholder or other exigent circumstances, or (2) reject any request for redemption at any time and for any reason.

Financial Statements

The consolidated balance sheets of the Wells REIT as of December 31, 2000 and 1999, and the financial statements of the Wells REIT for each of the years in the three year period ended December 31, 2000, included in this supplement 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 supplement in reliance upon the authority of said firm as experts in giving said report.

Prior Performance Tables

The prior performance tables dated as of December 31, 2000, which are included in this supplement, have not been audited.

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, 2000 and 1999 and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2000. 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 consolidated 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 consolidated 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, 2000 and 1999 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000 in conformity with accounting principles generally accepted in the United States.

ARTHUR ANDERSEN LLP

/s/ ARTHUR ANDERSEN LLP

Atlanta, Georgia

Wells Real Estate Investment Trust, Inc.

and subsidiary

consolidated Balance Sheets

December 31, 2000 and 1999

ASSETS

	2000	1999
REAL ESTATE ASSETs, at cost:		
Land	$ 46,237,812	$ 14,500,822
Building, less accumulated depreciation of $9,469,653 and $1,726,102 at December 31, 2000 and 1999, respectively	287,862,655	81,507,040
Construction in progress	3,357,720	12,561,459
Total real estate assets	337,458,187	108,569,321
INVESTMENT IN JOINT VENTURES	44,236,597	29,431,176
CASH AND CASH EQUIVALENTS	4,298,301	2,929,804
ACCOUNTS RECEIVABLE	3,356,428	898,704
DEFERRED LEASE ACQUISITION COSTS	1,890,332	0
DEFERRED OFFERING COSTS	1,291,376	964,941
DEFERRED PROJECT COSTS	550,256	28,093
DUE FROM AFFILIATES	734,286	648,354
PREPAID EXPENSES AND OTHER ASSETS, net	4,734,583	381,897
Total assets	$ 398,550,346	$ 143,852,290

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES:		
Notes payable	$ 127,663,187	$ 23,929,228
Accounts payable and accrued expenses	2,166,387	224,721
Deferred rental income	381,194	236,579
Dividends payable	1,025,010	2,166,701
Due to affiliate	1,772,956	1,079,466
Total liabilities	133,008,734	27,636,695
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, 31,509,807 shares issued and 31,368,510 shares outstanding at December 31, 2000, and 13,471,085 shares issued and outstanding at December 31, 1999	315,097	134,710
Additional paid-in capital	266,439,484	115,880,885
Treasury stock, at cost, 141,297 shares at December 31, 2000 and 0 shares at December 31, 1999	(1,412,969)	0
Total shareholders' equity	265,341,612	116,015,595
Total liabilities and shareholders' equity	$ 398,550,346	$ 143,852,290

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

AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2000, 1999, AND 1998

	2000	1999	1998
REVENUES:			
Rental income	$ 20,505,000	$ 4,735,184	$ 20,994
Equity in income of joint ventures	2,293,873	1,243,969	263,315
Interest income	520,924	502,993	110,869
Other income	53,409	13,249	0
	23,373,206	6,495,395	395,178
EXPENSES:			
Depreciation	7,743,551	1,726,103	0
Interest expense	3,966,902	442,029	11,033
Amortization of deferred financing costs	232,559	8,921	0
Operating costs, net of reimbursements	888,091	(74,666)	0
Management and leasing fees	1,309,974	257,744	0
General and administrative	426,680	123,776	29,943
Legal and accounting	240,209	115,471	19,552
Computer costs	12,273	11,368	616
	14,820,239	2,610,746	61,144
NET INCOME	$ 8,552,967	$ 3,884,649	$ 334,034
EARNINGS PER SHARE:			
Basic and diluted	$ 0.40	$ 0.50	$ 0.40

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, 2000, 1999, AND 1998

	Common Stock		Additional Paid-In	Retained	Treasury Stock		Total Shareholders'
	Shares	Amount	Capital	Earnings	Shares	Amount	Equity
BALANCE, December 31, 1997	100	$ 1	$ 999	$ 0	0	$ 0	$ 1,000
Issuance of common stock	3,154,036	31,540	31,508,820	0	0	0	31,540,360
Net income	0	0	0	334,034	0	0	334,034
Dividends ($.31 per share)	0	0	(511,163)	0	0	0	(511,163)
Sales commissions	0	0	(2,996,334)	0	0	0	(2,996,334)
Other offering expenses	0	0	(946,210)	0	0	0	(946,210)
BALANCE, December 31, 1998	3,154,136	31,541	27,056,112	334,034	0	0	27,421,687
Issuance of common stock	10,316,949	103,169	103,066,321	0	0	0	103,169,490
Net income	0	0	0	3,884,649	0	0	3,884,649
Dividends ($.70 per share)	0	0	(1,346,240)	(4,218,683)	0	0	(5,564,923)
Sales commissions	0	0	(9,801,197)	0	0	0	(9,801,197)
Other offering expenses	0	0	(3,094,111)	0	0	0	(3,094,111)
BALANCE, December 31, 1999	13,471,085	134,710	115,880,885	0	0	0	116,015,595
Issuance of common stock	18,038,722	180,387	180,206,833	0	0	0	180,387,220

Treasury stock purchased	0	0	0	0	(141,297)	(1,412,969)	(1,412,969)
Net income	0	0	0	8,552,967	0	0	8,552,967
Dividends ($.73 per share)	0	0	(7,276,452)	(8,552,967)	0	0	(15,829,419)
Sales commissions	0	0	(17,002,554)	0	0	0	(17,002,554)
Other offering expenses	0	0	(5,369,228)	0	0	0	(5,369,228)
BALANCE, December 31, 2000	31,509,807	$ 315,097	$ 266,439,484	$ 0	(141,297)	$ (1,412,969)	$ 265,341,612

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, 2000, 1999, AND 1998

	2000	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 8,552,967	$ 3,884,649	$ 334,034
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Equity in income of joint ventures	(2,293,873)	(1,243,969)	(263,315)
Depreciation	7,743,551	1,735,024	0
Amortization of deferred financing costs	232,559	0	0
Changes in assets and liabilities:			
Accounts receivable	(2,457,724)	(898,704)	0
Due from affiliates	(435,600)	0	0
Prepaid expenses and other assets, net	(6,475,577)	149,501	(540,319)
Accounts payable and accrued expenses	1,941,666	36,894	187,827
Deferred rental income	144,615	236,579	0
Due to affiliates	367,055	108,301	6,224
Total adjustments	(1,233,328)	123,626	(609,583)
Net cash provided by (used in) operating activities	7,319,639	4,008,275	(275,549)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment in real estate	(231,518,138)	(85,514,506)	(21,299,071)
Investment in joint ventures	(15,063,625)	(17,641,211)	(11,276,007)
Deferred project costs paid	(6,264,098)	(3,610,967)	(1,103,913)
Distributions received from joint ventures	3,529,401	1,371,728	178,184
Net cash used in investing activities	(249,316,460)	(105,394,956)	(33,500,807)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from notes payable	187,633,130	40,594,463	14,059,930
Repayments of notes payable	(83,899,171)	(30,725,165)	0
Dividends paid to shareholders	(16,971,110)	(3,806,398)	(102,987)
Issuance of common stock	180,387,220	103,169,490	31,540,360
Treasury stock purchased	(1,412,969)	0	0
Sales commissions paid	(17,002,554)	(9,801,197)	(2,996,334)
Other offering costs paid	(5,369,228)	(3,094,111)	(946,210)
Net cash provided by financing activities	243,365,318	96,337,082	41,554,759
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,368,497	(5,049,599)	7,778,403
CASH AND CASH EQUIVALENTS, beginning of year	2,929,804	7,979,403	201,000
CASH AND CASH EQUIVALENTS, end of year	$ 4,298,301	$ 2,929,804	$ 7,979,403
SUPPLEMENTAL DISCLOSURES OF NONCASH ACTIVITIES:			
Deferred project costs applied to real estate assets	$ 5,114,279	$ 3,183,239	$ 298,608
Deferred project costs contributed to joint ventures	$ 627,656	$ 735,056	$ 469,884
Deferred offering costs due to affiliate	$ 326,435	$ 416,212	$ 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, 2000, 1999, AND 1998

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 plan) 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 with this, 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 amounts of the Operating Partnership.

The Operating Partnership owns the following properties directly: (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 building located in Wood Dale, Illinois; (iv) the Cinemark Building, a five-story office building located in Plano, Texas; (v) the Matsushita Building, a two-story office building located in Lake Forest, California; (vi) the ASML Building, a two-story office building located in Tempe, Arizona; (vii) the Motorola Tempe Building, a two-story office building located in Tempe, Arizona; (viii) 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 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; and (xv) the Metris Minnetonka Building, a nine-story office building located in Minnetonka, Minnesota.

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 several 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"). This joint venture is referred to as the

Fund IX, Fund X, Fund XI, and REIT Joint Venture ("Fund IX, X, XI, and REIT Joint Venture"). The Company owns two properties through joint venture 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 an interest in several properties through a joint venture between Wells Fund XI, Wells Real Estate Fund XII, L.P. ("Wells Fund XII"), and the Operating Partnership, which is referred to as the Fund XI, XII, and REIT Joint Venture. The Company also owns two properties through a joint venture between Wells Fund XII and the Operating Partnership, which is referred to as the Fund XII 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 Orange County, 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," formerly the ABB 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 warehouse facility in Ogden, Utah (the "Iomega Building"), and (v) a one-story office building in Oklahoma City, Oklahoma (the "Avaya Building," formerly the Lucent Technologies Building).

Through its investment in 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 warehouse 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 Greenville County, 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"), and (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").

Use of Estimates and Factors Affecting the Company

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles 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 (the "Code"), commencing with the taxable year ended December 31, 1998. As a result, the Company generally will not be subject to federal income taxation at the corporate level to the extent it distributes annually at least 95% (90% beginning in 2001) of its REIT taxable income, as defined in the Code, to its shareholders and satisfies certain other requirements. Additionally, the Operating Partnership is not subject to federal or state income taxes. Accordingly, no provision has been made for federal or state income taxes in the accompanying consolidated financial statements for the years ended December 31, 2000 and 1999.

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 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, 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 is 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 investment in the joint ventures is 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.

2. DEFERRED PROJECT COSTS

The Company paid a percentage of shareholder contributions to the Advisor for acquisition and advisory services. 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, 2000 were $10,978,981 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, 2000 and 1999 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 do not include sales or underwriting commissions but do include such costs as legal and accounting fees, printing costs, and other offering expenses.

As of December 31, 2000, the Advisor paid offering expenses on behalf of the Company in the aggregate amount of $10,700,925, of which the Advisor was reimbursed $9,409,549, which did not exceed the 3% limitation. The unpaid portion of deferred offering costs is $1,291,376 and is included in due to affiliate in the accompanying balance sheet.

4. RELATED-PARTY TRANSACTIONS

Due from affiliates at December 31, 2000 represents the Operating Partnership's share of the cash to be distributed from its joint venture investments for the fourth quarter of 2000 and 1999 as follows:

	2000	1999
Fund VIII, IX, and REIT Joint Venture	$ 21,605	$ 0
Fund IX, X, XI, and REIT Joint Venture	12,781	32,079
Wells/Orange County Associates	24,583	75,953
Wells/Fremont Associates	53,974	152,681

Fund XI, XII, and REIT Joint Venture	136,648	387,641
Fund XII and REIT Joint Venture	49,094	0
The Advisor	10,995	0
Cinemark Building	424,606	0
	$ 734,286	$ 648,354

The Company entered into a property management 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 Wells Management 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) 0.6% of the net asset value of the properties (excluding vacant properties) owned by the Company, 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 $1,111,748, $336,517, and $0 for the years ended December 31, 2000, 1999, and 1998, 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, 2000 and 1999 are summarized as follows:

	2000		1999	
	Amount	Percent	Amount	Percent
Fund VIII, IX, and REIT Joint Venture	$ 1,276,551	16%	$ 0	0%
Fund IX, X, XI, and REIT Joint Venture	1,339,636	4	1,388,884	4
Wells/Orange County Associates	2,827,607	44	2,893,112	44
Wells/Fremont Associates	6,791,287	78	6,988,210	78
Fund XI, XII, and REIT Joint Venture	17,688,615	57	18,160,970	57
Fund XII and REIT Joint Venture	14,312,901	47	0	0
	$ 44,236,597		$ 29,431,176	

The following is a rollforward of the Operating Partnership's investment in joint ventures for the years ended December 31, 2000 and 1999:

	2000	1999

Investment in joint ventures, beginning of year	$ 29,431,176	$ 11,568,677
Equity in income of joint ventures	2,293,873	1,243,969
Contributions to joint ventures	15,691,281	18,376,267
Distributions from joint ventures	(3,179,733)	(1,757,737)
Investment in joint ventures, end of year	$ 44,236,597	$ 29,431,176

Fund VIII, IX, and REIT Joint Venture

On June 15, 2000, Fund VIII and IX Associated entered into a joint venture with Wells Operating Partnership, L.P. (the "Operating Partnership"), a Delaware limited partnership having Wells Real Estate Investment Trust, Inc. ("Wells REIT"), a Maryland corporation, as its general partner. The joint venture, Fund VIII, IX, and REIT Joint Venture, was formed to acquire, develop, operate, and sell real properties.

On July 1, 2000, Fund VIII and IX contributed the Quest Building to the joint venture. The Quest Building is a two-story office building containing approximately 65,006 rentable square feet on a 4.4 acre trace of land in Irvine, California.

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 Sheet
December 31, 2000

Assets

Real estate assets, at cost:	
Land	$ 2,220,993
Building and improvements, less accumulated depreciation of $187,891	5,408,892
Total real estate assets	7,629,885
Cash and cash equivalents	170,664
Accounts receivable	197,802
Prepaid expenses and other assets	283,864
Total assets	$ 8,282,215

Liabilities and Partners' Capital

Liabilities:	
Partnership distributions payable	$ 170,664
Partners' capital:	
Fund VIII and IX Associates	6,835,000
Wells Operating Partnership, L.P.	1,276,551
Total partners' capital	8,111,551
Total liabilities and partners' capital	$ 8,282,215

Fund VIII, IX, and REIT Joint Venture
(A Georgia Joint Venture)
Statement of Income
for the Six Months Ended December 31, 2000

Revenues:	
Rental income	$ 563,049

Expenses:	
Depreciation	187,891
Management and leasing fees	54,395
Property administration expenses	5,692
Operating costs, net of reimbursements	5,178
	253,156
Net income	$ 309,893
Net income allocated to Fund VIII and IX Associates	$ 285,006
Net income allocated to Wells Operating Partnership, L.P.	$ 24,887

Fund VIII, IX, and REIT Joint Venture
(A Georgia Joint Venture)
Statement of Partners' Capital
for the Six Months Ended December 31, 2000

	Fund VIII and IX Associates	Wells Operating Partnership, L.P.	Total Partners' Capital
Balance, July 1, 2000	$ 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

Fund VIII, IX, and REIT Joint Venture
(A Georgia Joint Venture)
Statement of Cash Flows
for the Six Months Ended December 31, 2000

Cash flows from operating activities:	
Net income	$ 309,893
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	187,891
Changes in assets and liabilities:	
Accounts receivable	(197,802)
Prepaid expenses and other assets	(283,864)
Total adjustments	(293,775)
Net cash provided by operating activities	16,118
Cash flows from investing activities:	
Investment in real estate	(959,887)
Cash flows from financing activities:	
Contributions from joint venture partners	1,282,111
Distributions to joint venture partners	(167,678)
Net cash provided by financing activities	1,114,433
Net increase in cash and cash equivalents	170,664
Cash and cash equivalents, beginning of period	0
Cash and cash equivalents, end of year	$ 170,664
Supplemental disclosure of noncash activities:	
Real estate contribution received from joint venture partner	$ 6,857,889

Fund IX, X, XI, and REIT Joint Venture

On March 20, 1997, Wells Fund IX and Wells 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. A 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 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.

Following are the financial statements for 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, 2000 and 1999

Assets

	2000	1999
Real estate assets, at cost:		
Land	$ 6,698,020	$ 6,698,020
Building and improvements, less accumulated depreciation of $4,203,502 in 2000 and $2,792,068 in 1999	28,594,768	29,878,541
Total real estate assets	35,292,788	36,576,561
Cash and cash equivalents	1,500,044	1,146,874
Accounts receivable	422,243	554,965
Prepaid expenses and other assets	487,276	526,409
Total assets	$37,702,351	$38,804,809

Liabilities and Partners' Capital

Liabilities:		
Accounts payable and accrued liabilities	$ 568,517	$ 613,574
Refundable security deposits	99,279	91,340
Due to affiliates	9,595	6,379
Partnership distributions payable	931,151	804,734
Total liabilities	1,608,542	1,516,027
Partners' capital:		
Wells Real Estate Fund IX	14,117,803	14,590,626
Wells Real Estate Fund X	17,445,277	18,000,869
Wells Real Estate Fund XI	3,191,093	3,308,403
Wells Operating Partnership, L.P.	1,339,636	1,388,884
Total partners' capital	36,093,809	37,288,782
Total liabilities and partners' capital	$37,702,351	$38,804,809

The Fund IX, X, XI, and REIT Joint Venture
(A Georgia Joint Venture)
Statements of Income
for the Years Ended December 31, 2000, 1999, and 1998

	2000	1999	1998
Revenues:			
Rental income	$4,198,388	$3,932,962	$2,945,980
Other income	116,129	61,312	0
Interest income	73,676	58,768	20,438
	4,388,193	4,053,042	2,966,418
Expenses:			
Depreciation	1,411,434	1,538,912	1,216,293
Management and leasing fees	362,774	286,139	226,643
Operating costs, net of reimbursements	(154,001)	(43,501)	(140,506)
Property administration expense	78,420	63,311	34,821
Legal and accounting	20,423	35,937	15,351
	1,719,050	1,880,798	1,352,602
Net income	$2,669,143	$2,172,244	$1,613,816
Net income allocated to Wells Real Estate Fund IX	$1,045,094	$ 850,072	$ 692,116
Net income allocated to Wells Real Estate Fund X	$1,288,629	$1,056,316	$ 787,481
Net income allocated to Wells Real Estate Fund XI	$ 236,243	$ 184,355	$ 85,352
Net income allocated to Wells Operating Partnership, L.P.	$ 99,177	$ 81,501	$ 48,867

The Fund IX, X, XI, and REIT Joint Venture
(A Georgia Joint Venture)
Statements of Partners' Capital
for the Years Ended December 31, 2000, 1999, and 1998

	Wells Real Estate Fund IX	Wells Real Estate Fund X	Wells Wells Real Estate Fund XI	Operating Partnership, L.P.	Total Partners' Capital
Balance, December 31, 1997	$ 3,702,793	$ 3,662,803	$ 0	$ 0	$ 7,365,596
Net income	692,116	787,481	85,352	48,867	1,613,816
Partnership contributions	11,771,312	15,613,477	2,586,262	1,480,741	31,451,792
Partnership distributions	(1,206,121)	(1,356,622)	(150,611)	(86,230)	(2,799,584)
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

The Fund IX, X, XI, and REIT Joint Venture
(A Georgia Joint Venture)
Statements of Cash Flows
for the Years Ended December 31, 2000, and 1999, and 1998

	2000	1999	1998
Cash flows from operating activities:			

Net income	$2,669,143	$2,172,244	$ 1,613,816
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	1,411,434	1,538,912	1,216,293
Changes in assets and liabilities:			
Accounts receivable	132,722	(421,708)	(92,745)
Prepaid expenses and other assets	39,133	(85,281)	(111,818)
Accounts payable, accrued liabilities and refundable security deposits	(37,118)	295,177	29,967
Due to affiliates	3,216	1,973	1,927
Total adjustments	1,549,387	1,329,073	1,043,624
Net cash provided by operating activities	4,218,530	3,501,317	2,657,440
Cash flows from investing activities:			
Investment in real estate	(127,661)	(930,401)	(24,788,070)
Cash flows from financing activities:			
Distributions to joint venture partners	(3,868,138)	(3,820,491)	(1,799,457)
Contributions received from partners	130,439	1,066,992	24,970,373
Net cash (used in) provided by financing activities	(3,737,699)	(2,753,499)	23,170,916
Net increase (decrease) in cash and cash equivalents	353,170	(182,583)	1,040,286
Cash and cash equivalents, beginning of year	1,146,874	1,329,457	289,171
Cash and cash equivalents, end of year	$1,500,044	$1,146,874	$ 1,329,457
Supplemental disclosure of noncash activities:			
Deferred project costs contributed to joint venture	$ 0	$ 43,024	$ 1,470,780
Contribution of real estate assets to joint venture	$ 0	$ 0	$ 5,010,639

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, 2000 and 1999

Assets	2000	1999
Real estate assets, at cost:		
Land	$2,187,501	$2,187,501
Building, less accumulated depreciation of $465,216 in 2000 and $278,652 in 1999	4,198,899	4,385,463
Total real estate assets	6,386,400	6,572,964
Cash and cash equivalents	119,038	176,666
Accounts receivable	99,154	49,679
Total assets	$6,604,592	$6,799,309
Liabilities and Partners' Capital		
Liabilities:		
Accounts payable	$ 1,000	$ 0
Partnership distributions payable	128,227	173,935
Total liabilities	129,227	173,935

Partners' capital:		
Wells Operating Partnership, L.P.	2,827,607	2,893,112
Fund X and XI Associates	3,647,758	3,732,262
Total partners' capital	6,475,365	6,625,374
Total liabilities and partners' capital	$6,604,592	$6,799,309

Wells/Orange County Associates
(A Georgia Joint Venture)
Statements of Income
for the Years Ended December 31, 2000, 1999, and 1998

	2000	1999	1998
Revenues:			
Rental income	$795,545	$795,545	$331,477
Interest income	0	0	448
	795,545	795,545	331,925
Expenses:			
Depreciation	186,564	186,565	92,087
Management and leasing fees	30,915	30,360	12,734
Operating costs, net of reimbursements	5,005	22,229	2,288
Interest	0	0	29,472
Legal and accounting	4,100	5,439	3,930
	226,584	244,593	140,511
Net income	$568,961	$550,952	$191,414
Net income allocated to Wells Operating Partnership, L.P.	$248,449	$240,585	$ 91,978
Net income allocated to Fund X and XI Associates	$320,512	$310,367	$ 99,436

Wells/Orange County Associates
(A Georgia Joint Venture)
Statements of Partners' Capital
for the Years Ended December 31, 2000, 1999, and 1998

	Wells Operating Partnership, L.P.	Fund X and XI Associates	Total Partners' Capital
Balance, December 31, 1997	$ 0	$ 0	$ 0
Net income	91,978	99,436	191,414
Partnership contributions	2,991,074	3,863,272	6,854,346
Partnership distributions	(124,435)	(145,942)	(270,377)
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

Wells/Orange County Associates
(A Georgia Joint Venture)
Statements of Cash Flows
for the Years Ended December 31, 2000, 1999, and 1998

	2000	1999	1998
Cash flows from operating activities:			

Net income	$ 568,961	$ 550,952	$ 191,414
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	186,564	186,565	92,087
Changes in assets and liabilities:			
Accounts receivable	(49,475)	(36,556)	(13,123)
Accounts payable	1,000	(1,550)	1,550
Total adjustments	138,089	148,459	80,514
Net cash provided by operating activities	707,050	699,411	271,928
Cash flows from investing activities:			
Investment in real estate	0	0	(6,563,700)
Cash flows from financing activities:			
Issuance of note payable	0	0	4,875,000
Payment of note payable	0	0	(4,875,000)
Distributions to partners	(764,678)	(703,640)	(93,763)
Contributions received from partners	0	0	6,566,430
Net cash (used in) provided by financing activities	(764,678)	(703,640)	6,472,667
Net (decrease) increase in cash and cash equivalents	(57,628)	(4,229)	180,895
Cash and cash equivalents, beginning of year	176,666	180,895	0
Cash and cash equivalents, end of year	$ 119,038	$ 176,666	$ 180,895
Supplemental disclosure of noncash activities:			
Deferred project costs contributed to joint venture	$ 0	$ 0	$ 287,916

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 warehouse 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, 2000 and 1999

Assets	2000	1999
Real estate assets, at cost:		
Land	$2,219,251	$2,219,251
Building, less accumulated depreciation of $713,773 in 2000 and $428,246 in 1999	6,424,385	6,709,912
Total real estate assets	8,643,636	8,929,163
Cash and cash equivalents	92,564	189,012
Accounts receivable	126,433	92,979
Total assets	$8,862,633	$9,211,154
Liabilities and Partners' Capital		
Liabilities:		
Accounts payable	$ 3,016	$ 2,015
Due to affiliate	7,586	5,579
Partnership distributions payable	89,549	186,997
Total liabilities	100,151	194,591
Partners' capital:		
Wells Operating Partnership, L.P.	6,791,287	6,988,210
Fund X and XI Associates	1,971,195	2,028,353

Total partners' capital	8,762,482	9,016,563
Total liabilities and partners' capital	$8,862,633	$9,211,154

Wells/Fremont Associates
(A Georgia Joint Venture)
Statements of Income
for the Years Ended December 31, 2000, 1999, and 1998

	2000	1999	1998
Revenues:			
Rental income	$902,946	$902,946	$401,058
Interest income	0	0	3,896
	902,946	902,946	404,954
Expenses:			
Depreciation	285,527	285,526	142,720
Management and leasing fees	36,787	37,355	16,726
Operating costs, net of reimbursements	13,199	16,006	3,364
Interest	0	0	73,919
Legal and accounting	4,300	4,885	6,306
	339,813	343,772	243,035
Net income	$563,133	$559,174	$161,919
Net income allocated to Wells Operating Partnership, L.P.	$436,452	$433,383	$122,470
Net income allocated to Fund X and XI Associates	$126,681	$125,791	$ 39,449

Wells/Fremont Associates
(A Georgia Joint Venture)
Statements of Partners' Capital
for the Years Ended December 31, 2000, 1999, and 1998

	Wells Operating Partnership, L.P.	Fund X and XI Associates	Total Partners' Capital
Balance, December 31, 1997	$ 0	$ 0	$ 0
Net income	122,470	39,449	161,919
Partner contributions	7,274,075	2,083,334	9,357,409
Partnership distributions	(229,863)	(42,628)	(272,491)
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

Wells/Fremont Associates
(A Georgia Joint Venture)
Statements of Cash Flows
for the Years Ended December 31, 2000, 1999, and 1998

	2000	1999	1998

Cash flows from operating activities:			
Net income	$ 563,133	$ 559,174	$ 161,919
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	285,527	285,526	142,720
Changes in assets and liabilities:			
Accounts receivable	(33,454)	(58,237)	(34,742)
Accounts payable	1,001	(1,550)	3,565
Due to affiliate	2,007	3,527	2,052
Total adjustments	255,081	229,266	113,595
Net cash provided by operating activities	818,214	788,440	275,514
Cash flows from investing activities:			
Investment in real estate	0	0	(8,983,111)
Cash flows from financing activities:			
Issuance of note payable	0	0	5,960,000
Payment of note payable	0	0	(5,960,000)
Distributions to partners	(914,662)	(791,940)	(83,001)
Contributions received from partners	0	0	8,983,110
Net cash (used in) provided by financing activities	(914,662)	(791,940)	8,900,109
Net (decrease) increase in cash and cash equivalents	(96,448)	(3,500)	192,512
Cash and cash equivalents, beginning of year	189,012	192,512	0
Cash and cash equivalents, end of year	$ 92,564	$ 189,012	$ 192,512
Supplemental disclosure of noncash activities:			
Deferred project costs contributed to joint venture	$ 0	$ 0	$ 374,299

Fund XI, XII, and REIT Joint Venture

On May 1, 1999, the Operating Partnership entered into a joint venture with Wells Fund XII and Wells Fund XI. On May 18, 1999, the joint venture purchased a 169,510-square-foot, two-story manufacturing and office building, known as EYBL CarTex, 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, 2000 and 1999

Assets

	2000	1999
Real estate assets, at cost:		
Land	$ 5,048,797	$ 5,048,797
Building and improvements, less accumulated depreciation of $1,599,262 in 2000 and $506,582 in 1999	25,719,189	26,811,869
Total real estate assets	30,767,986	31,860,666
Cash and cash equivalents	541,089	766,278
Accounts receivable	394,314	133,777
Prepaid assets and other expenses	26,486	26,486
Total assets	$31,729,875	$32,787,207

Liabilities and Partners' Capital

Liabilities:		
Accounts payable	$ 114,180	$ 112,457
Partnership distributions payable	453,395	680,294
Total liabilities	567,575	792,751

Partners' capital:		
Wells Real Estate Fund XI	8,148,261	8,365,852
Wells Real Estate Fund XII	5,325,424	5,467,634
Wells Operating Partnership, L.P.	17,688,615	18,160,970
Total partners' capital	31,162,300	31,994,456
Total liabilities and partners' capital	$31,729,875	$32,787,207

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

	2000	1999
Revenues:		
Rental income	$3,345,932	$1,443,446
Interest income	2,814	0
Other income	440	57
	3,349,186	1,443,503
Expenses:		
Depreciation	1,092,680	506,582
Management and leasing fees	157,236	59,230
Operating costs, net of reimbursements	(24,798)	6,433
Property administration	30,787	14,185
Legal and accounting	14,725	4,000
	1,270,630	590,430
Net income	$2,078,556	$ 853,073
Net income allocated to Wells Real Estate Fund XI	$ 543,497	$ 240,031
Net income allocated to Wells Real Estate Fund XII	$ 355,211	$ 124,542
Net income allocated to Wells Operating Partnership, L.P.	$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, 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

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

	2000	1999
Cash flows from operating activities:		
Net income	$ 2,078,556	$ 853,073
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,092,680	506,582
Changes in assets and liabilities:		
Accounts receivable	(260,537)	(133,777)
Prepaid expenses and other assets	0	(26,486)
Accounts payable	1,723	112,457
Total adjustments	833,866	458,776
Net cash provided by operating activities	2,912,422	1,311,849
Cash flows from financing activities:		
Distributions to joint venture partners	(3,137,611)	(545,571)
Net (decrease) increase in cash and cash equivalents	(225,189)	766,278
Cash and cash equivalents, beginning of year	766,278	0
Cash and cash equivalents, end of year	$ 541,089	$ 766,278
Supplemental disclosure of noncash activities:		
Deferred project costs contributed to joint venture	$ 0	$ 1,294,686
Contribution of real estate assets to joint venture	$ 0	$31,072,562

Fund XII and REIT Joint Venture

On May 10, 2000, the Operating Partnership entered into a joint venture with Wells 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.

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

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

Assets

Real estate assets, at cost:	
Land	$ 4,420,405
Building and improvements, less accumulated depreciation of $324,732	26,004,918
Total real estate assets	30,425,323
Cash and cash equivalents	207,475
Accounts receivable	130,490
Total assets	$30,763,288

Liabilities and Partners' Capital

Liabilities:	
Partnership distributions payable	$ 208,261
Partners' capital:	
Wells Real Estate Fund XII	16,242,127
Wells Operating Partnership, L.P.	14,312,900
Total partners' capital	30,555,027

Total liabilities and partners' capital	$30,763,288

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

Revenues:	
Rental income	$974,796
Interest income	2,069
	976,865
Expenses:	
Depreciation	324,732
Management and leasing fees	32,756
Partnership administration	3,917
Operating costs, net of reimbursements	1,210
	362,615
Net income	$614,250
Net income allocated to Wells Real Estate Fund XII	$309,190
Net income allocated to Wells Operating Partnership, L.P.	$305,060

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

	Wells Real Estate Fund XII	Wells Operating Partnership, L.P.	Total Partners' Capital
Balance, May 10, 2000	$ 0	$ 0	$ 0
Net income	309,190	305,060	614,250
Partnership contributions	16,340,885	14,409,170	30,750,055
Partnership distributions	(407,948)	(401,330)	(809,278)
Balance, December 31, 2000	$16,242,127	$14,312,900	$ 30,555,027

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

Cash flows from operating activities:	
Net income	$ 614,250
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	324,732
Changes in assets and liabilities:	
Accounts receivable	(130,490)
Total adjustments	194,242

Net cash provided by operating activities	808,492
Cash flows from investing activities:	
Investment in real estate	(29,520,043)
Cash flows from financing activities:	
Distributions to joint venture partners	(601,017)
Contributions received from partners	29,520,043
Net cash provided by financing activities	28,919,026
Net increase in cash and cash equivalents	207,475
Cash and cash equivalents, beginning of year	0
Cash and cash equivalents, end of year	$ 207,475
Supplemental disclosure of non cash activities:	
Deferred project costs contributed to joint venture	$ 1,230,012

6. INCOME TAX BASIS NET INCOME AND PARTNERS' CAPITAL

The Operating Partnership's income tax basis net income for the years ended December 31, 2000 and 1999 are calculated as follows:

	2000	1999
Financial statement net income	$ 8,552,967	$3,884,649
Increase (decrease) in net income resulting from:		
Depreciation expense for financial reporting purposes in excess of amounts for income tax purposes	3,511,353	739,963
Rental income accrued for financial reporting purposes in excess of amounts for income tax purposes	(1,822,220)	(802,309)
Expenses deductible when paid for income tax purposes, accrued for financial reporting purposes	37,675	49,906
Income tax basis net income	$10,279,775	$3,872,209

The Operating Partnership's income tax basis partners' capital at December 31, 2000 and 1999 is computed as follows:

	2000	1999
Financial statement partners' capital	$265,341,612	$116,015,595
Increase (decrease) in partners' capital resulting from:		
Depreciation expense for financial reporting purposes in excess of amounts for income tax purposes	4,543,602	822,581
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	(2,647,246)	(837,736)
Accumulated expenses deductible when paid for income tax purposes, accrued for financial reporting purposes	89,215	51,540
Dividends payable	1,025,010	2,166,701
1999 True-up adjustment	(222,378)	0
Income tax basis partners' capital	$281,026,127	$131,114,993

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, 2000 is as follows:

Year ended December 31:	
2001	$ 42,753,778
2002	43,073,142
2003	43,776,297
2004	44,836,991

2005	42,926,909
Thereafter	176,795,438
	$394,162,555

One tenant contributed 13% of rental income for the year ended December 31, 2000. In addition, two tenants will contribute 13%, 16%, and 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, 2000 is as follows:

Year ended December 31:	
2001	$1,234,309
2002	1,287,119
2003	1,287,119
2004	107,260
	$3,915,807

Two tenants contributed 52% and 48% of rental income for the year ended December 31, 2000. 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, 2000 is as follows:

Year ended December 31:	
2001	$ 4,413,780
2002	3,724,218
2003	3,617,437
2004	3,498,478
2005	2,482,821
Thereafter	5,436,524
	$ 23,173,258

Four tenants contributed 25%, 24%, 13%, and 13% of rental income for the year ended December 31, 2000. In addition, four tenants will contribute 38%, 21%, 20%, and 19% of future minimum rental income.

The future minimum rental income due Wells/Orange County Associates under noncancelable operating leases at December 31, 2000 is as follows:

Year ended December 31:	
2001	$ 809,580
2002	834,888
2003	695,740
	$ 2,340,208

One tenant contributed 100% of rental income for the year ended December 31, 2000 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, 2000 is as follows:

Year ended December 31:	
2001	$ 869,492
2002	922,444
2003	950,118
2004	894,832
	$ 3,636,886

One tenant contributed 100% of rental income for the year ended December 31, 2000 and will contribute 100% of future minimum rental income.

The future minimum rental income due from Fund XI, XII, and REIT under noncancelable operating leases at December 31, 2000 is as follows:

Year ended December 31:	
2001	$ 3,135,340
2002	2,598,606
2003	2,946,701
2004	3,445,193
2005	3,495,155
Thereafter	6,169,579
	$ 21,790,574

Four tenants contributed approximately 30%, 24%, 23%, and 15% of rental income for the year ended December 31, 2000. In addition, four tenants will contribute approximately 28%, 27%, 26%, and 19% of future minimum rental income.

The future minimum rental income due Fund XII and REIT under noncancelable operating leases at December 31, 2000 is as follows:

Year ended December 31:	
2001	$ 2,888,084
2002	2,920,446
2003	2,952,809
2004	2,985,172
2005	3,017,534
Thereafter	13,650,288
	$ 28,414,333

One tenant contributed approximately 86% of rental income for the year ended December 31, 2000. In addition, two tenants will contribute approximately 49% and 45% of future minimum rental income.

8. NOTES PAYABLE

As of December 31, 2000, the Operating Partnership's notes payable included the following:

Note payable to Bank of America; interest at LIBOR plus 200 basis points, principal and interest payable monthly; due March 31, 2001; collateralized by the Operating Partnership's interests in the AT&T Building, the AT&T Call Center Buildings, the Matsushita Building, the Motorola South Plainfield Building, and the Marconi Building	$ 14,300,150
Note payable to Bank of America; interest at LIBOR plus 200 basis points; principal and interest payable monthly; due January 4, 2002	112,937

Note payable to Guaranty Federal Bank; interest at LIBOR plus 180 basis points; principal and interest payable monthly; due December 20, 2001; collateralized by the Operating Partnership's interest in the Stone & Webster Building	32,400,000
Note payable to Cardinal Capital, Inc.; interest at 6%; principal and interest payable monthly; due March 31, 2001; collateralized by the Operating Partnership's interest in the Stone & Webster Building	$ 3,000,000

Note payable to Richter-Schroeder Company, Inc.; interest at LIBOR plus 175 basis points; principal and interest payable monthly; due January 31, 3003; collateralized by the Operating Partnership's interest in the Metris Oklahoma Building	8,000,000
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 Alstom Power Richmond Building, the Avaya Building, the Motorola Tempe Building, and the PricewaterhouseCoopers Building	69,850,100
Total	$127,663,187

The contractual maturities of the Operating Partnerhip's notes payable are as follows as of December 31, 2000:

2001	$101,472,657
2002	25,856,779
2003	333,751
Total	$127,663,187

9. COMMITMENTS AND CONTINGENCIES

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.

10. 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 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 2000 and 1999 is as follows:

	Number	Exercise Price
Outstanding at December 31, 1998	0	$ 0
Granted	17,500	12
Outstanding at December 31, 1999	17,500	12
Granted	7,000	12
Outstanding at December 31, 2000	24,000	$ 12
Outstanding options exercisable as of December 31, 2000	7,000	$ 12

For SFAS No. 123 purposes, the fair value of each stock option for 2000 and 1999 has been estimated as of the date of the grant using the minimum value method. The weighted average risk-free interest rates assumed for 2000 and 1999 were 6.45% and 5.97%, respectively. Dividend yields of 7.3% were assumed for both years. The expected life of an option was assumed to be 4 years and 5 years for 2000 and 1999, respectively. Based on these assumptions, the fair value of the options granted during 2000 and 1999 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 and 3% of the average common shares outstanding during the preceding year (the "limitations"). During 2000, the Company's Board of Directors authorized $2,436,495 in common stock repurchases. Accordingly, the Company repurchased 142,297 of its own common shares at an aggregate cost of $1,412,969. These transactions were funded with cash on hand and did not exceed either of the limitations.

11. QUARTERLY RESULTS (UNAUDITED)

Presented below is a summary of the unaudited quarterly financial information for the years ended December 31, 2000 and 1999:

	2000 Quarters Ended			
	March 31	June 30	September 30	December 31
Revenues	$3,710,409	$5,537,618	$6,586,611	$7,638,568
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

	1999 Quarters Ended			
	March 31	June 30	September 30	December 31

Revenues	$ 988,000	$1,204,938	$1,803,352	$2,499,105
Net income	393,438	601,975	1,277,019	1,612,217
Basic and diluted earnings per share	$ 0.10	$ 0.09	$ 0.18	$ 0.13
Dividends per share	0.17	0.17	0.18	0.18

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.") All of the Wells Public Programs, except for the Wells REIT, have used substantial amounts of 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 "Prior Performance Summary" section of this prospectus.

Investors in the Wells REIT will not own any interest in 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. As described above, no Wells Public Program has sold or disposed of any property held by it. 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, 1997. 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, 2000.

	Wells Real Estate Fund X, L.P.	Wells Real Estate Fund XI, L.P.	Wells Real Estate Investment Trust, Inc.
Dollar Amount Raised	$ 27,128,912/(4)/	$ 16,532,802/(5)/	$ 307,411,112/(5)/
Percentage Amount Raised	100%/(4)/	100%/(5)/	100%/(5)/
Less Offering Expenses			
Underwriting Fees	10.0%	9.5%	9.5%
Organizational Expenses	5.0%	3.0%	3.0%
Reserves/(1)/	0.0%	0.0%	0.0%
Percent Available for Investment	85.0%	87.5%	87.5%
Acquisition and Development Costs			
Prepaid Items and Fees related to Purchase of Property	5.4%	0.0%	0.5%
Cash Down Payment	60.5%	84.0%	73.8%
Acquisition Fees/(2)/	4.0%	3.5%	3.5%
Development and Construction Costs	14.1%	0.0%	9.7%
Reserve for Payment of Indebtedness	0.0%	0.0%	0.0%
Total Acquisition and Development Cost	84.0%	87.5%	87.5%
Percent Leveraged	0.0%	0.0%	30.9%
Date Offering Began	12/31/96	12/31/97	01/30/98
Length of Offering	12 mo.	12 mo.	35mo.
Months to Invest 90% of Amount Available for Investment (Measured from Beginning of Offering)	19 mo.	20 mo.	21mo.
Number of Investors as of 12/31/00	1,812	1,341	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 X, L.P. closed its offering on December 30, 1997, and the total dollar amount raised was $27,128,912.
(4) 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.
(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 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, 1997. All figures are as of December 31, 2000.

	Wells Real Estate Fund X, L.P.	Wells Real Estate Fund XI, L.P.	Wells Real Estate Investment Trust, Inc./(1)/	Other Public Programs/(2)/
Date Offering Commenced	12/31/96	12/31/97	01/30/98	--
Dollar Amount Raised	$ 27,128,912	$ 16,532,802	$ 307,411,112	$ 241,241,095
To Sponsor from Proceeds of Offering:				
Underwriting Fees/(3)/	$ 260,748	$ 151,911	$ 3,076,844	$ 1,233,722
Acquisition Fees				
Real Estate Commissions	--	--	--	--
Acquisition and Advisory Fees/(4)/	$ 1,085,157	$ 578,648	$ 10,759,389	$ 11,559,399
Dollar Amount of Cash Generated from Operations Before Deducting Payments to Sponsor/(5)/	$ 6,317,750	$ 2,258,811	$ 20,419,727	$ 50,226,112
Amount Paid to Sponsor from Operations:				
Property Management Fee/(2)/	$ 186,223	$ 59,759	$ 664,993	$ 1,869,215
Partnership Management Fee	--	--	--	--
Reimbursements	$ 155,940	$ 109,640	$ 321,593	$ 1,871,038
Leasing Commissions	$ 256,922	$ 71,051	$ 664,993	$ 2,099,939
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. and Wells Real Estate Fund IX, 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, 2000, the amount of such deferred fees due the general partners totaled $2,520,040.

(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 $140,562 in net cash provided by operating activities, $5,578,104 in distributions to limited partners and $599,084 in payments to sponsor for Wells Real Estate Fund X, L.P.; $(82,877) in net cash used by operating activities, $2,11,238 in distributions to limited partners and $240,450 in payments to

sponsor for Wells Real Estate Fund XI, L.P.; $11,052,365 in net cash provided by operating activities, $20,880,495 in dividends and $1,651,579 in payments to sponsor for Wells Real Estate Investment Trust, Inc.; and $1,903,465 in net cash provided by operating activities, $42,482,455 in distributions to limited partners and $5,840,192 in payments to sponsor for other public programs.

TABLE III
(UNAUDITED)

The following six tables set forth operating results of Wells Public Programs the offerings of which have been completed since December 31, 1995. The information relates only to public programs with investment objectives similar to those of Wells Fund XIII. All figures are as of December 31 of the year indicated.

TABLE III (UNAUDITED)
OPERATING RESULTS OF PRIOR PROGRAMS
WELLS REAL ESTATE FUND VII, L.P.

	2000	1999	1998	1997	1996
Gross Revenues/(1)/	$ 961,858	$ 982,630	$ 846,306	$ 816,237	$ 543,291
Profit on Sale of Properties	--	--	--	--	--
Less: Operating Expenses/(2)/	78,876	85,273	85,722	76,838	84,265
Depreciation and Amortization/(3)/	--	1,562	6,250	6,250	6,250
Net Income GAAP Basis/(4)/	$ 882,982	$ 895,795	$ 754,334	$ 733,149	$ 452,776
Taxable Income: Operations	$1,173,394	$ 1,255,666	$ 1,109,096	$ 1,008,368	$ 657,443
Cash Generated (Used By):					
Operations	(60,735)	(82,763)	(72,194)	(43,250)	20,883
Joint Ventures	1,921,437	1,777,010	1,770,742	1,420,126	760,628
	1,860,702	$ 1,694,247	$ 1,698,548	$ 1,376,876	$ 781,511
Less Cash Distributions to Investors:					
Operating Cash Flow	1,860,702	1,688,290	1,636,158	1,376,876	781,511
Return of Capital	--	--	--	2,709	10,805
Undistributed Cash Flow from Prior Year Operations	26,481	--	--	--	--
Cash Generated (Deficiency) after Cash Distributions	(26,481)	$ 5,957	62,390	$ (2,709)	$ (10,805)
Special Items (not including sales and financing):					

Source of Funds:					
General Partner Contributions	--	--	--	--	--
Increase in Limited Partner Contributions	--	$ --	$ --	$ --	$ --
	(26,481)	$ 5,957	$ 62,390	$ (2,709)	$ (10,805)
Use of Funds:					
Sales Commissions and Offering Expenses	--	--	--	--	--
Return of Original Limited Partner's Investment	--	--	--	--	--
Property Acquisitions and Deferred Project Costs	0	0	181,070	169,172	736,960
Cash Generated (Deficiency) after Cash Distributions and Special Items	$ (26,481)	$ 5,957	$ (118,680)	$ (171,881)	$ (747,765)
Net Income and Distributions Data per $1,000 Invested:					
Net Income on GAAP Basis:					
Ordinary Income (Loss)					
- Operations Class A Units	63	93	85	86	62
- Operations Class B Units	(107)	(248)	(224)	(168)	(98)
Capital Gain (Loss)	--	--	--	--	--
Tax and Distributions Data per $1,000 Invested:					
Federal Income Tax Results:					
Ordinary Income (Loss)					
- Operations Class A Units	90	89	82	78	55
- Operations Class B Units	(178)	(144)	(134)	(111)	(58)
Capital Gain (Loss)	--	--	--	--	--
Cash Distributions to Investors:		(144)			
Source (on GAAP Basis)		--			
- Investment Income Class A Units	63		81	70	43
- Return of Capital Class A Units	29		--	--	--
- Return of Capital Class B Units	--	83	--	--	--
Source (on Cash Basis)		--			
- Operations Class A Units	91	--	81	70	42
- Return of Capital Class A Units	1		--	--	1
- Operations Class B Units	--		--	--	--
Source (on a Priority Distribution Basis)/(5)/		83			
- Investment income Class A Units	74	--	65	54	29
- Return of Capital Class A Units	18	--	16	16	14
- 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 $457,144 in equity in earnings of joint ventures and $86,147 from investment of reserve funds in 1996, $785,398 in equity in earnings of joint ventures and $30,839 from investment of reserve funds in 1997, $839,037 in equity in earnings of joint ventures and $7,269 from investment of reserve funds in 1998, $981,104 in equity in earnings of joint ventures and $1,526 from investment of reserve funds in 1999 and $944,165 in equity in earnings of joint ventures and $17,693 from investment of reserve funds in 2000. As of December 31, 2000, the leasing status was 98.7% 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 $140,533 for 1995, $605,247 for 1996, $877,869 for 1997, $955,245 for 1998, $982,052 for 1999, and $957,862 for 2000.

(4) In accordance with the partnership agreement, net income or loss, depreciation and amortization are allocated $1,062,605 to Class A Limited Partners, $(609,829) to Class B Limited Partners and $0 to the General Partners for 1996; $1,615,965 to class A Limited Partners, $(882,816) to Class B Limited Partners and $0 to the General Partners for 1997; $1,704,213 to Class A Limited Partners, $(949,879) to Class B Limited Partners and $0 to the General Partners for 1998; $1,879,410 to Class A Limited Partners, $(983,615) to Class B Limited Partners and $0 to the General Partners for 1999, and $1,286,161 to Class A Limited Partners, $(403,179) to Class B Limited Partners and $0 to the General Partners for 2000.

(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, 2000, the aggregate amount of such priority distributions payable to Class B Limited Partners totaled $2,053,320.

TABLE III (UNAUDITED)
OPERATING RESULTS OF PRIOR PROGRAMS
WELLS REAL ESTATE FUND VIII, L.P.

	2000	1999	1998	1997	1996
Gross Revenues/(1)/	$ 1,373,795	$ 1,360,497	$ 1,362,513	$ 1,204,018	$ 1,057,694
Profit on Sale of Properties	--	--	--	--	--
Less: Operating Expenses/(2)/	85,732	87,301	87,092	95,201	114,854
Depreciation and Amortization/(3)/	0	6,250	6,250	6,250	6,250
Net Income GAAP Basis/(4)/	1,288,063	$ 1,266,946	$ 1,269,171	$ 1,102,567	$ 936,590
Taxable Income: Operations	1,707,431	$ 1,672,844	$ 1,683,192	$ 1,213,524	$ 1,001,974
Cash Generated (Used By):					
Operations	(68,968)	(87,298)	(63,946)	7,909	623,268
Joint Ventures	2,474,151	2,558,623	2,293,504	1,229,282	279,984
	$ 2,405,183	$ 2,471,325	$ 2,229,558	$ 1,237,191	$ 903,252
Less Cash Distributions to Investors:					
Operating Cash Flow	2,405,183	2,379,215	2,218,400	1,237,191	903,252
Return of Capital	--	--	--	183,315	2,443
Undistributed Cash Flow from Prior Year Operations	82,180	--	--	--	225,077
Cash Generated (Deficiency) after Cash Distributions	$ (82,180)	$ 92,110	$ 11,158	$ (183,315)	$ (227,520)
Special Items (not including sales and financing):					
Source of Funds:					
General Partner Contributions	--	--	--	--	--
Increase in Limited Partner Contributions/(5)/	--	--	--	--	1,898,147
	$ (82,180)	$ 92,110	$ 11,158	$ (183,315)	$ 1,670,627
Use of Funds:					
Sales Commissions and Offering Expenses	--	--	--	--	464,760
Return of Limited Partner's Investment	--	--	--	8,600	--
Property Acquisitions and Deferred Project Costs	0	0	1,850,859	10,675,811	7,931,566
Cash Generated (Deficiency) after Cash Distributions and Special Items	$ (82,180)	$ 92,110	$ (1,839,701)	$(10,867,726)	$ (6,725,699)
Net Income and Distributions Data per $1,000 Invested:					
Net Income on GAAP Basis:					
Ordinary Income (Loss)					
- Operations Class A Units	84	91	91	73	46
- Operations Class B Units	(219)	(247)	(212)	(150)	(47)
Capital Gain (Loss)	--	--	--	--	--
Tax and Distributions Data per $1,000 Invested:					
Federal Income Tax Results:					
Ordinary Income (Loss)					
- Operations Class A Units	89	88	89	65	46
- Operations Class B Units	(169)	154	(131)	(95)	(33)
Capital Gain (Loss)	--	--	--	--	--
Cash Distributions to Investors:					
Source (on GAAP Basis)					
- Investment Income Class A Units	83	87	83	54	43
- Return of Capital Class A Units	7	--	--	--	--
- Return of Capital Class B Units	--	--	--	--	--
Source (on Cash Basis)					
- Operations Class A Units	87	87	83	47	43
- Return of Capital Class A Units	3	--	--	7	0
- Operations Class B Units	--	--	--	--	--
Source (on a Priority Distribution Basis)/(5)/					
- Investment Income Class A Units	73	70	69	42	33
- Return of Capital Class A Units	17	17	16	12	10
- 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 $241,819 in equity in earnings of joint ventures and $815,875 from investment of reserve funds in 1996, $1,034,907 in equity in earnings of joint ventures and $169,111 from investment of reserve funds in 1997, $1,346,367 in equity in earnings of joint ventures and $16,146 from investment of reserve funds in 1998, $1,360,494 in equity in earnings of joint ventures and $3 from investment of reserve funds in 1999 and $1,363,174 in equity in earnings of joint ventures and $10,621 from investment of reserve funds in 2000. As of December 31, 2000, 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 $265,259 for 1996, $841,666 for 1997, $1,157,355 for 1998, $1,209,171 for 1999 and $1,173,630 for 2000.

(4) In accordance with the partnership agreement, net income or loss, depreciation and amortization are allocated $1,207,540 to Class A Limited Partners, $(270,653) to Class B Limited Partners and $(297) to the General Partners for 1996; $1,947,536 to Class A Limited Partners, $(844,969) to Class B Limited Partners and $0 to the General Partners for 1997; $2,431,246 to Class A Limited Partners, $(1,162,075) to Class B Limited Partners and $0 to the General Partners for 1998; $2,481,559 to Class A Limited Partners, $(1,214,613) to Class B Limited Partners and $0 to the General Partners for 1999, and $2,294,288 to Class A Limited Partners, $(1,006,225) to Class B Limited Partners and $0 to the General Partners for 2000.

(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, 2000, the aggregate amount of such priority distributions payable to Class B Limited Partners totaled $1,940,951.

TABLE III (UNAUDITED)
OPERATING RESULTS OF PRIOR PROGRAMS

WELLS REAL ESTATE FUND IX, L.P.

	2000	1999	1998	1997	1996
Gross Revenues/(1)/	$1,836.768	$1,593,734	$ 1,561,456	$ 1,199,300	$ 406,891
Profit on Sale of Properties	--	--	--	--	--
Less: Operating Expenses/(2)/	78,092	90,903	105,251	101,284	101,885
Depreciation and Amortization/(3)/	0	12,500	6,250	6,250	6,250
Net Income GAAP Basis/(4)/	$1,758,676	$1,490,331	$ 1,449,955	$ 1,091,766	$ 298,756
Taxable Income: Operations	$2,147,094	$1,924,542	$ 1,906,011	$ 1,083,824	$ 304,552
Cash Generated (Used By):					
Operations	$ (66,145)	$ (94,403)	$ 80,147	$ 501,390	$ 151,150
Joint Ventures	2,831,329	2,814,870	2,125,489	527,390	--
	$2,765,184	$2,720,467	$ 2,205,636	$ 1,028,780	$ 151,150
Less Cash Distributions to Investors:					
Operating Cash Flow	2,707,684	2,720,467	2,188,189	1,028,780	149,425
Return of Capital	--	15,528	--	41,834	--
Undistributed Cash Flow From Prior Year Operations	--	17,447	--	1,725	--
Cash Generated (Deficiency) after Cash Distributions	$ 57,500	$ (32,975)	$ 17,447	$ (43,559)	$ 1,725
Special Items (not including sales and financing):					
Source of Funds:					
General Partner Contributions	--	--	--	--	--
Increase in Limited Partner Contributions	--	--	--	--	35,000,000
	$ 57,500	$ (32,975)	$ 17,447	$ (43,559)	$35,001,725
Use of Funds:					
Sales Commissions and Offering Expenses	--	--	--	323,039	4,900,321
Return of Original Limited Partner's Investment	--	--	--	100	--
Property Acquisitions and Deferred Project Costs	44,357	190,853	9,455,554	13,427,158	6,544,019
Cash Generated (Deficiency) after Cash Distributions and Special Items	$ 13,143	$ (223,828)	$(9,438,107)	$(13,793,856)	$23,557,385
Net Income and Distributions Data per $1,000 Invested:					
Net Income on GAAP Basis:					
Ordinary Income (Loss)					
- Operations Class A Units	93	89	88	53	28
- Operations Class B Units	(267)	(272)	(218)	(77)	(11)
Capital Gain (Loss)	--	--	--	--	--
Tax and Distributions Data per $1,000 Invested:					
Federal Income Tax Results:					
Ordinary Income (Loss)					
- Operations Class A Units	91	86	85	46	26
- Operations Class B Units	(175)	(164)	(123)	(47)	(48)

Capital Gain (Loss)	--	--	--	--	--
Cash Distributions to Investors:					
Source (on GAAP Basis)					
- Investment Income Class A Units	87	88	73	36	13
- Return of Capital Class A Units	--	2	--	--	--
- Return of Capital Class B Units	--	--	--	--	--
Source (on Cash Basis)					
- Operations Class A Units	87	89	73	35	13
- Return of Capital Class A Units	--	1	--	1	--
- Operations Class B Units	--	--	--	--	--
Source (on a Priority Distribution Basis)/(5)/					
- Investment Income Class A Units	76	77	61	29	10
- Return of Capital Class A Units	11	13	12	7	3
- 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 $23,077 in equity in earnings of joint ventures and $383,884 from investment of reserve funds in 1996, and $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. As of December 31, 2000, 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 $25,286 for 1996, $469,126 for 1997, $1,143,407 for 1998, $1,210,939 for 1999, and $1,100,915 for 2000.

(4) In accordance with the partnership agreement, net income or loss, depreciation and amortization are allocated $330,270 to Class A Limited Partners, $(31,220) to Class B Limited Partners and $(294) to the General Partners for 1996; $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, and $2,858,806 to the Class A Limited Partners, $(1,100,130) to Class B Limited Partners and $0 to the General Partners for 2000.

(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, 2000, the aggregate amount of such priority distributions payable to Class B Limited Partners totaled $1,332,403.

TABLE III (UNAUDITED)
OPERATING RESULTS OF PRIOR PROGRAMS

WELLS REAL ESTATE FUND X, L.P.

	2000	1999	1998	1997	1996
Gross Revenues/(1)/	$1,557,518	$ 1,309,281	$ 1,204,597	$ 372,507	N/A
Profit on Sale of Properties	--	--	--	--	

Less: Operating Expenses/(2)/	81,338	98,213	99,034	88,232
Depreciation and Amortization/(3)/	0	18,750	55,234	6,250
Net Income GAAP Basis/(4)/	$1,476,180	$ 1,192,318	$ 1,050,329	$ 278,025
Taxable Income: Operations	$1,692,792	$ 1,449,771	$ 1,277,016	$ 382,543
Cash Generated (Used By):				
Operations	(59,595)	(99,862	300,019	200,668
Joint Ventures	2,192,397	2,175,915	886,846	--
	$2,132,802	$ 2,076,053	$ 1,186,865	$ 200,668
Less Cash Distributions to Investors:				
Operating Cash Flow	2,103,260	2,067,801	1,186,865	--
Return of Capital	--	--	19,510	--
Undistributed Cash Flow From Prior Year Operations	--	--	200,668	--
Cash Generated (Deficiency) after Cash Distributions	$ 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
	$ 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	81,022	0	17,613,067	5,188,485
Cash Generated (Deficiency) after Cash Distributions and Special Items	$ (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)	104	97	85	28
- Operations Class A Units	(159)	(160)	(123)	(9)
- Operations Class B Units	--	--	--	--
Capital Gain (Loss)				
Tax and Distributions Data per $1,000 Invested:				
Federal Income Tax Results:				
Ordinary Income (Loss)				
- Operations Class A Units	98	92	78	35
- Operations Class B Units	(107)	(100)	(64)	0
Capital Gain (Loss)	--	--	--	--
Cash Distributions to Investors:				
Source (on GAAP Basis)				
- Investment Income Class A Units	94	95	66	--
- Return of Capital Class A Units	--	--	--	--
- Return of Capital Class B Units	--	--	--	--
Source (on Cash Basis)				
- Operations Class A Units	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	74	71	48	--
- Return of Capital Class A Units	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, and $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, and 1,547,664 in equity in earnings of joint ventures and $9,854 from investment of reserve funds in 2000. As of December 31, 2000, 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, and $816,544 for 2000.

(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, and $2,292,724 to Class A Limited Partners, $(816,544) to Class B Limited Partners and $0 to the General Partners for 2000.

(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, 2000, the aggregate amount of such priority distributions payable to Class B Limited Partners totaled $1,354,118.

TABLE III (UNAUDITED)
OPERATING RESULTS OF PRIOR PROGRAMS
WELLS REAL ESTATE FUND XI, L.P.

	2000	1999	1998	1997	1996
Gross Revenues/(1)/	$ 975,850	$ 766,586	$ 262,729	N/A	N/A
Profit on Sale of Properties	--	--	--		
Less: Operating Expenses/(2)/	79,861	111,058	113,184		
Depreciation and Amortization/(3)/	--	25,000	6,250		
Net Income GAAP Basis/(4)/	$ 895,989	$ 630,528	$ 143,295		
Taxable Income: Operations	$ 944,775	$ 704,108	$ 177,692		
Cash Generated (Used By):					
Operations	(72,925)	40,906	(50,858)		
Joint Ventures	1,333,337	705,394	102,662		
	$ 1,260,412	$ 746,300	$ 51,804		
Less Cash Distributions to Investors:					
Operating Cash Flow	1,205,303	746,300	51,804		
Return of Capital	--	49,761	48,070		
Undistributed Cash Flow From Prior Year Operations	--	--	--		
Cash Generated (Deficiency) after Cash Distributions	$ 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		
	$ 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	$ 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	103	77	50		
- Operations Class B Units	(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	97	71	18		
- Operations Class B Units	(112)	(73)	(17)		
Capital Gain (Loss)	--	--	--		
Cash Distributions to Investors:					
Source (on GAAP Basis)					
- Investment Income Class A Units	90	60	8		
- Return of Capital Class A Units	--	--	--		
- Return of Capital Class B Units	--	--	--		
Source (on Cash Basis)					
- Operations Class A Units	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	69	46	6		
- Return of Capital Class A Units	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 and $967,900 in equity in earnings of joint ventures and $7,950 from investment of reserve funds in 2000. As of December 31, 2000, 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, and $485,558 for 2000.

(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, and $1,381,547 to Class A Limited Partners, $(485,558) to Class B Limited Partners and $0 to General Partners for 2000.

(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, 2000, the aggregate amount of such priority distributions payable to Class B Limited Partners totaled $493,292.

TABLE V (UNAUDITED)
SALES OR DISPOSAL 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, 2000.

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/1/	Original Mortgage Financing	Total Acquisition Cost, Capital Improvement, Closing And Soft Costs/2/	Total
3875 Peachtree Place, Atlanta, Georgia	12/1/85	08/31/00	$704,496	-0-	-0-	-0-	$704,496	-0-	$647,648	$647,648

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/1/ Includes Wells Real Estate Fund I's share of taxable gain from this sale in the amount of $184,161, of which $184,161 is allocated to capital gain and $0 is allocated to ordinary gain.

/2/ Amount shown does not include pro rata share of original offering costs.

WELLS REAL ESTATE INVESTMENT TRUST, INC.
SUPPLEMENT NO. 3 DATED JULY 20, 2001 TO THE PROSPECTUS
DATED DECEMBER 20, 2000

This document supplements, and should be read in conjunction with, the prospectus of Wells Real Estate Investment Trust, Inc. dated December 20, 2000, as supplemented and amended by Supplement No. 1 dated February 5, 2001 and Supplement No. 2 dated April 25, 2001. When we refer to the "prospectus" in this supplement, we are also referring to any and all supplements to the prospectus. Unless otherwise defined in this supplement, capitalized terms used in this supplement shall have the same meanings as set forth in the prospectus.

The purpose of this supplement is to describe the following:

(1) The status of the offering of shares in Wells Real Estate Investment Trust, Inc. (Wells REIT);

(2) The acquisition of an interest in an office building in Nashville, Tennessee (Comdata Building);

(3) The acquisition of an interest in an office building in Jacksonville, Florida (AmeriCredit Building);

(4) The Joint Venture Partnership Agreement entered into between Wells Real Estate Fund XIII, L.P. (Wells Fund XIII) and Wells Operating Partnership, L.P. (Wells OP);

(5) Revisions to the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of the prospectus;

(6) Revisions to the "Plan of Distribution" section of the prospectus relating to the issuance of soliciting dealer warrants; and

(7) Financial statements relating to the Comdata Building and the AmeriCredit Building.

Status of the Offering

We commenced our initial public offering of common stock on January 30, 1998. Our initial public offering was terminated on December 19, 1999. We received approximately $132,181,919 in gross offering proceeds from the sale of 13,218,192 shares in our initial public offering. We commenced a second offering of common stock on December 20, 1999. Our second public offering was terminated on December 19, 2000. We received approximately $175,229,193 in gross offering proceeds from the sale of 17,522,919 shares in our second public offering.

Pursuant to the prospectus, we commenced our third offering of common stock on December 20, 2000. As of June 30, 2001, we had received an additional $170,293,567 in gross offering proceeds from the sale of 17,029,357 shares in the third offering. Accordingly, as of June 30, 2001, we had received in the aggregate approximately $477,704,679 in gross offering proceeds from the sale of 47,770,468 shares of our common stock.

The Comdata Building

Purchase of the Comdata Building. On May 15, 2001, the Wells Fund XII - REIT Joint Venture Partnership (Fund XII - REIT Joint Venture), a joint venture between Wells Real Estate Fund XII, L.P. (Wells Fund XII) and Wells Operating Partnership, L.P. (Wells OP), the operating partnership for Wells REIT, acquired a three-story office building containing approximately 201,237 rentable square feet located at 5301 Maryland Way, Williamson County, Brentwood, Tennessee (Comdata Building). The Fund XII -

REIT Joint Venture purchased the Comdata Building from The Northwestern Mutual Life Insurance Company (Northwestern) pursuant to that certain Agreement for the Purchase and Sale of Property between Northwestern and Wells Capital, Inc. (Wells Capital), the Advisor to Wells REIT. Northwestern is not in any way affiliated with Wells REIT or its Advisor.

Wells Capital, the original purchaser under the agreement, assigned its rights under the agreement to the Fund XII - REIT Joint Venture at closing. The Fund XII - REIT Joint Venture paid a purchase price of $24,950,000 for the Comdata Building and incurred additional acquisition expenses in connection with the purchase of the Comdata Building, including attorneys' fees, recording fees and other closing costs, of approximately $52,019.

Wells Fund XII made a capital contribution of $8,926,156 and Wells OP made a capital contribution of $16,075,863 to the Fund XII - REIT Joint Venture to fund their respective shares of the acquisition costs for the Comdata Building. As of June 30, 2001, Wells OP had made total capital contributions to the Fund XII- REIT Joint Venture of $29,928,078 and held an equity percentage interest in the joint venture of approximately 55%, and Wells Fund XII had made total capital contributions to the Fund XII - REIT Joint Venture of $24,613,401 and held an equity percentage interest in the joint venture of approximately 45%.

Description of the Comdata Building and the Site. As set forth above, the Comdata Building is a three-story office building containing approximately 201,237 rentable square feet situated on a 12.3 acre tract of land. Construction of the Comdata Building was originally completed in 1989, and the building was subsequently expanded in 1997. The Comdata Building is constructed using a steel frame with steel beams on a concrete slab with concrete footings. The exterior walls are made of a brick shell with an insulated ribbon window system on aluminum mullions. The interior walls consist of textured and painted gypsum board. In addition, the building contains five passenger elevators and a freight elevator. There are approximately 750 paved surface parking spaces at the site.

The Comdata Building is located in the Maryland Farms Office Park in Brentwood, Tennessee. Maryland Farms Office Park is located eight miles south of downtown Nashville, Tennessee. The Nashville area is known for its competitive real estate prices, available space for business, and diversified economic base. Nashville's business areas of strength include manufacturing, publishing, finance and insurance, healthcare management, music, transportation and tourism. The Brentwood submarket is one of Nashville's most desired locations.

An independent appraisal of the Comdata Building was prepared by CB Richard Ellis, Inc., real estate appraisers and consultants, as of April 9, 2001, pursuant to which the market value of the land and the leased fee interest subject to the Comdata lease (described below) was estimated to be $25,000,000, in cash or terms equivalent to cash. This value estimate was based upon a number of assumptions, including that the Comdata Building will continue operating at a stabilized level with Comdata Network, Inc. ("Comdata") occupying 100% of the rentable area, and is not necessarily an accurate reflection of the fair market value of the property or the net proceeds which would result from an immediate sale of this property. The Fund XII - REIT Joint Venture also obtained an environmental report and an engineering inspection report prior to the closing evidencing that the condition of the land and the Comdata Building were satisfactory.

The Comdata Lease. The entire 201,237 rentable square feet of the three-story office building is currently under a triple-net lease agreement with Comdata, a wholly owned subsidiary of Ceridian Corporation, the guarantor of the lease. The landlord's interest in the Comdata lease was assigned to the Fund XII - REIT Joint Venture at the closing. The Comdata lease commenced on April 1, 1997, and the current term expires on May 31, 2016. Comdata has the right to extend the Comdata lease for one additional five-year period of time at a rate equal to the greater of the base rent of the final year of the initial term or 90% of the then-current fair market rental rate.

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. For the fiscal year ended December 31, 2000, Ceridian reported net income of approximately $100.2 million on revenues of over $1.175 billion.

The base rent payable for the current term of the Comdata lease is as follows:

Lease Years	Annual Rent	Annual Rent Per Square Foot
Year 1	$2,398,672	$11.92
Years 2-6	$2,458,638	$12.22
Years 7-11	$2,518,605	$12.52
Years 12-15	$2,578,572	$12.81

Under the Comdata lease, Comdata is required to pay all operating expenses, including but not limited to, gas, water and electricity costs, garbage and waste disposal, telephone, janitorial service, security, insurance premiums, all taxes, assessments and other governmental levies and such other operating expenses with respect to the Comdata Building. In addition, Comdata is responsible for all routine maintenance and repairs to the Comdata Building. The Fund XII - REIT Joint Venture, as landlord, will be responsible for the repair and maintenance of the roof and structural systems of the Comdata Building. Comdata must obtain written consent from the Fund XII - REIT Joint Venture before making any alterations to the premises excluding alterations that (i) are made to the interior tenant space of the Comdata Building, (ii) do not adversely affect the structural integrity or the exterior of the Comdata Building, (iii) do not affect common areas of the Comdata Building including but not limited to the elevators and lobby, and (iv) do not adversely affect the electrical, heating or plumbing systems of the Comdata Building.

Property Management Fees. Wells Management Company, Inc. (Wells Management), an affiliate of the Wells REIT, has been retained to manage and lease the Comdata Building. The Fund XII - REIT Joint Venture will pay management and leasing fees to Wells Management in the amount of 4.5% of gross revenues from the Comdata Building, subject to certain limitations.

The Wells Fund XIII - REIT Joint Venture

On June 27, 2001, Wells OP and Wells Real Estate Fund XIII, L.P. (Wells Fund XIII) entered into a Joint Venture Partnership Agreement for the purpose of acquiring, owning, leasing, operating and managing real properties. The joint venture partnership is known as the Wells Fund XIII - REIT Joint Venture (XIII-REIT Joint Venture). All income, loss, profit, net cash flow, resale gain and sale proceeds of the XIII-REIT Joint Venture are allocated and distributed between Wells OP and Wells Fund XIII based upon their respective capital contributions to the joint venture.

Wells OP is acting as the initial Administrative Venturer of the XIII-REIT Joint Venture and, as such, is responsible for establishing policies and

operating procedures with respect to the business and affairs of the joint venture. However, approval of Wells Fund XIII will be required for any major decision or any action which materially affects such joint venture or its real properties.

The AmeriCredit Building

Purchase of the AmeriCredit Building. On July 16, 2001, the XIII-REIT Joint Venture acquired a two-story office building containing approximately 85,000 rentable square feet located in Fleming Island Plantation at 2310 Village Square Parkway, Orange Park, Clay County, Florida (AmeriCredit Building) from Adevco Contact Centers Jacksonville, L.L.C. (Adevco) pursuant to that certain Agreement for the Purchase and Sale of Property between Adevco and Wells Capital, the Advisor. Adveco is not affiliated with the Wells REIT or its Advisor.

The rights under the agreement were assigned by Wells Capital, the original purchaser under the agreement, to the XIII-REIT Joint Venture at closing. The purchase price paid for the AmeriCredit Building was $12,500,000. The joint venture also incurred additional acquisition expenses in connection with the purchase of the AmeriCredit Building, including attorneys' fees, recording fees and other closing costs, of approximately $40,700.

Wells OP contributed $10,890,040 and Wells Fund XIII contributed $1,651,426 to the XIII-REIT Joint Venture for their respective shares of the acquisition costs for the AmeriCredit Building. As of July 16, 2001, Wells OP held an equity percentage interest in the XIII-REIT Joint Venture of approximately 87%, and Wells Fund XIII held an equity percentage interest in the XIII-REIT Joint Venture of approximately 13%.

Description of the Building and the Site. The AmeriCredit Building is a two-story office building containing approximately 85,000 rentable square feet. The AmeriCredit Building, which was completed in June 2001, is constructed using a steel frame with steel beams on a concrete slab with concrete footings. The exterior walls are made with steel beams with tilt-up concrete panels and a glass panel exterior. The office entrances and windows are made of plate glass set in aluminum frames. The interior walls consist of textured and painted gypsum board. In addition, the building contains two elevators, one of which can be used as a freight elevator. There are approximately 680 asphalt paved surface parking spaces at the site.

An independent appraisal of the AmeriCredit Building was prepared by CB Richard Ellis, Inc., real estate appraisers, as of June 28, 2001, pursuant to which the market value of the land and the leased fee interest subject to the AmeriCredit lease (described below) was estimated to be $12,500,000, in cash or terms equivalent to cash. This value estimate was based upon a number of assumptions, including that the AmeriCredit Building will continue operating at a stabilized level with AmeriCredit Financial Services Corporation (AmeriCredit) occupying 100% of the rentable area, and is not necessarily an accurate reflection of the fair market value of the property. The XIII-REIT Joint Venture also obtained an environmental report prior to closing evidencing that the environmental condition of the land and the AmeriCredit Building were satisfactory.

Location of the AmeriCredit Building. The AmeriCredit Building is located on a 12.33 acre tract of land approximately 20 miles south of downtown Jacksonville within Fleming Island Plantation on the west side of U.S. Highway 17 in northern Clay County, Florida. Fleming Island Plantation is a 2,300-acre mixed use development of Centex Homes. When fully developed, Fleming Island Plantation will contain 12 villages of homes, a YMCA Wellness Center, an 18-hole golf course, several schools and 140 acres of parks. BellSouth has a 300,000 square foot technical service center in the area.

The Lease. The entire 85,000 rentable square feet of the AmeriCredit Building is currently under a triple-net lease agreement with AmeriCredit dated November 20, 2000. The landlord's interest in the AmeriCredit lease was assigned to the XIII-REIT Joint Venture at the closing.

The initial term of the AmeriCredit lease is ten years which commenced 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.

AmeriCredit is wholly-owned by and serves as the primary operating subsidiary for AmeriCredit Corp., a Texas corporation whose common stock is publicly traded on the New York Stock Exchange. AmeriCredit Corp. is the guarantor of the lease. AmeriCredit is the world's largest independent middle-market automobile finance company. AmeriCredit purchases loans made by franchised and select independent dealers to consumers buying late model used and, to a lesser extent, new automobiles. AmeriCredit targets consumers who are typically unable to obtain financing from traditional sources either because of prior credit difficulties or limited credit histories. Funding for AmeriCredit's auto lending activities is obtained primarily through the sale of loans in securitization transactions. AmeriCredit services its automobile lending portfolio at regional centers using automated loan servicing and collection systems.

For the nine months ended March 31, 2001, AmeriCredit Corp. reported net income of $151 million on revenues of $575 million and a net worth, as of March 31, 2001, of approximately $929 million.

The base rent payable under the AmeriCredit lease will be as follows:

Lease Year	Rental Rate	Annual Rent	Monthly Rent
Year 1	$14.33	$1,201,050	$100,087.50
Year 2	$14.69	$1,231,501	$102,625.08
Year 3	$15.06	$1,262,714	$105,226.17
Year 4	$15.43	$1,294,707	$107,892.25
Year 5	$15.82	$1,327,499	$110,624.92
Year 6	$16.21	$1,361,112	$113,426.00
Year 7	$16.62	$1,395,565	$116,297.08
Year 8	$17.03	$1,430,879	$119,239.92
Year 9	$17.46	$1,467,076	$122,256.33
Year 10	$17.90	$1,504,178	$125,348.17

The monthly base rent payable for each extended term of the AmeriCredit lease will be equal to 95% of the then current market rate.

Under the AmeriCredit lease, AmeriCredit is required to pay as additional rent all real estate taxes, special assessments, utilities, taxes, insurance and other operating costs with respect to the AmeriCredit Building during the term

of the lease. In addition, AmeriCredit is responsible for all routine maintenance and repairs including the interior mechanical and electrical systems, the HVAC system and common area maintenance to the AmeriCredit Building. The XIII-REIT Joint Venture, as landlord, is responsible for repair and replacement of the roof, foundation, structural, exterior windows, parking lot, driveways and light poles, as well as payment of a monthly 7% sales tax on rental income. AmeriCredit will reimburse the XIII-REIT Joint Venture for the sales tax through increased rental income. The rental figures above are net of the sales tax and maintenance reserve.

The AmeriCredit lease contains a termination option which may be exercised by AmeriCredit effective as of the end of the seventh lease year by providing 12 months prior notice to the XIII-REIT Joint Venture. If AmeriCredit exercises its termination option, it will be required to pay the joint venture a termination payment equal to the sum of (i) an amount equal to two months base rent calculated at the annual rate of $17.18 per square foot, plus (ii) an amount equal to the aggregate of the unamortized balances of the construction allowance, design allowance, sign allowance, and brokerage commissions. It is estimated that if AmeriCredit were to exercise its early termination option, the termination payment would be approximately $1.9 million which would equate to nearly 16 months of rent.

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 rights and obligations of each party under the expansion option are subject to the parties reaching agreement relating to the expansion space and additional parking and the leasing of such space by AmeriCredit within 45 days of receipt by the XIII-REIT Joint Venture of written notice of the expansion option.

Property Management Fees. Wells Management has been retained to manage and lease the AmeriCredit Building. The XIII-REIT Joint Venture shall pay management and leasing fees to Wells Management in the amount of 4.5% of gross revenues from the AmeriCredit Building, subject to certain limitations.

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

The information contained on page 98 in the "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources" section of the prospectus is revised as of the date of this supplement by the deletion of the first two paragraphs of that section and the insertion of the following paragraphs in lieu thereof:

> We began active operations on June 5, 1998, when we received and accepted subscriptions for 125,000 shares pursuant to our initial public offering, which commenced on January 30, 1998. We terminated our initial public offering on December 19, 1999. Of the $132,181,919 raised in the initial offering, we invested a total of $111,032,812 in properties. On December 20, 1999, we commenced a second public offering of up to 22,200,000 shares of common stock at $10 per share. We terminated our second offering on December 19, 2000. Of the $175,229,193 raised in the second offering, we invested a total of $147,192,522 in properties.
>
> Pursuant to the prospectus, we commenced this third offering of shares of our common stock on December 20, 2000. As of June 30, 2001, we had received an additional $170,293,567 in gross offering proceeds from the sale of 17,029,357 shares in the third offering. As of June 30, 2001, we had raised in the aggregate a total of $477,704,679 in offering proceeds through the sale of 47,770,468 shares of common stock. As of June 30, 2001, we had paid a total of $16,621,295 in acquisition and advisory fees and

acquisition expenses, had paid a total of $59,361,769 in selling commissions and organizational and offering expenses, had made capital contributions of $395,004,216 to Wells OP for investments in joint ventures and acquisitions of real property, had utilized $2,810,530 for the redemption of stock pursuant to our share redemption program, and were holding net offering proceeds of $3,906,869 available for investment in additional properties.

Plan of Distribution

The information contained on page 153 in the "Plan of Distribution" section of the prospectus is revised as of the date of this supplement by the deletion of the third full paragraph of this section and the insertion of the following paragraph in lieu thereof:

We will also award to the Dealer Manager one soliciting dealer warrant for every 25 shares sold to the public or issued to shareholders pursuant to our dividend reinvestment plan during the offering period. The Dealer Manager may retain or reallow these warrants to broker-dealers participating in the offering, 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 broker-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 shareholders 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.

Financial Statements

The statements of revenues over certain operating expenses of the Comdata Building for the year ended December 31, 2000, included in this supplement and elsewhere in the registration statement, have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto, and are included in this supplement in reliance upon the authority of said firm as experts in giving said reports.

The statements of revenues over certain operating expenses of the Comdata Building for the three months ended March 31, 2001, included in this supplement and elsewhere in the registration statement, have not been audited.

The Pro Forma Balance Sheet of the Wells REIT as of March 31, 2001, which is included in this supplement, has not been audited.

The Pro Forma Statement of Income of the Wells REIT for the three months ended March 31, 2001 and for the year ended December 31, 2000, which are included in this supplement, have not been audited.

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Wells Real Estate Fund XII, L.P. and
Wells Real Estate Investment Trust, Inc.:

We have audited the accompanying statement of revenues over certain operating expenses for the COMDATA BUILDING for the year ended December 31, 2000. This financial statement is the responsibility of management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 audit provides a reasonable basis for our opinion.

As described in Note 2, this financial statement excludes certain expenses that would not be comparable with those resulting from the operations of the Comdata Building after acquisition by the Wells Fund XII - REIT Joint Venture. The accompanying statement of revenues over certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and is not intended to be a complete presentation of the Comdata Building's revenues and expenses.

In our opinion, the statement of revenues over certain operating expenses presents fairly, in all material respects, the revenues over certain operating expenses of the Comdata Building for the year ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

/s/ Arthur Andersen LLP

Atlanta, Georgia
May 18, 2001

COMDATA BUILDING

STATEMENTS OF REVENUES

OVER CERTAIN OPERATING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2000

AND THE THREE MONTHS ENDED MARCH 31, 2001

	2001	2000
	(Unaudited)	
RENTAL REVENUES	$614,660	$2,458,638
OPERATING EXPENSES, net of reimbursements	20,404	5,468
REVENUES OVER CERTAIN OPERATING EXPENSES	$594,256	$2,453,170

The accompanying notes are an integral part of these statements.

COMDATA BUILDING

NOTES TO STATEMENTS OF REVENUES

OVER CERTAIN OPERATING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2000

AND THE THREE MONTHS ENDED MARCH 31, 2001 (UNAUDITED)

1. Organization and Significant Accounting Policies

Description of Real Estate Property Acquired

On May 15, 2001, the Wells Fund XII-REIT Joint Venture (the "Joint Venture") acquired the Comdata Building from The Northwestern Mutual Life Insurance Company ("Northwestern"). The Joint Venture is a joint venture partnership between Wells Real Estate Fund XII, L.P. ("Wells Fund XII") and Wells Operating Partnership, L.P. ("Wells OP"), a Delaware Limited Partnership formed to acquire, own, lease, operate, and manage real properties on behalf of Wells Real

Estate Investment Trust, Inc., a Maryland corporation. Northwestern is not an affiliate of Wells Fund XII or Wells OP. The total purchase price of the Comdata Building was $24,950,000. Additional acquisition expenses were incurred in connection with the purchase of the Comdata Building, included attorney's fees, recording fees, loan fees, and other closing costs, of $52,019. Wells Fund XII contributed $8,926,156, and Wells OP contributed $16,075,863 to the Joint Venture for their respective shares of the purchase of the Comdata Building.

Comdata Network, Inc. ("Comdata") occupies the entire 201,237 rentable square feet of the three-story office building under a net lease agreement (the "Comdata Lease"). Comdata is a wholly owned subsidiary of Ceridian Corporation, a public entity traded on the New York Stock Exchange and guarantor of Comdata's obligations under the Comdata Lease. Northwestern's interest in the Comdata Lease was assigned to the Joint Venture at the closing. The initial term of the Comdata Lease commenced on April 1, 1997 and expires on May 31, 2016. Comdata has the right to extend the Comdata Lease for two additional five-year periods at a rate equal to the greater of the base rent for the final year of the initial term or 90% of the then-current fair market rental rate. Under the Comdata Lease, Comdata is required to pay, as additional monthly rent, all operating costs, including but not limited to, gas, water, electricity, garbage and waste disposal, telephone, janitorial service, security, insurance premiums, all taxes, assessments and other governmental levies, and other such operating expenses with respect to the Comdata Building. In addition, Comdata is responsible for all routine maintenance and repairs to the Comdata Building. The Joint Venture will be responsible for the repair and replacement of the exterior surface walls, foundation, roof, and plumbing, electrical and mechanical systems of the Comdata Building.

Rental Revenues

Rental income is recognized on a straight-line basis over the life of the Comdata Lease.

2. Basis of Accounting

The accompanying statements of revenues over certain operating expenses are presented on the accrual basis. These statements have been prepared in accordance with the applicable rules and regulations of the Securities and Exchange Commission for real estate properties acquired. Accordingly, these statements exclude certain historical expenses, such as depreciation, interest, and management fees. Therefore, these statements are not comparable to the operations of the Comdata Building after acquisition by the Joint Venture.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

UNAUDITED PRO FORMA BALANCE SHEET

The following unaudited pro forma balance sheet as of March 31, 2001 has been prepared to give effect to the acquisition of the AmeriCredit Building by the Wells XIII-REIT Joint Venture, a joint venture partnership between Wells Real Estate Fund XIII, L.P. and Wells Operating Partnership, L.P. ("Wells OP"), and the acquisition of the Comdata Building ("Prior Acquisition") by the Wells XII-REIT Joint Venture, a joint venture partnership between Wells Real Estate Fund XII, L.P. and Wells OP, as if the acquisitions occurred on March 31, 2001. The following unaudited pro forma statements of income for the year ended December 31, 2000 and for the three months ended March 31, 2001 have been prepared to give effect to the acquisition of the Comdata Building as if the acquisition occurred on January 1, 2000.

Wells OP is a Delaware limited partnership that was organized to own and operate properties on behalf of the Wells Real Estate Investment Trust, Inc., a Maryland corporation. Wells Real Estate Investment Trust, Inc. is the general partner of

the Wells OP.

This unaudited pro forma balance sheet is prepared for informational purposes only and is not necessarily indicative of future results or of actual results that would have been achieved had the acquisition of the AmeriCredit Building been consummated at the beginning of the period presented.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA BALANCE SHEET

MARCH 31, 2001

(Unaudited)

ASSETS

	Wells Real Estate Investment Trust, Inc.	Pro Forma Adjustments		Pro Forma Total
		Comdata	AmeriCredit	
REAL ESTATE ASSETS, at cost:				
Land	$ 46,640,032	$ 0	$ 0	$ 46,640,032
Buildings, less accumulated depreciation of $12,656,832	285,461,251	0	0	285,461,251
Construction in progress	6,303,454	0	0	6,303,454
Total real estate assets	338,404,737	0	0	338,404,737
CASH AND CASH EQUIVALENTS	8,156,316	(500,000) (a)	(150,000) (a)	7,506,316
INVESTMENT IN JOINT VENTURES	43,901,986	16,745,691 (b)	11,343,750 (d)	71,991,427
ACCOUNTS RECEIVABLE	3,620,844	0	0	3,620,844
DEFERRED LEASE ACQUISITION COSTS	1,599,976	0	0	1,599,976
DEFERRED PROJECT COSTS	1,409,081	(669,828) (c)	(453,750) (e)	285,503
DEFERRED OFFERING COSTS	581,690	0	0	581,690
DUE FROM AFFILIATES	1,050,313	0	0	1,050,313
PREPAID EXPENSES AND OTHER ASSETS	2,252,702	0	0	2,252,702
Total assets	$400,977,645	$15,575,863	$10,740,000	$427,293,508

LIABILITIES AND SHAREHOLDERS' EQUITY

	Wells Real Estate Investment Trust, Inc.	Pro Forma Adjustments		Pro Forma Total
		Comdata	AmeriCredit	
LIABILITIES:				
Accounts payable and accrued expenses	$ 2,263,215	$ 0	$ 0	$ 2,263,215
Notes payable	76,540,000	15,575,863 (a)	10,740,000 (a)	102,855,863
Dividends payable	1,069,579	0	0	1,069,579
Due to affiliate	1,084,012	0	0	1,084,012
Deferred rental income	238,306	0	0	238,306
Total liabilities	81,195,112	15,575,863	10,740,000	107,510,975
COMMITMENTS AND CONTINGENCIES				
MINORITY INTEREST OF UNIT HOLDER IN OPERATING PARTNERSHIP	200,000	0	0	200,000
SHAREHOLDERS' EQUITY:				
Common shares, $.01 par value; 125,000,000 shares authorized, 38,127,278 shares issued and 37,908,326 shares outstanding	381,273	0	0	381,273
Additional paid-in capital	321,390,784	0	0	321,390,784
Treasury stock, at cost, 218,952 shares	(2,189,524)	0	0	(2,189,524)

Total shareholders' equity	319,582,533	0	0	319,582,533
Total liabilities and shareholders' equity	$400,977,645	$15,575,863	$10,740,000	$427,293,508

(a) Reflects Wells Real Estate Investment Trust, Inc.'s portion of the purchase price.

(b) Reflects Wells Real Estate Investment Trust, Inc.'s contribution to the Wells Fund XII-REIT Joint Venture.

(c) Reflects deferred project costs contributed to the Wells Fund XII-REIT Joint Venture at approximately 4.17% of the purchase price.

(d) Reflects Wells Real Estate Investment Trust, Inc.'s contribution to the Wells Fund XIII-REIT Joint Venture.

(e) Reflects deferred project costs contributed to the Wells Fund XIII-REIT Joint Venture at approximately 4.17% of the purchase price.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA STATEMENT OF INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2001

(Unaudited)

	Wells Real Estate Investment Trust, Inc.	Pro Forma Adjustments	Pro Forma Total
REVENUES:			
Rental income	$ 9,860,085	$ 0	$ 9,860,085
Equity in income of joint ventures	709,713	395,215(a)	1,104,928
Interest income	99,915	0	99,915
	10,669,713	395,215	$11,064,928
EXPENSES:			
Depreciation and amortization	3,187,179	0	3,187,179
Interest	2,375,183	275,919(b)	2,651,102
Operating costs, net of reimbursements	1,091,185	0	1,091,185
Management and leasing fees	565,714	0	565,714
General and administrative	106,540	0	106,540
Legal and accounting	67,767	0	67,767
Computer costs	800	0	800
	7,394,368	275,919	7,670,287
NET INCOME	$ 3,275,345	$ 119,296	$ 3,394,641
HISTORICAL EARNINGS PER SHARE (BASIC AND DILUTED)	$ 0.10		
PRO FORMA EARNINGS PER SHARE (BASIC AND DILUTED) (c)			$ 0.08 (c)

(a) Reflects Wells Real Estate Investment Trust, Inc.'s equity in income of the Wells Fund XII-REIT Joint Venture related to the Comdata Building. The pro forma adjustment results from rental revenues less operating expenses, management fees, and depreciation.

(b) Reflects interest expense incurred on the $15,575,863 drawn on Wells Real Estate Investment Trust, Inc.'s revolving credit agreement with Bank of America, N.A., which bears interest at 7.1% for the three months ended March 31, 2001.

(c) As of May 15, 2001, the acquisition date, Wells Real Estate Investment Trust, Inc. had 41,588,143 shares of common stock outstanding; pro forma earnings per share is calculated as if these shares were outstanding for the entire three months ended March 31, 2001.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2000

(Unaudited)

	Wells Real Estate Investment Trust, Inc.	Pro Forma Adjustments	Pro Forma Total	
REVENUES:				
Rental income	$20,505,000	$ 0	$20,505,000	
Equity in income of joint ventures	2,293,873	930,181(a)	3,224,054	
Interest income	520,924	0	520,924	
Other income	53,409	0	53,409	
	23,373,206	930,181	24,303,387	
EXPENSES:				
Depreciation and amortization	7,743,551	0	7,743,551	
Interest	4,199,461	1,284,495(b)	5,483,956	
Operating costs, net of reimbursements	888,091	0	888,091	
Management and leasing fees	1,309,974	0	1,309,974	
General and administrative	426,680	0	426,680	
Legal and accounting	240,209	0	240,209	
Computer costs	12,273	0	12,273	
	14,820,239	1,284,495	16,104,734	
NET INCOME (LOSS)	$ 8,552,967	$ (354,314)	$ 8,198,653	
HISTORICAL EARNINGS PER SHARE (BASIC AND DILUTED)	$ 0.40			
PRO FORMA EARNINGS PER SHARE (BASIC AND DILUTED) (c)			$ 0.20	(c)

(a) Reflects Wells Real Estate Investment Trust, Inc.'s equity in income of the Wells Fund XII-REIT Joint Venture related to the Comdata Building. The pro forma adjustment results from rental revenues less operating expenses, management fees, and depreciation.

(b) Reflects interest expense incurred on the $15,575,863 drawn on Wells Real Estate Investment Trust, Inc.'s revolving credit agreement with Bank of America, N.A., which bears interest at 8.2% for the year ended December 31, 2000.

(c) As of May 15, 2001, the acquisition date, Wells Real Estate Investment Trust, Inc. had 41,588,143 shares of common stock outstanding; pro forma earnings per share is calculated as if these shares were outstanding for the entire year ended December 31, 2000.

This document supplements, and should be read in conjunction with, the

prospectus of Wells Real Estate Investment Trust, Inc. dated December 20, 2000, as supplemented and amended by Supplement No. 1 dated February 5, 2001, Supplement No. 2 dated April 25, 2001, and Supplement No. 3 dated July 20, 2001. When we refer to the "prospectus" in this supplement, we are also referring to any and all supplements to the prospectus. Unless otherwise defined in this supplement, capitalized terms used in this supplement shall have the same meanings as set forth in the prospectus.

The purpose of this supplement is to describe the following:

(1) The status of the offering of shares in Wells Real Estate Investment Trust, Inc. (Wells REIT);

(2) The acquisition of an office building in Quincy, Massachusetts (State Street Building);

(3) The initial transaction under the Section 1031 Exchange Program;

(4) Revisions to the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of the prospectus; and

(5) Financial statements relating to the State Street Building.

Status of the Offering

We commenced our initial public offering of common stock on January 30, 1998. Our initial public offering was terminated on December 19, 1999. We received approximately $132,181,919 in gross offering proceeds from the sale of 13,218,192 shares in our initial public offering. We commenced a second offering of common stock on December 20, 1999. Our second public offering was terminated on December 19, 2000. We received approximately $175,229,193 in gross offering proceeds from the sale of 17,522,919 shares in our second public offering.

Pursuant to the prospectus, we commenced our third offering of common stock on December 20, 2000. As of July 31, 2001, we had received an additional $212,110,390 in gross offering proceeds from the sale of 21,211,039 shares in the third offering. Accordingly, as of July 31, 2001, we had received in the aggregate approximately $519,521,502 in gross offering proceeds from the sale of 51,952,150 shares of our common stock.

The State Street Building

Purchase of the State Street Building. On July 30, 2001, Wells Operating Partnership, L.P. (Wells OP), a Delaware limited partnership formed to acquire, own, lease and operate real properties on behalf of Wells REIT, purchased a seven-story office building with approximately 234,668 rentable square feet located at 1200 Crown Colony Drive, Norfolk County, Quincy, Massachusetts (State Street Building). Wells OP purchased this building from Crownview, LLC (Crownview) pursuant to that certain Agreement of Purchase and Sale of Property between Crownview and Wells OP. Crownview is not in any way affiliated with Wells REIT or Wells Capital, Inc., our Advisor.

The purchase price for the State Street Building was $49,563,000. Wells OP incurred acquisition expenses in connection with the purchase of the State Street Building, including attorneys' fees, recording fees, structural report and environmental report fees, and other closing costs, of approximately $69,500. Wells OP also paid approximately $126,600 to reimburse the seller for its prorated share of real estate taxes and other operating expenses.

An independent appraisal of the State Street Building was prepared by Insignia/ESG, Inc., real estate appraisers, as of July 10, 2001, pursuant to which the market value of the real property containing the leased fee interest subject to the leases described below was estimated to be $52,000,000, in cash or terms equivalent to cash. This value estimate was based upon a number of assumptions, including that the State Street Building will continue operating at

a stabilized level with SSB Realty LLC, a Delaware limited liability company (SSB Realty), occupying 100% of the rentable area, and is not necessarily an accurate reflection of the fair market value of the property or the net proceeds which would result from an immediate sale of this property. Wells OP also obtained an environmental report and an engineering inspection report prior to the closing evidencing that the condition of the land and the State Street Building were satisfactory.

Description of the State Street Building and Site. The State Street Building, which was completed in 1990, is a seven-story office building containing approximately 234,668 rentable square feet located on an 11.22 acre tract of land. The building is constructed using a steel frame with a reinforced concrete foundation. The exterior walls are made of primarily precast concrete with insulated glass windows in aluminum frames. The interior walls consist of painted gypsum board. In addition, there are four elevators and approximately 854 parking spaces.

The State Street Building is located at 1200 Crown Colony Drive in Crown Colony Office Park in Quincy, Massachusetts, approximately 10 miles southwest of downtown Boston. Crown Colony Office Park contains high quality office buildings and is one of the most desirable parks in the south Boston market. The strength of the office market in this area is evidenced by the extensive office development near other interchanges along Route 128 in the Quincy/Braintree area. The property is well located in terms of proximity to Boston, and accessability to all of the other major highway systems that serve the city and the surrounding area because of its immediate access to a highway interchange and to public transportation. The State Street Building is leased entirely to SSB Realty.

The SSB Realty Lease. The entire 234,668 rentable square feet of the State Street Building is currently under a lease agreement with SSB Realty. The landlord's interest in the SSB Realty lease was assigned to Wells OP at the closing. The current term of the lease is 10 years, which commenced on February 1, 2001, and expires on March 31, 2011. SSB has the right to extend the term of this lease for one additional five year period at the then-current fair market rental rate. In addition, the base operating costs and the base taxes will be adjusted for the extended term to reflect the actual operating costs and taxes for the preceding calendar year.

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 capabilities range from investment research and professional investment management to trading and brokerage services to fund accounting and administration. With over 17,000 employees, offices in 23 countries, and serving clients in 55 different countries, State Street has over $6 trillion in assets under custody and $711 billion in assets under management. For the fiscal year ended December 31, 2000, State Street reported net income of approximately $595 million on revenues of approximately $3.6 billion, and a net worth, as of December 31, 2000, of approximately $3.26 billion.

The base rent payable for the remainder of the SSB Realty lease is as follows:

Lease Year	Annual Rent	Monthly Rent
April 1, 2001 - January 30, 2004	$6,922,706	$576,892
February 1, 2004 - January 30, 2007	$7,274,708	$606,226
February 1, 2007 - March 31, 2011	$7,861,378	$655,115

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. Under the SSB Realty lease, SSB Realty is required to pay its proportionate share of taxes relating to the State Street Building and all operating costs incurred by the landlord in maintaining and operating the State Street Building, including, but not limited to, garbage and waste disposal, janitorial service and window cleaning, snow removal, security, insurance, water and sewer charges, wages, salaries and employee benefits of all employees engaged in the operation, maintenance and management of the building, indoor and outdoor landscaping, utilities and repairs, replacements and general maintenance. Wells OP, as the landlord, will be responsible, at tenant's expense, for maintaining the common areas of the building, the roof, foundation, exterior walls and windows, load bearing items and the central heating, ventilation and air conditioning, electrical, mechanical and plumbing systems of the building.

Property Management Fees. Wells Management Company, Inc. (Wells Management), an affiliate of Wells REIT and our Advisor, has been retained to manage and lease the State Street Building. Wells REIT shall pay management and leasing fees to Wells Management in the amount of 4.5% of gross revenues from the State Street Building, subject to certain limitations.

Initial Transaction under the Section 1031 Exchange Program

As described in Supplement No. 2 dated April 25, 2001 to the prospectus dated December 20, 2000, Wells Development Corporation, an affiliate of our Advisor, has developed a program (Section 1031 Exchange Program) involving the acquisition of income-producing commercial properties and the formation of a series of single member limited liabilities companies (Wells Exchange) for the purpose of facilitating the resale of co-tenancy interests in such real estate properties to persons (1031 Participants) who are looking to invest the proceeds from a sale of real estate held for investment into another real estate investment for purposes of qualifying for like-kind exchange treatment under Section 1031 of the Internal Revenue Code.

The initial transaction in the Section 1031 Exchange Program involves the acquisition by Wells Exchange and resale of co-tenancy interests in the Ford Motor Credit Complex. The Ford Motor Credit Complex consists of two connecting office buildings containing 167,434 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, which is the world's largest automobile finance company with more than 10 million customers in 40 countries. Wells Exchange is currently engaged in the offer and sale of co-tenancy interests in the Ford Motor Credit Complex to 1031 Participants.

As a part of the initial transaction in the Section 1031 Exchange Program, in consideration for the payment of a Take Out Fee in the amount of $137,500, and following approval of the potential property acquisition by our board of directors, Wells OP entered into a Take Out Purchase and Escrow Agreement relating to the Ford Motor Credit Complex. Pursuant to the terms of the Take Out Purchase and Escrow Agreement, 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% co-tenancy interest), any co-tenancy interests in the Ford Motor Credit Complex which remain unsold on October 16, 2001.

The obligations of Wells OP under the Take Out Purchase and Escrow Agreement are secured by reserving against Wells OP's existing line of credit with Bank of America, N.A. (Interim Lender). If, for any reason, Wells OP fails to acquire any of the co-tenancy interests in the Ford Motor Credit Complex which remain unsold as of October 16, 2001, or if there is otherwise an uncured default under the interim loan between Wells Exchange and the Interim Lender or Well OP's line of credit documents, the Interim Lender is authorized to draw down on 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 unsold co-tenancy interests in the Ford Motor Credit Complex would be deeded to Wells OP. Wells OP's maximum economic exposure in the transaction is $11,000,000, 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 Wells Exchange successfully sells 100% of the co-tenancy interests to

1031 Particpants, Wells OP will not acquire any interest in the Ford Motor Credit Complex. If some, but not all, of the co-tenancy interests are sold by Wells Exchange, Wells OP's exposure would be less, and it would end up owning an interest in the property in co-tenancy with 1031 Participants who had previously acquired co-tenancy interests in the Ford Motor Credit Complex from Wells Exchange. (See "Risk Factors - Section 1031 Exchange Program" contained in Supplement No. 2 dated April 25, 2001 to the prospectus dated December 20, 2000.)

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

The information contained on page 98 in the "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources" section of the prospectus is revised as of the date of this supplement by the deletion of the first two paragraphs of that section and the insertion of the following paragraphs in lieu thereof:

> We began active operations on June 5, 1998, when we received and accepted subscriptions for 125,000 shares pursuant to our initial public offering, which commenced on January 30, 1998. We terminated our initial public offering on December 19, 1999. Of the $132,181,919 raised in the initial offering, we invested a total of $111,032,812 in properties. On December 20, 1999, we commenced a second public offering of up to 22,200,000 shares of common stock at $10 per share. We terminated our second offering on December 19, 2000. Of the $175,229,193 raised in the second offering, we invested a total of $147,192,522 in properties.
>
> Pursuant to the prospectus, we commenced this third offering of shares of our common stock on December 20, 2000. As of July 31, 2001, we had received an additional $212,110,390 in gross offering proceeds from the sale of 21,211,039 shares in the third offering. As of July 31, 2001, we had raised in the aggregate a total of $519,521,502 in offering proceeds through the sale of 51,952,150 shares of common stock. As of July 31, 2001, we had paid a total of $18,078,430 in acquisition and advisory fees and acquisition expenses, had paid a total of $64,565,823 in selling commissions and organizational and offering expenses, had made capital contributions of $427,043,387 to Wells OP for investments in joint ventures and acquisitions of real property, had utilized $2,994,917 for the redemption of stock pursuant to our share redemption program, and were holding net offering proceeds of $6,838,945 available for investment in additional properties.

Financial Statements

The statement of revenues over certain operating expenses of the State Street Building for the year ended December 31, 2000, included in this supplement and elsewhere in the registration statement, has been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto, and is included in this supplement in reliance upon the authority of said firm as experts in giving said reports.

The statement of revenues over certain operating expenses of the State Street Building for the six months ended June 30, 2001, included in this supplement and elsewhere in the registration statement, has not been audited.

The Pro Forma Balance Sheet of Wells REIT as of June 30, 2001, which is included in this supplement, has not been audited.

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Wells Real Estate Investment Trust, Inc.:

We have audited the accompanying statement of revenues over certain operating expenses for the State street bank BUILDING for the year ended December 31, 2000. This financial statement is the responsibility of management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of revenues over certain operating expenses is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of revenues over certain operating expenses. 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 audit provides a reasonable basis for our opinion.

As described in Note 2, this financial statement excludes certain expenses that would not be comparable with those resulting from the operations of the State

Street Bank Building after acquisition by the Wells Operating Partnership, L.P., a subsidiary of Wells Real Estate Investment Trust, Inc. The accompanying statement of revenues over certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and is not intended to be a complete presentation of the State Street Bank Building's revenues and expenses.

In our opinion, the statement of revenues over certain operating expenses presents fairly, in all material respects, the revenues over certain operating expenses of the State Street Bank Building for the year ended December 31, 2000 in conformity with accounting principles generally accepted in the United States.

/s/ ARTHUR ANDERSEN LLP

Atlanta, Georgia
August 1, 2001

STATE STREET BANK BUILDING

STATEMENTS OF REVENUES

OVER CERTAIN OPERATING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2000

AND THE SIX MONTHS ENDED JUNE 30, 2001

	2001	2000
	(Unaudited)	
RENTAL REVENUES	$3,617,688	$2,941,354
OPERATING EXPENSES, net of reimbursements	666,818	438,071
REVENUES OVER CERTAIN OPERATING EXPENSES	$2,950,870	$2,503,283

The accompanying notes are an integral part of these statements.

STATE STREET BANK BUILDING

NOTES TO STATEMENTS OF REVENUES

OVER CERTAIN OPERATING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2000

AND THE SIX MONTHS ENDED JUNE 30, 2001

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Description of Real Estate Property Acquired

On July 30, 2001, the Wells Operating Partnership, L.P. ("Wells OP") acquired the State Street Bank Building from Crownview LLC ("Crownview"). Wells OP is a Delaware limited partnership formed to acquire, own, lease, operate, and manage real properties on behalf of Wells Real Estate Investment Trust, Inc., a Maryland corporation. Crownview is not an affiliate of Wells OP.

Harvard Pilgrim Health Care ("HPHC") occupied the entire 234,668 rentable square feet of the seven-story office building under a net lease agreement (the "HPHC Lease") with Crownview. The HPHC Lease commenced on October 8, 1999 and expired on July 31, 2000. SSB Realty, LLC ("SSB") currently occupies the entire 234,668 rentable square feet of the seven-story office building under a net lease agreement (the "SSB Lease"). SSB is a wholly owned subsidiary of State Street Corporation, which is the guarantor of the SSB Lease. State Street Corporation is a public entity traded on the New York Stock Exchange. Crownview's interest in the SSB Lease was assigned to Wells OP at the closing. The initial term of the SSB Lease commenced on February 1, 2001 and expires on March 31, 2011. SSB has the right to extend the SSB Lease for one additional period of five years at a rate equal to the then current fair market rental rate. Under the SSB Lease, SSB is required to pay, as additional monthly rent, insurance costs, utility charges, personal property taxes, its pro rata share of increases in real estate taxes, and all operating costs with respect to the State Street Bank Building that exceed the base operating costs of $1,773,340 in any calendar year. In addition, SSB is responsible for all routine maintenance and repairs to the State Street Bank Building. Wells OP will be responsible, at SSB's expense, for the repair and replacement of the exterior surface walls, foundation, roof, plumbing, electrical, and mechanical systems of the State Street Bank Building.

Rental Revenues

Rental income is recognized on a straight-line basis over the terms of the respective leases.

2. Basis of Accounting

The accompanying statement of revenues over certain operating expenses is presented on the accrual basis. This statement has been prepared in accordance with the applicable rules and regulations of the Securities and Exchange Commission for real estate properties acquired. Accordingly, this statement excludes certain historical expenses, such as depreciation, interest, and management fees. Therefore, this statement is not comparable to the operations of the State Street Bank Building after acquisition by Wells OP.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

UNAUDITED PRO FORMA FINANCIAL STATEMENTS

JUNE 30, 2001

The following unaudited pro forma balance sheet as of June 30, 2001 has been prepared to give effect to the acquisition of the AmeriCredit Building by the Wells XIII-REIT Joint Venture (a joint venture partnership between Wells Real

Estate Fund XIII, L.P. and Wells Operating Partnership, LP ["Wells OP"]) and the acquisition of the State Street Bank Building by the Wells OP as if each acquisition occurred on June 30, 2001. The Comdata Building was acquired by Wells XII-REIT Joint Venture (a joint venture partnership between Wells Real Estate Fund XII, L.P. and Wells OP) on May 15, 2001.

The following unaudited pro forma statement of income for the six months ended June 30, 2001 has been prepared to give effect to the acquisitions of the Comdata Building, the AmeriCredit Building, and the State Street Bank Building as if the acquisitions occurred on January 1, 2000. The following unaudited pro forma statement of income for the year ended December 31, 2000 has been prepared to give effect to the acquisitions of the Comdata Building and the State Street Bank Building as if the acquisitions occurred on January 1, 2000. The AmeriCredit Building had no operations during 2000.

Wells OP is a Delaware limited partnership that was organized to own and operate properties on behalf of Wells Real Estate Investment Trust, Inc., a Maryland corporation. Wells Real Estate Investment Trust, Inc. is the general partner of Wells OP.

These unaudited pro forma financial statements are prepared for informational purposes only and are not necessarily indicative of future results or of actual results that would have been achieved had the acquisitions of the Comdata Building, the AmeriCredit Building, and the State Street Bank Building been consummated at the beginning of the periods presented.

As of June 30, 2001, the date of the accompanying pro forma balance sheet, Wells OP held cash of $6,074,926. The additional cash used to purchase the State Street Bank Building, including deferred project costs paid to Wells Capital, Inc. (an affiliate of Wells OP), was raised through the issuance of additional shares subsequent to June 30, 2001. This balance is reflected as purchase consideration payable in the accompanying pro forma balance sheet.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA BALANCE SHEET

JUNE 30, 2001

(Unaudited)

ASSETS

	Wells Real Estate Investment Trust, Inc.	Pro Forma Adjustments		Pro Forma Total
		AmeriCredit Building	State Street Bank Building	
REAL ESTATE ASSETS, at cost:				
Land	$ 47,256,748	$ 0	$10,600,000 (d) 441,667 (e)	$ 58,298,415
Buildings, less accumulated depreciation of $15,863,470	285,964,597	0	39,159,098 (d) 1,631,629 (e)	326,755,324
Construction in progress	7,143,876	0	0	7,143,876
Total real estate assets	340,365,221	0	51,832,394	392,197,615
CASH AND CASH EQUIVALENTS	6,074,926	(150,000)(a)	(5,924,926)(d)	0
INVESTMENT IN JOINT VENTURES	60,261,895	11,343,750 (b)	0	71,605,645
ACCOUNTS RECEIVABLE	4,661,279	0	0	4,661,279

DEFERRED LEASE ACQUISITION COSTS	1,738,658	0	0	1,738,658
DEFERRED PROJECT COSTS	3,849	(3,849)(c)	0	0
DEFERRED OFFERING COSTS	731,574	0	0	731,574
DUE FROM AFFILIATES	1,242,469	0	0	1,242,469
PREPAID EXPENSES AND OTHER ASSETS	1,558,395	0	0	1,558,395
TOTAL ASSETS	$416,638,266	$11,189,901	$45,907,468	$473,735,635

LIABILITIES AND SHAREHOLDERS' EQUITY

	Wells Real Estate Investment Trust, Inc.	Pro Forma Adjustments AmeriCredit Building	Pro Forma Adjustments State Street Bank Building	Pro Forma Total
LIABILITIES:				
Accounts payable and accrued expenses	$ 2,592,211	$ 0	$ 0	$ 2,592,211
Notes payable	10,298,850	10,740,000(a)	38,700,000(d)	59,738,850
Dividends payable	1,071,657	0	0	1,071,657
Due to affiliate	1,508,539	449,901(c)	2,073,296(e)	4,031,736
Purchase consideration payable	0	0	5,134,172(d)	5,134,172
Deferred rental income	95,418	0	0	95,418
Total liabilities	15,566,675	11,189,901	45,907,468	72,664,044
COMMITMENTS AND CONTINGENCIES				
MINORITY INTEREST OF UNIT HOLDER IN OPERATING PARTNERSHIP	200,000	0	0	200,000
SHAREHOLDERS' EQUITY:				
Common shares, $.01 par value; 125,000,000 shares authorized, 47,770,468 shares issued and 47,489,415 shares outstanding	477,705	0	0	477,705
Additional paid-in capital	403,204,416	0	0	403,204,416
Treasury stock, at cost, 281,053 shares	(2,810,530)	0	0	(2,810,530)
Total shareholders' equity	400,871,591	0	0	400,871,591
Total liabilities and shareholders' equity	$416,638,266	$11,189,901	$45,907,468	$473,735,635

(a) Reflects Wells Real Estate Investment Trust, Inc.'s portion of the purchase price.

(b) Reflects Wells Real Estate Investment Trust, Inc.'s contribution to the Wells Fund XIII-REIT Joint Venture.

(c) Reflects deferred project costs contributed to the Wells Fund XIII-REIT Joint Venture at approximately 4.17% of the purchase price.

(d) Reflects Wells Real Estate Investment Trust, Inc.'s purchase price for the land and the building.

(e) Reflects deferred project costs applied to the land and building at approximately 4.17% of the purchase price.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA STATEMENT OF INCOME (LOSS)

FOR THE SIX MONTHS ENDED JUNE 30, 2001

(Unaudited)

	Wells Real Estate Investment Trust, Inc.	Pro Forma Adjustments			Pro Forma Total
		Comdata Building	AmeriCredit Building	State Street Bank Building	
REVENUES:					
Rental income	$19,711,252	$ 0	$ 0	$3,617,688 (f)	$23,328,940
Equity in income of joint ventures	1,519,194	513,944 (a)	(98,624)(d)	0	1,934,514
Interest income	193,007	(6,781)(b)	(8,135)(b)	(178,091)(b)	0
	21,423,453	507,163	(106,759)	3,439,597	25,263,454
EXPENSES:					
Depreciation and amortization	6,685,716	0	0	815,815 (g)	7,501,531
Interest	2,809,373	379,761 (c)	349,157 (e)	1,258,137 (h)	4,796,428
Operating costs, net of reimbursements	1,736,928	0	0	666,818 (i)	2,403,746
Management and leasing fees	1,117,902	0	0	162,796 (j)	1,280,698
General and administrative	635,632	0	0	0	635,632
Legal and accounting	117,331	0	0	0	117,331
Computer costs	6,328	0	0	0	6,328
	13,109,210	379,761	349,157	2,903,566	16,741,694
NET INCOME (LOSS)	$ 8,314,243	$127,402	$(455,916)	$ 536,031	$ 8,521,760
EARNINGS PER SHARE, basic and diluted	$ 0.22				$ 0.23
WEIGHTED AVERAGE SHARES, basic and diluted	37,792,014				37,792,014

(a) Reflects Wells Real Estate Investment Trust, Inc.'s equity in the income of the Wells Fund XII-REIT Joint Venture related to the Comdata Building from January 1, 2001 through May 14, 2001. The pro forma adjustment results from rental revenues less operating expenses, management fees, and depreciation.

(b) Represents forgone interest income related to cash utilized to purchase the Comdata Building, the AmeriCredit Building, and the State Street Bank Building.

(c) Represents interest expense on the $15,575,863 drawn on Wells Real Estate Investment Trust, Inc.'s revolving credit agreement with Bank of America, N.A., which bears interest at approximately 6.5% from January 1, 2001 through May 14, 2001.

(d) Reflects Wells Real Estate Investment Trust, Inc.'s equity in the loss of the Wells Fund XIII-REIT Joint Venture related to the AmeriCredit Building. The pro forma adjustment results from rental revenues less operating expenses, management fees and deprecation.

(e) Represents interest expense on the $10,740,000 note payable to Bank of America, which bears interest at approximately 6.5% for the six months ended June 30, 2001.

(f) Rental income is recognized on a straight-line basis.

(g) Depreciation expense on the building is recognized using the straight-line method and a 25-year life.

(h) Represents interest expense on the $38,700,000 note payable to Bank of America, which bears interest at approximately 6.5% for the six months ended June 30, 2001.

(i) Consists of nonreimbursable operating expenses.

(j) Management and leasing fees are calculated at 4.5% of rental income.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA STATEMENT OF INCOME (LOSS)

FOR THE YEAR ENDED DECEMBER 31, 2000

(UNAUDITED)

	Wells Real Estate Investment Trust, Inc.	Pro Forma Adjustments		Pro Forma Total
		Comdata Building	State Street Bank Building	
REVENUES:				
Rental income	$20,505,000	$ 0	$ 2,941,354 (d)	$23,446,354
Equity in income of joint ventures	2,293,873	930,181 (a)	0	3,224,054
Interest income	520,924	(19,106)(b)	(501,818)(b)	0
Other income	53,409	0	0	53,409
	23,373,206	911,075	2,439,536	26,723,817
EXPENSES:				
Depreciation and amortization	7,743,551	0	1,631,629 (e)	9,375,180
Interest	4,199,461	1,284,495 (c)	3,191,473 (f)	8,675,429
Operating costs, net of reimbursements	888,091	0	438,071 (g)	1,326,162
Management and leasing fees	1,309,974	0	132,361 (h)	1,442,335
General and administrative	426,680	0	0	426,680
Legal and accounting	240,209	0	0	240,209
Computer costs	12,273	0	0	12,273
	14,820,239	1,284,495	5,393,534	21,498,268
NET INCOME (LOSS)	$ 8,552,967	$ (373,420)	$(2,953,998)	$ 5,225,549
EARNINGS PER SHARE, basic and diluted	$ 0.40			$ 0.24
WEIGHTED AVERAGE SHARES, basic and diluted	21,382,418			21,382,418

(a) Reflects Wells Real Estate Investment Trust, Inc.'s equity in income of the Wells Fund XII-REIT Joint Venture related to the Comdata Building. The pro forma adjustment results from rental revenues less operating expenses, management fees, and depreciation.

(b) Represents forgone interest income related to cash utilized to purchase the Comdata Building and the State Street Bank Building.

(c) Represents interest expense incurred on the $15,575,863 drawn on Wells Real Estate Investment Trust, Inc.'s revolving credit agreement with Bank of America, N.A., which bears interest at approximately 8.2% for the year ended December 31, 2000.

(d) Rental income is recognized on a straight-line basis.

(e) Depreciation expense on the building is recognized using the straight-line method and a 25-year life.

(f) Interest expense on the $38,700,000 note payable to Bank of America, N.A., which bears interest at approximately 8.2% for the year ended December 31, 2000.

(g) Consists of nonreimbursable operating expenses.

(h) Management and leasing fees are calculated at 4.5% of rental income.

DATED DECEMBER 20, 2000

This document supplements, and should be read in conjunction with, the prospectus of Wells Real Estate Investment Trust, Inc. dated December 20, 2000, as supplemented and amended by Supplement No. 1 dated February 5, 2001, Supplement No. 2 dated April 25, 2001, Supplement No. 3 dated July 20, 2001, and Supplement No. 4 dated August 10, 2001. When we refer to the "prospectus" in this supplement, we are also referring to any and all supplements to the prospectus. Unless otherwise defined in this supplement, capitalized terms used in this supplement shall have the same meanings as set forth in the prospectus.

The purpose of this supplement is to describe the following:

(1) The status of the offering of shares in Wells Real Estate Investment Trust, Inc. (Wells REIT);

(2) The declaration of dividends for the fourth quarter of 2001;

(3) The acquisition of two one-story office buildings in Houston, Texas (IKON Buildings);

(4) The acquisition of a 14.87 acre tract of land in Irving, Texas and the development and construction of an office building thereon (Nissan Property);

(5) The acquisition of a ground leasehold interest in a one one-story office and distribution facility in Millington, Tennessee (Ingram Micro Distribution Facility);

(6) The acquisition of a four-story office building in Cary, North Carolina (Lucent Building);

(7) Revisions to the "Description of Properties" section of the prospectus relating to an amendment to the Matsushita lease;

(8) Revisions to the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of the prospectus;

(9) Revisions to the "Plan of Distribution" section of the prospectus; and

(10) Financial statements relating to the IKON Buildings, Ingram Micro Distribution Facility and Lucent Building.

Status of the Offering

We commenced our initial public offering of common stock on January 30, 1998. Our initial public offering was terminated on December 19, 1999. We received approximately $132,181,919 in gross offering proceeds from the sale of 13,218,192 shares in our initial public offering. We commenced a second offering of common stock on December 20, 1999. Our second public offering was terminated on December 19, 2000. We received approximately $175,229,193 in gross offering proceeds from the sale of 17,522,919 shares in our second public offering.

Pursuant to the prospectus, we commenced our third offering of common stock on December 20, 2000. As of October 10, 2001, we had received an additional $330,794,345 in gross offering proceeds

from the sale of 33,079,435 shares in the third offering. Accordingly, as of October 10, 2001, we had received in the aggregate approximately $638,205,457 in gross offering proceeds from the sale of 63,820,546 shares of our common stock.

Declaration of Fourth Quarter Dividend

On September 12, 2001, our board of directors declared a dividend for the fourth quarter of 2001 in an amount equal to a 7.75% annualized percentage return on an investment of $10 per share to be paid in December 2001. The fourth quarter dividend will be calculated on a daily record basis of $0.00213 (.213 cents) per day per share on the outstanding shares of common stock payable to shareholders of record of such shares as shown on the books of the Wells REIT at the close of business on each day during the period, commencing on September 16, 2001, and continuing each day thereafter during the fourth quarter of 2001 through and including December 15, 2001.

The IKON Buildings

Purchase of the IKON Buildings. On September 7, 2001, Wells Operating Partnership, L.P. (Wells OP), a Delaware limited partnership formed to acquire, own, lease and operate real properties on behalf of the Wells REIT, purchased two one-story office buildings aggregating approximately 157,790 rentable square feet located at 810 and 820 Gears Road, Harris County, Houston, Texas (IKON Buildings) from SV Reserve, L.P. SV Reserve, L.P. is not in any way affiliated with the Wells REIT or Wells Capital, Inc., our Advisor.

The purchase price for the IKON Buildings was $20,650,000. Wells OP incurred acquisition expenses in connection with the purchase of the IKON Buildings, including commissions, attorneys' fees, recording fees, structural report and environmental report fees, and other closing costs, of approximately $132,500.

An independent appraisal of the IKON Buildings was prepared by Gary Brown & Associates, Inc., real estate appraisers, as of August 30, 2001, pursuant to which the market value of the real property containing the leased fee interest subject to the leases described below was estimated to be $20,750,000, in cash or terms equivalent to cash. This value estimate was based upon a number of assumptions, including that the IKON Buildings will continue operating at a stabilized level with IKON Office Solutions, Inc, an Ohio corporation (IKON), occupying 100% of the rentable area, and is not necessarily an accurate reflection of the fair market value of the property or the net proceeds which would result from an immediate sale of this property. Wells OP also obtained an environmental report and an engineering inspection report prior to the closing evidencing that the condition of the land and the IKON Buildings was satisfactory.

Description of the IKON Buildings and Site. The IKON Buildings, which were completed in September 2000, consist of two one-story office buildings containing approximately 157,790 rentable square feet (78,895 square feet for each building) located on a 15.69 acre tract of land. The buildings are constructed using a steel frame with steel trusses and a reinforced concrete foundation. The exterior walls are made of primarily concrete masonry with concrete tilt wall panels with slightly recessed reflective blue-tinted windows. The interior walls consist of floated and painted gypsum board. In addition, the lighted parking lot contains approximately 785 parking spaces.

The IKON Buildings are located at 810 and 820 Gears Road in Houston, Texas, in the northern portion of Harris County approximately 12 to 16 miles north of Houston's central business district in the Greens Crossing development. The property is near North Freeway, which runs in a north-south direction to Dallas, and North Sam Houston Parkway. In addition, the IKON Buildings are located approximately five miles from the Houston Intercontinental Airport. North Harris County contains headquarters for several U.S. and international companies and offices for several other multinational companies, including Federal Express, Continental Airlines and Paine Webber.

The IKON Lease. The entire 157,790 rentable square feet of the IKON Buildings is

currently under a lease agreement with IKON. The landlord's interest in the IKON lease was assigned to Wells OP at the closing. The current term of the lease is 10 years, which commenced on May 1, 2000, and expires on April 30, 2010. IKON has the right to extend the term of this lease for two additional five-year periods at the then-current fair market rental rate, upon 12 months prior written notice.

IKON's world headquarters is located in Malvern, Pennsylvania. 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 has approximately 39,000 employees and approximately 900 locations worldwide. For the fiscal year ended September 30, 2000, IKON reported net income of approximately $29 million on revenues of approximately $5.4 billion and a net worth, as of September 30, 2000, of approximately $1.44 billion.

The base rent payable for the remainder of the IKON lease is as follows:

Lease Year	Annual Rent	Monthly Rent
2-5	$2,015,767	$167,981
6-10	$2,228,784	$185,732

Pursuant to the IKON lease, IKON is required to pay all taxes relating to the IKON Buildings and all operating costs incurred by the landlord in maintaining and operating the IKON Buildings, including, but not limited to, garbage and waste disposal, janitorial service and window cleaning, security, insurance, water and sewer charges, wages, salaries and employee benefits of all employees engaged in the operation, maintenance and management of the building, indoor and outdoor landscaping, utilities, repairs, replacements and general maintenance. Wells OP, as the landlord, will be responsible, for repairs related to insurable casualty and for maintaining the roof, foundation, exterior walls and windows, load bearing items and the electrical, mechanical and plumbing systems of the building, except for the HVAC system. IKON, as the tenant, is responsible for maintaining, repairing, and replacing the HVAC system. All tenant improvements or alterations costing in excess of $50,000 must receive prior written approval from Wells OP.

The Nissan Property

Purchase of the Nissan Property. On September 19, 2001, Wells OP purchased a 14.873 acre tract of land located in Irving, Dallas County, Texas (Nissan Property). Wells OP purchased the Nissan Property from The Ruth Ray and H.L. Hunt Foundation and The Ruth Foundation, each a Texas non-profit corporation and 50% owner in the Nissan Property (Foundations). Neither of the Foundations are in any way affiliated with the Wells REIT or our Advisor.

The purchase price for the Nissan Property was approximately $5,545,700. Wells OP incurred acquisition expenses in connection with the purchase of the Nissan Property, including attorneys' fees, recording fees and environmental report fees, and other closing costs, of approximately $25,000.

Description of the Nissan Property and Site. Wells OP has entered into a development agreement, an architect agreement and a design and build agreement

(all described below) to construct a three-story office building containing 268,290 rentable square feet (Nissan Project) on the Nissan Property. The Nissan Project will be constructed of concrete tilt-up, high performance glass with parking for approximately 1,050 vehicles. The site consists of a 14.873 acre tract of land located in the Freeport Business Park, which is an office and industrial park strategically positioned near the Dallas-Ft. Worth International Airport. Wells OP obtained an environmental report prior to the closing evidencing that the condition of the land was satisfactory. The Nissan Property is located in the city of Irving, Texas, approximately 18 miles northwest of downtown Dallas. More than 400 multinational companies have offices in Irving including Exxon, GTE and TransAmerica, which have their headquarters in Irving. The Freeport Business Park itself contains tenants such as Xerox, Federal Express and Allstate Insurance. The city of Irving is accessible from six major highways.

Development Agreement. On September 19, 2001, Wells OP entered into a
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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.

The Developer is a Dallas-based commercial real estate development firm with expertise in acquisition and disposition, debt and equity, financing, land and building development and project leasing and management. The Developer is a privately owned Texas limited partnership and the principals have an average experience level of approximately 20 years. The Developer has been involved with approximately 18 million square feet of office and industrial facilities valued at more than $900 million throughout the United States, including several million square feet of ongoing project developments in Dallas/Ft. Worth, Memphis, Atlanta and Houston. The Developer is not affiliated with Wells OP or our Advisor.

The primary responsibilities of the Developer under the Development Agreement include:

- the supervision, coordination, administration and management of the work, activities and performance of the architect under the Architect's Agreement (as described below) and the contractor under the Construction Agreement (as described below);

- the implementation of a development budget setting forth an estimate of all expenses and costs to be incurred with respect to the planning, design, development and construction of the Nissan Project;

- the review of all applications for disbursement made by or on behalf of Wells OP under the Architect's Agreement and the Construction Agreement;

- the supervision and management of tenant build-out at the Nissan Project; and

- the negotiation of contracts with, supervision of the performance of, and review and verification of applications for payment of the fees, charges and expenses of such design and engineering professionals, consultants and suppliers as the Developer deems necessary for the design and construction of the Nissan Project in accordance with the development budget.

The Developer will also perform other services typical of development managers including, but not limited to, arranging for preliminary site plans, surveys and engineering plans and drawings, overseeing the selection by the contractor of major subcontractors and reviewing all applicable building codes,

environmental, zoning and land use laws and other applicable local, state and federal laws, regulations and ordinances concerning the development, use and operation of the Nissan Project or any portion thereof. The Developer is required to advise Wells OP on a weekly basis as to the status of the Nissan Project and submit to Wells OP monthly reports with respect to the progress of construction, including a breakdown of all costs and expenses under the development budget. The Developer is required to obtain prior written approval from Wells OP before incurring and paying any costs which will result in aggregate expenditures under any one category or line item in the development budget exceeding the amount budgeted therefor. If the Developer determines at any time that the development budget is not compatible with the then-prevailing status of the Nissan Project and will not adequately provide for the completion of the Nissan Project, the Developer will prepare and submit to Wells OP for approval an appropriate revision of the development budget.

In discharging its duties and responsibilities under the Development Agreement, the Developer has full and complete authority and discretion to act for and on behalf of Wells OP. The Developer has agreed to indemnify Wells OP from any and all claims, demands, losses, liabilities, actions, lawsuits, and other proceedings, judgments and awards, and any costs and expenses arising out of the gross negligence, fraud or any willful act or omission by the Developer. Wells OP has agreed to indemnify the Developer from and against any and all claims, demands, losses, liabilities, actions, lawsuits and other proceedings, judgments and awards, and any costs and expenses arising out of (1) any actions taken by the Developer within the scope of its duties or authority, excluding negligence, fraud or willful acts of the Developer, and (2) the gross negligence, fraud or any willful act or omission on the part of Wells OP and its partners and their respective officers, directors and employees.

Wells OP may elect to provide funds to the Developer so that the Developer can pay Wells OP's obligations with respect to the construction and development of the Nissan Project directly. All such funds of Wells OP which may be received by the Developer with respect to the development or construction of the Nissan Project will be deposited in a bank account approved by Wells OP. If at any time the funds contained in the bank account of Wells OP temporarily exceeds the immediate cash needs of the Nissan Project, the Developer may invest such excess funds in savings accounts, certificates of deposit, United States Treasury obligations and commercial paper as the Developer deems appropriate or as Wells OP may direct, provided that the form of any such investment is consistent with the Developer's need to be able to liquidate any such investment to meet the cash needs of the Nissan Project. The Developer shall be reimbursed for all advances, costs and expenses paid for and on behalf of Wells OP. The Developer will not be reimbursed, however, for its own administrative costs or for costs relating to travel and lodging incurred by its employees and agents. The Developer may be required to advance its own funds for the payment of any costs or expenses incurred by or on behalf of Wells OP in connection with the development of the Nissan Project if there are cost overruns in excess of the contingency contained in the development budget.

As compensation for the services to be rendered by the Developer under the Development Agreement, Wells OP will pay a development fee of $1,250,000. The fee will be due and payable ratably (on the basis of the percentage of construction completed) as the construction and development of the Nissan Project is completed.

It is anticipated that the aggregate of all costs and expenses to be incurred by Wells OP with respect to the acquisition of the Nissan Property, 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.

In the event the Developer should for any reason cease to manage the development of the Nissan Project, Wells OP would have to locate a suitable successor development manager. No assurances can be given as to whether a suitable successor development manager could be found, or what the contractual terms or arrangement with any such successor would be.

Architect's Agreement. HKS, Inc., a Texas corporation (Architect), is the architect for the Nissan Project pursuant to an Architect's Agreement (Architect's Agreement) dated September 19, 2001 entered into with Wells OP. The Architect, which was founded in 1939, has a staff of over 500 employees, and specializes in architecture, planning, structural engineering, interior architecture and graphic design. The Architect has its principal office in Dallas and additional offices in Atlanta, Los Angeles, Orlando, Richmond, Salt Lake City and Tampa. The Architect has designed a wide variety of projects, with total values in excess of $26 billion, including facilities for corporate office space, sports facilities, healthcare facilities and hotels and resorts. The Architect is not affiliated with Wells OP or our Advisor.

The Architect's basic services under the Architect's Agreement include the schematic design phase, the design development phase, the construction documents phase, the construction procurement phase and the construction phase. During the schematic design phase, the Architect will prepare schematic design documents consisting of drawings and other documents illustrating the scale and relationship of the Nissan Project components. During the design development phase, the Architect will prepare design development documents consisting of drawings and other documents to fix and describe the size and character of the entire Nissan Project as to architectural, structural, civil mechanical, and electrical systems, materials and such other elements as may be appropriate. During the construction documents phase, the Architect will prepare construction documents consisting of drawings and specifications setting forth in detail the requirements for the construction of the Nissan Project along with necessary bidding information. During the construction procurement phase, the Architect will assist Wells OP in obtaining bids or negotiated proposals and assist in awarding and preparing contracts for construction. During the construction phase, the Architect is to provide administration of the Construction Agreement (as described below) and advise and consult with the contractor and Wells OP concerning various matters relating to the construction of the Nissan Project. The Architect is required to visit the Nissan Project site at intervals appropriate to the stage of construction and to become generally familiar with the progress and quality of the work and to determine if, in general, the work is proceeding in accordance with the contract schedule. The Architect is required to keep Wells OP informed of the progress and quality of the work. The Architect is also required to determine the amounts owing to the contractor based on observations of the site and evaluations of the contractor's application for payment and shall issue certificates for payment in amounts determined in accordance with the Construction Agreement. The Architect will also conduct inspections to determine the date of completion of the Nissan Project and shall issue a final certificate for payment.

Payments will be paid to the Architect under the Architect Agreement on a monthly basis in proportion to the services performed within each phase of service. Monthly invoices will be based on the work done by designers, writers, and draftsmen at various hourly rates.

Design and Build Construction Agreement. Wells OP entered into a Design and Build Construction Agreement (Construction Agreement) on September 19, 2001 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 Contractor is not affiliated with Wells OP or our Advisor.

The Contractor will begin construction of the Nissan Project in January 2002. The Nissan Project will consist of the construction of a three-story concrete tilt-up, high performance glass office building containing approximately 268,290 rentable square feet (Nissan Building). The land is currently zoned to permit the intended development and operation of the Nissan Project as a commercial office building and has access to all utilities necessary for the development and operation of the Nissan Project, including water, electricity, sanitary sewer and telephone.

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

Wells OP will make monthly progress payments to the Contractor in an amount of 90% of the portion of the contract price properly allocable to labor, materials and equipment, less the aggregate of any previous payments made by Wells OP. When construction is substantially complete and the space is available for occupancy, Wells OP will make a semi-final payment in the amount of all of the unpaid balance, except that Wells OP may retain an amount in accordance with the terms of the Construction Contract which is necessary to protect its remaining interest until final completion of the Nissan Project. Wells OP will pay the entire unpaid balance when the Nissan Project has been fully completed in accordance with the terms and conditions of the Construction Contract. As a condition of final payment, the Contractor will be required to execute and deliver a release of all claims and liens against Wells OP.

The Contractor will be responsible to Wells OP for the acts or omissions of its subcontractors and suppliers of materials and of persons either directly or indirectly employed by them. The Contractor has agreed to indemnify Wells OP from and against all liability, claims, damages, losses, expenses and costs of any kind or description arising out of or in connection with the performance of the Construction Contract, provided that such liability, claim, damage, loss or expense is caused in whole or in part by any act or omission of the Contractor, any subcontractor or materialmen, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable. The Construction Contract also requires the Contractor to obtain and maintain, until completion of the Nissan Project, adequate insurance coverage relating to the Nissan Project, including insurance for workers' compensation, personal injury and property damage.

The Contractor is required to work expeditiously and diligently to maintain progress in accordance with the construction schedule and to achieve substantial completion of the Nissan Project within the contract time. The Contractor is required to employ all such additional labor, services and supervision, including such extra shifts and overtime, as may be necessary to maintain progress in accordance with the construction schedule. It is anticipated that the Nissan Project will be substantially completed by February 2003. Wells OP shall obtain a completion and performance bond in an amount sufficient to complete construction and development of the Nissan Project to reduce the risk of non-performance and to assure compliance with approved plans and specifications.

The Nissan Lease. The entire 268,290 rentable square feet of the Nissan Building
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is currently under a lease agreement with Nissan Motor Acceptance Corporation (Nissan). The term of the lease began on September 19, 2001 and will extend 10 years beyond the rent commencement date. Construction on the building is scheduled to begin on or before February 1, 2002 and to be completed within 20

months from

its commencement. 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.

Nissan is 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. NNA employs approximately 2,400 people. 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., the parent company of NNA, reported fiscal year 2000 net income of $2.6 billion on revenues of $49.1 billion, and a net worth, as of March 31, 2001, of $7.7 billion.

The base rent payable for the Nissan lease beginning on the rent commencement date is as follows:

Lease Year	Annual Rent	Monthly Rent
1	$4,225,860	$352,155
2	$4,325,168	$360,431
3	$4,426,809	$368,901
4	$4,530,839	$377,570
5	$4,637,314	$386,443
6	$4,746,291	$395,524
7	$4,857,829	$404,819
8	$4,971,988	$414,332
9	$5,088,829	$424,069
10	$5,208,417	$434,035
11*	$5,330,815	$444,235
12*	$5,456,089	$454,674

* If 2-year extension option is exercised.

Pursuant to the Nissan lease, Nissan is required to pay all taxes relating to the Nissan Building and all operating costs including, but not limited to, those associated with water, sewer, gas, electricity, light, heat, telephone, television cable, rubbish removal, power and other utilities and services used by Nissan. Nissan will also pay for repairs to the HVAC, mechanical, electrical, elevator, and plumbing systems, as well as repairs to the structural roof walls, foundations, paving, curbs, landscaping and fixtures. Wells OP, as the landlord, will be responsible for repairs resulting from defects in the initial construction of the building, as well as repairs to structural portions of the foundation, exterior walls, structural frame and roof. Nissan has an option to purchase the property if certain construction

related milestones are not met by Wells OP in the construction of the building. In addition, if Wells OP ever decides to sell or transfer the property, Nissan has a right of first refusal to purchase the property pursuant to the same proposed sale terms. In order to exercise this right, Nissan must inform Wells OP of its intent to purchase the property within 30 days of receiving notice that Wells OP intends to sell or transfer the property.

The Ingram Micro Distribution Facility

Purchase of a Ground Leasehold Interest in the Ingram Micro Distribution Facility. On September 27, 2001, Wells OP acquired a ground leasehold interest in a 701,819 square foot distribution facility located on a 39.223 acre tract of land at 3820 Micro Drive in the City of Millington, Shelby County, Tennessee (Ingram Micro Distribution Facility), 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 described below, were purchased from Ingram Micro L.P. (Ingram) in a sale-lease back transaction for a purchase price of $21,050,000. Wells OP incurred acquisition expenses in connection with the purchase of the Ingram Micro Distribution Facility, including attorneys' fees, recording fees, property condition report fees, environmental report fees and other closing costs, of approximately $54,600. The Bond Lease expires on December 31, 2026.

Fee simple title to the land upon which the Ingram Micro Distribution Facility 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 Distribution Facility. The Bond is secured by a Fee Construction Mortgage Deed of Trust and Assignment of Rents and Leases dated as of December 20, 1995 (Bond Deed of Trust) executed by the Industrial Development Board for the benefit of Lease Plan.

On December 20, 2000, Lease Plan assigned to Ingram its ground leasehold interest in the Ingram Micro Distribution Facility under the Bond Lease. On the same date, Lease Plan also assigned all of its rights and interest in the Bond and the Bond Deed of Trust of Ingram.

In addition to purchasing the Bond Lease, as set forth above, 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 Distribution Facility from the Industrial Development Board for $100 plus satisfying the indebtedness evidenced by the Bond, which is currently held by Wells OP.

An independent appraisal of the ground leasehold interest in the Ingram Micro Distribution Facility was prepared by Douglas B. Hall & Associates, Inc., real estate appraisers, as of September 4, 2001, pursuant to which the market value of the real property containing the leased fee interest subject to the lease described below was estimated to be $21,400,000, in cash or terms equivalent to cash. This value estimate was based upon a number of assumptions, including that the Ingram Micro Distribution Facility will continue operating at a stabilized level with Ingram occupying 100% of the rentable area, and is not necessarily an accurate reflection of the fair market value of the property or the net proceeds which would result from an immediate sale of this property. Wells OP also obtained an environmental report and an engineering inspection report prior to the closing evidencing that the condition of the land and the Ingram Micro Distribution Facility were satisfactory.

Description of the Ingram Micro Distribution Facility and Site. The Ingram Micro

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Distribution Facility, which was completed in 1997, is a one-story office and warehouse building containing approximately 701,819 rentable square feet located on a 39.22 acre tract of land.

The site is located in the northern part of Shelby County, Tennessee approximately 16 miles north of the Memphis central business district. The site is on the west side of U.S. Highway 51 and the east side of Old Millington Road, less than one mile from the Millington Municipal Airport. The major development in Millington is the former Memphis Naval Air Station, which was one of the world's largest inland naval bases until the 1993 Base Realignment and Closure Commission approved a new mission for the base. Approximately 1,900 acres of land on the base is now known as the West

Tennessee Regional Business Center and is planned for development as a major employment center in the area.

The Ingram Lease. On September 27, 2001, Wells OP entered into a new lease with
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Ingram pursuant to which Ingram agreed to lease the entire Ingram Micro Distribution Facility from Wells OP. The Ingram lease has a term of 10 years with two successive options to extend for 10 years each at an annual rate equal to the greater of (i) 95% of the then-current fair market rental rate, or (ii) 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.

Ingram Micro, Inc. (Micro) is the general partner of Ingram and a guarantor on the Ingram lease. Micro is traded on the New York Stock Exchange and has its corporate headquarters in Santa Ana, California. Micro provides technology products and supply chain management services through wholesale distribution. It targets three different market segments, including corporate resellers, direct and consumer marketers, and value-added resellers. Micro's worldwide business consists of approximately 14,000 associates and operations in 36 countries. In addition, Micro serves approximately 175,000 customers and partners with approximately 1,700 manufacturers. For fiscal year-ended December 31, 2000, Micro reported a net income of over $226 million on revenues of approximately $30.7 billion and a net worth, as of December 31, 2000, of approximately $1.8 billion.

The annual base rent for the Ingram Micro Distribution Facility is $2,035,275 for years one through five of the lease term and $2,340,566 for years six through 10 of the lease term. Ingram has also agreed to pay as additional rent all other amounts, liabilities and obligations relating to the Ingram Micro Distribution Facility, including all taxes, assessments, water rents, sewer rents and charges, duties, impositions, license and permit fees, charges for public utilities of any kind, payments and all other charges incurred as a result of the use and occupation of the premises by Ingram. Ingram is also responsible for maintenance of the premises, including without limitation the adjoining sidewalks and curbs, roof, generators and all operational building systems.

The Lucent Building

Purchase of the Lucent Building. On September 28, 2001, Wells OP purchased a
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four-story office building with approximately 120,000 rentable square feet located at 200 Lucent Lane, Cary, North Carolina (Lucent Building) from Lucent Technologies, Inc. (Lucent) in a sale-lease back transaction. Lucent is not in any way affiliated with the Wells REIT or our Advisor.

The purchase price for the Lucent Building was $17,650,000. Wells OP incurred acquisition expenses in connection with the purchase of the Lucent Building, including commissions, attorneys' fees, recording fees, structural

report and environmental report fees, and other closing costs, of approximately $372,800.

An independent appraisal of the Lucent Building was prepared by CB Richard Ellis, Inc., real estate appraisers, as of October 1, 2001, pursuant to which the market value of the real property containing the leased fee interest subject to the lease described below was estimated to be $18,400,000, in cash or terms equivalent to cash. This value estimate was based upon a number of assumptions, including that the Lucent Building will continue operating at a stabilized level with Lucent occupying 100% of the rentable area, and is not necessarily an accurate reflection of the fair market value of the property or the net proceeds which would result from an immediate sale of this property. Wells OP also obtained an environmental report and an engineering inspection report prior to the closing evidencing that the condition of the land and the Lucent Building were satisfactory.

Description of the Lucent Building and Site. The Lucent Building, which was completed in 1999, is a four-story office building containing approximately 120,000 rentable square feet located on a 29.19 acre tract of land, which includes a 11.84 acre improved tract of land and a 17.34 acre undeveloped tract of land. The building is constructed using a steel frame with steel beams and a reinforced concrete foundation. The exterior walls are made of primarily glass and steel. The common area interior walls consist of textured and painted sheetrock with wood accent and trim. In addition, the building has multiple elevators and approximately 500 paved parking spaces.

The Lucent Building is located at 200 Lucent Lane in Regency Park office park in the "Research Triangle" in Cary, North Carolina. The site is approximately 10 miles west of downtown Raleigh and 15 miles south of Raleigh-Durham International Airport. Cary is a growing commercial and residential suburb of Raleigh. Some of Cary's major industries include computer software and technology, pharmaceuticals and communications. Regency Park contains tenants such as Hewlett-Packard, Nextel and Alltel and is located approximately three miles from Interstate 40, one of the major east-west highways in the United States.

The Lucent Lease. The entire 120,000 rentable square feet of the Lucent Building is currently under a lease agreement with Lucent, which does not include the 17.34 acre undeveloped tract of land described above. The current term of the lease is 10 years, which commenced on September 28, 2001, and expires on September 30, 2011. Lucent has the right to extend the term of this lease for three additional five-year periods at the then-current fair market rental rate, upon 12 months prior written notice.

Lucent is traded on the New York Stock Exchange and has its corporate headquarters in Murray Hill, New Jersey. Lucent designs, develops and manufactures communications systems, software and other products. As of June 30, 2001, Lucent employed approximately 87,000 people and had offices or distributors in over 65 countries. For fiscal year-ended September 30, 2000, Lucent reported a net income of over $1.2 billion on total revenues of approximately $34 billion and a net worth, as of September 30, 2000, of over $26 billion.

The base rent payable under the Lucent lease is as follows:

Lease Year	Anuual Rent	Monthly Rent
1	$1,800,000	$150,000
2	$1,854,000	$154,500

3	$1,909,620	$159,135
4	$1,966,908	$163,909
5	$2,025,915	$168,826
6	$2,086,693	$173,891
7	$2,149,294	$179,108
8	$2,213,773	$184,481
9	$2,280,186	$190,016
10	$2,348,592	$195,716

Pursuant to the Lucent lease, Lucent is required to pay all taxes relating to the Lucent Building and all operating costs, including, but not limited to, those associated with water, sewerage, gas, steam, electricity, air conditioning, telephone, garbage removal, power and other utilities and services used by Lucent. Lucent is also required to pay for all repair and maintenance costs, including but not limited to, window cleaning, security personnel, elevator maintenance, HVAC maintenance, janitorial service, waste recycling service, and landscaping maintenance. Wells OP, as the landlord, will be responsible for building repairs caused by fire or other insurable casualties.

Property Management Fees

Wells Management Company, Inc. (Wells Management), an affiliate of the Wells REIT and our Advisor, has been retained to manage and lease the IKON Buildings, the Nissan Building, the Ingram Micro Distribution Facility and the Lucent Building. The Wells REIT shall pay management and leasing fees to Wells Management in the amount of 4.5% of gross revenues from the IKON Buildings, the Nissan Building, the Ingram Micro Distribution Facility and the Lucent Building, subject to certain limitations.

Description of Properties - The Matsushita Building

The information contained on page 85 in the "Description of Properties - The Matsushita Building" section of the prospectus is revised as of the date of this supplement by the deletion of the first and fourth full paragraphs on that page and the insertion of the following paragraphs in lieu thereof:

> Wells OP and Matsushita Avionics Systems Corporation (Matsushita Avionics) entered into a Second Amendment to Office Lease (Amendment) relating to the two-story office building (Matsushita Building) located in the City of Lake Forest, Orange County, California. The Amendment confirms that the lease commencement date for the Matsushita lease is January 4, 2000, and that the amount of rentable square feet of the building is 144,906 square feet.
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> The Matsushita lease terminates on January 31, 2007. Matsushita Avionics has the option to extend the lease for two additional five-year periods of time at an annual rate equal to 95% of the then-current fair market rental rate,. Wells OP and Matsushita Avionics agreed that the total project cost for the construction of the Matsushita Building upon which the base rent was calculated was $18,431,206. The base rent payable for the remainder of the Matsushita lease is as follows:

Lease Year	Annual Rent	Monthly Rent

2/1/01-1/31/02	$1,888,834.60	$157,361.97
2/1/02-1/31/04	$2,005,463.60	$167,121.97
2/1/04-1/31/06	$2,122,583.60	$176,881.97
2/1/06-1/31/07	$2,239,703.60	$186,641.97

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

The information contained on page 98 in the "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources" section of the prospectus is revised as of the date of this supplement by the deletion of the first two paragraphs of that section and the insertion of the following paragraphs in lieu thereof:

> We began active operations on June 5, 1998, when we received and accepted subscriptions for 125,000 shares pursuant to our initial public offering, which commenced on January 30, 1998. We terminated our initial public offering on December 19, 1999. Of the $132,181,919 raised in the initial offering, we invested a total of $111,032,812 in properties. On December 20, 1999, we commenced a second public offering of up to 22,200,000 shares of common stock. We terminated our second offering on December 19, 2000. Of the $175,229,193 raised in the second offering, we invested a total of $147,192,522 in properties.

> Pursuant to the prospectus, we commenced this third offering of shares of our common stock on December 20, 2000. As of October 10, 2001, we had received an additional $330,794,345 in gross offering proceeds from the sale of 33,079,435 shares in the third offering. As of October 10, 2001, we had raised in the aggregate a total of $638,205,457 in offering proceeds through the sale of 63,820,546 shares of common stock. As of October 10, 2001, we had paid a total of $22,194,260 in acquisition and advisory fees and acquisition expenses, had paid a total of $77,857,869 in selling commissions and organizational and offering expenses, had made capital contributions of $523,731,851 to Wells OP for investments in joint ventures and acquisitions of real property, had utilized $4,083,734 for the redemption of stock pursuant to our share redemption program, and were holding net offering proceeds of $10,337,743 available for investment in additional properties.

Plan of Distribution

The information contained on page 155 in the "Plan of Distribution" section of the prospectus is revised as of the date of this supplement by the deletion of the sixth and seventh full paragraphs on that page and the insertion of the following paragraphs in lieu thereof:

> In connection with sales of certain minimum numbers of shares to a "purchaser," as defined below, the registered representative and the investor may agree to reduce the amount of selling commissions payable with respect to such sales. Such reduction will be credited to the investor by reducing the purchase price per share payable by the investor. The following table illustrates the various discount levels available:

Number of Shares Purchased	Purchase Price per Incremental Share in Volume Discount Range	Commissions on Sales per Incremental Share in Volume Discount Range	
		Percent	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 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.

The information contained on page 157 in the "Plan of Distribution" section of the prospectus is revised as of the date of this supplement by the deletion of the second and third full paragraphs on that page and the insertion of the following paragraphs in lieu thereof:

Investors may agree with the participating broker-dealer selling them shares or with the Dealer Manager if no participating broker-dealer is involved in the transaction to reduce the amount of selling commissions payable to zero (i) in the event the investor has engaged the services of a registered investment advisor with whom the investor has agreed to pay a fee for investment advisory services, or (ii) in the event 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 eliminating commissions payable in connection with sales to investors purchasing through such registered investment advisors or bank trust departments. All such sales must be made through registered broker-dealers.

Neither the Dealer Manager nor its affiliates will directly or indirectly compensate any person engaged as an investment advisor or a bank trust department by a potential investor as an inducement for such investment advisor or bank trust department to advise favorably for an investment in the Wells REIT.

Financial Statements

The Statements of Revenues Over Certain Operating Expenses of the IKON Buildings for the year ended December 31, 2000 and the Statements of Certain Operating Expenses in Excess of Revenues of the Ingram Micro Distribution Facility and Lucent Building for the year ended December 31, 2000, included in this supplement and elsewhere in the registration statement, have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto, and are included in this supplement in reliance upon the authority of said firm as experts in giving said reports.

The Statements of Revenues Over Certain Operating Expenses of the IKON Buildings for the six months ended June 30, 2001 and the Statements of Certain Operating Expenses in Excess of Revenues of the Ingram Micro Distribution Facility and Lucent Building for the six months ended June 30, 2001, included in this supplement and elsewhere in the registration statement, have not been audited.

The Pro Forma Balance Sheet of the Wells REIT, as of June 30, 2001, the Pro Forma Statement of Income for the six months ended June 30, 2001, and the Pro Forma Statement of Income (loss) for the year ended December 31, 2000, which are included in this supplement, have not been audited.

INDEX TO FINANCIAL STATEMENTS

[LOGO ANDERSEN]

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Wells Real Estate Investment Trust, Inc.:

We have audited the accompanying statement of revenues over certain operating expenses for the IKON BUILDINGS for the six months ended June 30, 2001 and the year ended December 31, 2000. This financial statement is the responsibility of management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of revenues over certain operating expenses is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of revenues over certain operating expenses. 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 audit provides a reasonable basis for our opinion.

As described in Note 2, this financial statement excludes certain expenses that would not be comparable with those resulting from the operations of the IKON Buildings after acquisition by the Wells Operating Partnership, L.P., a subsidiary of Wells Real Estate Investment Trust, Inc. The accompanying statement of revenues over certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and is not intended to be a complete presentation of the IKON Buildings' revenues and expenses.

In our opinion, the statement of revenues over certain operating expenses presents fairly, in all material respects, the revenues over certain operating expenses of the IKON Buildings for the six months ended June 30, 2001 and the year ended December 31, 2000 in conformity with accounting principles generally accepted in the United States.

/s/ Arthur Andersen LLP

Atlanta, Georgia
September 12, 2001

IKON BUILDINGS

STATEMENTS OF REVENUES

OVER CERTAIN OPERATING EXPENSES

FOR THE SIX MONTHS ENDED JUNE 30, 2001

AND THE YEAR ENDED DECEMBER 31, 2000

	2001	2000
	(Unaudited)	
RENTAL REVENUES	$1,034,675	$1,379,567
OPERATING EXPENSES, net of reimbursements	0	115,276
REVENUES OVER CERTAIN OPERATING EXPENSES	$1,034,675	$1,264,291

The accompanying notes are an integral part of these statements.

NOTES TO STATEMENTS OF REVENUES

OVER CERTAIN OPERATING EXPENSES

FOR THE SIX MONTHS ENDED JUNE 30, 2001

AND THE YEAR ENDED DECEMBER 31, 2000

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Description of Real Estate Property Acquired

On September 7, 2001, the Wells Operating Partnership, L.P. ("Wells OP") acquired the IKON Buildings from SV Reserve, L.P. ("SV Reserve"). Wells OP is a Delaware limited partnership that was organized to own and operate properties on behalf of Wells Real Estate Investment Trust, Inc., a Maryland corporation. As the sole general partner of Wells OP, Wells Real Estate Investment Trust, Inc. possesses full legal control and authority over the operations of Wells OP.

IKON Office Solutions, Inc. ("IKON") currently occupies the entire 157,790 rentable square feet of the two single-story office buildings comprising the IKON Buildings under a net lease agreement (the "IKON Lease"). IKON is a public entity traded on the New York Stock Exchange. SV Reserve's interest in the IKON Lease was assigned to Wells OP at the closing. The initial term of the IKON Lease commenced on May 1, 2000 and expires on April 30, 2010. IKON has the right to extend the IKON Lease for two additional periods of five years at a rate equal to the then-current fair market rental rate. Under the IKON Lease, IKON is required to pay, as additional monthly rent, all operating costs, including but not limited to, water, power, heating, lighting, air conditioning and ventilation, security fees, landscaping, window cleaning, pest control, property management fees, taxes, assessments and governmental levies, insurance, amortization (together with reasonable financing charges) of capital items installed for the purpose of reducing operating expenses, as well as the cost of all supplies, wages and salaries incurred by the landlord in connection with the operations and maintenance of the premises. Wells OP will be responsible for all building repairs caused by fire, windstorm, or other insurable casualty.

Rental Revenues

Rental income is recognized on a straight-line basis over the term of the IKON Lease.

2. Basis of Accounting

The accompanying statements of revenues over certain operating expenses are presented on the accrual basis. These statements have been prepared in accordance with the applicable rules and regulations of the Securities and Exchange Commission for real estate properties acquired. Accordingly, these statements exclude certain historical expenses, such as depreciation, interest, and management fees. Therefore, these statements are not comparable to the operations of the IKON Buildings after acquisition by Wells OP.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Wells Real Estate Investment Trust, Inc.:

We have audited the accompanying statement of certain operating expenses in excess of revenues for the Ingram MICRO DISTRIBUTION FACILITY for the year ended December 31, 2000. This financial statement is the responsibility of management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit 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 statement of certain operating expenses in excess of revenues is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of certain operating expenses in excess of revenues. 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 audit provides a reasonable basis for our opinion.

As described in Note 2, this financial statement excludes certain expenses that would be comparable with those resulting from the operations of the Ingram Micro Distribution Facility after acquisition by Wells Operating Partnership, L.P., a subsidiary of Wells Real Estate Investment Trust, Inc. The accompanying statement of certain operating expenses in excess of revenues was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and is not intended to be a complete presentation of the Ingram Micro Distribution Facility's revenues and expenses.

In our opinion, the statement of certain operating expenses in excess of revenues presents fairly, in all material respects, certain operating expenses in excess of revenues for the Ingram Micro Distribution Facility for the year ended December 31, 2000 in conformity with accounting principles generally accepted in the United States.

/s/ Arthur Andersen LLP

Atlanta, Georgia
October 5, 2001

INGRAM MICRO DISTRIBUTION FACILITY

STATEMENTS OF

CERTAIN OPERATING EXPENSES IN EXCESS OF REVENUES

FOR THE SIX MONTHS ENDED JUNE 30, 2001 (UNAUDITED)

AND THE YEAR ENDED DECEMBER 31, 2000

	(Unaudited) 2001	2000
RENTAL REVENUES	$ 0	$ 0
OPERATING EXPENSES	945,910	2,083,598
CERTAIN OPERATING EXPENSES IN EXCESS OF REVENUES	$(945,910)	$(2,083,598)

The accompanying notes are an integral part of these statements.

INGRAM MICRO DISTRIBUTION FACILITY

NOTES TO STATEMENTS OF

CERTAIN OPERATING EXPENSES IN EXCESS OF REVENUES

FOR THE SIX MONTHS ENDED JUNE 30, 2001 (UNAUDITED)

AND THE YEAR ENDED DECEMBER 31, 2000

1. Organization and significant accounting policies

Description of Real Estate Property Acquired

On September 27, 2001, Wells Operating Partnership, L.P. ("Wells OP") acquired the Ingram Micro Distribution Facility from Ingram Micro, L.P. ("Ingram"). Wells OP is a Delaware limited partnership organized to own and operate properties on behalf of Wells Real Estate Investment Trust, Inc., a Maryland corporation. As the sole general partner of Wells OP, Wells Real Estate Investment Trust, Inc. possesses full legal control and authority over the operations of Wells OP.

Ingram currently occupies 100% of the Ingram Micro Distribution Facility under a net lease agreement (the "Ingram Lease") with Wells OP. The Ingram Micro Distribution Facility is a one-story industrial building comprised of 701,819 rentable square feet. Ingram Micro, Inc. is the guarantor of the Ingram Lease and is a public entity traded on the New York Stock Exchange. Prior to September 27, 2001, Ingram owned and occupied the entire Ingram Micro Distribution Facility; therefore, no rental revenues were recognized for the year ended December 31, 2000 or for the six months ended June 30, 2001. The initial term of the Ingram Lease commenced on September 27, 2001 and expires on September 30, 2011. Ingram has the right to extend the Ingram Lease for two additional periods of ten years at an annual rate equal to the greater of (i) 95% of the then-current fair market rental rate, or (ii) 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, shall also be increased by 15% beginning in the 61st month of each extended term. Under the Ingram Lease, Ingram is required to pay, as additional monthly rent, all operating costs, including but not limited to insurance costs, utilities, taxes, assessments, water and sewer charges, license and permit fees. Ingram is also responsible for maintenance of the premises, including without limitation the adjoining sidewalks and curbs, roof, generators and all operational building systems.

2. Basis of Accounting

The accompanying statements of certain operating expenses in excess of revenues are presented on the accrual basis. These statements have been prepared in accordance with the applicable rules and regulations of the Securities and Exchange Commission for real estate properties acquired. Accordingly, these statements exclude certain historical expenses such as depreciation, interest, and management fees. Therefore, these statements are not comparable to the operations of the Ingram Micro Distribution Facility after acquisition by Wells OP.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Wells Real Estate Investment Trust, Inc.:

We have audited the accompanying statement of certain operating expenses in excess of revenues of the Lucent BUILDING for the year ended December 31, 2000. This financial statement is the responsibility of management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit 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 statement of certain operating expenses in excess of revenues is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of certain operating expenses in excess of revenues. 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 audit provides a reasonable basis for our opinion.

As described in Note 2, this financial statement excludes certain expenses that would be comparable with those resulting from the operations of the Lucent Building after acquisition by Wells Operating Partnership, L.P., a subsidiary of Wells Real Estate Investment Trust, Inc. The accompanying statement of certain operating expenses in excess of revenues was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and is not intended to be a complete presentation of the Lucent Building's revenues and expenses.

In our opinion, the statement of certain operating expenses in excess of revenues presents fairly, in all material respects, certain operating expenses in excess of revenues for the Lucent Building for the year ended December 31, 2000 in conformity with accounting principles generally accepted in the United States.

/s/ Arthur Andersen LLP

Atlanta, Georgia
October 5, 2001

LUCENT BUILDING

STATEMENTS OF

CERTAIN OPERATING EXPENSES IN EXCESS OF REVENUES

FOR THE SIX MONTHS ENDED JUNE 30, 2001 (UNAUDITED)

AND THE YEAR ENDED DECEMBER 31, 2000

	(Unaudited) 2001	2000
RENTAL REVENUES	$ 0	$ 0
OPERATING EXPENSES	246,503	465,726

CERTAIN OPERATING EXPENSES IN EXCESS OF REVENUES	$(246,503)	$(465,726)

The accompanying notes are an integral part of these statements.

LUCENT BUILDING

NOTES TO STATEMENTS OF

CERTAIN OPERATING EXPENSES IN EXCESS OF REVENUES

FOR THE SIX MONTHS ENDED JUNE 30, 2001 (UNAUDITED)

AND THE YEAR ENDED DECEMBER 31, 2000

1. Organization and Significant Accounting Policies

Description of Real Estate Property Acquired

On September 28, 2001, Wells Operating Partnership, L.P. ("Wells OP") acquired the Lucent Building from Lucent Technologies, Inc. ("Lucent"). Wells OP is a Delaware limited partnership organized to own and operate properties on behalf of Wells Real Estate Investment Trust, Inc., a Maryland corporation. As the sole general partner of Wells OP, Wells Real Estate Investment Trust, Inc. possesses full legal control and authority over the operations of Wells OP.

Lucent currently occupies 100% of the Lucent Building under a net lease agreement (the "Lucent Lease") with Wells OP. The Lucent Building is a four-story office building comprised of 120,000 rentable square feet. Lucent is a public entity traded on the New York Stock Exchange. Prior to September 28, 2001, Lucent owned and occupied the entire rentable square feet of the Lucent Building; therefore, no rental revenues were recognized for the year ended December 31, 2000 or for the six months ended June 30, 2001. The initial term of the Lucent Lease commenced on September 28, 2001 and expires on September 30, 2011. Lucent has the right to extend the Lucent Lease for three additional periods of five years at a rate equal to the then-current fair market rental rate. Under the Lucent Lease, Lucent is required to pay, as additional monthly rent, all operating costs including but not limited to electricity, gas, steam, water, sanitation, air conditioning, as well as other fuel and utilities for the property. Lucent is also responsible for maintaining all service and maintenance agreements for the building and equipment contained therein, including but not limited to window cleaning, security, elevator and HVAC maintenance, and janitorial and landscaping services. Wells OP will be responsible for all building repairs caused by fire or other insurable casualties.

2. Basis of Accounting

The accompanying statements of certain operating expenses in excess of revenues are presented on the accrual basis. These statements have been prepared in accordance with the applicable rules and regulations of the Securities and Exchange Commission for real estate properties acquired. Accordingly, these statements exclude certain historical expenses such as depreciation, interest, and management fees. Therefore, these statements are not comparable to the operations of the Lucent Building after acquisition by Wells OP.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

UNAUDITED PRO FORMA FINANCIAL STATEMENTS

JUNE 30, 2001

The following unaudited pro forma balance sheet as of June 30, 2001 has been prepared to give effect to the acquisition of the AmeriCredit Building by Wells XIII-REIT Joint Venture (a joint venture partnership between Wells Real Estate Fund XIII, L.P. and Wells Operating Partnership, L.P. ["Wells OP"]), the acquisitions of the State Street Bank Building, and the IKON Buildings by Wells OP (collectively, the "Prior Acquisitions"), and the Ingram Micro Distribution Facility, the Lucent Building and the Nissan Property acquired by Wells OP as if each acquisition occurred on June 30, 2001. The Comdata Building was acquired by Wells XII-REIT Joint Venture (a joint venture partnership between Wells Real Estate Fund XII, L.P. and Wells OP) on May 15, 2001.

The following unaudited pro forma statement of income for the six months ended June 30, 2001 has been prepared to give effect to the acquisitions of the Comdata Building, the AmeriCredit Building, the State Street Bank Building, the IKON Buildings, the Ingram Micro Distribution Facility, the Lucent Building, and the Nissan Property as if the acquisitions occurred on January 1, 2001. The following unaudited pro forma statement of income (loss) for the year ended December 31, 2000 has been prepared to give effect to the acquisitions of the Comdata Building, the State Street Bank Building, the IKON Buildings, the Ingram Micro Distribution Facility, and the Lucent Building as if the acquisitions occurred on January 1, 2000. The AmeriCredit Building had no operations during 2000. The Nissan Property had no operations during 2001 or 2000.

Wells OP is a Delaware limited partnership organized to own and operate properties on behalf of Wells Real Estate Investment Trust, Inc., a Maryland corporation. As the sole general partner of Wells OP, Wells Real Estate Investment Trust, Inc. possesses full legal control and authority over the operations of Wells OP. Accordingly, the accounts of Wells OP are consolidated with the accompanying pro forma financial statements of Wells Real Estate Investment Trust, Inc.

These unaudited pro forma financial statements are prepared for informational purposes only and are not necessarily indicative of future results or of actual results that would have been achieved had the acquisitions of the Comdata Building, the AmeriCredit Building, the State Street Bank Building, the IKON Buildings, the Ingram Micro Distribution Facility, the Lucent Building and the Nissan Property been consummated at the beginning of the periods presented.

As of June 30, 2001, the date of the accompanying pro forma balance sheet, Wells OP held cash of $6,074,926. The additional cash used to purchase the State Street Bank Building, the IKON Buildings, the Ingram Micro Distribution Facility, the Lucent Building and the Nissan Property, including deferred project costs paid to Wells Capital, Inc. (an affiliate of Wells OP), was raised through the issuance of additional shares by Wells Real Estate Investment Trust, Inc. subsequent to June 30, 2001. This balance is reflected as purchase consideration payable in the accompanying pro forma balance sheet.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA BALANCE SHEET

JUNE 30, 2001
(Unaudited)

ASSETS

	Wells Real Estate Investment Trust, Inc.	Pro Forma Adjustments: Prior Acquisitions	Pro Forma Adjustments: Ingram Micro Distribution Facility	Pro Forma Adjustments: Lucent Building	Pro Forma Adjustments: Nissan Property	Pro Forma Total
REAL ESTATE ASSETS, at cost:						
Land	$ 47,256,748	$13,335,000(a) 555,625(b)	320,000(a) 13,333(b)	$ 2,850,000(a) 118,750(b)	$ 5,498,162(a) 229,090(b)	$ 70,176,708
Buildings, less accumulated depreciation of $15,863,470	285,964,597	57,206,623(a) 2,383,609(b)	20,785,184(a) 866,050(b)	14,850,282(a) 618,762(b)	0 0	382,675,107
Construction in progress	7,143,876	0	0	0	0	7,143,876
Total real estate assets	340,365,221	73,480,857	21,984,567	18,437,794	5,727,252	459,995,691
CASH AND CASH EQUIVALENTS	6,074,926	(5,924,926)(a) (150,000)(c)	0	0	0	0
INVESTMENT IN BONDS	0	0	22,000,000(f)	0	0	22,000,000
INVESTMENT IN JOINT VENTURES	60,261,895	11,343,750(d)	0	0	0	71,605,645
ACCOUNTS RECEIVABLE	4,661,279	0	0	0	0	4,661,279
DEFERRED LEASE ACQUISITION COSTS	1,738,658	0	0	0	0	1,738,658
DEFERRED PROJECT COSTS	3,849	(3,849)(e)	0	0	0	0
DEFERRED OFFERING COSTS	731,574	0	0	0	0	731,574
DUE FROM AFFILIATES	1,242,469	0	0	0	0	1,242,469
PREPAID EXPENSES AND OTHER ASSETS	1,558,395	0	0	0	0	1,558,395
Total assets	$ 416,638,266	$78,745,832	$43,984,567	$18,437,794	$ 5,727,252	$ 563,533,711

LIABILITIES AND SHAREHOLDERS' EQUITY

	Wells Real Estate Investment Trust, Inc.	Pro Forma Adjustments: Prior Acquisitions	Pro Forma Adjustments: Ingram Micro Distribution Facility	Pro Forma Adjustments: Lucent Building	Pro Forma Adjustments: Nissan Property	Pro Forma Total
LIABILITIES:						
Accounts payable and accrued expenses	$ 2,592,211	$ 0	$ 0	$ 0	$ 0	$ 2,592,211
Notes payable	10,298,850	48,300,000(a) 10,740,000(c)	8,850,000(a) 22,000,000(g)	12,800,000(a)	5,498,162(a)	118,487,012
Dividends payable	1,071,657	0	0	0	0	1,071,657
Due to affiliate	1,508,539	2,939,234(b) 449,901(e)	879,383(b)	737,512(b)	229,090(b)	6,743,659
Purchase consideration payable	0	16,316,697(a)	12,255,184(a)	4,900,282(a)	0	33,472,163
Deferred rental income	95,418	0	0	0	0	95,418
Total liabilities	15,566,675	78,745,832	43,984,567	18,437,794	5,727,252	162,462,120
COMMITMENTS AND CONTINGENCIES						
MINORITY INTEREST OF UNIT HOLDER IN OPERATING PARTNERSHIP	200,000	0	0	0	0	200,000
SHAREHOLDERS' EQUITY:						
Common shares, $.01 par value; 125,000,000 shares authorized, 47,770,468 shares issued and 47,489,415 shares outstanding	477,705	0	0	0	0	477,705
Additional paid-in capital	403,204,416	0	0	0	0	403,204,416
Treasury stock, at cost, 281,053 shares	(2,810,530)	0	0	0	0	(2,810,530)
Total shareholders' equity	400,871,591	0	0	0	0	400,871,591
Total liabilities and shareholders' equity	$ 416,638,266	$78,745,832	$43,984,567	$18,437,794	$ 5,727,252	$ 563,533,711

(a) Reflects Wells Real Estate Investment Trust, Inc.'s purchase price for the land and the building.

(b) Reflects deferred project costs applied to the land and building at approximately 4.17% of the purchase price.

(c) Reflects Wells Real Estate Investment Trust, Inc.'s portion of the purchase price.

(d) Reflects Wells Real Estate Investment Trust, Inc.'s contribution to the Wells XIII-REIT Joint Venture.

(e) Reflects deferred project costs contributed to the Wells XIII-REIT Joint Venture at approximately 4.17% of the purchase price.

(f) Represents investments in bonds for which 100% of the principal balance becomes payable on December 31, 2026.

(g) Represents mortgage note secured by the Deed of Trust to the Ingram Micro Distribution Facility for which 100% of the principal balance becomes payable on December 31, 2026.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA STATEMENT OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2001

(Unaudited)

	Wells Real Estate Investment Trust, Inc.	Prior Acquisitions	Ingram Micro Distribution Facility	Lucent Building	Pro Forma Total
REVENUES:					
Rental income	$ 19,711,252	$ 4,652,363(a)	$ 1,094,230(a)	$ 1,031,749(a)	$26,489,594
Equity in income (loss) of joint ventures	1,519,194	513,944(b)	0	0	1,934,514
		(98,624)(c)			
Interest income	193,007	(193,007)(d)	880,000(j)	0	880,000
	21,423,453	4,874,676	1,974,230	1,031,749	29,304,108
EXPENSES:					
Depreciation and amortization	6,685,716	1,191,805(e)	433,025(e)	309,381(e)	8,619,927
Interest	2,809,373	379,761(f)	287,714(k)	416,128(m)	6,692,366
		1,919,390(g)	880,000(l)		
Operating costs, net of reimbursements	1,736,928	666,818(h)	0(h)	0(h)	2,403,746
Management and leasing fees	1,117,902	209,356(i)	49,240(i)	46,429(i)	1,422,927
General and administrative	635,632	0	0	0	635,632
Legal and accounting	117,331	0	0	0	117,331
Computer costs	6,328	0	0	0	6,328
	13,109,210	4,367,130	1,659,979	771,938	19,898,257
NET INCOME	$ 8,314,243	$ 507,546	$ 324,251	$ 259,811	$ 9,405,851
EARNINGS PER SHARE, basic and diluted	$ 0.22				$ 0.25
WEIGHTED AVERAGE SHARES, basic and diluted	37,792,014				37,792,014

(a) Rental income is recognized on a straight-line basis.

(b) Reflects Wells Real Estate Investment Trust, Inc.'s equity in the income of Wells XII-REIT Joint Venture related to the Comdata Building from January 1, 2001 through May 14, 2001. The pro forma adjustment results from rental revenues less operating expenses, management fees, and depreciation.

(c) Reflects Wells Real Estate Investment Trust, Inc.'s equity in the loss of

Wells XIII-REIT Joint Venture related to the AmeriCredit Building. The pro forma adjustment results from rental revenues less operating expenses, management fees, and depreciation.

(d) Represents forgone interest income related to cash utilized to purchase the Comdata Building, the AmeriCredit Building, and the State Street Bank Building.

(e) Depreciation expense on the buildings is recognized using the straight-line method and a 25-year life.

(f) Represents interest expense on the $15,575,863 drawn on Wells Real Estate Investment Trust, Inc.'s revolving credit agreement with Bank of America, N.A., which bears interest at approximately 6.5% per annum from January 1, 2001 through May 14, 2001.

(g) Represents interest expense on the $59,040,000 of notes payable to Bank of America, N.A., which bear interest at approximately 6.5% per annum for the six months ended June 30, 2001.

(h) Consists of nonreimbursable operating expenses.

(i) Management and leasing fees are calculated at 4.5% of rental income.

(j) Represents interest income on the $22,000,000 investment in bonds due from the Industrial Development Authority, which earns interest at 8% per annum.

(k) Represents interest expense on the $8,850,000 drawn on Wells Real Estate Investment Trust, Inc.'s revolving credit agreement with Bank of America, N.A., which bears interest at approximately 6.5% per annum for the six months ended June 30, 2001.

(l) Represents interest expense on the $22,000,000 mortgage note payable to the Industrial Development Authority, which bears interest at 8% per annum.

(m) Represents interest expense on the $12,800,000 drawn on Wells Real Estate Investment Trust, Inc.'s revolving credit agreement Bank of America, N.A., which bears interest at approximately 6.5% per annum for the six months ended June 30, 2001.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA STATEMENT OF INCOME (LOSS)

FOR THE YEAR ENDED DECEMBER 31, 2000

(Unaudited)

	Wells Real Estate Investment Trust, Inc.	Prior Acquisitions	Ingram Micro Distribution Facility	Lucent Building	Pro Forma Total
REVENUES:					
Rental income	$ 20,505,000	$ 4,320,921(a)	$ 2,188,461(a)	$ 2,063,498(a)	$29,077,880
Equity in income of joint ventures	2,293,873	930,181(b)	0	0	3,224,054
Interest income	520,924	(520,924)(c)	1,760,000(i)	0	1,760,000
Other income	53,409	0	0	0	53,409
	23,373,206	4,730,178	3,948,461	2,063,498	34,115,343
EXPENSES:					
Depreciation and amortization	7,743,551	2,383,609(d)	866,049(d)	618,762(d)	11,611,971

Interest	4,199,461	1,284,495(e) 3,983,156(f)	729,833(j) 1,760,000(k)	1,055,578(l)	13,012,523
Operating costs, net of reimbursements	888,091	553,347(g)	0(g)	0(g)	1,441,438
Management and leasing fees	1,309,974	194,442(h)	98,481(h)	92,857(h)	1,695,754
General and administrative	426,680	0	0	0	426,680
Legal and accounting	240,209	0	0	0	240,209
Computer costs	12,273	0	0	0	12,273
	14,820,239	8,399,049	3,454,363	1,767,197	28,440,848
NET INCOME (LOSS)	$ 8,552,967	$(3,668,871)	$ 494,098	$ 296,301	$ 5,674,495
EARNINGS PER SHARE, basic and diluted	$ 0.40				$ 0.27
WEIGHTED AVERAGE SHARES, basic and diluted	21,382,418				21,382,418

(a) Rental income is recognized on a straight-line basis.

(b) Reflects Wells Real Estate Investment Trust, Inc.'s equity in income of Wells XII-REIT Joint Venture related to the Comdata Building. The pro forma adjustment results from rental revenues less operating expenses, management fees, and depreciation.

(c) Represents forgone interest income related to cash utilized to purchase the Comdata Building and the State Street Bank Building.

(d) Depreciation expense on the buildings is recognized using the straight-line method and a 25-year life.

(e) Represents interest expense incurred on the $15,575,863 drawn on Wells Real Estate Investment Trust, Inc.'s revolving credit agreement with Bank of America, N.A., which bears interest at approximately 8.3% for the year ended December 31, 2000.

(f) Represents interest expense on the $48,300,000 of notes payable to Bank of America, N.A., which bear interest at approximately 8.3% for the year ended December 31, 2000.

(g) Consists of nonreimbursable operating expenses.

(h) Management and leasing fees are calculated at 4.5% of rental income.

(i) Represents interest income on the $22,000,000 investment in bonds due from the Industrial Development Authority, which earns interest at 8%.

(j) Represents interest expense on the $8,850,000 drawn on Wells Real Estate Investment Trust, Inc.'s revolving credit agreement with Bank of America, N.A., which bears interest at approximately 8.3% for the six months ended June 30, 2001.

(k) Represents interest expense on the $22,000,000 mortgage note payable to the Industrial Development Authority, which bears interest at 8%.

(l) Represents interest expense on the $12,800,000 drawn on Wells Real Estate Investment Trust, Inc.'s revolving credit agreement with Bank of America, N.A., which bears interest at approximately 8.3% for the year ended December 31, 2000.

WELLS REAL ESTATE INVESTMENT TRUST, INC.
SUPPLEMENT NO. 6 DATED JANUARY 20, 2002 TO THE PROSPECTUS
DATED DECEMBER 20, 2000

This document supplements, and should be read in conjunction with, the prospectus of Wells Real Estate Investment Trust, Inc. dated December 20, 2000, as supplemented and amended by Supplement No. 1 dated February 5, 2001,

Supplement No. 2 dated April 25, 2001, Supplement No. 3 dated July 20, 2001, Supplement No. 4 dated August 10, 2001 and Supplement No. 5 dated October 15, 2001. When we refer to the "prospectus" in this supplement, we are also referring to any and all supplements to the prospectus. Unless otherwise defined in this supplement, capitalized terms used in this supplement shall have the same meanings as set forth in the prospectus.

The purpose of this supplement is to describe the following:

(1) Status of the offering of shares in Wells Real Estate Investment Trust, Inc. (Wells REIT);

(2) Declaration of dividends for the first quarter of 2002;

(3) Revisions to the "Suitability Standards" section of the prospectus;

(4) Acquisition of a two-story office building in Tamarac, Florida (Convergys Building);

(5) Acquisition of an interest in two connected one-story office and assembly buildings in Parker, Colorado (ADIC Buildings);

(6) Acquisition of a seven-story office building and an eleven-story office building in Schaumburg, Illinois (Windy Point Buildings);

(7) Acquisition of a three-story office building in Sarasota, Florida (Arthur Andersen Building);

(8) Revisions to the "Plan of Distribution" section of the prospectus;

(9) Revisions to the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of the prospectus;

(10) Unaudited financial statements of Wells REIT as of September 30, 2001;

(11) Unaudited pro forma financial statements of Wells REIT reflecting the acquisition of the Convergys Building, ADIC Buildings, Windy Point Buildings and Arthur Andersen Building; and

(12) Audited financial statements relating to the Windy Point Buildings and Arthur Andersen Building.

Status of the Offering

We commenced our initial public offering of common stock on January 30, 1998. Our initial public offering was terminated on December 19, 1999. We received approximately $132,181,919 in gross offering proceeds from the sale of 13,218,192 shares in our initial public offering. We commenced a second offering of common stock on December 20, 1999. Our second public offering was terminated on December 19, 2000. We received approximately $175,229,193 in gross offering proceeds from the sale of 17,522,919 shares in our second public offering.

Pursuant to the prospectus, we commenced our third offering of common stock on December 20, 2000. As of January 15, 2002, we had received an additional $564,207,445 in gross offering proceeds from the sale of 56,420,745 shares in the third offering. Accordingly, as of January 15, 2002, we had received in the aggregate approximately $871,618,557 in gross offering proceeds from the sale of 87,161,856 shares of our common stock.

Dividends

On December 6, 2001, our board of directors declared dividends for the first quarter of 2002 in an amount equal to a 7.75% annualized percentage rate return on an investment of $10 per share to be paid in April 2002. Our first quarter dividends are calculated on a daily record basis of $0.002153 (.2153 cents) per day per share on the outstanding shares of common stock payable to stockholders of record of such shares as shown on the books of the Wells REIT at the close of business on each day during the period, commencing on December 16, 2001, and continuing on each day thereafter through and including March 15, 2002. Below is a table reflecting the level of dividends declared and paid to date:

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%

Suitability Standards

The information contained on page 26 in the "Suitability Standards" section of the prospectus is revised by the deletion of the special suitability standards relating to the States of Arizona, Michigan, Missouri, New Hampshire, North Carolina and Oregon on that page and the insertion of the following paragraphs relating to the suitability requirements for residents of those states:

Arizona, New Hampshire, North Carolina and Oregon - Investors must have either (1) a net worth of at least $150,000, or (2) gross annual income of $45,000 and a net worth of at least $45,000.

Michigan and Missouri - 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.

The Convergys Building

Purchase of the Convergys Building. On December 21, 2001, Wells Operating Partnership, L.P. (Wells OP), a Delaware limited partnership formed to acquire, own, lease and operate real properties on behalf of the Wells REIT, purchased a two-story office building on a 12.55 acre tract of land located at 5601 Hiatus Road in Tamarac, Broward County, Florida (Convergys Building). Wells OP purchased the Convergys Building from Westpoint Building No. 1, L.L.C., which is

not in any way affiliated with the Wells REIT or Wells Capital, Inc., our Advisor.

The purchase price for the Convergys Building was $13,255,000. In addition, Wells OP incurred acquisition expenses in connection with the purchase of the Convergys Building, including commissions, attorneys' fees, recording fees, structural report and environmental report fees and other closing costs, of approximately $242,400.

An independent appraisal of the Convergys Building was prepared by CB Richard Ellis, Inc., real estate appraisers, as of October 19, 2001, pursuant to which the market value of the real property containing the leased fee interest subject to the lease described below was estimated to be $13,500,000, in cash or terms equivalent to cash. This value estimate was based upon a number of assumptions, including that the Convergys Building will continue operating at a stabilized level with Convergys Customer Management Group, Inc. (Convergys) occupying 100% of the rentable area, and is not necessarily an accurate reflection of the fair market value of the property or the net proceeds which would result from an immediate sale of this property. Wells OP also obtained an environmental report and an engineering inspection report prior to the closing evidencing that the condition of the land and the Convergys Building were satisfactory.

Description of the Convergys Building and Site. The Convergys Building, which was completed in September 2001, is a two-story office building containing approximately 100,000 rentable square feet located on a 12.55 acre tract of land. The building is constructed using a concrete frame with pre-stressed concrete beams and a reinforced concrete foundation. The exterior walls are made of eight inch tilt-up concrete panels with a smooth stucco finish and tinted windows set in aluminum frames. The common area interior walls and ceiling consist of textured and painted sheetrock. In addition, the building has two elevators located in the main lobby area and approximately 965 paved parking spaces.

The Convergys Building is located at 5601 Hiatus Road within the Westpoint Business Center in southern Broward County, Florida, approximately 15 miles northwest of downtown Fort Lauderdale. The Convergys Building has direct access to the Sawgrass Expressway which leads to the I-75 and I-595 Expressways. The Broward County office market, which is comprised of approximately 24 million square feet, is located between Palm Beach County and Miami-Dade County on Florida's Gold Coast and serves many multi-national companies looking to service the tri-county area and overseas locations.

The Convergys Lease. The entire 100,000 rentable square feet of the Convergys Building is currently under a net lease agreement with Convergys. The current term of the lease is 10 years, which commenced on September 10, 2001 and expires on September 30, 2011. Convergys has the right to extend the initial 10-year term of this lease for three additional five-year periods at 95% of the then-current market rental rate.

The Convergys lease is guaranteed by Convergys' parent company, Convergys Corporation, which is an Ohio corporation traded on the New York Stock Exchange having its corporate headquarters in Cincinnati, Ohio. Convergys Corporation provides outsourced billing and customer care services in the United States, Canada, Latin America, Israel and Europe. Some of the major customers of Convergys Corporation include AT&T, Compaq, Palm Computing, Pfizer Pharmaceuticals, Sprint, Toys `R' Us and Deutsche Telekom. As of December 31, 2000, Convergys Corporation employed approximately 145,000 workers. For the fiscal year ended December 31, 2000, Convergys Corporation reported net income of approximately $194 million on total revenues of approximately $2.16 billion and a net worth, as of December 31, 2000, of approximately $1.11 billion.

The base rent payable under the Convergys lease is as follows:

Lease Year	Annual Rent	Monthly Rent
1	$1,248,192	$104,016
2	$1,279,397	$106,616
3	$1,311,382	$109,282
4	$1,344,166	$112,014
5	$1,377,770	$114,814
6	$1,412,215	$117,685
7	$1,447,520	$120,627
8	$1,483,708	$123,642
9	$1,520,801	$126,733
10	$1,558,821	$129,902

Pursuant to the Convergys lease, Convergys is required to pay all taxes relating to the Convergys Building and all operating costs, including, but not limited to, those associated with water, gas, steam, electricity, air conditioning, telephone, garbage removal, snow removal, common area maintenance, landscaping, power and other utilities and services used by Convergys. Convergys is also required to pay for all repair and maintenance costs, including but not limited to, window cleaning, security personnel, elevator maintenance, HVAC maintenance, janitorial service, waste recycling service and landscaping maintenance. Convergys may not make alterations to the Convergys Building in excess of $100,000 without Wells OP's prior written consent. Wells OP, as the landlord, will be responsible for building repairs to the structural elements, the building systems, exterior walls, windows and the roof of the Convergys Building.

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. Convergys also has the option to purchase the Convergys Building for a purchase price of $13,290,935 by providing written notice to Wells OP of such exercise on or before March 10, 2002. In addition, in the event Convergys elects to purchase the Convergys Building, Wells OP will have the right to receive an additional $240,000, which was escrowed at closing and would be returned to Wells OP upon the exercise of such option.

The ADIC Buildings

Purchase of the ADIC Buildings. On December 21, 2001, Wells Fund XIII - REIT Joint Venture, a joint venture partnership between Wells Real Estate Fund XIII, L.P. (Wells Fund XIII) and Wells OP, purchased two connected one-story office and assembly buildings on an 8.35 acre tract of land located at 8560 Upland Drive in Parker, Douglas County, Colorado (ADIC Buildings). Additionally, Wells Fund XIII - REIT Joint Venture purchased an undeveloped 3.43 acre tract of land adjacent to the ADIC Buildings

(ADIC Land). Wells Fund XIII - REIT Joint Venture purchased the ADIC Buildings and the ADIC Land from Opus Northwest, L.L.C., which is not in any way affiliated with the Wells REIT or our Advisor.

The purchase price for the ADIC Buildings was $12,954,213. In addition, the Wells Fund XIII - REIT Joint Venture incurred acquisition expenses in connection with the purchase of the ADIC Buildings, including commissions, attorneys' fees, recording fees, structural report and environmental report fees and other closing costs, of approximately $216,862.

Wells OP contributed $6,671,075 and Wells Fund XIII contributed $6,500,000 to the Wells Fund XIII - REIT Joint Venture for their respective shares of the acquisition costs for the ADIC Buildings. As of January 1, 2002, Wells OP held an equity percentage interest in the Wells Fund XIII - REIT Joint Venture of approximately 68%, and Wells Fund XIII held an equity percentage interest in the Wells Fund XIII - REIT Joint Venture of approximately 32%.

An independent appraisal of the ADIC Buildings and ADIC Land was prepared by Integra Realty Resources, real estate appraisers, as of December 21, 2001, pursuant to which the market value of the real property containing the ADIC Buildings subject to the lease described below and the ADIC Land was estimated to be $13,150,000, in cash or terms equivalent to cash. This value estimate was based upon a number of assumptions, including that the ADIC Buildings will continue operating at a stabilized level with ADIC occupying 100% of the rentable area, and is not necessarily an accurate reflection of the fair market value of the property or the net proceeds which would result from an immediate sale of this property. Wells Fund XIII - REIT Joint Venture also obtained an environmental report and an engineering inspection report prior to the closing evidencing that the condition of the land and the ADIC Buildings were satisfactory.

Description of the ADIC Buildings and Site. The ADIC Buildings, which were completed in December 2001, consist of two connected one-story office and assembly buildings, containing approximately 148,200 rentable square feet located on an 11.78 acre tract of land, which includes an 8.35 acre improved tract of land and a 3.43 acre undeveloped tract of land. The buildings are constructed using a steel frame and a reinforced concrete foundation. The exterior walls are made of pre-cast concrete panels. The interior walls consist of painted gypsum board. The interior floors are carpeted, and the buildings contain suspended and recessed fluorescent and incandescent lighting. The buildings also contain an audio-visual presentation room, lunch room and several conference rooms. In addition, the site contains approximately 300 paved parking spaces with the potential to add up to an additional 400 parking spaces.

The ADIC Buildings are located in the Concord Business Center, a 100-acre mixed-use business park in the southeast portion of the greater Denver metropolitan area in Douglas County near the Centennial Airport. The site is within a couple of miles of I-25 and E-470 and within ten minutes of the Denver Technology Center. The ADIC Buildings are 12 miles from the Denver Central Business District and approximately 30 minutes from the Denver International Airport. Douglas County is one of the most affluent and fastest growing counties in the country.

The ADIC Lease. The entire 148,200 rentable square feet of the ADIC Buildings are currently under a net lease agreement with Advanced Digital Information Corporation (ADIC), which does not include the 3.43 acre undeveloped tract of land described above. The current term of the lease is 10 years, which commenced on December 15, 2001, and expires on December 31, 2011. ADIC has the right to extend the term of its lease for two additional five-year periods at the then-current fair market rental rate for the first year of each five-year extension. The annual base rent will increase 2.5% for each subsequent year of each five-year extension.

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. For the fiscal year ending October 31, 2000, ADIC reported net income of approximately $88 million on net revenues of approximately $270 million and a net worth, as of October 31, 2000, of approximately $314 million.

The base rent payable under the ADIC lease is as follows:

Lease Year	Annual Rent	Monthly Rent
1	$1,222,683	$101,890
2	$1,247,136	$103,928
3	$1,272,079	$106,007
4	$1,297,520	$108,127
5	$1,323,471	$110,289
6	$1,349,940	$112,495
7	$1,376,939	$114,745
8	$1,404,478	$117,040
9	$1,432,568	$119,381
10	$1,461,219	$121,768

Pursuant to the ADIC lease, ADIC is required to pay all taxes relating to the ADIC Buildings and all operating costs, including, but not limited to, those associated with water, sewage, heat, gas, steam, electricity, cable, air conditioning, telephone, garbage and rubbish removal, power and other utilities and services used by ADIC. ADIC is also required to pay for all repair and maintenance costs, including but not limited to, window cleaning, elevator maintenance, HVAC maintenance, plumbing, janitorial service, waste recycling service, landscaping maintenance and parking area maintenance. Wells Fund XIII - REIT Joint Venture, as the landlord, will be responsible for building repairs to the structural elements of the ADIC Buildings including the foundations and structural columns and beams. ADIC may not make alterations to the ADIC Buildings in excess of $25,000 without the landlord's prior written consent.

The Windy Point Buildings

Purchase of the Windy Point Buildings. On December 31, 2001, Wells OP purchased a seven-story office building with approximately 186,900 rentable square feet (Windy Point I) and an eleven-story office building with approximately 300,000 rentable square feet (Windy Point II) on an 18.73 acre tract of land located at 1500 and 1600 McConnor Parkway, Schaumburg, Cook County, Illinois (collectively, Windy Point Buildings). Wells OP purchased the Windy Point Buildings from Windy Point of Schaumburg, LLC, which is not in any way affiliated with the Wells REIT or our Advisor.

The purchase price for the Windy Point Buildings was $89,275,000. In addition, Wells OP incurred acquisition expenses in connection with the purchase of the Windy Point Buildings, including attorneys' fees, recording fees, structural report and environmental report fees, and other closing costs, of approximately $123,500.

An independent appraisal of the Windy Point Buildings was prepared by Real Estate Counselors International, Inc., real estate appraisers, as of December 31, 2001, pursuant to which the market value of the real property

containing the leased fee interests subject to the leases described below was estimated to be $90,200,000, in cash or terms equivalent to cash. This value estimate was based upon a number of

assumptions, including that the Windy Point Buildings will continue operating at a stabilized level with current tenants occupying 100% of the rentable area, and is not necessarily an accurate reflection of the fair market value of the property or the net proceeds which would result from an immediate sale of this property. Wells OP also obtained an environmental report and an engineering inspection report prior to the closing evidencing that the condition of the land and the Windy Point Buildings were satisfactory.

The Windy Point Buildings are subject to a 20-year annexation agreement with the Village of Schaumburg, Illinois originally executed on December 12, 1995 (Annexation Agreement). The Annexation Agreement covers a 235-acre tract of land which includes a portion of the site of the Windy Point Buildings' parking facilities. The purpose of this agreement was to allow for a potential construction of a new eastbound on-ramp interchange for I-90 at Meacham Road. Although the Illinois Department of Transportation has not yet decided whether it would be economically feasible to construct the interchange, the construction of such an interchange could have a significant financial impact on the owners of the Windy Point Buildings. At closing, Wells OP agreed to be added as an additional named surety on a $382,556 surety bond originally submitted by the seller, 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 surety bond will remain in place until March 1, 2002. It is anticipated that at some time prior to March 1, 2002, Wells OP will replace the surety bond with a $382,556 letter of credit issued on Wells OP's behalf. 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 to be 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 is currently estimated to be approximately $288,300. In January 1999, the Illinois State Toll Highway Authority performed an Interchange Feasibility Study and determined that this proposed interchange at Meacham Road should not be constructed at that time; however, there are no assurances that this determination will not be reversed prior to the expiration of the Annexation Agreement or that Wells OP will not be required to expend substantial sums to construct a new parking garage on this property, as described above.

Description of the Windy Point Buildings and Site. The Windy Point I building
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and the Windy Point II building, which were completed in 1999 and 2001, respectively, are a seven-story office building with approximately 186,900 rentable square feet and an eleven-story office building with 300,000 rentable square feet located on an 18.73 acre tract of land. The Windy Point Buildings are constructed using a concrete and steel frame and a concrete and metal foundation. The exterior walls of Windy Point I are made of primarily etched and sand blasted pre-cast panels with granite inlays and punched window openings above a two-story curtain wall of tinted and spandrel glass. The exterior walls of Windy Point II consist of concrete panels with black granite medallions at the base and the top of the building with seven foot high vision tinted glass panels. The common areas of the Windy Point Buildings contain marble, granite and stone flooring on the first floor lobby with carpeted corridors and painted gypsum board walls and recessed florescent lighting. Windy Point I contains three passenger elevators and one freight elevator and Windy Point II contains five passenger elevators and one freight elevator. In addition, the Windy Point Buildings have approximately 4.2 parking spaces per 1,000 rentable square feet

which includes a six level parking garage.

The Windy Point Buildings are located in the Northwest Suburban Office Market approximately 30 miles northwest of downtown Chicago in the Village of Schaumburg. The Windy Point Buildings include 500 feet of direct frontage to the Northwest Tollway (I-90) which leads directly into downtown Chicago. The Windy Point Buildings are one-half mile north of the 2.7 million square foot Woodfield

shopping mall and are in close proximity to Motorola's world headquarters and a site for a planned Schaumburg convention center and hotel development.

The TCI Lease. TCI Great Lakes, Inc. (TCI) occupies approximately 129,150 rentable square feet (69%) of the Windy Point I building. The TCI lease commenced on December 1, 1999 and expires on November 30, 2009. The current annual base rent payable under the TCI lease is $2,067,204. 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 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. AT&T Broadband has its corporate headquarters in Denver, Colorado. As of December 31, 2000, AT&T Broadband served approximately 16 million cable customers. AT&T Broadband is a wholly-owned subsidiary of AT&T Corporation. AT&T Corporation is listed on the New York Stock Exchange and has its corporate headquarters in New York, New York.

The base rent payable under the remainder of the TCI lease is as follows:

Lease Year	Annual Rent	Monthly Rent
3	$2,067,204	$172,267
4	$2,128,503	$177,375
5	$2,192,267	$182,689
6	$2,258,214	$188,184
7	$2,325,852	$193,821
8	$2,395,957	$199,663
9	$2,467,753	$205,646
10	$2,541,850	$211,821

Pursuant to the TCI lease, TCI is required to pay its pro rata portion of all taxes relating to the Windy Point I building and all operating costs, including, but not limited to, those associated with water, gas, steam, electricity, air conditioning, telephone, garbage removal, power and other utilities and services used by TCI. Wells OP, as the landlord, will be responsible for maintenance of parking areas, walkways and landscaping and building repairs caused by fire or other insurable casualty.

In addition, TCI has the right to lease additional space on the fifth floor of the Windy Point I building within 15 months of the fifth lease year by providing Wells OP with 14 months prior written notice. TCI also has a right of first refusal on the fifth floor space and a right of first opportunity for the seventh floor of the Windy Point I building. TCI may terminate the TCI lease on

the last day of the seventh lease year by providing 12 months prior written notice and paying Wells OP a termination fee of approximately $4,119,500.

The Apollo Lease. The Apollo Group, Inc. (Apollo) has entered into a lease to occupy approximately 28,322 rentable square feet (15%) of the Windy Point I building. The Apollo lease is to commence on April 1, 2002, and expire on June 30, 2009. The initial annual base rent payable for the first nine months under the Apollo lease will be $357,919. 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.

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. For the fiscal year ended August 31, 2001, Apollo reported assets of approximately $680 million and net income of approximately $107 million on revenues of approximately $769 million and a net worth, as of August 31, 2001, of approximately $481 million.

The base rent payable under the Apollo lease is as follows:

Lease Year	Annual Rent	Monthly Rent
1	$357,919*	$39,769
2	$489,156	$40,763
3	$501,385	$41,782
4	$513,920	$42,827
5	$526,768	$43,897
6	$539,937	$44,995
7	$553,436	$46,120
8	$141,818**	$47,273

* Includes rent for only the last nine months.
** Includes rent for only three months.

Pursuant to the Apollo lease, Apollo is required to pay its pro rata portion of all taxes relating to the Windy Point I building and all operating costs, including, but not limited to, those associated with water, sewerage, gas, steam, electricity, air conditioning, telephone, garbage removal, power and other utilities and services used by Apollo. Wells OP, as the landlord, will be responsible for building repairs caused by fire or other insurable casualties and maintenance of parking areas, walkways and landscaping.

The Global Lease. Global Knowledge Network, Inc. (Global) occupies approximately 22,028 rentable square feet (12%) of the Windy Point I building. The Global lease commenced on May 1, 2000, and expires on April 30, 2010. The current annual base rent payable under the Global lease is $382,307. 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.

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 employs more than 1,600 people worldwide. Global has posted a $100,000 letter of credit as security for the Global lease.

The base rent payable under the remainder of the Global lease is as follows:

Lease Year	Annual Rent	Monthly Rent
2	$382,307	$31,859
3	$393,776	$32,815
4	$405,589	$33,799
5	$417,757	$34,813
6	$430,290	$35,857
7	$443,199	$36,933
8	$456,495	$38,041
9	$470,189	$39,182
10	$484,295	$40,358

Pursuant to the Global lease, Global is required to pay its pro rata portion of all taxes relating to the Windy Point I building and all operating costs, including, but not limited to, those associated with water, sewerage, gas, steam, electricity, air conditioning, telephone, garbage removal, power and other utilities and services used by Global. Wells OP, as the landlord, will be responsible for building repairs caused by fire or other insurable casualties and maintenance of parking areas, walkways and landscaping.

Together, TCI, Apollo and Global will occupy approximately 96% of the rentable square feet of the Windy Point I building accounting for an aggregate of $2,807,430 in annual base rent, and four other tenants will occupy the remaining approximately 4% of rentable square feet which will account for approximately $160,000 in annual base rent.

The Zurich Lease. The entire approximately 300,000 rentable square feet of the
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Windy Point II building is currently under a net lease agreement with Zurich American Insurance Company, Inc. (Zurich). The Zurich lease commenced on September 1, 2001, and expires on August 31, 2011. The initial annual base rent payable under the Zurich lease is $5,091,577. 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.

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. For the fiscal year ended December 31, 2000, Zurich reported a net income of approximately $718 million on revenues of approximately $3.1 billion, and a net worth, as of December 31, 2000, of approximately $2.4 billion. Zurich has approximately 11,650 employees and received a financial strength rating of A+ from A.M. Best and a rating of AA from Standard & Poor's.

The base rent payable under the Zurich lease is as follows:

Lease Year	Annual Rent	Monthly Rent
1	$5,091,577	$424,298
2	$5,244,594	$437,050
3	$5,400,612	$450,051
4	$5,562,630	$463,553
5	$5,730,649	$477,554
6	$5,901,669	$491,806
7	$6,078,689	$506,557
8	$6,261,710	$521,809
9	$6,450,731	$537,561
10	$6,642,753	$553,563

Pursuant to the Zurich lease, Zurich is required to pay all taxes and operating costs relating to the Windy Point II building, including, but not limited to, those associated with water, sewerage, gas, steam, electricity, air conditioning, telephone, garbage removal, power and other utilities and services used by Zurich. Reimbursements for taxes and certain operating expenses which are within the control of the landlord are subject to certain limitations. Wells OP, as the landlord, will be responsible for building repairs caused by fire or other insurable casualties and maintenance and repair of public common areas,

HVAC systems and plumbing systems. In addition, Wells OP is responsible for maintaining the landscaping, parking areas and walkways relating to the Windy Point II building.

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. Zurich also has a right of second opportunity behind TCI to lease the seventh floor of the Windy Point I building should that floor become available.

The Arthur Andersen Building

Purchase of the Arthur Andersen Building. On January 11, 2002, Wells OP

purchased a three-story office building on a 9.8 acre tract of land located in Sarasota, Sarasota County, Florida (Arthur Andersen Building). Wells OP purchased the Arthur Andersen Building from Sarasota Haskell, LLC, which is not in any way affiliated with the Wells REIT or our Advisor.

The purchase price for the Arthur Andersen Building was $21,400,000. In addition, Wells OP incurred acquisition expenses in connection with the purchase of the Arthur Andersen Building, including attorneys' fees, recording fees, structural report and environmental report fees, and other closing costs, of approximately $31,212.

An independent appraisal of the Arthur Andersen Building was prepared by CB Richard Ellis, Inc., real estate appraisers, as of December 20, 2001, pursuant to which the market value of the real property containing the leased fee interest subject to the lease described below was estimated to be $21,500,000, in cash or terms equivalent to cash. This value estimate was based upon a number of assumptions, including that the Arthur Andersen Building will continue operating at a stabilized level with Arthur Andersen, LLP occupying 100% of the rentable area, and is not necessarily an accurate reflection of the fair market value of the property or the net proceeds which would result from an immediate sale of this property. Wells OP also obtained an environmental report and an engineering inspection report prior to the closing evidencing that the condition of the land and the Arthur Andersen Building were satisfactory.

Description of the Arthur Andersen Building and Site. The Arthur Andersen Building, which was completed in 1999, is a three-story office building containing approximately 157,700 rentable square feet located on a 9.8 acre tract of land. The building is constructed using a fireproof steel frame with steel beams and a reinforced concrete foundation. The exterior walls are made of concrete panels and a glass curtain wall. The common area interior walls consist of metal studs with textured and painted sheetrock. In addition, the building has two passenger elevators, one freight elevator and approximately 926 paved parking spaces.

The Arthur Andersen Building is located in the Sarasota Commerce Park at 101 Arthur Andersen Parkway in unincorporated Sarasota, Florida. The site is south of the Tampa-St. Petersburg metropolitan area and approximately five miles east of the Sarasota central business district with access to I-75. The Sarasota/Bradenton MSA has added over 15,000 new jobs to the area during the last three years.

The Andersen Lease. The entire approximately 157,700 rentable square feet of the Arthur Andersen Building is currently under a net lease agreement with Arthur Andersen LLP (Andersen). The current term of the lease is 10 years, which commenced on November 1, 1999 and expires on October 31, 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.

Andersen, with its corporate headquarters in Chicago, Illinois, is a global professional services organization consisting of over 100 member firms in 84 countries. Andersen focuses its services in four main areas: business advisory services, business consulting, global corporate finance and tax and business advisory services. In fiscal year 2001, Andersen reported net revenues of approximately $9.3 billion.

The base rent payable under the remainder of the Andersen lease is as follows:

Lease Year	Annual Rent	Monthly Rent

3	$1,988,454	$165,705
4	$2,067,992	$172,333
5	$2,067,992	$172,333
6	$2,150,712	$179,226
7	$2,150,712	$179,226
8	$2,236,740	$186,395
9	$2,236,740	$186,395
10	$2,326,210	$193,851

Pursuant to the Andersen lease, Andersen is required to pay all taxes relating to the Arthur Andersen Building and all operating costs, including, but not limited to, those associated with water, fuel, steam, electricity, air conditioning, telephone, painting, common area maintenance, power and other utilities and services used by Andersen. Andersen is also required to pay for all repair and maintenance costs, including but not limited to, security personnel, elevator maintenance and janitorial service. Andersen has the right to install a reception-only satellite dish antenna during the lease term and any extension term. Wells OP, as the landlord, will be responsible for maintaining the building's exterior walls, HVAC system, plumbing, elevators, fire protection, other mechanical systems, public areas, including parking lot, building structure, foundation and roof.

Andersen has the option to purchase the Arthur Andersen Building for a purchase price of $23,250,000 by providing at least six months written notice to Wells OP 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 by providing at least six months written notice to Wells OP prior to the expiration of the initial lease term.

Property Management Fees

Wells Management Company, Inc. (Wells Management), an affiliate of the Wells REIT, Wells Fund XIII-REIT Joint Venture, and our Advisor, will manage and lease the Convergys Building, the ADIC Buildings, the Windy Point Buildings and the Arthur Andersen Building. Wells Management will be paid management and leasing fees in the amount of 4.5% of gross revenues from the Convergys Building, the ADIC Buildings, the Windy Point Buildings and the Arthur Andersen Building, subject to certain limitations.

Plan of Distribution

The second full paragraph on page 157 in the "Plan of Distribution" section of the prospectus and the information on page 13 of Supplement No. 5 previously revising such paragraph are revised as of the date of this supplement by the deletion of such information and the insertion of the following paragraph in lieu thereof:

> 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 (i) 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 (ii) 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. All such sales must be made through a registered broker-dealer.

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

The following information should be read in conjunction with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section beginning on page 98 of the prospectus.

This section and other sections of the prospectus supplement 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, our ability to make cash dividend payments to stockholders in the future and the anticipated amount of such dividends and certain other matters. Readers of this supplement should be aware that there are various factors that could cause actual results to differ materially from any forward-looking statement made in this supplement, 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, lack of availability of financing and the potential need to fund tenant improvements or other capital expenditures out of operating cash flow.

Liquidity and Capital Resources

We began active operations on June 5, 1998, when we received and accepted subscriptions for 125,000 shares pursuant to our initial public offering, which commenced on January 30, 1998. We terminated our initial public offering on December 19, 1999. Of the $132,181,919 raised in the initial offering, we invested a total of $111,032,812 in properties. On December 20, 1999, we commenced a second public offering of up to 22,200,000 shares of common stock. We terminated our second offering on December 19, 2000. Of the $175,229,193 raised in the second offering, we invested a total of $147,192,522 in properties.

Pursuant to the prospectus, we commenced this third offering of shares of our common stock on December 20, 2000. As of September 30, 2001, we had received an additional $305,462,615 in gross offering proceeds from the sale of 30,546,262 shares in the third offering. As of January 15, 2002, we had raised in the aggregate a total of $871,618,557 in offering proceeds through the sale of 87,161,856 shares of common stock. As of January 15, 2002, we had paid a total of $30,263,772 in acquisition and

advisory fees and acquisition expenses, had paid a total of $101,527,821 in selling commissions and organizational and offering expenses, had expended a total of $655,340,258 for investments in real estate joint ventures and acquisitions of real property, had utilized $6,939,371 for the redemption of stock pursuant to our share redemption program, and were holding net offering proceeds of $77,547,017 available for investment in additional properties.

Cash and cash equivalents at September 30, 2001 and 2000 were $11,132,382 and $12,257,161, respectively. The decrease in cash and cash equivalents resulted primarily from investments in real property acquisitions which were more than offset by additional capital raised. Operating cash flows are expected to increase as additional properties are added to the Wells REIT's investment portfolio. Dividends to be distributed to the stockholders are determined by the board of directors and are dependent upon a number of factors relating to the Wells REIT, 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. For a

description of our commitment and contingent liability as a result of the Take Out Purchase and Escrow Agreement relating to the Ford Motor Credit Complex, refer to Footnote 5 of the Condensed Notes to Consolidated Financial Statements included at the end of this Supplement. As of September 30, 2001, we had acquired interests in 36 real estate properties. These properties are generating sufficient cash flows to cover our operating expenses and pay quarterly dividends. Dividends declared for the third quarter of 2001 and the third quarter of 2000 were approximately $0.1938 and $0.188 per share, respectively. The dividends were declared on a daily record date basis to the stockholders of record at the close of each business day during the quarter.

Cash Flows from Operating Activities

Net cash provided by operating activities was $26,484,288 for the nine months ended September 30, 2001 and $6,979,295 for the nine months ended September 30, 2000. The increase in net cash provided by operating activities resulted primarily from additional rental revenues and equity income of joint ventures generated from the properties acquired during the nine months ended September 30, 2001.

Cash Flows from Investing Activities

Net cash used in investing activities was $155,704,215 for the nine months ended September 30, 2001 and $115,665,441 for the nine months ended September 30, 2000. The increase in net cash used in investing activities resulted primarily from our acquisition of a greater number of properties during the first three quarters of 2001 as compared to the same period in 2000.

Cash Flows from Financing Activities

Net cash inflows generated through financing activities increased from $118,013,503 for the nine months ended September 30, 2000, to $136,054,008 for the nine months ended September 30, 2001, primarily due to our raising of additional capital. We received $297,774,927 in offering proceeds for the nine months ended September 30, 2001, as compared to $127,695,243 for the nine months ended September 30, 2000. In addition, we received loan proceeds of $107,587,012 and repaid notes payable in the amount of $208,102,037 during the first three quarters of 2001.

Results of Operations

As of September 30, 2001, the properties owned by the Wells REIT were 100% occupied. Gross revenues for the nine months ended September 30, 2001, as compared to the nine months ended September 30, 2000, increased to $34,068,857 from $15,734,638, respectively. This increase in gross revenues is primarily a result of additional rental revenues and equity in income of joint ventures generated from properties acquired during the prior twelve months. The purchase of interests in

additional properties also resulted in increases in operating expenses, management and leasing fees, depreciation expense, legal and accounting fees, financing costs and interest expense. Administrative costs increased from $282,330 for the nine months ended September 30, 2000 to $700,803 for the same period in 2001 due to a non-use fee on the unused balance of the Bank of America Note and additional taxes, license fees and postage and delivery costs associated with the purchase of additional properties. Net income increased to $14,423,380 for the nine months ended September 30, 2001, as compared to $5,737,537 for the nine months ended September 30, 2000. Net income per share was $0.11 for the quarters ended September 30, 2001 and 2000, respectively, and $0.33 per share for the nine months ended September 30, 2001, an increase from $0.30 per share for the nine months ended September 30, 2000.

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 generally accepted accounting principles (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, 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 and nine months ended September 30, 2001 and 2000, respectively:

	Three Months Ended		Nine Months Ended	
	September 30, 2001	September 30, 2000	September 30, 2001	September 30, 2000
FUNDS FROM OPERATIONS:				
Net income	$ 6,109,137	$ 2,525,228	$ 14,423,380	$5,737,537
Add:				
Depreciation of real assets	3,947,425	2,155,366	10,341,242	5,084,689
Amortization of deferred leasing costs	75,837	101,598	227,510	269,482
Depreciation and amortization - unconsolidated partnerships	647,184	303,402	1,560,844	830,366
Funds from operations (FFO)	10,779,583	5,085,594	26,552,976	11,922,074
Adjustments:				
Loan cost amortization	236,816	64,016	528,715	150,143
Straight line rent	(707,581)	(468,487)	(1,930,297)	(1,132,052)
Straight line rent - unconsolidated partnerships	(100,432)	(78,851)	(232,678)	(191,748)
Lease acquisition fees paid	0	0	0	(152,500)
Lease acquisition fees paid- unconsolidated partnerships	0	(103)	(7,826)	(8,002)
Adjusted funds from operations	$ 10,208,386	$ 4,602,169	$ 24,910,890	$ 10,587,915
WEIGHTED AVERAGE SHARES:				
BASIC AND DILUTED	54,112,446	23,920,273	43,725,920	19,219,053

Financial Statements

The consolidated balance sheets of the Wells REIT as of September 30, 2001 and December 31, 2000, and the financial statements of the Wells REIT for the periods indicated, included in this supplement, have not been audited.

The Pro Forma Balance Sheet of the Wells REIT, as of September 30, 2001, the Pro Forma Statement of Income (Loss) for the nine months ended September 30, 2001, and the Pro Forma Statement of Income (Loss) for the year ended December 31, 2000, which are included in this supplement, have not been audited.

The Statements of Revenues Over Certain Operating Expenses of the Windy Point Buildings and the Arthur Andersen Building for the year ended December 31, 2000, included in this supplement and elsewhere in the registration statement, have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto, and are included in this supplement in reliance upon the authority of said firm as experts in giving said reports.

The Statements of Revenues Over Certain Operating Expenses of the Windy Point Buildings and the Arthur Andersen Building for the nine months ended

September 30, 2001, included in this supplement and elsewhere in the registration statement, have not been audited.

INDEX TO FINANCIAL STATEMENTS

for the year ended December 31, 2000 (audited) and
for the nine months ended September 30, 2001 (unaudited)

WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

	September 30, 2001	December 31, 2000
ASSETS		
REAL ESTATE, at cost:		
Land	$ 73,985,267	$ 46,237,812
Building and improvements, less accumulated depreciation of $19,810,895 in 2001 and $9,469,653 in 2000	381,590,591	287,862,655
Construction in progress	2,202,200	3,357,720
Total real estate	457,778,058	337,458,187
INVESTMENT IN JOINT VENTURES (Note 2)	71,060,872	44,236,597
INVESTMENT IN BONDS	22,000,000	0
DUE FROM AFFILIATES	1,649,205	734,286
CASH AND CASH EQUIVALENTS	11,132,382	4,298,301
ACCOUNTS RECEIVABLE	5,675,988	3,356,428
DEFERRED LEASE ACQUISITION COSTS, net	1,662,822	1,890,332
DEFERRED PROJECT COSTS (Note 1)	475,811	550,256
DEFERRED OFFERING COSTS (Note 1)	0	1,291,376
PREPAID EXPENSES AND OTHER ASSETS, net	994,809	4,734,583
Total assets	$ 572,429,947	$ 398,550,346
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Accounts payable and accrued expenses	$ 5,475,619	$ 2,166,387
Notes payable (Note 3)	49,148,162	127,663,187
Deferred rental income	0	381,194
Due to affiliates (Note 4)	247,131	1,772,956
Dividends payable	1,071,657	1,025,010
Total liabilities	55,942,569	133,008,734
COMMITMENTS AND CONTINGENCIES (Note 5)		
MINORITY INTEREST OF UNIT HOLDER IN OPERATING PARTNERSHIP	200,000	200,000
SHAREHOLDERS' EQUITY		
Common shares, $.01 par value; 125,000,000 shares authorized, 61,287,300 shares issued and 60,932,270 shares outstanding at September 30, 2001, and 31,509,807 shares issued and 31,368,510 shares outstanding at December 31, 2000	612,872	315,097
Additional paid-in capital	519,224,798	266,439,484
Treasury stock, at cost, 355,029 shares at September 30, 2001, and 141,297 shares at December 31, 2000	(3,550,292)	(1,412,969)
Total shareholders' equity	516,287,378	265,341,612
Total liabilities and shareholders' equity	$ 572,429,947	$ 398,550,346

See accompanying condensed notes to consolidated financial statements.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF INCOME

Three Months Ended		Nine Months Ended	
September 30, 2001	September 30, 2000	September 30, 2001	September 30, 2000

REVENUES:				
Rental income	$11,316,960	$ 5,819,968	$31,028,212	$13,712,371
Equity in income of joint ventures	1,102,453	635,065	2,621,647	1,684,247
Interest and other income (Note 5)	88,491	131,578	418,998	338,020
	12,507,904	6,586,611	34,068,857	15,734,638
EXPENSES:				
Operating costs, net of reimbursements	1,293,845	289,140	3,168,273	631,407
Management and leasing fees	631,947	381,766	1,749,849	919,630
Depreciation	3,947,425	2,155,366	10,341,242	5,084,689
Administrative costs	58,843	43,979	700,803	282,330
Legal and accounting	82,002	32,883	199,333	130,603
Amortization of deferred financing costs	236,816	64,016	528,715	150,143
Interest expense	147,889	1,094,233	2,957,262	2,798,299
	6,398,767	4,061,383	19,645,477	9,997,101
NET INCOME	$ 6,109,137	$ 2,525,228	$14,423,380	$ 5,737,537
BASIC AND DILUTED EARNINGS PER SHARE	$ 0.11	$ 0.11	$ 0.33	$ 0.30

See accompanying condensed notes to consolidated financial statements.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2000

AND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2001

	Common Stock		Additional Paid-In	Retained	Treasury Stock		Total Shareholders'
	Shares	Amount	Capital	Earnings	Shares	Amount	Equity
BALANCE, December 31, 1999	13,471,085	$134,710	$115,880,885	$ 0	0	$ 0	$116,015,595
Issuance of common stock	18,038,722	180,387	180,206,833	0	0	0	180,387,220
Treasury stock purchased	0	0	0	0	(141,297)	(1,412,969)	(1,412,969)
Net income	0	0	0	8,552,967	0	0	8,552,967
Dividends ($.73 per share)	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	(17,002,554)
Other offering expenses	0	0	(5,369,228)	0	0	0	(5,369,228)
BALANCE, December 31, 2000	31,509,807	315,097	266,439,484	0	(141,297)	(1,412,969)	265,341,612
Issuance of common stock	29,777,493	297,775	297,477,152	0	0	0	297,774,927
Treasury stock purchased	0	0	0	0	(213,732)	(2,137,323)	(2,137,323)
Net income	0	0	0	14,423,380	0	0	14,423,380
Dividends ($.57 per share)	0	0	(9,125,583)	(14,423,380)	0	0	(23,548,963)
Sales commission	0	0	(28,085,572)	0	0	0	(28,085,572)
Other offering expenses	0	0	(7,480,683)	0	0	0	(7,480,683)
BALANCE, September 30, 2001	61,287,300	$612,872	$519,224,798	$ 0	(355,029)	$(3,550,292)	$516,287,378

See accompanying condensed notes to consolidated financial statements.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended	
	September 30, 2001	September 30, 2000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 14,423,380	$ 5,737,537
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	10,341,242	5,084,689
Amortization of deferred financing costs	528,715	150,143
Amortization of deferred leasing costs	227,510	269,482
Equity in income of joint ventures	(2,621,647)	(1,684,247)
Changes in assets and liabilities:		
Accounts receivable	(2,319,560)	(1,831,539)
Deferred rental income	(381,194)	(236,579)
Accounts payable	3,309,232	751,100
Prepaid expenses and other assets, net	3,211,059	(1,411,068)
Due to affiliates	(234,449)	149,777
Net cash provided by operating activities	26,484,288	6,979,295
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investments in real estate	(121,366,009)	(103,469,511)
Investment in joint ventures	(27,017,957)	(7,612,005)
Deferred project costs	(10,347,316)	(4,446,307)
Deferred lease acquisition costs	0	(2,241,322)
Distributions received from joint ventures	3,027,067	2,103,704
Net cash used in investing activities	(155,704,215)	(115,665,441)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from note payable	107,587,012	67,883,130
Repayment of note payable	(208,102,037)	(52,903,328)
Dividends paid	(23,502,316)	(8,124,023)
Issuance of common stock	297,774,927	127,695,243
Sales commissions paid	(28,085,572)	(12,068,553)
Offering costs paid	(7,480,683)	(3,811,122)
Treasury stock purchased	(2,137,323)	(657,844)
Net cash provided by financing activities	136,054,008	118,013,503
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,834,081	9,327,357
CASH AND CASH EQUIVALENTS, beginning of year	4,298,301	2,929,804
CASH AND CASH EQUIVALENTS, end of period	$ 11,132,382	$ 12,257,161
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES:		
Deferred project costs applied to Joint Ventures	$ 1,126,657	$ 295,680
Deferred project costs applied to Real Estate	$ 9,295,104	$ 3,707,715
Decrease in deferred offering cost accrual	$ (1,291,376)	$ (143,265)
Assumption of mortgage	$ 22,000,000	$ 0
Investment in bonds	$ 22,000,000	$ 0

See accompanying condensed notes to consolidated financial statements.

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. The Company is the sole general partner of 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 January 30, 1998, the Company commenced a public offering of up to 16,500,000 shares of common stock at $10 per share pursuant to a Registration Statement on Form S-11 under the Securities Act of 1933. The Company commenced active operations on June 5, 1998, when it received and accepted subscriptions for 125,000 shares. The Company terminated its initial public offering on December 19, 1999, and on December 20, 1999, the Company commenced a second follow-on public offering of up to 22,200,000 shares of common stock at $10 per share. As of September 30, 2001, the Company had received gross offering proceeds of approximately $305,462,615 from the sale of 30,546,262 shares from its third public offering. As of September 30, 2001, the Company had received aggregate gross offering proceeds of approximately $612,872,996 from the sale of 61,287,300 shares of its common stock. After payment of $21,326,295 in Acquisition and Advisory Fees and Acquisition Expenses, payment of $75,253,972 in selling commissions and organization and offering expenses, and capital contributions and acquisition expenditures by Wells OP of $504,065,814 in property acquisitions and common stock redemptions of $3,550,292 pursuant to the Company's share repurchase program, the Company was holding net offering proceeds of $8,676,623 available for investment in properties.

Wells OP owns interests in properties directly and through equity ownership in the following joint ventures: (i) a joint venture among Wells OP, Wells Real Estate Fund IX, L.P., Wells Real Estate Fund X, L.P., and Wells Real Estate Fund XI, L.P. (the "Fund IX-X-XI-REIT Joint Venture"), (ii) Wells/Fremont Associates (the "Fremont Joint Venture"), a joint venture between Wells OP and Fund X and Fund XI Associates, which is a joint venture between Wells Real Estate Fund X, L.P. and Wells Real Estate Fund XI, L.P. (the "Fund X-XI Joint Venture"), (iii) Wells/Orange County Associates (the "Cort Joint Venture"), a joint venture between Wells OP and the Fund X-XI Joint Venture, (iv) a joint venture among Wells OP, Wells Real Estate Fund XI, L.P., and Wells Real Estate Fund XII, L.P. (the "Fund XI-XII-REIT Joint Venture"), (v) a joint venture between Wells OP and Wells Real Estate Fund XII, L.P. (the "Fund XII-REIT Joint Venture"), (vi) the Fund VIII-IX-REIT Joint Venture, a joint venture between Wells OP and the Fund VIII-IX Joint Venture, which is a joint venture between Wells Real Estate Fund VIII, L.P. and Wells Real Estate Fund IX, L.P., and (vii) a joint venture between Wells OP and Wells Real Estate Fund XIII, L.P. (the "Fund XIII-REIT Joint Venture").

As of September 30, 2001, Wells OP owned interests in the following properties either directly or through its interest in the foregoing joint ventures: (i) a three-story office building in Knoxville, Tennessee (the "Alstom Power-Knoxville 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 building in Oklahoma City, Oklahoma (the "Avaya Technologies Building"), (v) a one-story warehouse and office building in Ogden, Utah (the "Iomega Building"), all five of which are owned by the

Fund IX-X-XI-REIT Joint Venture, (vi) a two-story warehouse office building in Fremont, California (the "Fremont Building"), which is owned by the

Wells/ Fremont Joint Venture, (vii) a one-story warehouse and office building in Fountain Valley, California (the "Cort Building"), which is owned by the Wells/Orange County Joint Venture, (viii) a four-story office building in Tampa, Florida (the "PWC Building"), (ix) a four-story office building in Harrisburg, Pennsylvania (the "AT&T Harrisburg Building"), which are owned directly by Wells OP, (x) a two-story manufacturing and office building located in Fountain Inn, South Carolina (the "EYBL CarTex Building"), (xi) a three-story office building located in Leawood, Kansas (the "Sprint Building"), (xii) a one story office building and warehouse in Tredyffrin Township, Pennsylvania (the "Johnson Matthey Building"), (xiii) a two-story office building in Ft. Meyers, Florida (the "Gartner Building"), all four of which are owned by Fund XI-XII-REIT Joint Venture, (xiv) a two-story office building located in Lake Forest, California (the "Matsushita Building"), (xv) a four-story office building located in Richmond, Virginia (the "Alstom Power-Richmond Building"), (xvi) a two-story office building and warehouse in Wood Dale, Illinois (the "Marconi Building"), (xvii) a five-story office building in Plano, Texas (the "Cinemark Building"), (xviii) a three-story office building in Tulsa, Oklahoma (the "Metris Building"), (xix) a two-story office building in Scottsdale, Arizona (the "Dial Building"), (xx) a two-story office building in Tempe, Arizona (the "ASML Building"), (xxi) a two-story office building in Tempe, Arizona (the "Motorola-Arizona Building"), (xxii) a two-story office building in Tempe, Arizona (the "Avnet Building"), (xxiii) a three-story office building in Troy, Michigan (the "Delphi Building") all ten of which are owned directly by Wells OP, (xxiv) a three-story office building in Troy, Michigan (the "Siemens Building"), which is owned by the Wells Fund XII-REIT Joint Venture Partnership, (xxv) a two-story office building in Orange County, California (the "Quest Building"), formerly the Bake Parkway Building, previously owned by Fund VIII-IX Joint Venture, which is now owned by Fund VIII-IX-REIT Joint Venture, (xxvi) a three-story office building in South Plainfield, New Jersey (the "Motorola-New Jersey Building"), (xxvii) a nine-story office building in Minnetonka, Minnesota (the "Metris Minnetonka Building"), (xxviii) a six-story office building in Houston, Texas (the "Stone and Webster Building"), all three of which are owned directly by Wells OP, (xxix) a one-story and a two-story office building in Oklahoma City, Oklahoma (the "AT&T-Oklahoma Buildings"), which are owned by the Fund XII-REIT Joint Venture, (xxx) a three-story office building in Brentwood, Tennessee (the "Comdata Building"), which is owned by the Fund XII-REIT Joint Venture, (xxxi) a two-story office building in Jacksonville, Florida (the "Amercredit Building"), which is owned by XIII-REIT Joint Venture, (xxxii) a seven-story office building in Quincy, Massachusetts (the "State Street Building"), (xxxiii) two one-story office buildings in Houston, Texas (the "IKON Buildings"), (xxxiv) a 14.873 acre tract of land in Irving, Texas (the "Nissan Property"), (xxxv) a one-story office and warehouse building in Millington, Tennessee (the "Ingram Building"), and (xxxvi) a four-story office building in Cary, North Carolina (the "Lucent-NC Building"), all five of which are owned directly by Wells OP.

(b) Deferred Project Costs

The Company pays a percentage of shareholder contributions to Wells Capital, Inc. (the "Advisor") for acquisition and advisory services. These payments, are stipulated in the prospectus. These payments may not exceed 3 1/2% of shareholders' capital contributions. Cumulative Acquisition and Advisory Fees and Acquisition Expenses paid as of September 30, 2001, amounted to $21,326,295 and represented approximately 3 1/2% of total shareholders' capital contributions received. These fees are allocated to specific properties as they are purchased or developed and are capitalized with the real estate assets of the Company or of the joint venture invested in by the Company. Deferred project costs at September 30, 2001 and December 31, 2000, represent fees not yet applied to properties.

(c) Deferred Offering Costs

Offering expenses, to the extent that they exceed 3% of gross offering proceeds, will be paid by the Advisor and not by the Company. Offering expenses do not include sales or underwriting commissions but do include

such costs as certain legal and accounting fees, printing costs, and other offering expenses. As of September 30, 2001, the Advisor had paid offering expenses on behalf of the Company in an aggregate amount of $16,891,235, which did not exceed the 3% limitation.

(d) Employees

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

(e) Insurance

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

(f) Competition

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

(g) Basis of Presentation

Substantially all of the Company's business is conducted through Wells OP. On December 31, 1997, Wells OP issued 20,000 limited partner units to the Advisor in exchange for a capital contribution of $200,000. The Company is the sole general partner in Wells OP; consequently, the accompanying consolidated balance sheet of the Company includes the amounts of the Company and Wells OP. The Advisor, a limited partner, is not currently receiving distributions from its investment in Wells OP.

The consolidated financial statements of the Company have been prepared in accordance with instructions to Form 10-Q and do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. These quarterly statements have not been examined by independent accountants, but in the opinion of the Board of Directors, the statements for the unaudited interim periods presented include all adjustments, which are of a normal and recurring nature, necessary to present a fair presentation of the results for such periods. For further information, refer to the financial statements and footnotes included in the Company's Form 10-K for the year ended December 31, 2000.

(h) Distribution Policy

The Company will make distributions each taxable year (not including a return of capital for federal income tax purposes) equal to at least 90% of its real estate investment trusts taxable income. The Company intends to make regular quarterly distributions to holders of the shares. Distributions will be made to those shareholders who are shareholders as of the record date selected by the Directors. Distributions will be declared on a monthly basis and paid on a quarterly basis during the offering period and declared and paid quarterly thereafter.

(i) Income Taxes

The Company has made an election under Section 856 (C) of the Internal Revenue Code of 1986, as amended (the "Code"), to be taxed as a Real Estate Investment Trust ("REIT") under the Code beginning with its taxable year ended December 31, 1998. As a REIT for federal income tax purposes, the Company generally will not be subject to federal income tax on income that it distributes to its shareholders. If the Company fails to qualify as a REIT in any taxable year, it will then be subject to federal income tax on its taxable income at regular corporate rates and will not be permitted to qualify for treatment as a REIT for federal income tax purposes for four years following the year during which qualification is lost. Such an event could materially adversely affect the Company's net income and net cash available to distribute to shareholders. However, the Company believes

that it is organized and operates in such a manner as to qualify for treatment as a REIT and intends to continue to operate in the foreseeable future in such a manner so that the Company will remain qualified as a REIT for federal income tax purposes.

(j) Statement of Cash Flows

For the purpose of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents include cash and short-term investments.

2. INVESTMENTS IN JOINT VENTURES

As of September 30, 2001, the Company, through its ownership in Wells OP, which owns interests in seven joint ventures which, in turn own 16 properties. The Company does not have control over the operations of these joint ventures; however, it does exercise significant influence. Accordingly, investment in joint ventures is recorded using the equity method.

The following describes additional investments in joint ventures which the Company made during the three months ended September 30, 2001.

The Fund XIII-REIT Joint Venture

On June 27, 2001, Wells OP and Wells Real Estate Fund XIII, L.P. ("Wells Fund XIII") entered into a Joint Venture Partnership Agreement for the purpose of acquiring, owning, leasing, operating and managing real properties. The joint venture partnership is known as the Wells Fund XIII-REIT Joint Venture (the "Fund XIII-REIT Joint Venture").

The AmeriCredit Building

On July 16, 2001, the Fund XIII-REIT Joint Venture acquired a two-story office building containing approximately 85,000 rentable square feet on a 12.33 acre tract of land located in Clay County, Florida (the "AmeriCredit Building") from Adevco Contact Centers Jacksonville, L.L.C. pursuant to that certain Agreement for Purchase and Sale of Property between Adevco and Wells Capital, Inc., the Advisor. The rights under the agreement were assigned by Wells Capital, Inc., the original purchaser under the agreement, to the Fund XIII-REIT Joint Venture at closing. The purchase price paid for the AmeriCredit Building was $12,500,000, excluding closing costs.

The entire 85,000 rentable square feet of the AmeriCredit Building is currently under a triple-net lease agreement with AmeriCredit dated November 20, 2000. The landlord's interest in the AmeriCredit lease was assigned to the Fund XIII-REIT Joint Venture at the closing. The initial

term of the AmeriCredit lease is 10 years, which commenced June 2001 and expires in May 2011. AmeriCredit has the right to extend the AmeriCredit lease for two additional five-year periods of time.

For additional information regarding the acquisition of the AmeriCredit Building, refer to Supplement No. 3 dated July 20, 2001, to the Prospectus of Wells Real Estate Investment Trust, Inc. dated December 20, 2000, which was filed with the Commission in Post-Effective Amendment No. 3 to the Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc. on July 23, 2001 (Commission File No. 333-44900).

SUMMARY OF OPERATIONS

The following information summarizes the operations of the unconsolidated joint ventures in which the Company, through Wells OP, had ownership interests as of September 30, 2001 and 2000, respectively.

	Total Revenues		Net Income		Wells OP's Share of Net Income	
	Three Months Ended		Three Months Ended		Three Months Ended	
	September 30, 2001	September 30, 2000	September 30, 2001	September 30, 2000	September 30, 2001	September 30, 2000
Fund IX-X-XI-REIT Joint Venture	$1,082,768	$1,087,126	$ 669,906	$ 678,125	$ 24,864	$ 25,178
Cort Joint Venture	203,812	198,885	149,477	137,099	65,272	59,866
Fremont Joint Venture	227,050	225,195	142,087	141,395	110,123	109,587
Fund XI-XII-REIT Joint Venture	843,962	844,121	520,011	532,905	295,173	302,492
Fund XII-REIT Joint Venture	1,409,716	376,457	814,542	252,825	447,634	126,413
Fund VIII-IX-REIT Joint Venture	313,536	259,148	155,976	196,497	24,629	11,529
Fund XIII-REIT Joint Venture	305,600	0	155,194	0	134,758	0
	$4,386,444	$2,990,932	$2,607,193	$1,938,846	$1,102,453	$ 635,065

	Total Revenues		Net Income		Wells OP's Share of Net Income	
	Nine Months Ended		Nine Months Ended		Nine Months Ended	
	September 30, 2001	September 30, 2000	September 30, 2001	September 30, 2000	September 30, 2001	September 30, 2000
Fund IX-X-XI-REIT Joint Venture	$ 3,263,864	$3,297,516	$2,042,759	$1,992,374	$ 75,817	$ 74,057
Cort Joint Venture	602,280	596,656	414,603	422,477	181,046	184,484
Fremont Joint Venture	677,406	675,585	420,689	424,058	326,051	328,663
Fund XI-XII-REIT Joint Venture	2,533,153	2,506,049	1,534,247	1,557,772	870,883	884,236
Fund XII-REIT Joint Venture	3,305,911	599,032	1,847,726	402,556	967,079	201,278
Fund VIII-IX-REIT Joint Venture	894,460	259,148	416,328	196,497	66,013	11,529
Fund XIII-REIT Joint Venture	305,600	0	155,194	0	134,758	0
	$11,582,674	$7,933,986	$6,831,546	$4,995,734	$2,621,647	$1,684,247

3. INVESTMENTS IN REAL ESTATE

As of September 30, 2001, the Company, through its ownership in Wells OP, owns 20 properties directly. The following describes acquisitions made directly by Wells OP during the three months ended September 30, 2001.

The State Street Building

On July 30, 2001, Wells OP purchased a seven-story office building with approximately 234,668 rentable square feet located on an 11.22 acre tract of land at 1200 Crown Colony Drive, Norfolk County, Quincy, Massachusetts (the "State Street Building) from Crownview, LLC. Crownview is not affiliated with the Company or Wells Capital, Inc., our Advisor. The purchase price for the State Street Building was $49,563,000, excluding closing costs. The entire 234,668 rentable square feet of the State Street Building is currently under a lease agreement with SSB Realty. The landlord's interest in the SSB Realty Lease was assigned to Wells OP at the closing. The current term of the lease is 10 years, which commenced on February 1, 2001, and expires on March 31, 2011. SSB Realty 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, SSB Realty is required to pay its proportionate share of taxes relating to the SSB Building and all operating costs incurred by the landlord in maintaining and operating the SSB Building. In addition, the base operating costs and the base taxes will be adjusted to reflect the actual operating costs and taxes for the preceding calendar year. Wells OP, as the landlord, will be responsible for maintaining the common areas of the building, the roof, foundation, exterior walls and windows, load bearing items and the central heating, ventilation and air conditioning, electrical, mechanical and plumbing systems of the building.

For additional information regarding the acquisition of the State Street Building, refer to Supplement No. 4 dated August 10, 2001, to the Prospectus of Wells Real Estate Investment Trust, Inc. dated December 20, 2000, which was contained in Post-Effective Amendment No. 4 to the Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc. which was filed with the Commission on October 23, 2001 (Commission File No. 333-44900).

The IKON Buildings

On September 7, 2001, Wells OP purchased two one-story office buildings with approximately 157,900 rentable square feet located at 810 and 820 Gears Road, Harris County, Houston, Texas (the "IKON Buildings") from SV Reserve, LP. Reserve, LP is not in any way affiliated with the Company or Wells Capital, Inc., our Advisor.

The purchase price for the IKON Buildings was $20,650,000, excluding closing costs. The entire 157,790 rentable square feet of the IKON Buildings is currently under a net lease agreement with IKON. The landlord's interest in the IKON lease was assigned to Wells OP at the closing. The current term of the lease is 10 years, which commenced on May 1, 2000 and expires on April 30, 2010. IKON has the right to extend the term of this lease for two additional five-year periods at the then-current fair market rental rate, upon 12 months prior written notice.

Pursuant to the IKON lease, IKON is required to pay all taxes relating to the IKON Buildings and all operating costs incurred by the landlord in maintaining and operating the IKON Buildings. Wells OP, as landlord, will be responsible for repairs related to insurable casualty and for maintaining the roof, foundation, exterior walls and windows, load bearing items and electrical, mechanical and plumbing systems.

For additional information regarding the acquisition of the IKON Buildings, refer to the Company's Form 8-K dated September 7, 2001, which was filed with the Commission on September 21, 2001 (Commission File No. 0-25739), and Supplement No. 5 dated October 15, 2001 to the Prospectus of Wells Real Estate Investment Trust, Inc. dated December 20, 2000, which was contained in Post-Effective Amendment No. 4 to the Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc. which was filed with the Commission on October 23, 2001 (Commission File No. 333-44900).

The Nissan Property

On September 19, 2001, Wells OP purchased a 14.873 acre tract of land located in Irving, Dallas County, Texas (the "Nissan Property"). Wells OP purchased the Nissan Property from the Ruth Ray and H.L. Hunt Foundation and the Ruth Foundation, each a Texas non-profit corporation and 50% owner in the Nissan Property for a purchase price of $5,545,700, excluding closing costs.

Wells OP has entered into agreements to construct a three-story office building containing 268,290 rentable square feet (the "Nissan Project") on the Nissan Property. The Nissan Project will be a concrete tilt-up, high performance glass building. The site consists of a 14,873 acre tract of land located in the Freeport Business Park.

The entire 268,290 rentable square feet of the Nissan Building is currently under a lease agreement with Nissan Motor Acceptance Corporation ("Nissan"), a wholly owned subsidiary of Nissan North America, Inc. with its corporate headquarters in Torrance, California. The initial lease term began on September 19, 2001 and will extend 10 years beyond the rent commencement date. Construction on the building is scheduled to begin on or before February 1, 2001, and is scheduled to be completed within 20 months from its commencement. The rent commencement date will occur shortly thereafter. 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 initial annual base rent payable under the Nissan lease will be $4,225,860.

The Ingram Micro Building

On September 27, 2001, Wells OP acquired a ground leasehold interest in a 701,819 square foot distribution facility located at 3820 Micro Drive in the City of Millington, Shelby County, Tennessee (the "Ingram Micro Building") pursuant to a Bond Real Property Lease dated December 20, 1995 (the "Bond Lease"). The rights under the Bond Lease were purchased from Ingram Micro L.P. ("Ingram") in a sale lease-back transaction for a purchase price of $21,050,000, excluding closing costs. The Bond Lease expires on December 31, 2026. In addition, Wells OP purchased from Ingram all rights, title and interest in an Industrial Development Revenue Note Ingram Micro L.P. Series 1995 (the "Bond") issued by the Industrial Development Board of the City of Millington, Tennessee ("Board") to Lease Plan North America, Inc. ("Lease Plan") in a principal amount not to exceed $22,000,000. The Bond is secured by a Fee Construction Mortgage Deed of Trust and Assignment of Rents and Leases dated December 20, 1995 (the "Deed of Trust") executed by the Board for the benefit of Lease Plan. Beginning in 2006, Wells OP has the option under the Bond Lease to purchase the land underlying the Ingram Micro Distribution Facility for $100 plus satisfying the indebtedness evidenced by the Bond, which is currently held by Wells OP.

The Board, as the fee simple owner of the Ingram Micro Building, had originally entered into the Bond Lease with Lease Plan. The proceeds from the issuance of the Bond were used to finance the construction of the Ingram Micro Building. On December 20, 2000, Ingram purchased the Bond, Deed of Trust and the ground leasehold interest in the Ingram Micro Building under the Bond Lease from Lease Plan.

At closing, Wells OP entered into a new lease with Ingram pursuant to which Ingram agreed to lease the entire Ingram Micro Building from Wells OP. The Ingram lease has a term of 10 years with two successive options to extend for 10 years each. The annual base rent for the Ingram Micro Building is $2,035,275 for years one through five of the lease term. Ingram is also required to pay as additional rent all other amounts, liabilities and

obligations relating to the Ingram Micro, including all taxes, assessments, water rents, sewer rents and charges, duties, impositions, license and permit fees, charges for public utilities and other charges of every kind and nature incurred as a result of the use and occupation of the premises by Ingram.

The Lucent Building

On September 28, 2001, Wells OP purchased a four-story office building with approximately 120,000 rentable square feet located at 200 Lucent Lane, Cary, North Carolina (the "Lucent Building"). Wells OP purchased this

building from Lucent Technologies, Inc. ("Lucent") pursuant to that certain Agreement for the Purchase and Sale of Property between Lucent and Wells OP for a purchase price of $17,650,000, excluding closing costs.

The Lucent Building, which was completed in 1999, is a four-story office building located on a 29.19 acre tract of land, which includes a 11.84 acre improved tract of land and a 17.34 acre undeveloped tract of land.

The Lucent Building is located at 200 Lucent Lane in Regency Park office part in the "Research Triangle" in Cary, North Carolina, approximately 10 miles west of downtown Raleigh and 15 miles south of Raleigh-Durham International Airport.

The entire Lucent Building is currently under a lease agreement with Lucent, which does not include the 17.34 acre undeveloped tract of land described above. The current term of the lease is 10 years, which commenced September 28, 2001, and expires on September 30, 2011. Lucent has the right to extend the term of this lease for three additional five-year periods at the then-current fair market rental rate, upon 12 months prior written notice. The current annual base rent payable under the Lucent lease is $1,800,000.

For additional information regarding the acquisitions of the Nissan property, the Ingram Micro Building and the Lucent Building, refer to the Company's Form 8-K dated September 27, 2001, which was filed with the Commission on October 10, 2001 (Commission File No. 0-25739), the Company's Form 8-K/A dated September 27, 2001, which was filed with the Commission on October 26, 2001 (Commission File No. 0-25739), and Supplement No. 5 dated October 15, 2001 to the Prospectus of Wells Real Estate Investment Trust, Inc. dated December 20, 2000, which was filed with the Commission in Post-Effective Amendment No. 4 to the Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc. on October 23, 2001 (Commission File No. 333-44900).

4. NOTES PAYABLE

Notes payable consists of loans of (i) $21,650,000 due to Bank of America, N.A. secured by first mortgages against the ATT, Marconi, Matsushita, Motorola, NJ, Metris, MN, and Delphi Buildings, (the "Bank of America Note") (ii) $5,498,162 due to SouthTrust Bank collateralized by Wells OP's interest in the Cinemark, Dial, ASML, Alstom Power Richmond, Avaya Technologies, Motorola, and PWC Buildings, and (iii) $22,000,000 mortgage note secured by the Deed of Trust to the Ingram Micro Building. Cash paid for interest on the notes payable totaled $3,466,606 for the nine months ended September 30, 2001.

5. DUE TO AFFILIATES

Due to affiliates consists of amounts due to the Advisor for Acquisitions and Advisory Fees and Acquisition Expenses, deferred offering costs, and other operating expenses paid on behalf of the Company. Also included in due to affiliates is the amount due to the Fund VIII-IX Joint Venture

related to the Matsushita Rental Income Guaranty Agreement, which is explained in detail in the Company's Form 10-K for the year ended December 31, 2000. Aggregate payments of $601,963 have been made as of September 30, 2001 toward funding the obligation under the Matsushita Rental Income Guaranty Agreement.

6. 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 interests in that particular property to 1031 Participants, Wells OP 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, among other things, that 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 unsold co-tenancy interests in the building known as the Ford Motor Credit Complex which remain unsold at the expiration of the offering of Wells Exchange, which has been extended to February 28, 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, which is the world's largest automotive finance company with more than 10 million customers in 40 countries.

The obligations of Wells OP under the Take Out Purchase and Escrow Agreement are secured by reserving against 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 interests in the Ford Motor Credit Complex which remain unsold as of February 28, 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 interests in the Ford Motor Credit Complex would be deeded to Wells OP. Wells OP's maximum economic exposure in the transaction is $11,000,000, 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.

For further information regarding the Wells Section 1031 Program, refer to Supplement No. 2 dated April 25, 2001 to the Prospectus of Wells Real Estate Investment Trust, Inc. dated December 20, 2000, which was filed with the Commission in Post-Effective Amendment No. 2 to the Form S-11 Registration Statement of Wells Real Estate Investment Trust, Inc. on April 25, 2001 (Commission File No. 333-44900).

WELLS REAL ESTATE INVESTMENT TRUST, INC.

UNAUDITED PRO FORMA FINANCIAL STATEMENTS

The following unaudited pro forma balance sheet as of September 30, 2001 has been prepared to give effect to the acquisition of the ADIC Buildings by Wells XIII-REIT Joint Venture, a joint venture partnership between Wells Real Estate Fund XIII, L.P. and Wells Operating Partnership, L.P. ("Wells OP"), and the acquisitions of the Convergys Building, the Windy Point Buildings and the Arthur Andersen Building by Wells OP as if the acquisitions occurred on September 30, 2001.

The following unaudited pro forma statement of income (loss) for the nine months ended September 30, 2001 had been prepared to give effect to the acquisitions of the Comdata Building, the AmeriCredit Building, the State Street Building, the IKON Buildings, the Ingram Micro Distribution Facility, the Lucent Building, the Nissan Property (collectively, the "Prior Acquisitions"), the ADIC Buildings, the Convergys Building, the Windy Point Buildings and the Arthur Andersen Building as if the acquisitions occurred on January 1, 2001.

The following unaudited pro forma statement of income (loss) for the year ended December 31, 2000 has been prepared to give effect to the acquisitions of the Comdata Building, the State Street Bank Building, the IKON Buildings, the Ingram Micro Distribution Facility, the Lucent Building (collectively, the "Prior Acquisitions"), the Windy Point Buildings and the Arthur Andersen Building as if the acquisitions occurred on January 1, 2000. Operations commenced during 2001 for the following properties acquired: The AmeriCredit Building (June 2001), the Convergys Building (September 2001), and the ADIC Buildings (December 2001). The Nissan Property had no operations during 2001 or 2000.

Wells OP is a Delaware limited partnership that was organized to own and operate properties on behalf of the Wells Real Estate Investment Trust, Inc., a Maryland corporation. As the sole general partner of Wells OP, Wells Real Estate Investment Trust, Inc. possesses full legal control and authority over the operations of Wells OP. Accordingly, the accounts of Wells OP are consolidated with the accompanying pro forma financials statements of Wells Real Estate Investment Trust, Inc.

These unaudited pro forma financial statements are prepared for informational purposes only and are not necessarily indicative of future results or of actual results that would have been achieved had the acquisitions of the Comdata Building, the AmeriCredit Building, the State Street Bank Building, the IKON Buildings, the Ingram Micro Distribution Facility, the Lucent Building, the Nissan Property, the ADIC Buildings, the Convergys Building, the Windy Point Buildings and the Arthur Andersen Building been consummated at the beginning of the periods presented.

As of September 30, 2001, the date of the accompanying pro forma balance sheet, Wells OP held cash of $11,132,382. The additional cash used to purchase the Convergys Building, the Windy Point Buildings and the Arthur Andersen Building, including deferred project costs paid to Wells Capital, Inc. (an affiliate of Wells OP), was raised through the issuance of additional shares subsequent to

September 30, 2001. This balance is reflected as purchase consideration payable in the accompanying pro forma balance sheet.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA BALANCE SHEET

SEPTEMBER 30, 2001

(Unaudited)

ASSETS

		Pro Forma Adjustments			
	Wells Real Estate Investment Trust, Inc.	ADIC Buildings	Convergys	Wendy Point Buildings	Arthur Andersen
REAL ESTATE ASSETS, at cost:					
Land	$ 73,985,267	$ 0	$ 3,500,000 (a) 145,833 (d)	$ 7,960,000 (a) 331,667 (d)	$ 1,700,000 (a) 70,833 (b)
Building, less accumulated depreciation of $19,810,895	381,590,591	0	9,997,361 (a) 416,557 (d)	79,755,625 (a) 3,323,151 (d)	19,444,911 (a) 810,205 (d)
Construction in progress	2,202,200	0		0	0
Total real estate assets	457,778,058	0	14,059,751	91,370,443	22,025,949
CASH AND CASH EQUIVALENTS	11,132,382	(6,671,075) (a)	(4,461,307) (a)	0	0
INVESTMENT IN JOINT VENTURES	71,060,872	6,949,036 (b)	0	0	0
INVESTMENT IN BONDS	22,000,000	0	0	0	0
ACCOUNTS RECEIVABLE	5,675,988	0	0	0	0
DEFERRED LEASE ACQUISITION COSTS	1,662,822	0	0	0	0
DEFERRED PROJECT COSTS	475,811	(277,961) (c)	(197,850) (d)	0	0
DEFERRED OFFERING COSTS	0	0	0	0	0
DUE FROM AFFILIATES	1,649,205	0	0	0	0
PREPAID EXPENSES AND OTHER ASSETS	994,809	0	0	0	0
Total assets	$572,429,947	$ 0	$ 9,400,594	$91,370,443	$22,025,949

	Pro Forma Total
REAL ESTATE ASSETS, at cost:	
Land	$ 87,693,600
Building, less accumulated depreciation of $19,810,895	495,338,401
Construction in progress	2,202,200
Total real estate assets	585,234,201
CASH AND CASH EQUIVALENTS	0
INVESTMENT IN JOINT VENTURES	78,009,908
INVESTMENT IN BONDS	22,000,000
ACCOUNTS RECEIVABLE	5,675,988
DEFERRED LEASE ACQUISITION COSTS	1,662,822
DEFERRED PROJECT COSTS	0
DEFERRED OFFERING COSTS	0
DUE FROM AFFILIATES	1,649,205
PREPAID EXPENSES AND OTHER ASSETS	994,809
Total assets	$695,226,933

LIABILITIES AND SHAREHOLDERS' EQUITY

	Wells Real Estate Investment Trust, Inc.	Pro Forma Adjustments				Pro Forma Total
		ADIC Buildings	Convergys	Wendy Point Buildings	Arthur Andersen	
LIABILITIES:						
Accounts payable and accrued expenses	$ 5,475,619	$ 0	$ 0	$ 0	0	$ 5,475,619
Notes payable	49,148,162	0	0	0	0	49,148,162
Purchase Consideration Payable	0	0	9,036,054 (a)	87,715,625 (a)	21,144,911 (a)	117,896,590
Dividends payable	1,071,657	0	0	0	0	1,071,657
Due to affiliate	247,131	0	364,540 (d)	3,654,818 (d)	881,038 (d)	5,147,527
Deferred rental income	0	0	0	0	0	0
Total liabilities	55,942,569	0	9,400,594	91,370,443	22,025,949	178,739,555
COMMITMENTS AND CONTINGENCIES						
MINORITY INTEREST OF UNIT HOLDER IN OPERATING PARTNERSHIP	200,000	0	0	0	0	200,000
SHAREHOLDERS' EQUITY:						
Common shares, $.01 par value; 125,000,000 shares authorized, 61,287,300 shares issued and 60,932,270 shares outstanding	612,872	0	0	0	0	612,872
Additional paid-in capital	519,224,798	0	0	0	0	519,224,798
Treasury stock, at cost, 355,029 shares	(3,550,292)	0	0	0	0	(3,550,292)
Total shareholders' equity	516,287,378	0	0	0	0	516,287,378
Total liabilities and shareholders' equity	$572,429,947	$ 0	$9,400,594	$91,370,443	$22,025,949	$695,226,933

(a) Reflects Wells Real Estate Investment Trust, Inc.'s purchase price for the land and building.

(b) Reflects Wells Real Estate Investment Trust, Inc.'s contribution to Wells XIII-REIT Joint Venture

(c) Reflects deferred project costs contributed to Wells XIII-REIT Joint Venture at approximately 4.17% of the purchase price.

(d) Reflects deferred project costs applied to the land and building at approximately 4.17% of the purchase price.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA STATEMENT OF INCOME (LOSS)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2001

(Unaudited)

	Wells Real Estate Investment Trust, Inc.	Pro Forma Adjustments: Prior Acquisitions	Convergys	Windy Point Buildings	Arthur Andersen	Pro Forma Total
REVENUES:						
Rental income	$31,028,212	$ 8,738,526 (a)	$116,533 (a)	$2,566,407 (a)	$1,577,125 (a)	$44,026,803
Equity in income of joint ventures	2,621,647	328,061 (b) 107,410 (c)	0	0	0	3,057,118
Interest income	418,998	(418,998)(d) 1,320,000 (e)	0	0	0	0 1,320,000
	34,068,857	10,074,999	116,533	2,566,407	1,577,125	48,403,921
EXPENSES:						
Depreciation and amortization	10,341,242	2,554,687 (f)	34,713 (f)	2,492,363 (f)	607,653 (f)	16,030,658
Interest	2,957,262	3,674,732 (g) 1,320,000 (h)	0	0	0	7,951,994
Operating costs, net of reimbursements	3,168,273	2,819,212 (i)	600 (i)	185,393 (i)	106,825 (i)	6,280,293
Management and leasing fees	1,749,849	393,234 (j)	5,244 (j)	115,488 (j)	70,971 (j)	2,334,786
General and administrative	700,803	0	0	0	0	700,803
Amortization of deferred financing costs	528,715	0	0	0	0	528,715
Legal and accounting	199,333	0	0	0	0	199,333
	19,645,477	10,761,865	40,557	2,793,234	785,449	34,026,582
NET INCOME (LOSS)	$14,423,380	$ (686,866)	$ 75,976	$ (226,827)	$ 791,676	$14,377,339
EARNINGS PER SHARE, basic and diluted	$ 0.33					$ 0.33
WEIGHTED AVERAGE SHARES, basic and diluted	43,707,212					$43,707,212

The accompanying notes are an integral part of these statements.

(a) Rental income is recognized on a straight-line basis.

(b) Reflects Wells Real Estate Investment Trust, Inc.'s equity in income of Wells XII-REIT Joint Venture, a joint venture partnership between Wells Real Estate Fund XII, L.P. and Wells OP, related to the acquisition of the Comdata Building. The pro forma adjustment results from rental revenues

less operating expenses, management fees and depreciation.

(c) Reflects Wells Real Estate Investment Trust, Inc.'s equity in income of Wells XIII-REIT Joint Venture related to the acquisition of the AmeriCredit Building. The pro forma adjustment results from rental revenues less operating expenses, management fees and depreciation.

(d) Represent forgone interest income related to cash utilized to purchase the prior acquisitions.

(e) Represents interest income on the $22,000,000 investment in bonds due from the Industrial Development Authority, which earns interest at 8% per annum.

(f) Depreciation expense on the buildings is recognized using the straight-line method and a 25-year life.

(g) Represents interest expense on the $96,265,863 of cumulative borrowings due to Bank of America, N.A., which bears interest at approximately 6.5% during the period from January 1, 2001 through the respective acquisition dates.

(h) Represents interest expense on the $22,000,000 mortgage note payable to the Industrial Development Authority, which bears interest at 8%.

(i) Consists of nonreimbursable operating expenses.

(j) Management and leasing fees are calculated at 4.5% of rental income.

WELLS REAL ESTATE INVESTMENT TRUST, INC.

PRO FORMA STATEMENT OF INCOME (LOSS)

FOR THE YEAR ENDED DECEMBER 31, 2000

(Unaudited)

	Wells Real Estate Investment Trust, Inc.	Pro Forma Adjustments			Pro Forma Total
		Prior Acquisitions	Windy Point Buildings	Arthur Andersen	
REVENUES:					
Rental income	$20,505,000	$ 8,572,880 (a)	$ 2,576,653 (a)	$2,102,834 (a)	$33,757,367
Equity in income of joint ventures	2,293,873	930,181 (b)	0	0	3,224,054
Interest income	520,924	(520,924)(c)	0	0	0
	0	1,760,000 (d)	0	0	1,760,000
Other income	53,409	0	0	0	53,409
	23,373,206	10,742,137	2,576,653	2,102,834	38,794,830
EXPENSES:					
Depreciation and amortization	7,743,551	3,868,420 (e)	3,323,151 (e)	810,205 (e)	15,745,327
Interest	4,199,461	7,053,062 (f)	0	0	13,012,523
		1,760,000 (g)			
Operating costs, net of reimbursements	888,091	553,347 (h)	144,790 (h)	122,704 (h)	1,708,932
Management and leasing fees	1,309,974	385,780 (i)	115,488 (i)	94,628 (i)	1,905,870
General and administrative	426,680	0	0	0	426,680
Legal and accounting	240,209	0	0	0	240,209
Computer costs	12,273	0	0	0	12,273
	14,820,239	13,620,609	3,583,429	1,027,537	33,051,814
NET INCOME (LOSS)	$ 8,552,967	$(2,878,472)	$(1,006,776)	$1,075,297	$ 5,743,016
EARNINGS PER SHARE, basic and diluted	$0.40				$0.27
WEIGHTED AVERAGE SHARES, basic and diluted	21,382,418				21,382,418

(a) Rental Income is recognized on a straight-line basis.

(b) Reflects Wells Real Estate Investment Trust, Inc.'s equity in income of Wells XII-REIT Joint Venture, a joint venture partnership between Wells

Real Estate Fund XII, L.P. and Wells OP, related to the acquisition of the Comdata Building. The pro forma adjustment results from rental revenues less operating expenses, management fees and depreciation.

(c) Represent forgone interest income related to cash utilized to purchase the prior acquisitions.

(d) Represents interest income on the $22,000,000 investment in bonds due from the Industrial Development Authority, which earns interest at 8%.

(e) Depreciation expense on the buildings is recognized using the straight-line method and a 25-year life.

(f) Represents interest expense on the $85,525,863 of cumulative borrowings due to Bank of America, N.A., which bears interest at approximately 8.3% during the year ended December 31, 2000.

(g) Represents interest expense on the $22,000,000 mortgage note payable to the Industrial Development Authority, which bears interest at 8%.

(h) Consists of nonreimbursable operating expenses.

(i) Management and leasing fees are calculated at 4.5% of rental income.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Wells Real Estate Investment Trust, Inc.:

We have audited the accompanying statement of revenues over certain operating expenses for the WINDY POINT BUILDINGS for the year ended December 31, 2000. This financial statement is the responsibility of management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of revenues over certain operating expenses is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of revenues over certain operating expenses. 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 audit provides a reasonable basis for our opinion.

As described in Note 2, this financial statement excludes certain expenses that would be comparable with those resulting from the operations of the Windy Point Buildings after acquisition by the Wells Operating Partnership, L.P., a subsidiary of Wells Real Estate Investment Trust, Inc. The accompanying statement of revenues over certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and is not intended to be a complete presentation of the Windy Point Buildings' revenues and expenses.

In our opinion, the statement of revenues over certain operating expenses presents fairly, in all material respects, the revenues over certain operating expenses of the Windy Point Buildings for the year ended December 31, 2000 in conformity with accounting principles generally accepted in the United States.

ARTHUR ANDERSEN LLP

Atlanta, Georgia
January 11, 2002

WINDY POINT BUILDINGS

STATEMENTS OF REVENUES

OVER CERTAIN OPERATING EXPENSES

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2001 (UNAUDITED)

AND THE YEAR ENDED DECEMBER 31, 2000 (AUDITED)

	2001	2000
	(Unaudited)	
RENTAL REVENUES	$2,566,407	$2,576,653
OPERATING EXPENSES, net of reimbursements	185,383	144,790
REVENUES OVER CERTAIN OPERATING EXPENSES	$2,381,024	$2,431,863

The accompanying notes are an integral part of these statements.

WINDY POINT BUILDINGS

NOTES TO STATEMENTS OF REVENUES

OVER CERTAIN OPERATING EXPENSES

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2001 (UNAUDITED)

AND THE YEAR ENDED DECEMBER 31, 2000 (AUDITED)

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Description of Real Estate Property Acquired

On December 31, 2001, the Wells Operating Partnership, L.P. ("Wells OP") acquired the Windy Point Buildings from Windy Point of Schaumburg, LLC (the "Seller"). Wells OP is a Delaware limited partnership that was organized to own and operate properties on behalf of Wells Real Estate Investment Trust, Inc., a Maryland corporation. As the sole general partner of Wells OP, Wells Real Estate Investment Trust, Inc. possesses full legal control and authority over the operations of Wells OP. The Seller is not in anyway affiliated with Wells OP.

Zurich American Insurance, Inc. ("Zurich") and TCI Great Lakes, Inc. ("TCI") currently occupy 300,034 square feet and 129,157 square feet,

respectively, of the total 486,956 rentable square feet of the two multi-story office buildings comprising the Windy Point Buildings under net lease agreements (the "Zurich Lease" and the "TCI Lease", respectively). The Seller's interests in the Zurich Lease and the TCI Lease were assigned to Wells OP at the closing. The initial term of the Zurich Lease commenced on September 1, 2001 and expires on August 31, 2011. The initial term of the TCI Lease commenced on December 1, 1999 and expires on November 30, 2009. Zurich and TCI have the right to extend their respective leases for two additional periods of five years each at the corresponding then current fair market rental rates.

Under the Zurich lease, Zurich is required to pay, as additional monthly rent, its proportionate share of all controllable costs including, but not limited to, costs for electricity, fuel, insurance, snow removal and the wages for union employees. Beginning with the third lease year, controllable expenses for any lease year shall not exceed an amount equal to the product of total actual controllable expenses for the preceding lease year multiplied by 1.04. Zurich is also required to pay its proportionate share of property taxes not to exceed (a) for calendar year 2001: $1.63 per rentable square foot, and (b) for calendar year 2002 and thereafter: the sum of $3.17, plus the amount which $1.63 exceeded actual controllable costs during calendar year 2001, per rentable square foot. Under the TCI lease, TCI is required to pay, as additional monthly rent, its proportionate share of operating expenses and property taxes subject to the following limitations: (a) for the first lease year: not to exceed $7.36 per rentable square foot, (b) for the second lease year: not to exceed $9.14 per rentable square foot, (c) for the third lease year: no limitations, and (d) for the fourth lease year and thereafter: not to exceed more than 5% of controllable costs for the immediately preceding lease year, including cleaning and landscaping services. Under the TCI lease, the following items are specifically excluded from the definition of controllable costs: electricity, fuels, insurance, snow-plowing, and wages of union employees. Wells OP will be responsible for repairing and maintaining all structural elements of the premises including the roof, exterior walls and windows, parking areas, walkways, internal common areas, building systems including plumbing, heating, ventilating and air conditioning, and providing landscaping services.

The remaining rentable square footage of the Windy Point Buildings is occupied by the following tenants: Global Knowledge Network, Inc. (22,028 square feet), National SemiConductor Corporation (6,294 square feet), Cushman & Wakefield (1,121 square feet), and G&R Service Management II, Inc. (1,469 square feet). Additionally, SprintCom, Inc. leases an antenna on the roof of the Windy Point Buildings, which is not included in the property's total rentable square footage.

Rental Revenues

Rental income is recognized on a straight-line basis over the terms of respective leases.

2. BASIS OF ACCOUNTING

The accompanying statements of revenues over certain operating expenses are presented on the accrual basis. These statements have been prepared in accordance with the applicable rules and regulations of the Securities and Exchange Commission for real estate properties acquired. Accordingly, these statements exclude certain historical expenses, such as depreciation, interest, and management fees. Therefore, these statements are not comparable to the operations of the Windy Point Buildings after acquisition by Wells OP.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Wells Real Estate Investment Trust, Inc.:

We have audited the accompanying statement of revenues over certain operating expenses for the ARTHUR ANDERSEN BUILDING for the year ended December 31, 2000. This financial statement is the responsibility of management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of revenues over certain operating expenses is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of revenues over certain operating expenses. 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 audit provides a reasonable basis for our opinion.

As described in Note 2, this financial statement excludes certain expenses that would be comparable with those resulting from the operations of the Arthur Andersen Building after acquisition by the Wells Operating Partnership, L.P., a subsidiary of Wells Real Estate Investment Trust, Inc. The accompanying statement of revenues over certain operating expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and is not intended to be a complete presentation of the Arthur Andersen Building's revenues and expenses.

In our opinion, the statement of revenues over certain operating expenses presents fairly, in all material respects, the revenues over certain operating expenses of the Arthur Andersen Building for the year ended December 31, 2000 in conformity with accounting principles generally accepted in the United States.

ARTHUR ANDERSEN LLP

Atlanta, Georgia
January 14, 2002

ARTHUR ANDERSEN BUILDING

STATEMENTS OF REVENUES

OVER CERTAIN OPERATING EXPENSES

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2001 (UNAUDITED)

AND THE YEAR ENDED DECEMBER 31, 2000 (AUDITED)

	2001	2000
	(Unaudited)	

RENTAL REVENUES	$1,577,125	$2,102,834
OPERATING EXPENSES, net of reimbursements	106,825	122,704
REVENUES OVER CERTAIN OPERATING EXPENSES	$1,470,300	$1,980,130

The accompanying notes are an integral part of these statements.

ARTHUR ANDERSEN BUILDING

NOTES TO STATEMENTS OF REVENUES

OVER CERTAIN OPERATING EXPENSES

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2000 (UNAUDITED)

AND THE YEAR ENDED DECEMBER 31, 2001 (AUDITED)

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Description of Real Estate Property Acquired

On January 11, 2002, the Wells Operating Partnership, L.P. ("Wells OP") acquired the Arthur Andersen Building from Sarasota Haskell, LLC ("Haskell"). Wells OP is a Delaware limited partnership formed to acquire, own, lease, operate, and manage real properties on behalf of Wells Real Estate Investment Trust, Inc., a Maryland corporation. As the sole general partner of Wells OP, Wells Real Estate Investment Trust, Inc. possesses full legal control and authority over the operations of Wells OP. The Seller is not in anyway affiliated with Wells OP.

Arthur Andersen, LLP ("Andersen") currently occupies the entire 157,704 rentable square feet of the three-story office building under a net lease agreement (the "Andersen Lease"). Haskell's interest in the Andersen Lease was assigned to Wells OP at the closing. The initial term of the Andersen Lease commenced on November 1, 1999 and expires on October 31, 2009. Andersen has the right to extend the Andersen Lease for two additional periods of five years at a rate equal to 90% of the then current fair market rental rates. Under the Andersen Lease, Andersen is required to pay, as additional monthly rent, all operating costs, including but not limited to electricity, water, heating, air cooling, property and personal insurance and property taxes. In addition, Andersen is responsible for all routine maintenance and repairs to the interior of the Arthur Andersen Building. Wells OP is responsible for the repair and replacement of the exterior walls, foundation, roof, plumbing, elevators, HVAC systems, fire protection systems and other mechanical systems of the Arthur Andersen Building.

Rental Revenues

Rental income is recognized on a straight-line basis over the term of the Andersen lease.

2. BASIS OF ACCOUNTING

The accompanying statements of revenues over certain operating expenses are presented on the accrual basis. These statements have been prepared in accordance with the applicable rules and regulations of the Securities and Exchange Commission for real estate properties acquired. Accordingly, these statements exclude certain historical expenses, such as depreciation, interest, and management fees. Therefore, these statements are not

comparable to the operations of the Arthur Andersen Building after acquisition by Wells OP.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Items 31 through 35 and Item 37 of Part II are incorporated by reference to the Registrant's Registration Statement, as amended to date, Commission File No. 333-44900

Item 36 Financial Statements and Exhibits

(a) Financial Statements:

The following financial statements of the Registrant 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, 1999 and December 31, 1998,
(3) Consolidated Statements of Income for the years ended December 31, 1999 and 1998,
(4) Consolidated Statements of Stockholders' Equity for the years ended December 31, 1999 and 1998,
(5) Consolidated Statements of Cash Flows for the years ended December 31, 1999 and 1998, and
(6) Notes to Consolidated Financial Statements.

Unaudited Financial Statements

(1) Balance Sheets as of September 30, 2000 and December 31, 1999,
(2) Statements of Income for the three months and nine months ended September 30, 2000 and 1999,
(3) Statements of Shareholders' Equity for the year ended December 31, 1999 and the nine months ended September 30, 2000,
(4) Statements of Cash Flows for the nine months ended September 30, 2000 and 1999, and
(5) Condensed Notes to Financial Statements.

The following financial statements relating to the acquisition of the Dial Building are filed as part of this Registration Statement and are included in the Prospectus:

(1) Report of Independent Public Accountants,
(2) Statement of Revenues Over Certain Operating Expenses for the year ended December 31, 1999, and
(3) Notes to Statement of Revenues Over Certain Operating Expenses for the year ended December 31, 1999.

The following financial statements relating to the acquisition of

the ASML Building are filed as part of this Registration Statement and are included in the Prospectus:

(1) Report of Independent Public Accountants,
(2) Statement of Revenues Over Certain Operating Expenses for the year ended December 31, 1999, and
(3) Notes to Statement of Revenues Over Certain Operating Expenses for the year ended December 31, 1999.

The following financial statements relating to the acquisition of the Motorola Tempe Building are filed as part of this Registration Statement and are included in the Prospectus:

(1) Report of Independent Public Accountants,
(2) Statement of Revenues Over Certain Operating Expenses for the year ended December 31, 1999, and
(3) Notes to Statement of Revenues Over Certain Operating Expenses for the year ended December 31, 1999.

The following financial statements relating to the acquisition of the Motorola Plainfield Building are filed as part of this Registration Statement and are included in the Prospectus:

(1) Report of Independent Public Accountants,
(2) Statement of Revenues Over Certain Operating Expenses for the year ended December 31, 1999 (audited) and the nine months ended September 30, 2000 (unaudited), and
(3) Notes to Statement of Revenues Over Certain Operating Expenses for the year ended December 31, 1999 (audited), and the nine months ended September 30, 2000 (unaudited).

The following unaudited pro forma financial statements of the Registrant are filed as part of this Registration Statement and are included in the Prospectus:

(1) Summary of Unaudited Pro Forma Financial Statements,
(2) Pro Forma Balance Sheet as of September 30, 2000,
(3) Pro Forma Statement of Income for the year ended December 31, 1999, and
(4) Pro Forma Statement of Income for the nine months ended September 30, 2000.

The following financial statements relating to the acquisition of the Stone & Webster Building are filed as part of this Registration Statement and included in Supplement No. 1 to the Prospectus:

(1) Report of Independent Public Accountants,
(2) Statements of Revenues Over Certain Operating Expenses for the year ended December 31, 1999 (audited) and the nine months ended September 30, 2000 (unaudited), and
(3) Notes to Statements of Revenues Over Certain Operating Expenses for the year ended December 31, 1999 (audited)

and the nine months ended September 30, 2000 (unaudited).

The following financial statements relating to the acquisition of the AT&T Call Center Buildings are filed as part of this Registration Statement and included in Supplement No. 1 to the Prospectus:

(1) Report of Independent Public Accountants,

(2) Statements of Revenues Over Certain Operating Expenses for the year ended December 31, 1999 (audited) and the nine months ended September 30, 2000 (unaudited), and
(3) Notes to Statements of Revenues Over Certain Operating Expenses for the year ended December 31, 1999 (audited) and the nine months ended September 30, 2000 (unaudited).

The following unaudited pro forma financial statements of the Registrant are filed as part of this Registration Statement and included in Supplement No. 1 to the Prospectus:

(1) Summary of Unaudited Pro Forma Financial Statements,
(2) Pro Forma Balance Sheet as of September 30, 2000,
(3) Pro Forma Statements of Income (Loss) for the year ended December 31, 1999, and
(4) Pro Forma Statements of Income for the nine months ended September 30, 2000.

The following financial statements of the Registrant are filed as part of this Registration Statement and included in Supplement No. 2 to the Prospectus:

Audited Financial Statements
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(1) Report of Independent Public Accountants,
(2) Consolidated Balance Sheets as of December 31, 2000 and December 31, 1999,
(3) Consolidated Statements of Income for the years ended December 31, 2000, 1999 and 1998,
(4) Consolidated Statements of Stockholders' Equity for the years ended December, 31, 2000, 1999 and 1998,
(5) Consolidated Statements of Cash Flows for the years ended December 31, 2000, 1999 and 1998, and
(6) Notes to Consolidated Financial Statements.

The following financial statements relating to the acquisition of the Comdata Building are filed as part of this Registration Statement and included in Supplement No. 3 to the Prospectus:

(1) Report of Independent Public Accountants,
(2) Statements of Revenues Over Certain Operating Expenses for the year ended December 31, 2000 (audited) and the three months ended March 31, 2001 (unaudited), and
(3) Notes to Statements of Revenues Over Certain Operating Expenses for the year ended December 31, 2000 (audited) and the three months ended March 31, 2001 (unaudited).

The following unaudited pro forma financial statements of the Registrant are filed as part of this Registration Statement and included in Supplement No. 3 to the Prospectus:

(1) Summary of Unaudited Pro Forma Financial Statements,
(2) Pro Forma Balance Sheet as of March 31, 2001,
(3) Pro Forma Statement of Income for the three months ended March 31, 2001, and
(4) Pro Forma Statement of Income for the year ended December 31, 2000.

The following financial statements relating to the acquisition of the State Street Building are filed as part of this Registration Statement and included in Supplement No. 4 to the Prospectus:

(1) Report of Independent Public Accountants,
(2) Statements of Revenues Over Certain Operating Expenses for the year ended December 31, 2000 (audited) and the six months ended June 30, 2001 (unaudited), and
(3) Notes to Statements of Revenues Over Certain Operating Expenses for the year ended December 31, 2000 (audited) and the six months ended June 30, 2001 (unaudited).

The following unaudited pro forma financial statements of the Registrant are filed as part of this Registration Statement and included in Supplement No. 4 to the Prospectus:

(1) Summary of Unaudited Pro Forma Financial Statements,
(2) Pro Forma Balance Sheet as of June 30, 2001,
(3) Pro Forma Statement of Income for the six months ended June 30, 2001, and
(4) Pro Forma Statement of Income for the year ended December 31, 2000.

The following financial statements relating to the acquisition of the IKON Buildings are filed as part of this Registration Statement and included in Supplement No. 5 to the Prospectus:

(1) Report of Independent Public Accountants,
(2) Statements of Revenues Over Certain Operating Expenses for the year ended December 31, 2000 (audited) and the six months ended June 30, 2001 (unaudited), and
(3) Notes to Statements of Revenues Over Certain Operating Expenses for the year ended December 31, 2000 (audited) and the six months ended June 30, 2001 (unaudited).

The following financial statements relating to the acquisition of the Ingram Micro Distribution Facility are filed as part of this Registration Statement and included in Supplement No. 5 to the Prospectus:

(1) Report of Independent Public Accountants,
(2) Statements of Certain Operating Expenses in Excess of Revenues for the year ended December 31, 2000 (audited) and the six months ended June 30, 2001 (unaudited), and

(3) Notes to Statements of Certain Operating Expenses in Excess of Revenues for the year ended December 31, 2000 (audited) and the six months ended June 30, 2001 (unaudited).

The following financial statements relating to the acquisition of the Lucent Building are filed as part of this Registration Statement and included in Supplement No. 5 to the Prospectus:

(1) Report of Independent Public Accountants,
(2) Statements of Certain Operating Expenses in Excess of Revenues for the year ended December 31, 2000 (audited) and the six months ended June 30, 2001 (unaudited), and
(3) Notes to Statements of Certain Operating Expenses in Excess of Revenues for the year ended December 31, 2000 (audited) and the six months ended June 30, 2001 (unaudited).

The following unaudited pro forma financial statements of the Registrant are filed as part of this Registration Statement and included in Supplement No. 5 to the Prospectus:

(1) Summary of Unaudited Pro Forma Financial Statements,
(2) Pro Forma Balance Sheet as of June 30, 2001,
(3) Pro Forma Statement of Income for the six months ended June 30, 2001, and
(4) Pro Forma Statement of Income (Loss) for the year ended December 31, 2000.

The following financial statements relating to the acquisition of the Windy Point Buildings are filed as part of this Registration Statement and included in Supplement No. 6 to the Prospectus:

(1) Report of Independent Public Accountants,
(2) Statements of Certain Operating Expenses in Excess of Revenues for the year ended December 31, 2000 (audited) and the nine months ended September 30, 2001 (unaudited), and
(3) Notes to Statements of Certain Operating Expenses in Excess of Revenues for the year ended December 31, 2000 (audited) and the nine months ended September 30, 2001 (unaudited).

The following financial statements relating to the acquisition of the Arthur Andersen Building are filed as part of this Registration Statement and included in Supplement No. 6 to the Prospectus:

(1) Report of Independent Public Accountants,
(2) Statements of Certain Operating Expenses in Excess of Revenues for the year ended December 31, 2000 (audited) and the nine months ended September 30, 2001 (unaudited), and
(3) Notes to Statements of Certain Operating Expenses in Excess of Revenues for the year ended December 31, 2000 (audited) and the nine months ended September 30, 2001 (unaudited).

The following financial statements of the Registrant are filed as part of this Registration Statement and included in Supplement No. 6 to the Prospectus:

Unaudited Financial Statements

(1) Consolidated Balance Sheets as of September 30, 2001 and December 31, 2000,
(2) Consolidated Statements of Income for the three months ended September 30, 2001 and September 30, 2000 and for the nine months ended September 30, 2001 and September 30, 2000,
(3) Consolidated Statements of Shareholders' Equity for the year ended December 31, 2000 and for the nine months ended September 30, 2001,
(4) Consolidated Statements of Cash Flows for the nine months ended September 30, 2001 and September 30, 2000, and
(5) Condensed Notes to Consolidated Financial Statements.

The following unaudited pro forma financial statements of the Registrant are filed as part of this Registration Statement and included in Supplement No. 6 to the Prospectus:

(1) Summary of Unaudited Pro Forma Financial

Statements,
(2) Pro Forma Balance Sheet as of September 30, 2001,
(3) Pro Forma Statement of Income (Loss) for the nine months ended September 30, 2001, and
(4) Pro Forma Statement of Income (Loss) for the year ended December 31, 2000.

(b) Exhibits (See Exhibit Index):

Exhibit No.	Description
1.1	Form of Dealer Manager Agreement (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)
1.2	Form of Warrant Purchase Agreement (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)
3.1	Amended and Restated Articles of Incorporation (previously filed in and incorporated by reference to Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on August 31, 2000)
3.2	Form of Bylaws (previously filed in and incorporated by reference to Amendment No. 4 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-32099, filed on January 23, 1998)
3.3	Amendment No. 1 to Bylaws (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-32099, filed on April 15, 1999)
4.1	Form of Subscription Agreement and Subscription Agreement Signature Page (included as Exhibit A to Prospectus)

5.1	Opinion of Holland & Knight LLP as to legality of securities (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)
8.1	Opinion of Holland & Knight LLP as to tax matters (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)
8.2	Opinion of Holland & Knight LLP as to ERISA matters (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)
10.1	Agreement of Limited Partnership of Wells Operating Partnership, L.P. (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)
10.2	Advisory Agreement dated January 30, 2001 (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)

10.3 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)

10.4 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)

10.5 Lease Agreement for the Alstom Power Knoxville Building (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)

10.6 Net Lease Agreement for the Avaya Building (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)

10.7 First Amendment to Net Lease Agreement for the Avaya Building (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)

10.8 Lease Agreement for the Iomega Building (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)

10.9 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)

10.10 Lease Agreement for the Fairchild Building (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)

10.11 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)

10.12 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)

10.13 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)

10.14 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) 10.15 Build-To-Suit Office Lease Agreement for the AT&T 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)

10.16 Amendment No. 1 to Build-To-Suit Office Lease Agreement for the AT&T 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).

10.17 Amendment No. 2 to Build-To-Suit Office Lease Agreement for the AT&T 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)

10.18 Build-To-Suit Office Lease Agreement Guaranty Payment and Performance for the AT&T 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)

10.19 Rental Income Guaranty Agreement relating to the Quest 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)

10.20 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)

10.21 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)

10.22 Fifth Amendment to Lease for the Johnson Matthey Building (previously filed as Exhibit 10.7 and incorporated by reference to Post-Effective Amendment No. 1 to the Registration Statement of Wells Real Estate Fund XII, L.P. on Form S-11, Commission File No. 33-66657, filed on September 1, 1999)

10.23 Lease Agreement for the Gartner Building (previously filed in and incorporated by

reference to Post-Effective Amendment No. 7 to Registrant's Registration Statement on Form S-11, Commission File No. 333-32099, filed on October 14, 1999)

10.24 Lease Agreement for the Alstom Power Richmond Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 7 to Registrant's Registration Statement on Form S-11, Commission File No. 333-32099, filed on

October 14, 1999)

10.25 Second Amendment to Lease Agreement for the Alstom Power Richmond Building (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)

10.26 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)

10.27 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)

10.28 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)

10.29 Lease Agreement for the Metris 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 Promissory Note for $26,725,000 for the Bank of America Loan (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)

10.31 Mortgage, Assignment and Security Agreement for the Marconi Building and the AT&T Building securing the Bank of America Loan (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)

10.32 Assumption and Modification Agreement for the Metris Loan (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)

10.33 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)

10.34 Lease Agreement for the Dial 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)

10.35 First Amendment to Lease Agreement for the Dial 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)

10.36 Lease Agreement for the ASML 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)

10.37 First Amendment to Lease Agreement for the ASML 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)

10.38 Ground Lease Agreement for the ASML 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)

10.39 First Amendment to Ground Lease Agreement for the ASML 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)

10.40 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)

10.41 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)

10.42 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)

10.43 Office Lease for the Siemens Building (previously filed as Exhibit 10.13 and incorporated by reference to Post-Effective Amendment No. 3 to the Registration Statement of Wells Real Estate Fund XII, L.P. on Form S-11, Commission File No. 33-66657, filed on July 25, 2000)

10.44 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)

10.45 Lease Agreement for the Avnet Building (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)

10.46 Ground Lease Agreement for the Avnet Building (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)

10.47 Lease Agreement for the Delphi Building (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)

10.48 Lease Agreement for the Quest Building (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)

10.49 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)

10.50 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)

10.51 Deed of Trust and Security Agreement with SouthTrust, N.A. relating to the Cinemark Building (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)

10.52 Deed of Trust and Security Agreement with SouthTrust, N.A. relating to the Dial Building (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)

10.53 Leasehold Deed of Trust and Security Agreement with SouthTrust, N.A. relating to the ASML Building (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)

10.54 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)

10.55 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)

10.56 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)

10.57 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)

10.58 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)

10.59 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)

10.60 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)

10.61 Leasehold Deed of Trust and Security Agreement with SouthTrust Bank N.A. relating to the Motorola Tempe Building and the Avnet Building (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)

10.62 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)

10.63 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)

10.64 Credit Line Deed of Trust and Security Agreement to SouthTrust N.A. relating to the Alstom Power Richmond Building (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)

10.65 First Amendment to Credit Line Deed of Trust and Security Agreement to SouthTrust N.A. relating to the Alstom Power Richmond Building (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)

10.66 Agreement for Purchase and Sale of Property for 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)

10.67 First Amendment to Agreement for Purchase and Sale of Property for 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)

10.68 Promissory Note for $35,900,000 for the Guaranty Federal Bank Loan (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)

10.69 Deed of Trust, Mortgage and Security Agreement with Guaranty Federal Bank, F.S.B., relating to 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)

10.70 Promissory Note for $3,000,000 for the Cardinal Paragon, Inc. Loan (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)

10.71 Deed of Trust with Cardinal Paragon, Inc. relating to 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)

10.72 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)

10.73 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)

10.74 Purchase Agreement for Metris Minnetonka 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)

10.75 Lease Agreement for the Metris Minnetonka 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)

10.76 Fourth Amendment to Lease Agreement for the Metris Minnetonka 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)

10.77 Guaranty of Lease for the Metris Minnetonka 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)

10.78 Agreement for the Purchase and Sale of Property for the AT&T Call Center Buildings (previously filed as Exhibit 10.14 and incorporated by reference to Post-Effective Amendment No. 4 to the Registration Statement of Wells Real Estate Fund XII, L.P., Commission File No. 333-66657, filed on February 9, 2001)

10.79 First Amendment to Agreement for the Purchase and Sale of Property for the AT&T Call Center Buildings (previously filed as Exhibit 10.15 and incorporated by reference to Post-Effective Amendment No. 4 to the Registration Statement of Wells Real Estate Fund XII, L.P., Commission File No. 333-66657, filed on February 9, 2001)

10.80 Lease Agreement with AT&T Corp. for a portion of the AT&T Call Center Buildings (previously filed as Exhibit 10.16 and incorporated by reference to Post-Effective Amendment No. 4 to the Registration Statement of Wells Real Estate Fund XII, L.P., Commission File No. 333-66657, filed on February 9, 2001)

10.81 Lease Agreement with Jordan Associates, Inc. for a portion of the AT&T Call Center Buildings (previously filed as Exhibit 10.17 and incorporated by reference to Post-Effective Amendment No. 4 to the Registration Statement of Wells Real Estate Fund XII, L.P., Commission File No. 333-66657, filed on February 9, 2001)

10.82 Agreement for the Purchase and Sale of Property 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)

10.83 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)

10.84 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)

10.85 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)

10.86 Agreement for the Purchase and Sale of Property for the AmeriCredit 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)

10.87 Lease Agreement for the AmeriCredit 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)

10.88 Agreement for the Purchase and Sale of Property 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)

10.89 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)

10.90 Agreement for the Purchase and Sale of Property 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)

10.91 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)

10.92 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)

10.93 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)

10.94 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)

10.95 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)

10.96 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)

10.97 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)

10.98 Architect 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)

10.99 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)

10.100 Agreement for the Purchase and Sale of Property for the Ingram Micro Distribution Facility (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)

10.101 Indenture of Lease Agreement for Ingram Micro Distribution Facility (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)

10.102 Guaranty of Lease Agreement for Ingram Micro Distribution Facility (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)

10.103 Absolute Assignment of Lease and Assumption Agreement for Ingram Micro Distribution Facility (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) 10.104 Bond Real Property Lease Agreement for the Ingram Micro Distribution Facility (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)

10.105 Agreement for the Purchase and Sale of Property for the Lucent 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)

10.106 Lease Agreement for the Lucent 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)

10.107 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)

10.108 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)

10.109 Agreement for the Purchase and Sale of Property for the Convergys Building

10.110 Lease Agreement for the Convergys Building

10.111 Purchase Agreement for the ADIC Buildings (previously filed as Exhibit 10.6 and incorporated by reference to Post-Effective Amendment No. 3 to the Registration Statement of Wells Real Estate Fund XIII, L.P. on Form S-11, Commission File No. 333-48984)

10.112 Purchase Agreement for the land immediately adjacent to the ADIC Buildings (previously filed as Exhibit 10.7 and incorporated by reference to Post-Effective Amendment No. 3 to the Registration Statement of Wells Real Estate Fund XIII, L.P. on Form S-11, Commission File No. 333-48984)

10.113 Lease Agreement for the ADIC Buildings (previously filed as Exhibit 10.8 and incorporated by reference to Post-Effective Amendment No. 3 to the Registration Statement of Wells Real Estate Fund XIII, L.P. on Form S-11, Commission File No.

	333-48984)
10.114	Agreement for Purchase and Sale of the Windy Point Buildings
10.115	Lease Agreement with TCI Great Lakes, Inc. for a portion of the Windy Point I Building
10.116	First Amendment to Office Lease with TCI Great Lakes, Inc.
10.117	Lease Agreement with The Apollo Group, Inc. for a portion of the Windy Point I Building
10.118	Lease Agreement with Global Knowledge Network, Inc. for a portion of the Windy Point I Building
10.119	Lease Agreement with Zurich American Insurance Company for the Windy Point II Building
10.120	Third Amendment to Office Lease with Zurich American Insurance Company
10.121	Agreement for Purchase and Sale of the Arthur Andersen Building
10.122	Lease Agreement for the Arthur Andersen Building
23.1	Consent of Holland & Knight LLP (included in exhibits 5.1 and 8.1)
23.2	Consent of Arthur Andersen LLP
24.1	Power of Attorney

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 Post-Effective Amendment No. 5 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 21st day of January, 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 Post-Effective Amendment No. 5 to Registration Statement has been signed below on January 21, 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	*	Director
John L. Bell (By Douglas P. Williams, as Attorney-in-fact)		
/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 October 31, 2001 and included as Exhibit 24.1 herein.

EXHIBIT INDEX

Exhibit No.	Description
1.1	Form of Dealer Manager Agreement (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)
1.2	Form of Warrant Purchase Agreement (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)
3.1	Amended and Restated Articles of Incorporation (previously filed in and incorporated by reference to Registrant's Registration Statement on Form S-11, Commission File No. 333-44900, filed on August 31, 2000)
3.2	Form of Bylaws (previously filed in and incorporated by reference to Amendment No. 4 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-32099, filed on January 23, 1998)
3.3	Amendment No. 1 to Bylaws (previously filed in and incorporated by reference to Post-Effective Amendment No. 5 to the Registrant's Registration Statement on Form S-11, Commission File No. 333-32099, filed on April 15, 1999)
4.1	Form of Subscription Agreement and Subscription Agreement Signature Page (included as Exhibit A to Prospectus)
5.1	Opinion of Holland & Knight LLP as to legality of securities (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)
8.1	Opinion of Holland & Knight LLP as to tax matters (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)
8.2	Opinion of Holland & Knight LLP as to ERISA matters (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)
10.1	Agreement of Limited Partnership of Wells Operating Partnership, L.P. (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)
10.2	Advisory Agreement dated January 30, 2001 (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)
10.3	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)
10.4	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)
10.5	Lease Agreement for the Alstom Power Knoxville Building (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)
10.6	Net Lease Agreement for the Avaya Building (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)
10.7	First Amendment to Net Lease Agreement for the Avaya Building (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)
10.8	Lease Agreement for the Iomega Building (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)
10.9	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)

10.10 Lease Agreement for the Fairchild Building (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)

10.11 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)

10.12 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)

10.13 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)

10.14 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)

10.15 Build-To-Suit Office Lease Agreement for the AT&T 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)

10.16 Amendment No. 1 to Build-To-Suit Office Lease Agreement for the AT&T 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).

10.17 Amendment No. 2 to Build-To-Suit Office Lease Agreement for the AT&T 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)

10.18 Build-To-Suit Office Lease Agreement Guaranty Payment and Performance for the AT&T 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)

10.19 Rental Income Guaranty Agreement relating to the Quest 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)

10.20 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)

10.21 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)

10.22 Fifth Amendment to Lease for the Johnson Matthey Building (previously filed as Exhibit 10.7 and incorporated by reference to Post-Effective Amendment No. 1 to the Registration Statement of Wells Real Estate Fund XII, L.P. on Form S-11, Commission File No. 33-66657, filed on September 1, 1999)

10.23 Lease Agreement for the Gartner Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 7 to Registrant's Registration Statement on Form S-11, Commission File No. 333-32099, filed on October 14, 1999)

10.24 Lease Agreement for the Alstom Power Richmond Building (previously filed in and incorporated by reference to Post-Effective Amendment No. 7 to Registrant's Registration Statement on Form S-11, Commission File No. 333-32099, filed on October 14, 1999)

10.25 Second Amendment to Lease Agreement for the Alstom Power Richmond Building (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)

10.26 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)

10.27 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)

10.28 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)

10.29 Lease Agreement for the Metris 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 Promissory Note for $26,725,000 for the Bank of America Loan (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)

10.31 Mortgage, Assignment and Security Agreement for the Marconi Building and the AT&T Building securing the Bank of America Loan (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)

10.32 Assumption and Modification Agreement for the Metris Loan (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)

10.33 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)

10.34 Lease Agreement for the Dial 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)

10.35 First Amendment to Lease Agreement for the Dial 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)

10.36 Lease Agreement for the ASML 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)

10.37 First Amendment to Lease Agreement for the ASML 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)

10.38 Ground Lease Agreement for the ASML 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)

10.39 First Amendment to Ground Lease Agreement for the ASML 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)

10.40 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)

10.41 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)

10.42 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)

10.43 Office Lease for the Siemens Building (previously filed as Exhibit 10.13 and incorporated by reference to Post-Effective Amendment No. 3 to the Registration Statement of Wells Real Estate Fund XII, L.P. on Form S-11, Commission File No. 33-66657, filed on July 25, 2000)

10.44 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)

10.45 Lease Agreement for the Avnet Building (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)

10.46 Ground Lease Agreement for the Avnet Building (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)

10.47 Lease Agreement for the Delphi Building (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)

10.48 Lease Agreement for the Quest Building (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)

10.49 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)

10.50 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)

10.51 Deed of Trust and Security Agreement with SouthTrust, N.A. relating to the Cinemark Building (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)

10.52 Deed of Trust and Security Agreement with SouthTrust, N.A. relating to the Dial Building (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)

10.53 Leasehold Deed of Trust and Security Agreement with SouthTrust, N.A. relating to the ASML Building (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)

10.54 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)

10.55 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)

10.56 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)

10.57 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)

10.58 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)

10.59 Revolving Note relating to the SouthTrust 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)

10.60 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)

10.61 Leasehold Deed of Trust and Security Agreement with SouthTrust Bank N.A. relating to the Motorola Tempe Building and the Avnet Building (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)

10.62 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)

10.63 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)

10.64 Credit Line Deed of Trust and Security Agreement to SouthTrust Bank N.A. relating to the Alstom Power Richmond Building (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)

10.65 First Amendment to Credit Line Deed of Trust and Security Agreement to SouthTrust Bank N.A. relating to the Alstom Power Richmond Building (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)

10.66 Agreement for Purchase and Sale of Property for 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)

10.67 First Amendment to Agreement for Purchase and Sale of Property for 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)

10.68 Promissory Note for $35,900,000 for the Guaranty Federal Bank Loan (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)

10.69 Deed of Trust, Mortgage and Security Agreement with Guaranty Federal Bank, F.S.B., relating to 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)

10.70 Promissory Note for $3,000,000 for the Cardinal Paragon Loan (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)

10.71 Deed of Trust with Cardinal Paragon, Inc. relating to 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)

10.72 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)

10.73 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)

10.74 Purchase Agreement for Metris Minnetonka 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)

10.75 Lease Agreement for the Metris Minnetonka 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)

10.76 Fourth Amendment to Lease Agreement for the Metris Minnetonka 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)

10.77 Guaranty of Lease for the Metris Minnetonka 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)

10.78 Agreement for the Purchase and Sale of Property for the AT&T Call Center Buildings (previously filed as Exhibit 10.14 and incorporated by reference to Post-Effective Amendment No. 4 to the Registration Statement of Wells Real Estate Fund XII, L.P., Commission File No. 333-66657, filed on February 9, 2001)

10.79 First Amendment to Agreement for the Purchase and Sale of Property for the AT&T Call Center Buildings (previously filed as Exhibit 10.15 and incorporated by reference to Post-Effective Amendment No. 4 to the Registration Statement of Wells Real Estate Fund XII, L.P., Commission File No. 333-66657, filed on February 9, 2001)

10.80 Lease Agreement with AT&T Corp. for a portion of the AT&T Call Center Buildings (previously filed as Exhibit 10.16 and incorporated by reference to Post-Effective Amendment No. 4 to the Registration Statement of Wells Real Estate Fund XII, L.P., Commission File No. 333-66657, filed on February 9, 2001)

10.81 Lease Agreement with Jordan Associates, Inc. for a portion of the AT&T Call Center Buildings (previously filed as Exhibit 10.17 and incorporated by reference to Post-Effective Amendment No. 4 to the Registration Statement of Wells Real Estate Fund XII, L.P., Commission File No. 333-66657, filed on February 9, 2001)

10.82 Agreement for the Purchase and Sale of Property 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)

10.83 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)

10.84 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)

10.85 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)

10.86 Agreement for the Purchase and Sale of Property for the AmeriCredit 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)

10.87 Lease Agreement for the AmeriCredit 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)

10.88 Agreement for the Purchase and Sale of Property 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)

10.89 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)

10.90 Agreement for the Purchase and Sale of Property 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)

10.91 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)

10.92 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)

10.93 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)
10.94	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)
10.95	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)
10.96	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)
10.97	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)
10.98	Architect 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)
10.99	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)
10.100	Agreement for the Purchase and Sale of Property for the Ingram Micro Distribution Facility (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)
10.101	Indenture of Lease Agreement for Ingram Micro Distribution Facility (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)
10.102	Guaranty of Lease Agreement for Ingram Micro Distribution Facility (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)
10.103	Absolute Assignment of Lease and Assumption Agreement for Ingram Micro Distribution Facility (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)
10.104	Bond Real Property Lease Agreement for the Ingram Micro Distribution Facility (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)

10.105 Agreement for the Purchase and Sale of Property for the Lucent 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)

10.106 Lease Agreement for the Lucent 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)

10.107 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)

10.108 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)

10.109 Agreement for the Purchase and Sale of Property for the Convergys Building, filed herewith

10.110 Lease Agreement for the Convergys Building, filed herewith

10.111 Purchase Agreement for the ADIC Buildings (previously filed as Exhibit 10.6 and incorporated by reference to Post-Effective Amendment No. 3 to the Registration Statement of Wells Real Estate Fund XIII, L.P. on Form S-11, Commission File No. 333-48984)

10.112 Purchase Agreement for the land immediately adjacent to the ADIC Buildings (previously filed as Exhibit 10.7 and incorporated by reference to Post-Effective Amendment No. 3 to the Registration Statement of Wells Real Estate Fund XIII, L.P. on Form S-11, Commission File No. 333-48984)

10.113 Lease Agreement for the ADIC Buildings (previously filed as Exhibit 10.8 and incorporated by reference to Post-Effective Amendment No. 3 to the Registration Statement of Wells Real Estate Fund XIII, L.P. on Form S-11, Commission File No. 333-48984)

10.114 Agreement for Purchase and Sale of the Windy Point Buildings, filed herewith

10.115 Lease Agreement with TCI Great Lakes, Inc. for a portion of the Windy Point I Building, filed herewith

10.116 First Amendment to Office Lease with TCI Great Lakes, Inc., filed herewith

10.117 Lease Agreement with The Apollo Group, Inc. for a portion of the Windy Point I Building, filed herewith

10.118 Lease Agreement with Global Knowledge Network, Inc. for a portion of the Windy Point I Building, filed herewith

10.119 Lease Agreement with Zurich American Insurance Company for the Windy Point II Building, filed herewith

10.120	Third Amendment to Office Lease with Zurich American Insurance Company, filed herewith
10.121	Agreement for Purchase and Sale of the Arthur Andersen Building, filed herewith
10.122	Lease Agreement for the Arthur Andersen 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, filed herewith
24.1	Power of Attorney, filed herewith

EXHIBIT 10.109

PURCHASE AGREEMENT FOR CONVERGYS BUILDING

AGREEMENT FOR THE PURCHASE AND SALE OF PROPERTY

THIS AGREEMENT FOR THE PURCHASE AND SALE OF PROPERTY (the "Agreement"), is made and entered into as of the 15/th/ day of November, 2001, by and between WESTPOINT BUILDING NO. 1, L.L.C., a Delaware limited liability company ("Seller") and WELLS CAPITAL, INC., a Georgia corporation ("Purchaser").

W I T N E S S E T H:

WHEREAS, Seller desires to sell and Purchaser desires to purchase the Property (as hereinafter defined) subject to the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the premises, the mutual agreements contained herein, the sum of Ten Dollars ($10.00) in hand paid by Purchaser to Seller at and before the sealing and delivery of these presents and for other good and valuable consideration, the receipt, adequacy, and sufficiency which are hereby expressly acknowledged by the parties hereto, the parties hereto do hereby covenant and agree as follows:

1. Purchase and Sale of Property. Subject to and in accordance with the terms and provisions of this Agreement, Seller hereby agrees to sell to Purchaser and Purchaser hereby agrees to purchase from Seller, the Property, which term "Property" shall mean and include the following:

(a) all that tract or parcel of land (the "Land") located in Broward County, Florida, containing approximately 12.55 acres, having an address of 5601 Hiatus Road, Tamarac, Florida, and being more particularly described on Exhibit "A" hereto; and

(b) all rights, privileges, and easements appurtenant to the Land, including all water rights, mineral rights, reversions, or other appurtenances to said Land, and all right, title, and interest of Seller, if any, in and to any land lying in the bed of any street, road, alley, or right-of-way, open or proposed, adjacent to or abutting the Land; and

(c) all buildings, structures, and improvements situated on the Land, including, without limitation, that certain two story office building containing approximately 100,000 rentable square feet, the parking areas containing approximately 965 parking spaces and other amenities located on the Land, and all apparatus, built-in appliances, equipment, pumps, machinery, plumbing, heating, air conditioning, electrical and other fixtures located on the Land which are owned by Seller (all of which are herein collectively referred to as the "Improvements"); and

(d) all personal property, if any, now owned by Seller and located on or to be located on or in, or used in connection with, the Land and Improvements ("Personal Property"); and

(e) all of Seller's right, title, and interest, as landlord or lessor, in and to that certain lease agreement (the "Lease") with Convergys Customer Management Group, Inc., an Ohio Corporation (the "Tenant") and that certain Guaranty dated August 29, 2000, by Convergys Corporation, an Ohio Corporation ("Guaranty"); and

(f) all of Seller's right, title, and interest in and to (i) the plans

and specifications with respect to the Improvements, (ii) any guarantees, trademarks, rights of copyright, warranties, or other rights related to the ownership of or use and operation of the Land, Personal Property, or Improvements, and (iii) all governmental licenses and permits, and all intangibles associated exclusively with the Land, Personal Property, and Improvements.

2. Earnest Money. Within two (2) business days after the full execution of this Agreement, Purchaser shall deliver to Lawyers Title Insurance Company ("Escrow Agent"), whose offices are at 420 Columbia Drive, West Palm Beach, Florida 33409, Purchaser's check, payable to Escrow Agent, in the amount of $250,000 (the "Earnest Money"), which Earnest Money shall be held and disbursed by Escrow Agent in accordance with this Agreement. The Earnest Money shall be paid by Escrow Agent to Seller at Closing (as hereinafter defined) and shall be applied as a credit to the Purchase Price (as hereinafter defined), or shall otherwise be paid to Seller or refunded

to Purchaser in accordance with the terms of this Agreement. All interest and other income from time to time earned on the Earnest Money shall become a part of the Earnest Money and be paid or credited to the party entitled to the Earnest Money.

3. Purchase Price. Subject to adjustment, prorations and credits as otherwise specified in this Agreement, the purchase price (the "Purchase Price") to be paid by Purchaser to Seller for the Property is THIRTEEN MILLION TWO HUNDRED FIFTY FIVE THOUSAND DOLLARS ($13,255,000.00). Notwithstanding the foregoing, in the event Base Rent under the Lease for the first Lease Year is less than $1,248,192.00, then the Purchase Price shall be determined by dividing the Base Rent for the First Lease Year as determined in accordance with Section 3(e) of the Lease by .094167648. For example, if the "Rent Calculation Amount" and the amount of "Finance Change Orders", each as finally determined in accordance with the Lease, are $10,500,000.00 and $800,000.00, respectively, and the resulting "Base Rent" for the first Lease Year is $1,220,400.00 ($10,500,000.00 plus $800,000.00 equals $11,300,000.00 multiplied by 10.8 percent), then the Purchase Price shall be $12,959,865.00 ($1,220,400.00 divided by .094167648). The Purchase Price, as finally determined, shall be paid by Purchaser to Seller at the Closing (as hereinafter defined) by wire transfer of immediately available federal funds, less the amount of Earnest Money and subject to prorations, adjustments and credits as otherwise specified in this Agreement.

4. Purchaser's Inspection and Review Rights. Subject to the rights of the Tenant (as hereinafter defined), Purchaser and its agents, engineers, or representatives, with Seller's reasonable, good faith cooperation, shall have the privilege of going upon the Property as needed to inspect, examine, test, and survey the Property at all reasonable times and from time to time. Purchaser hereby agrees to indemnify Seller and hold Seller harmless from any liens, claims, liabilities, and damages incurred through the exercise of such privilege, and Purchaser further agrees to repair any damage to the Property caused by the exercise of such privilege. Said indemnity shall survive Closing or termination of this Agreement. All such inspections shall be non-destructive in nature and specifically shall not include any physically intrusive testing; provided however, that if Purchaser desires to undertake such intrusive testing, Purchaser shall first obtain Seller's written approval which shall not be unreasonably withheld if Purchaser conducts such testing in accordance with commercially customary standards. Purchaser shall maintain and shall insure that Purchaser and Purchaser's consultants and contractors maintain public liability insurance and property damage insurance in an amount not less than Two Million Dollars ($2,000,000) and in form and substance adequate to insure against all liability of Purchaser and its consultants and contractors, respectively, and each of their respective agents, employees and contractors, arising out of inspections and testing of the Property or any part thereof made on Purchaser's behalf and, at Seller's request, Purchaser shall furnish Sellers with

appropriate certificates and endorsements reflecting Seller as an additional insured under any such insurance. At all reasonable times prior to the Closing (as hereinafter defined), Seller shall make available to Purchaser, or Purchaser's agents and representatives, for review and copying, all books, records, and files in Seller's possession relating to the ownership and operation of the Property, including, without limitation, title matters, surveys, tenant files, service and maintenance agreements, and other contracts, books, records, operating statements, and other information relating solely to the operation of the Property. Seller further agrees to in good faith assist and cooperate with Purchaser in coming to a thorough understanding of the books, records, and files relating to the Property. Seller further agrees to provide to Purchaser prior to the date which is five (5) days after the Effective Date of this Agreement the most current boundary and "as-built" surveys of the Land and Improvements and any title insurance policies, appraisals, building inspection reports and environmental reports relating thereto and in the possession or under the control of Seller. At no cost or liability to Seller, Seller shall cooperate with Purchaser, its counsel, accountants, agents, and representatives, provide them with access to Seller's books and records with respect to the ownership, management, maintenance, and operation of the Property for the applicable period, and permit them to copy the same. At no cost to Purchaser, Seller shall use commercially reasonable efforts to cause the authors of appraisal, environmental and building inspection reports to issue reliance letters addressed to Purchaser and Purchaser's lender, if any, in form and substance reasonably acceptable to Purchaser, at least 15 days prior to the expiration of the Inspection Period.

5. Special Condition to Closing. Purchaser shall have thirty (30) days from the Effective Date of this Agreement (the "Inspection Period") to make investigations, examinations, inspections, market studies, feasibility studies, lease reviews, and tests relating to the Property and the operation thereof in order to determine, in Purchaser's sole opinion and discretion, the suitability of the Property for acquisition by Purchaser. Purchaser shall have the right to terminate this Agreement at any time prior to the expiration of the Inspection Period by giving

written notice to Seller of such election to terminate. In the event Purchaser so elects to terminate this Agreement, Seller shall be entitled to receive and retain the sum of Twenty-Five Dollars ($25.00) of the Earnest Money, and the balance of the Earnest Money shall be promptly refunded by Escrow Agent to Purchaser, whereupon, except as expressly provided to the contrary in this Agreement, no party hereto shall have any other or further rights or obligations under this Agreement. Seller acknowledges that the sum of $25.00 is good and adequate consideration for the termination rights granted to Purchaser hereunder.

6. General Conditions Precedent to Closing. In addition to the conditions to Purchaser's obligations set forth in Paragraph 5 above, the obligations and liabilities of Seller and Purchaser hereunder shall in all respects be conditioned upon the satisfaction of each of the following conditions, any of which may be waived by written notice from the party entitled to the benefit thereof:

(a) The parties shall have complied in all material respects with and otherwise performed in all material respects each of the covenants and obligations set forth in this Agreement, as of the date of Closing (as hereinafter defined).

(b) All representations and warranties as set forth in this Agreement shall be true and correct in all material respects as of the date of Closing.

(c) There shall have been no adverse change to the title to the

Property subsequent to the effective date of the Title Commitment, which has not been cured, and the Title Company (as hereinafter defined) shall have issued the Title Commitment (as hereinafter defined) on the Land and Improvements without exceptions other than as described in paragraph 7 and the Title Company shall be prepared to issue to Purchaser upon the Closing a fee simple owner's title insurance policy on the Land and Improvements pursuant to such Title Commitment.

(d) Purchaser shall have received the Tenant Estoppel Certificate referred to in Paragraph 9(c) hereof, duly executed by the Tenant (as hereinafter defined) at least five (5) days prior to the end of the Inspection Period.

(e) Seller shall use commercially reasonable efforts to have its architect execute and deliver to Purchaser, its certificate setting forth the number of rentable square feet in the building and stating that the Improvements have been substantially completed in accordance with the plans and specifications and comply with all applicable zoning laws, ordinances and regulations.

(f) Seller shall have delivered to Purchaser the certificate of the applicable governing authority stating the zoning classification of the Property and that the Improvements constructed on the Property are permitted uses.

7. Title and Survey. Seller covenants and agrees that it shall on or
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before ten (10) days after the Effective Date of this Agreement, cause Lawyers Title Insurance Company (herein referred to as the "Title Company"), to deliver to Purchaser its commitment (herein referred to as the "Title Commitment") to issue to Purchaser, upon the recording of the Deed conveying title to the Land and Improvements from Seller to Purchaser, the payment of the Purchase Price, and the payment to the Title Company of the policy premium therefor, an owner's policy of title insurance, in the amount of the Purchase Price, insuring good and marketable fee simple record title to the Land and Improvements to be in Purchaser subject only to the Permitted Exceptions (as hereinafter defined), with the standard preprinted exceptions deleted and containing the following endorsements: survey, Florida Form 9.2, contiguity and access. Such Title Commitment shall not contain any exception for rights of parties in possession other than an exception for the right of the Tenant (as hereinafter defined) under the Lease. Not less than ten (10) days prior to the expiration of the Inspection Period, Seller shall deliver to Purchaser an "as built" survey of the Land and the Improvements (the "As-built Survey") certified to Purchaser, Purchaser's lender, if any, and to the Title Company showing the boundaries and the legal description of the Land, which survey shall be made in compliance with the "Minimum Standard Detail Requirements for Land Title Surveys" established by the ALTA/ACSM for Urban Land title surveys, including all items on Table A thereof, except items 5, 12 and 14, and currently in effect. The As-built Survey shall disclose no encroachments or improvements from or upon adjoining properties, shall show the availability of all utility services at the perimeter of the Land, and shall otherwise be in

form and content sufficient to enable the Title Company to issue include only those survey exceptions which have been approved or deemed to have been approved by Purchaser. The costs of each survey delivered by Seller pursuant hereto shall be borne entirely by Seller. Said survey shall include certification of the zoning classification applicable to the Land and that said classification will permit the operating of the Property as an office building and that any conditions to the granting of such zoning have been satisfied. Seller shall also cause to be delivered to Purchaser together with such Title Commitment, legible copies of all documents and instruments referred to therein. Purchaser, upon receipt of the Title Commitment, the copies of the documents and instruments referred to therein and the As-built Survey, shall then have ten (10) days during which to examine the same, after which Purchaser shall notify Seller of

any defects or objections affecting the marketability of the title to the Property. Ad Valorem taxes for 2001 which are not past due and any matters not objected to by the Purchaser shall be deemed to be "Permitted Exceptions." Seller shall then have until the Closing to cure such defects and objections and shall, in good faith, exercise reasonable diligence to cure such defects and objections. If any such defects or objections arose by, through, or under Seller or if any such defects or objections consist of taxes, mortgages, deeds of trust, deeds to secure debt, mechanic's or materialman's liens, or other such monetary encumbrances, Purchaser shall have the right to cure such defects or objections, in which event the Purchase Price shall be reduced by an amount equal to the costs and expenses incurred by Purchaser in connection with the curing of such defects or objections, and upon such curing, the Closing hereof shall proceed in accordance with the terms of this Agreement.

8. Representations and Warranties of Seller. Seller hereby makes the following representations and warranties to Purchaser, each of which shall be deemed material:

(a) Lease. A true and accurate copy of the Lease and Guaranty, together with all modifications and amendments thereto have been delivered to Purchaser. Seller is the "landlord" under the Lease and owns unencumbered legal and beneficial title to the Lease and the rents and other income thereunder, subject only to the collateral assignment of the Lease and the rents thereunder in favor of the holder of an existing mortgage or deed of trust encumbering the Property, which mortgage or deed of trust shall be cancelled and satisfied by Seller at the Closing. The term of the Lease commenced on September 10, 2001, and expires on September 30, 2011. The Tenant currently leases and occupies 100% of the rentable area of the Improvements.

(b) Lease - Assignment. To the best of Seller's knowledge, without further investigation, the Tenant has not assigned its interest in the Lease or sublet any portion of the premises leased to the Tenant under the Lease.

(c) Lease - Default. (i) Seller has not received any notice of termination or default under the Lease, (ii) to the best of Seller's knowledge and belief, there are no existing or uncured defaults by Seller or by the Tenant under the Lease, (iii) to the best of Seller's knowledge, there are no events which with the passage of time or notice, or both, would constitute a default by Seller or by the Tenant, and Seller has complied with each and every material undertaking, covenant, and obligation of Seller under the Lease, and (iv) Tenant has not asserted any defense, set-off, or counterclaim with respect to its tenancy or its obligation to pay rent, additional rent, or other charges pursuant to the Lease.

(d) Lease - Rents and Special Consideration. Tenant: (i) has not prepaid rent for more than the current month under the Lease, (ii) has not received and is not entitled to receive any rent concession in connection with its tenancy under the Lease other than as described in the Lease, (iii) is not entitled to any special work (not yet performed) except for change order work which Tenant is obligated to pay, or consideration (not yet given) in connection with its tenancy under the Lease, and (iv) does not have any deed, option, or other evidence of any right or interest in or to the Property, except as set forth in Section 32 of the Lease.

(e) Lease - Commissions. Neither Seller nor any affiliate of Seller has incurred any obligation for rental, leasing or other commissions with respect to the Lease which will not be cashed-out and paid prior to Closing. Seller agrees to indemnify, defend and hold Purchaser harmless from and against any such obligations created or arising by, through or under Seller or its affiliates. This indemnity shall survive Closing.

(f) Lease - Acceptance of Premises. (i) Tenant has accepted its leased premises located within the Property, including any and all work performed therein or thereon pursuant to the Lease, (ii) Tenant is in full and complete possession of its premises under the Lease, and (iii) Seller has not received notice from the Tenant that the Tenant's premises are not in full compliance with the terms and provisions of Tenant's Lease or are not satisfactory for Tenant's purposes.

(g) No Other Agreements. Other than the Lease, the Permitted Exceptions and those matters, if any, listed on Schedule 8(g) hereto, there are no leases, service contracts, management agreements, or other similar agreements in force and effect, oral or written, to which Seller is a party and that grant to any person whomsoever or any entity whatsoever any right, title, interest or benefit in or to all or any part of the Property or any rights relating to the use, operation, management, maintenance, or repair of all or any part of the Property.

(h) No Litigation. There are no actions, suits, or proceedings pending, or, to the best of Seller's knowledge, threatened by any organization, person, individual, or governmental agency against Seller with respect to the Property or against the Property which could affect title to the Property, nor does Seller know of any basis for such action. Seller has no knowledge of any pending or threatened application for changes in the zoning applicable to the Property or any portion thereof.

(i) Condemnation. No condemnation or other taking by eminent domain of the Property or any portion thereof has been instituted and, to the best of Seller's knowledge, there are no pending or threatened condemnation or eminent domain proceedings (or proceedings in the nature or in lieu thereof) affecting the Property or any portion thereof or its use.

(j) Intentionally Omitted.

(k) No Assessments. To the best of Seller's knowledge, no assessments have been made against the Property that are past due, whether or not they have become liens.

(l) Conditions of Improvements. Seller is not aware of any structural or other defects, in the Improvements. The heating, ventilating, air conditioning, electrical, plumbing, water, elevator(s), roofing, storm drainage and sanitary sewer systems at or servicing the Land and Improvements are, to the best of the Seller's knowledge, in good condition and working order and Seller is not aware of any defects or deficiencies, latent or otherwise, therein.

(m) Certificates. To the best of Seller's knowledge, there are presently in effect temporary certificates of occupancy, licenses, and permits as may be required for the Property. There has been no notice or request of any municipal department, insurance company or board of fire underwriters (or organization exercising functions similar thereto), or mortgagee directed to Seller and requesting the performance of any work or alteration to the Property which has not been complied with. Seller will obtain and deliver to Purchaser at Closing permanent Certificates of Occupancy.

(n) Violations. To the best of Seller's knowledge, there are no violations of law, municipal or county ordinances, or other legal requirements with respect to the Property, and the Improvements thereon comply with all applicable legal requirements with respect to the use, occupancy, and construction thereof.

(o) Utilities. All utilities necessary for the use of the Property as an office building of the size and nature situated thereon and required to be furnished pursuant to the Lease, including water, sanitary sewer, storm sewer, electricity, and telephone, are installed and operational, and such utilities either enter the Property through adjoining public streets, or, if they pass through adjoining private land, do so in accordance with valid public easements or private easements which inure to the benefit of the Property.

(p) Tax Returns. All property tax returns required to be filed by Seller relating to the Property under any law, ordinance, rule, regulation, order, or requirement of any governmental authority

have been, or will be, as the case may be, truthfully, correctly, and timely filed.

(q) Bankruptcy. Seller is "solvent as said term is defined by bankruptcy law" and has not made a general assignment for the benefit of creditors nor been adjudicated a bankrupt or insolvent, nor has a receiver, liquidator, or trustee for any of Seller's properties (including the Property) been appointed or a petition filed by or against Seller for bankruptcy, reorganization, or arrangement pursuant to the Federal Bankruptcy Act or any similar Federal or state statute, or any proceeding instituted for the dissolution or liquidation of Seller.

(r) Pre-existing Right to Acquire. Except for the Tenant's rights under Section 32 of the Lease, no person or entity has any right or option to acquire the Property or any portion thereof, which will have any force or effect after the execution of this Agreement, other than Purchaser.

(s) Effect of Certification. To the best of Seller's knowledge, neither this Agreement nor the transactions contemplated herein will constitute a breach or violation of, or default under, or will be modified, restricted, or precluded by the Lease or the Permitted Exceptions.

(t) Authorization. Seller is a duly organized and validly existing limited liability company under the laws of the State of Delaware and is qualified to conduct business in Florida. This Agreement has been duly authorized and executed on behalf of Seller and constitutes the valid and binding agreement of Seller, enforceable in accordance with its terms subject to equitable principles, and all necessary action on the part of Seller to authorize the transactions herein contemplated has been taken, and no further action is necessary for such purpose.

(u) Seller Not a Foreign Person. Seller is not a "foreign person" which would subject Purchaser to the withholding tax provisions of Section 1445 of the Internal Revenue Code of 1986, as amended.

(v) Approvals. The requirements of all covenants, conditions and

restrictions of record relating to the development or construction of the Improvements, including all covenants requiring consent from any third party, have been, or on the Closing Date will be, fully satisfied and complied with in all material respects.

(w) Warranties. Seller shall comply with and perform any warranty obligations of the landlord under the Lease, including, without limitation, the warranty obligations set forth in paragraph 12 of the Work Letter attached to the Lease. The provisions of this paragraph shall survive Closing.

At Closing, Seller shall represent and warrant to Purchaser that all representations and warranties of Seller in this Agreement remain true and correct as of the date of the Closing in all material respects, except for any changes in any such representations or warranties that occur and are disclosed by Seller to Purchaser expressly and in writing at any time and from time to time prior to Closing upon their occurrence, which disclosures shall thereafter be updated by Seller to the date of Closing. Subject to the limitations expressly provided in this Agreement, each and all of the express warranties, covenants, and indemnifications made and given by either party given to the other party herein shall survive the execution and delivery of the Deed by Seller to Purchaser.

9. Seller's Additional Covenants. Seller does hereby further covenant and agree as follows:

(a) Operation of Property. Seller hereby covenants that, from the date of this Agreement up to and including the date of Closing, Seller shall: (i) not negotiate with any third party respecting the sale of the Property or any interest therein, (ii) not modify, amend, or terminate the Lease or enter into any new lease, contract, or other agreement respecting the Property without Purchaser's consent (not to be unreasonably withheld), except an amendment to terminate the tenant's purchase option and to establish the amount of rent due under the Lease, (iii) not grant or otherwise create or consent to the creation of any easement, restriction, lien, assessment, or encumbrance respecting the Property, (iv) cause the Property to

be operated, maintained, and repaired in the same manner as the Property is currently being operated, maintained, and repaired; and (v) not discharge, release, store or generate any hazardous substances on the Property.

(b) Preservation of Lease. Seller shall, from and after the date of this Agreement to the date of Closing, use its good faith efforts to perform and discharge all of the duties and obligations and shall otherwise comply with every covenant and agreement of the landlord under the Lease, at Seller's expense, in the manner and within the time limits required thereunder. Furthermore, Seller shall, for the same period of time, use diligent and good faith efforts to cause the Tenant under the Lease to perform all of its duties and obligations and otherwise comply with each and every one of its covenants and agreements under such Lease and shall take such actions as are reasonably necessary to enforce the terms and provisions of the Lease.

(c) Tenant Estoppel Certificate. At least five (5) days prior to expiration of the Inspection Period, Seller shall obtain and deliver to Purchaser a fully completed estoppel certificate with respect to the Lease in substantially the form of Exhibit "B" (the "Tenant Estoppel

Certificate"), duly executed by the Tenant thereunder. The Tenant Estoppel Certificate shall be executed as of a date no earlier than the Effective Date.

(d) Insurance. From and after the date of this Agreement to the date and time of Closing, Seller shall (or shall cause Tenant), at its expense, continue to maintain the all risk fire and extended coverage insurance policy covering the Property which is currently in force and effect.

(e) Westpointe Center. Seller covenants and agrees that it will comply with the provisions of Section 26 of the Lease (regarding the sale of other property within Westpointe Center to named competitors of Tenant) and indemnify, defend and hold Purchaser harmless from and against any damages, including attorneys' fees, which may be incurred by Purchaser as a result of a breach of the covenant contained therein and herein. The provisions of this subparagraph shall survive Closing for an unlimited time.

10. Closing. The consummation of the sale by Seller and purchase by Purchaser of the Property (herein referred to as the "Closing") shall be held at 2:00 p.m., local time, on the first business day which is at least 15 business days after the end of the Inspection Period, but in no event later than December 31, 2001, at the offices of Title Company, or at such earlier time as shall be designated by Purchaser in a written notice to Seller not less than two (2) business days prior to Closing. Notwithstanding the foregoing, Purchaser may extend the Closing by up to 30 days upon delivery to Escrow Agent of an additional $250,000 Earnest Money.

11. Seller's Closing Documents. For and in consideration of, and as a condition precedent to, Purchaser's delivery to Seller of the Purchase Price described in Paragraph 3 hereof, Seller shall obtain or execute, at Seller's expense, and deliver to Purchaser at Closing the following documents (all of which shall be duly executed, acknowledged, and notarized where required and shall survive the Closing):

(a) Special Warranty Deed. A Special Warranty Deed (the "Deed") in substantially the form of Exhibit "C" hereto subject only to the Permitted Exceptions. The legal description set forth in the Deed shall be as set forth on Exhibit "A". In the event Purchaser shall obtain a new or updated survey of the Land and Improvements and the legal description set forth in Purchaser's survey shall differ from the legal description set forth on Exhibit "A", the Deed shall convey title by the legal description based upon such survey;

(b) Bill of Sale. A Bill of Sale conveying to Purchaser the Personal Property in the form and substance of Exhibit "D";

(c) Blanket Transfer. A Blanket Transfer and Assignment in the form and substance of Exhibit "E";

(d) Assignment and Assumption of Lease. An Assignment and Assumption of Lease in the form and substance of Exhibit "F", assigning to Purchaser

all of Seller's right, title, and interest in and to the Lease and the rents thereunder;

(e) Seller's Affidavit. A customary seller's affidavit in the form required by the Title Company;

(f) FIRPTA Certificate. A FIRPTA Certificate in such form as Purchaser shall reasonably approve;

(g) Certificates of Occupancy. The original or copies of Certificates of Occupancy for all space within the Improvements;

(h) Marked Title Commitment. The Title Commitment marked to delete the "gap" exception and to reflect that Purchaser is vested with the fee simple title to the Land and the Improvements, and to reflect that all requirements for the issuance of the final title policy pursuant to such Title Commitment have been satisfied;

(i) Keys and Records. All of the keys to any doors or locks on the Property and the original tenant files and other books and records relating to the Property in Seller's possession;

(j) Tenant Notice. Notice from Seller to the Tenant of the sale of the Property to Purchaser in such form as Purchaser shall reasonably approve;

(k) Settlement Statement. A settlement statement setting forth the amounts paid by or on behalf of and/or credited to each of Purchaser and Seller pursuant to this Agreement; and

(l) Other Documents. Such other documents as shall be reasonably required by Purchaser's counsel.

12. Purchaser's Closing Documents. At Closing, Purchaser shall deliver the balance of the Purchase Price and shall obtain or execute and deliver to Seller at Closing the following documents, all of which shall be duly executed and acknowledged where required and shall survive the Closing:

(a) Blanket Transfer. The Blanket Transfer and Assignment;

(b) Assignment and Assumption of Lease. The Assignment and Assumption of Lease;

(c) Settlement Statement. A settlement statement setting forth the amounts paid by or on behalf of and/or credited to each of Purchaser and Seller pursuant to this Agreement; and

(d) Other Documents. Such other documents as shall be reasonably required by Seller's counsel.

13. Closing Costs. Seller shall pay the cost of any recording, transfer or documentary tax imposed by any jurisdiction in which the Property is located, the cost of the As-built Survey, the attorneys' fees of Seller, and all other

costs and expenses incurred by Seller in closing and consummating the purchase and sale of the Property pursuant hereto. Purchaser shall pay the cost of the Title Policy, the attorneys' fees of Purchaser, and all other costs and expenses incurred by Purchaser in closing and consummating the purchase and sale of the Property pursuant hereto. Each party shall pay one-half of any escrow fees.

14. Prorations. The following items shall be prorated and/or credited between Seller and Purchaser as of Midnight preceding the date of Closing:

(a) Rents. Rents, additional rents, and other income of the Property (other than security deposits, which shall be assigned and paid over to Purchaser) collected by Seller from Tenant for the month of Closing. Purchaser shall also receive a credit against the Purchase Price payable by Purchaser to Seller at Closing for any rents or other sums (not including security deposits) prepaid by Tenant for any period following the month of Closing, or otherwise.

(b) Property Taxes. To the extent not paid or required to be paid by the Tenant under the Lease, any city, state, county, and school district ad valorem taxes based on the ad valorem tax bills for the Property, if then available, or if not, then on the basis of the latest available tax figures and information. Should such proration be based on such latest available tax figures and information and prove to be inaccurate upon receipt of the ad valorem tax bills for the Property for the year of Closing, either Seller or Purchaser, as the case may be, may demand at any time after Closing a payment from the other correcting such malapportionment. In addition, if after Closing there is an adjustment or reassessment by any governmental authority with respect to, or affecting, any ad valorem taxes for the Property for the year of Closing or any prior year, any additional tax payment for the Property required to be paid with respect to the year of Closing shall be prorated between Purchaser and Seller, any such additional tax payment for the Property for any year prior to the year of Closing shall be paid by Seller and any refund for any year prior to the year of Closing shall be paid to Seller. This agreement shall expressly survive the Closing.

(c) Utility Charges. Except for utilities and other operating costs which are the responsibility of Tenant, Seller shall be responsible for all such costs applicable to the period prior to Closing and Purchaser shall be responsible for all such costs applicable to the period subsequent to the Closing. Seller and Purchaser hereby agree to prorate and pay their respective shares of all utility bills and operating costs received subsequent to Closing, which agreement shall survive Closing.

15. Purchaser's Default. In the event of default by Purchaser under the terms of this Agreement, Seller's sole and exclusive remedy shall be to receive the Earnest Money as liquidated damages and thereafter the parties hereto shall have no further rights or obligations hereunder whatsoever except matters which by their express terms survive termination of this Agreement. It is hereby agreed that Seller's damages will be difficult to ascertain and that the Earnest Money constitutes a reasonable liquidation thereof and is intended not as a penalty, but as fully liquidated damages. Seller agrees that in the event of default by Purchaser, it shall not initiate any proceeding to recover damages from Purchaser, but shall limit its recovery to the retention of the Earnest Money.

16. Seller's Default. In the event of default by Seller under the terms of this Agreement (i) Purchaser shall have the right to terminate this Agreement by

giving written notice of such termination to Seller, whereupon Escrow Agent shall promptly refund all Earnest Money to Purchaser, and Purchaser and Seller shall have no further rights, obligations, or liabilities hereunder, except as may be expressly provided to the contrary herein; or (ii) Purchaser shall have the right to accept title to the Property subject to such defects and objections with no reduction in the Purchase Price, in which event such defects and objections shall be deemed "Permitted Exceptions"; or (iii) Purchaser may elect to seek specific performance of this Agreement.

17. Condemnation. If, prior to the Closing, all or any part of the Property is subjected to a bona fide threat of condemnation by a body having the power of eminent domain or is taken by eminent domain or condemnation (or sale in lieu thereof), or if Seller has received notice that any condemnation action or proceeding with respect to the Property is contemplated by a body having the power of eminent domain, Seller shall give Purchaser immediate written notice of such threatened or contemplated condemnation or of such taking or sale, and Purchaser may by written notice to Seller given within fifteen (15) days of the receipt of such notice from Seller, elect to cancel this Agreement. If Purchaser chooses to cancel this Agreement in accordance with this Paragraph 17, then the Earnest Money shall be returned immediately to Purchaser by Escrow Agent and the rights, duties, obligations, and liabilities of the parties hereunder shall immediately terminate and be of no further force and effect, except matters which by their express terms survive termination of this Agreement. If Purchaser does not elect to cancel this Agreement in accordance herewith, this Agreement shall remain in full force and effect and the sale of the Property contemplated by this Agreement, less any interest taken by eminent domain or condemnation, or sale in

lieu thereof, shall be effected with no further adjustment and without reduction of the Purchase Price, and at the Closing, Seller shall assign, transfer, and set over to Purchaser 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.

18. Damage or Destruction. If any of the Improvements shall be destroyed or damaged prior to the Closing, and the estimated cost of repair or replacement exceeds Two Hundred Fifty Thousand Dollars ($250,000.00) or if the Lease shall terminate as a result of such damage, Purchaser may, by written notice given to Seller within twenty (20) days after receipt of written notice from Seller of such damage or destruction, elect to terminate this Agreement, in which event the Earnest Money shall immediately be returned by Escrow Agent to Purchaser and except as expressly provided herein to the contrary, the rights, duties, obligations, and liabilities of all parties hereunder shall immediately terminate and be of no further force or effect. If Purchaser does not elect to terminate this Agreement pursuant to this Paragraph 18, or has no right to terminate this Agreement (because the damage or destruction does not exceed $250,000.00 and the Lease remains in full force and effect), and the sale of the Property is consummated, Purchaser shall be entitled to receive all insurance proceeds paid or payable to Seller by reason of such destruction or damage under the insurance required to be maintained by Seller pursuant to Paragraph 9(d) hereof (less amounts of insurance theretofore received and applied by Seller to restoration). If the amount of said casualty or rent loss insurance proceeds is not settled by the date of Closing, Seller shall execute at Closing all proofs of loss, assignments of claim, and other similar instruments to ensure that Purchaser shall receive all of Seller's right, title, and interest in and under said insurance proceeds, plus the amount of any deductible and Seller shall have no further obligation with respect thereto.

19. Hazardous Substances. Seller hereby warrants and represents, to the best of Seller's knowledge and except as shown in that certain Phase I Environmental Site Assessment dated June 1, 1998, prepared by Penguin Group, L.P., that (i) no "hazardous substances", as that term is defined in the

Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et. seq., the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901 et. seq., and the rules and regulations promulgated pursuant to these acts, any so-called "super-fund" or "super-lien" laws or any applicable state or local laws, nor any other pollutants, toxic materials, or contaminants have been discharged, disbursed, released, stored, treated, generated, disposed of, or allowed to escape on the Property, (ii) no asbestos or asbestos containing materials have been installed, used, incorporated into, or disposed of on the Property, (iii) no polychlorinated biphenyls are located on or in the Property, in the form of electrical transformers, fluorescent light fixtures with ballasts, cooling oils, or any other device or form, (iv) no underground storage tanks are located on the Property or were located on the Property and subsequently removed or filled, (v) no investigation, administrative order, consent order and agreement, litigation, or settlement with respect to Hazardous Substances is proposed, threatened, anticipated or in existence with respect to the Property, and (vi) the Property has not previously been used as a landfill, cemetery, or as a dump for garbage or refuse. Seller hereby indemnifies Purchaser and holds Purchaser harmless from and against any loss, cost, damage, liability or expense due to or arising out of the breach of any representation or warranty contained in this paragraph. The provisions of this paragraph shall survive Closing for an unlimited time.

20. Assignment. Purchaser's rights and duties under this Agreement shall not be assignable except to an affiliate of Purchaser without the consent of Seller which consent shall not be unreasonably withheld.

21. Broker's Commission. Purchaser has by separate agreement agreed to pay a brokerage commission to First Fidelity Investments Corporation (the "Broker"). Purchaser and Seller hereby represent each to the other that they have not discussed this Agreement or the subject matter hereof with any real estate broker or agent other than Broker so as to create any legal right in any such broker or agent to claim a real estate commission with respect to the conveyance of the Property contemplated by this Agreement. Seller shall and does hereby indemnify and hold harmless Purchaser from and against any claim, whether or not meritorious, for any real estate sales commission, finder's fees, or like compensation in connection with the sale contemplated hereby and arising out of any act or agreement of Seller, excluding any claim asserted by Brokers and any broker or agent claiming under Broker. Likewise, Purchaser shall and does hereby indemnify and hold harmless Seller from and against any claim, whether or not meritorious, for any real estate sales commission, finder's fees, or like compensation in connection with the sale contemplated hereby and arising out of any act or agreement of Purchaser. This provisions

of this paragraph shall survive the Closing or any termination of this Agreement.

22. Notices. Wherever any notice or other communication is required or permitted hereunder, such notice or other communication shall be in writing and shall be delivered by overnight courier, by facsimile or telecopy, by hand, or sent by U.S. registered or certified mail, return receipt requested, postage prepaid, to the addresses set out below or at such other addresses as are specified by written notice delivered in accordance herewith:

PURCHASER: c/o Wells Capital, Inc.
6200 The Corners Parkway, Suite 250
Norcross, Georgia 30092
Attn: Mr. Michael C. Berndt
Facsimile: 770.200.8199

with a copy to:	O'Callaghan & Stumm LLP 127 Peachtree Street, N. E., Suite 1330 Atlanta, Georgia 30303 Attn: William L. O'Callaghan, Esq. Facsimile: 404.522.3080
SELLER:	Westpoint Building No. 1, L.L.C. 101 E. Erie Street, Suite 800 Chicago, IL 60611 Attn: Gregory A. Ciambrone Facsimile: 312.943.9768
with a copy to:	Ruden McClosky Smith Schuster & Russell, P.A. 200 East Broward Boulevard Ft. Lauderdale, FL 33301 Attn: John L. Shiekman, Esq. Facsimile: 954.333-4003
and to:	Mr. John Kevin Poorman 200 West Madison St., Suite 3700 Chicago, IL 60606 Facsimile: 312.750.8547

All notices shall be deemed given three (3) business days following deposit in the United States mail with respect to certified or registered letters, one (1) business day following deposit if delivered to an overnight courier guaranteeing next day delivery and on the same day if sent by personal delivery or by telecopy or facsimile transmission (with proof of transmission). Attorneys for each party shall be authorized to give notices for each such party. Any party may change its address for the service of notice by giving written notice of such change to the other party, in any manner above specified.

23. Possession. Possession of the Property shall be granted by Seller to Purchaser on the date of Closing, subject only to the Lease and the Permitted Exceptions.

24. Time Periods. If the time period by which any right, option, or election provided under this Agreement must be exercised, or by which any act required hereunder must be performed, or by which the Closing must be held, expires on a Saturday, Sunday, or holiday, then such time period shall be automatically extended through the close of business on the next regularly scheduled business day.

25. Survival of Provisions. All covenants, warranties, indemnities and agreements set forth in this Agreement shall survive the execution or delivery of any and all deeds and other documents at any time executed or

delivered under, pursuant to, or by reason of this Agreement, and shall survive the payment of all monies made under, pursuant to, or by reason of this Agreement, for a period of one year from Closing or for such longer period as may be specified in the paragraph relating thereto.

26. Severability. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules, and regulations. If any provision of this Agreement, or the application thereof to any person or circumstance, shall, for any reason and to any extent be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby but rather shall be enforced to the greatest extent permitted by law.

27. Authorization. Purchaser represents to Seller that this Agreement has been duly authorized and executed on behalf of Purchaser and constitutes the valid and binding agreement of Purchaser, enforceable in accordance with its terms subject to equitable principles, and all necessary action on the part of Purchaser to authorize the transactions herein contemplated has been taken, and no further action is necessary for such purpose.

28. General Provisions. No failure of either party to exercise any power given hereunder or to insist upon strict compliance with any obligation specified herein, and no custom or practice at variance with the terms hereof, shall constitute a waiver of either party's right to demand exact compliance with the terms hereof. This Agreement contains the entire agreement of the parties hereto, and no representations, inducements, promises, or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect. Any amendment to this Agreement shall not be binding upon the parties hereto unless such amendment is in writing and executed by all parties hereto. The provisions of this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, legal representatives, successors, and assigns. Time is of the essence of this Agreement. This Agreement may be executed in multiple counterparts, each of which shall constitute an original, but all of which taken together shall constitute one and the same agreement. The headings inserted at the beginning of each paragraph are for convenience only, and do not add to or subtract from the meaning of the contents of each paragraph. This Agreement shall be construed and interpreted under the laws of the State of Florida. Except as otherwise provided herein, all rights, powers, and privileges conferred hereunder upon the parties shall be cumulative but not restrictive to those given by law. All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender shall include all genders, and all references herein to the singular shall include the plural and vice versa.

29. Effective Date. The "Effective Date" of this Agreement shall be deemed to be the date this Agreement is fully executed by both Purchaser and Seller and a fully executed original counterpart of this Agreement has been received by both Purchaser and Seller.

30. Radon Gas Disclosure. The following notification is provided in accordance with Section 404.056 of the Florida Statutes: "RADON GAS: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida."

31. Tenant's Option to Purchase. The parties acknowledge that Tenant has the option to purchase the Property pursuant to Section 32 of the Lease. As an inducement to Purchaser to enter into this Agreement, Seller agrees to escrow with Escrow agent from its proceeds at Closing the sum of $200,000.00 and any interest thereon to be released to Purchaser in the event Tenant exercises its rights pursuant to the Lease and to be released to Seller if Tenant does not exercise its rights.

32. Duties as Escrow Agent. In performing its duties hereunder, Escrow Agent shall not incur any liability to anyone for any damages, losses or expenses, except for its gross negligence or willful misconduct, and it shall accordingly not incur any such liability with respect to any action taken or omitted in good faith upon advice of its counsel or in reliance upon any instrument, including any written notice or instruction provided for in this Agreement, not only as to its due execution and the validity and effectiveness of its provision, but also as to the truth and accuracy of any information contained therein that Escrow Agent shall in good faith believe to be genuine, to have been signed or presented by a proper person and to conform to the

provisions of this Agreement. Seller and

Purchaser hereby agree to indemnify and hold harmless Escrow Agent against any and all losses, claims, damages, liabilities and expenses, including reasonable costs of investigation and legal fees and disbursements, that may be imposed upon Escrow Agent or incurred by Escrow Agent in connection with its acceptance or performance of its duties hereunder as escrow agent, including without limitation, any litigation arising out of this Agreement. If any dispute shall arise between Seller and Purchaser sufficient in the discretion of Escrow Agent to justify its doing so, Escrow Agent shall be entitled to tender into the registry or custody of the clerk of the Court for the county in which the Property is located or the clerk for the United States District Court having jurisdiction over the county in which the Property is located, any or all money (less any sums required to pay Escrow Agent's attorneys' fees in filing such action), property or documents in its hands relating to this Agreement, together with such pleadings as it shall deem appropriate, and thereupon be discharged from all further duties under this Agreement. Seller and Purchaser shall bear all costs and expenses of any such legal proceedings.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and their respective seals to be affixed hereunto as of the day, month and year first above written.

"SELLER":

WESTPOINT BUILDING NO. 1, L.L.C., a Delaware limited liability company
By: HDP ASSET CO., L.L.C., a Delaware limited liability company, its authorized member

By: /s/ Gerald A. Piertka

Its: Authorized Representative

"PURCHASER":

WELLS CAPITAL, INC., a Georgia corporation

By: /s/ Douglas P. Williams

Its: Douglas P. Williams

Senior Vice President

"ESCROW AGENT":

Lawyers Title Insurance Corporation

By: /s/ Mary D. Hager

Its: Commercial Closer

Schedule of Exhibits

Exhibit "A"	-	Description of Land
Schedule 8(g)	-	List of Agreements, if any
Exhibit "B"	-	Tenant Estoppel Certificate Form
Exhibit "C"	-	Special Warranty Deed Form

Exhibit "D"	-	Bill of Sale Form
Exhibit "E"	-	Blanket Transfer and Assignment Form
Exhibit "F"	-	Assignment and Assumption of Lease Form

EXHIBIT 10.110

LEASE AGREEMENT FOR CONVERGYS BUILDING

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") is entered into as of August 29, 2000 (the "Effective Date"), by and between WESTPOINT BUILDING NO. 1, L.L.C., a Delaware limited liability company "Landlord"), whose principal address is 101 E. Erie Street, Suite 800, Chicago, Illinois 60611, and CONVRERGYS CUSTOMER MANAGEMENT GROUP INC., an Ohio corporation ("Tenant"), whose principal address is 201 East Fourth Street, Cincinnati, Ohio 45202.

In consideration of the promises and covenants herein set forth and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties mutually agree as follows:

1. PREMISES AND PARKING. Landlord shall construct a new two-story building containing approximately 100,000 gross square feet (the "Building") in accordance with the "Work Letter Construction Obligations" attached hereto as Exhibit A (the "Work Letter"). Tenant shall occupy all of the 100,000 gross square feet of the Building. The Building shall be constructed on approximately 12.55 acres of land located in Westpointe Centre, Tamarac, Florida, and more particularly described on Exhibit B attached hereto (the "Land"). The Building and Land are collectively referred to below as the "Premises". Landlord, in consideration of the rents, covenants, terms and conditions of this Lease, leases to Tenant the Premises. In addition, throughout the Term, Tenant and its agents, employees, and invitees shall be entitled to the unrestricted, exclusive use of at least nine hundred seventy-four (974) parking spaces as indicated on the Preliminary Building Shell and Site Plans (as defined in the Work Letter) at no additional charge, which nine hundred seventy-four (974) designated parking spaces will include, at no additional charge, assigned visitor and handicap parking near Tenant's visitor entrance as indicated on the Preliminary Building Shell and Site Plans, including but not limited to the minimum number of handicap spaces required by (and designed in compliance with) applicable building codes and the Americans With Disabilities Act (the "ADA"). Landlord will, at no additional cost to Tenant, assist Tenant in securing a Commercial Boulevard bus stop at the building from the applicable governmental authorities; provided, however, Landlord does not guarantee or warrant that such bus stop will be approved.

2. INITIAL TERM AND RENEWAL TERMS.

a. The initial term of this Lease (the `Initial Term") shall be ten (10) Lease Years (defined below). The Initial Term will commence on the date (the "Commencement Date") that is the later of: (i) the date that is fifteen (15) days after Substantial Completion of the Base Building Work and the Tenant Improvements (as defined in the Work Letter), or (ii) September 1, 2001, subject to the provisions of Section 7(d) of the Work Letter. The first "Lease Year" shall begin on the Commencement Date and shall end on the last day of the twelfth (12th) full calendar month thereafter. Thereafter, each succeeding twelve-month period shall be a "Lease Year".

b. If Tenant is not in default under this Lease beyond any applicable cure period at the time of exercise, Tenant may, at its option, extend the Initial Term for all of the premises for up to three (3) additional periods of five (5) lease years each (the "Renewal Term(s)"), upon written notice given to Landlord at least nine (9) months prior to the end of the Initial Term or Renewal Term then in effect of Tenant's need to exercise such option(s). Failure by Tenants to so notify Landlord in writing on or before nine (9) months before the expiration of the Initial Term or Renewal Term then in effect will be deemed to be a waiver by Tenant of its rights to extend the Initial Term or the applicable Renewal Term. Except for Base Rent, Tenant's lease of the applicable portion of the Premises during the Renewal Terms shall be on the same terms as provided in this Lease for the Initial Term.

c. In the event Tenant elects to extend the Terms for the first Renewal Term, Tenant shall be entitled to a market Refurbishment Allowance (as defined below) for the First Renewal Term, and Landlord will pay Tenant such Market Refurbishment Allowance as Tenant elects to receive on or before the expiration of the Initial Term. That portion, if any, of the Market Refurbishment Allowance not used by Tenant shall be set off against Base Rent first coming due during the First Renewal Term. As used herein, the term "Market Refurbishment Allowance" means the then prevailing market refurbishment allowance for tenants in buildings of comparable size, age, use, location and quality in the Ft. Lauderdale, Florida area (the "Market Area"). Within thirty (30) days of Landlord's receipt of Tenant's notice of its intent to exercise the First Renewal Term, Landlord shall provide Tenant with its written proposal for the Market Refurbishment Allowance. If the parties are unable to agree upon the Market Refurbishment Allowance within sixty (60) days after Tenant receives Landlord's written proposal, the Market Refurbishment Allowance shall be determined by two (2) licensed real estate appraisers, one appointed by Landlord and one appointed by Tenant, who are members of the American Institute of Appraisers are experienced in appraising commercial real estate in the Ft. Lauderdale, Florida area. If the appraisers are unable to agree on a Market Refurbishment Allowance for the Premises within twenty (20) days of their appointment, they shall select a third appraiser meeting the qualifications outlined above and who has not previously worked for either party within five (5) days after the last day of such twenty (20) day period. Each party shall pay one-half (1/2) of the third appraiser's fees. Within twenty (20) days after the appointment of the third appraiser, a majority of the appraisers will set the Market Refurbishment Allowance. If a majority of the appraisers are unable to agree on a Market Refurbishment Allowance within such twenty (20) day period, the two closest appraisals will be averaged and the result will be the Market Refurbishment Allowance for purposes of this Section. The Market Refurbishment Allowance as determined in accordance with this Section shall be binding on Landlord and Tenant.

d. The Initial Term and the Renewal Terms shall be collectively referred to as the "Term". Except as otherwise provided in this Lease to the contrary, upon the

expiration or termination of this Lease, the parties shall be released of all obligations under this Lease accruing

from and after such expiration or termination.

3. DETERMINATION OF BASE RENT.

Tenant shall pay Landlord base rent ("Base Rent") as follows:

a. For the initial Term, annual Base Rent, based upon the Budget (as defined in the Work Letter), and a 10.80% lease constant, shall be:

Lease Years	Annual Base Rent (2.5% annual increases)	Monthly Base Rent
1	$1,156,560.00	$ 96,380.00
2	$1,185,474.00	$ 98,789.50
3	$1,215,110.85	$101,259.24
4	$1,245,488.62	$103,790.72
5	$1,276,625.84	$106,385.49
6	$1,308,541.48	$109,045.12
7	$1,341,225.02	$111,771.25
8	$1,374,786.40	$114,565.53
9	$1,409,156.05	$117,429.67
10	$1,444,384.95	$120,365.41

b. For the First Renewal Term (Lease Years 11 through 15), annual Base Rent shall equal 95% of "Market Rate" (as defined below; provided, however, the annual Base Rent for the First Renewal Term shall be no less than the annual Base Rent in Lease Year 10.

c. For the Second Renewal Term Lease Years 16 through 20), annual Base Rent shall equal 95% of Market Rate; provided, however, the annual Base Rent for the Second Renewal Term shall be no less than the annual Base Rent in Lease Year 15.

d. For the Third Renewal Term (Lease Years 21 through 25), annual Base Rent shall equal 95% of Market Rate; provided, however, the annual Base Rent for the Third Renewal Term shall be no less than the annual Base Rent in Lease Year 20.

e. The annual Base Rent set forth in Section 3.1. above has been calculated by applying an agreed lease constant of 10/80% (the "Lease Constant") to the amount of $10,70,898.00 set forth on the Budget attached to the Work Letter. Such amount set forth on the Budget is referred to herein and in the Work Letter as the "Guaranteed Maximum Price" or "GMP". The GMP shall be adjusted as set forth in the Work Letter (as so adjusted, the "Adjusted "GMP"). Upon Substantial Completion, the annual Base Rent for the first Lease Year shall be recalculated such that same shall be equal to the result obtained by multiplying the Lease Constant by the sum (the "Rent Calculation Amount") of (i) the "Actual Total

Landlord's Costs" (as defined in the Work Letter) and (ii) thirty percent (30%) of the difference between the Adjusted GMP and the Actual Total landlord's Costs; provided, however, in no event shall the annual Base Rent for the first Lease Year exceed the Adjusted GMP multiplied by the Lease Constant. The annual Base Rent for each Lease Year after the first Lease Year shall increase annually by 2.5%.

In addition, Landlord agrees to allow Tenant an additional

$848,437.00 (the "Financing Limit") of combined hard and soft costs in "Finance Change Orders" (as defined in the Work Letter), to be capitalized in the annual Base Rent at the Lease Constant. Landlord and Tenant agree that Tenant will use a portion of the Financing Limit for the installation of a raised floor system in the Building, and Tenant may use any portion of the Financing Limit not allocated to the raised floor system for such other matters as Tenant may elect, in Tenant's sold discretion. Any Change Orders which exceed the Financing Limit are deemed "Cash Change Orders" (as defined in the Work Letter), and shall be payable by Tenant in accordance with Section 6(b) of the Work Letter.

f. As used herein, the term "Market Rate" means the then prevailing market rate per rentable square foot for base rent for tenants of comparable quality given by landlords for leases with tenants in buildings of comparable size, age, use, location and quality in the Market Area, taking into consideration the extent of the availability of space as large as the Premises in the Market Area and all other economic terms then customarily prevailing in such leases with new tenants in the Market Area. Within thirty (30) days of Landlord's receipt of Tenant's notice of its intent to exercise any of the Renewal Terms, Landlord shall provide Tenant with its written proposal for the Market Rate. If the parties are unable to agree upon the Market Rate within sixty (60) days after Tenant receives Landlord's written proposal, the Market Rate shall be determined by two (2) licensed real estate appraisers, one appointed by Landlord and one appointed by Tenant, who are members of the American Institute of Appraisers and are experienced in appraising commercial real estate in the Ft. Lauderdale, Florida area. In establishing the Market Rate for an applicable Renewal Term, the appraisers will produce a five (5) year schedule of Base Rent for such Renewal Term. If the appraisers are unable to agree on a Market Rate for the Premises within twenty (20) days of their appointment, they shall select a third appraiser meeting the qualifications outlined above and who has not previously worked for either party within five (5) days after the last day of such twenty (20) day period. Each party shall pay one-half (1/2) of the third appraiser's fees. Within twenty (20) days after the appointment of the third appraiser, a majority of the appraisers will set the Market Rate. If a majority of the appraisers are unable to agree on a Market Rate within such twenty (20) day period, the two closest appraisals will be averaged and the result will be the Market Rate for purposes of this Section. The Market Rate as determined in accordance with this Section shall be binding on Landlord and Tenant.

g. Annual Base Rent shall be paid in equal monthly installments. Base Rent is payable in advance on the first day of each month and shall be prorated on a daily basis for

any partial month. Each monthly payment of Base Rent shall include applicable sales tax thereon, In the event the first month of the Initial Term is a partial month, Base Rent for such a partial month will be due and payable on the Commencement Date. If Base Rent is not received by Landlord by the tenth (10th) day of any month, then Tenant shall owe Landlord interest accruing thereon at the Prime Rate then in effect and as announced by The Wall Street Journal plus 3%
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per annum (the "Default Rate") from and including the firth day after its due date until paid in full, provided,

however, if Tenant is late in the payment of Base Rent more than twice in any Lease Year, interest as described above shall accrue as of the date Base Rent was due until paid.

4. OPERATING COSTS, REAL PROPERTY TAXES AND ASSESSMENTS.

a. For purposes of this Section and the Lease, the following words and phrases shall have the meanings set forth below:

i. "Operating Costs" shall mean all actual costs and expenses incurred by Landlord in connection with, the ownership and maintenance of the Building, its equipment, and the Land and related improvements located thereon (the "Improvements"), other than the performance by Landlord of its work under the Work Letter and the obligations which are at the sole expense of Landlord as more fully described at Section 6 below. In explanation of the foregoing, Operating Costs shall include, but are not necessarily limited to, all real property taxes and assessments imposed on the Building and Premises; landscaping; common area maintenance; snow removal; insurance; license, permit and inspection fees; cost of services of independent contractors; capital expenditures (amortized over the item's useful life, as determined by generally accepted accounting principles consistently applied), provided any such capitalized item to be charged as a component of Operating Costs is required because repair/ maintenance is no longer practical; property management fees not in excess of three percent (3%) of the sum of Base Rent and Additional Rent (as defined below); and any operation and maintenance charges assessed against the Premises pursuant to the Declaration of Protective Covenants, Restrictions and Easements for Westpointe Centre, a copy of which is attached hereto as Exhibit C

(the "CCR"), which Tenant hereby consents to, and any other covenants, conditions and restrictions, reciprocal easement agreements or similar restrictions and agreements hereafter affecting any portion of the premises provided same have been consented to in writing by the Tenant. Notwithstanding the foregoing, Tenant shall not be bound by any modification or amendment to the CCR that materially affects Tenant's rights or obligations under this Lease unless Tenant has consented in writing to such modification or amendment. The foregoing notwithstanding, Operating Costs shall not include utilities for the Premises; depreciation on the Building and Improvements; amounts paid toward principal or interest of loans of Landlord; nor those costs as defined in Subsection 4.a.ii. below.

ii. "Operating Costs" for the Building, its equipment, and the Premises and Improvements shall not include:

1. mortgage principal payments

2. Mortgage interest payments

3. refinancing costs

4. ground rent and related costs

5. depreciation and amortization of the Building or equipment (except as otherwise permitted in Section 4.a.i, above)

6. interest or penalties resulting from late payments by Landlord

7. advertising costs

8. brokerage leasing commissions

9. tenant alterations

10. capital improvements (except as otherwise permitted in Section 4.a.i, above)

11. off-site management personnel and overhead

12. property management fees in excess of three percent (3%) of the sum of Base Rent and Additional Rent

13. those items specified in Section 6.b. below to be performed by Tenant

14. any costs for which Landlord receives a credit, refund or discount, to the extent of such credit, refund or discount

15. any insurance costs to the extent such insurance is not required to be maintained under this Lease

16. cost of replacing or adding improvements to the Building or the Premises mandated by law or governmental authority, and any repairs or removals necessitated thereby

17. any costs covered by or reimbursable under a contractor, manufacturer or supplier warranty or service contract

18. any costs to remove and/or remediate Hazardous Substances at, on or in the Premises not as a result of any act or omission of the Tenant Parties (as defined in Section 12.b.).

b. The cost of any services performed by Landlord or by any of its related parties will be comparable to those charged by independent service providers (excluding property management fees, which may not exceed three percent (3%) of the sum of Base Rent and Additional Rent).

c. Landlord shall use its best efforts to provide Tenant with a copy of Landlord's written Operating Cost budget and a written statement of the estimated operating costs ("Estimated Operating Costs") for the calendar year (or portion thereof) in which Substantial Completion will occur at least thirty (30) days prior to the Commencement Date, provided, however, Landlord's failure to provide same within such time period will not affect Tenant's obligation to pay Additional Rent. In addition, Landlord shall furnish Tenant with the following statements:

i. Landlord shall use its best efforts to furnish Tenant a

written statement of Operating Costs occurring during the previous calendar year within ninety (90) days from the expiration of each calendar year occurring during the Term of this lease, provided, however, Landlord's failure to provide same within such time period will not affect Tenant's obligation to pay Additional Rent. The written statement shall specify the amount by which Tenant's Operating Costs exceed or are less than the amounts paid by Tenant during the previous calendar year pursuant to Subsection 4.c.ii below. Landlord will furnish Tenant with any backup material supporting Landlord's calculations within ten (10) days after receipt of Tenant's reasonably written request therefor.

ii. At the same time specified in Subsection 4.c.i above, Landlord shall furnish Tenant a copy of Landlord's written Operating Cost budget and a written statement of the Estimated Operating Costs for the then current calendar year.

d. During the Term, Tenant will pay as additional rent ("Additional Rent") the Operating Costs, and all applicable sales tax thereon. Operating Costs will be paid as follows:

i. With each payment of Base Rent due pursuant to Section 3 above, Tenant will pay to Landlord one-twelfth (1/12) of Operating Costs as determined by the budget referenced in Section 4.c.ii, above.

ii. Within thirty (30) days after delivery of the written statement referred to in Section 4c.i, above, Tenant will pay to landlord the amount by which Operating Costs, as specified in such written statement, exceeds the aggregate of Estimated Operating Costs actually paid by Tenant for the calendar at issue.

iii. If the annual statement of actual Operating Costs indicates that Estimated Operating Costs paid by Tenant pursuant to Section 4.d.i. above for any year exceeds actual Operating Costs for the same calendar year, Landlord, at its

election, will either (i) promptly pay the amount of such excess to Tenant within thirty (30) days, or (ii) apply such excess against the next installment(s) of Additional Rent next coming due hereunder.

e. Upon reasonable advance request, but in no event more than once every Lease Year, Landlord shall grant Tenant reasonable access to Landlord's books and records which reflect Operating Costs for the purpose of verifying Operating Costs incurred by Landlord for the past two (2) calendar years. Tenant shall have the right to photocopy all such books and records. Landlord will retain its books and records for a period of not less than two (2) years.

f. Tenant shall pay, prior to the delinquency after receipt of written request therefor from Landlord accompanied by a copy of the applicable bill received by Landlord, all Taxes (as defined below) on the Premises. Each such payment will be accompanied by applicable sales tax thereon. For purposes hereof, Taxes shall mean all real estate taxes , assessments, and governmental charges or fees whether federal, state,

county or municipal, and whether they be by taxing districts or authorities presently taxing or by others, subsequently created or otherwise, and any other taxes and assessments (including non-governmental assessments for common charges under the CCR, or any other restrictive covenant or other private agreement that are not treated as part of Operating Costs consented to in writing by Tenant) now or hereafter attributable to the Premises (or its operation), excluding, however, penalties and interest thereon, and federal and state taxes on income, capital, stock, succession, transfer, franchise, gift, estate or inheritance. If the present method of taxation changes so that in lieu of the whole or any part of any Taxes, there is levied on Landlord a capital tax directly on the rents received therefrom or a franchise tax, assessment, or charge bases, in whole or in part, upon such rents for the Premises, then all such taxes, assessments, or charges, or the part thereof so based, shall be deemed to be included within the term "Taxes" for purposes hereof. Taxes shall include the reasonable costs of consultants retained in an effort to lower Taxes and reasonable costs incurred in disputing any Taxes or in seeking to lower the tax valuation of the Premises. If any bill for Taxes covers a time period which is outside the Term of this Lease, Tenant's obligation to be responsible for such payment shall be appropriately adjusted with Landlord so that Tenant is only paying for Taxes attributable to the Term.

5. UTILITIES AND SERVICES. Landlord shall provide all mechanical and structural systems and equipment, including but not limited to plumbing, heating, air conditioning, electrical systems, security, lighting and similar equipment in accordance with the complete Final Building Shell and Site Plans. Tenant shall procure in its name and promptly pay when due all charges accruing during the Term for telephone, electricity, gas, sanitary service, water and trash collection for the Premises. If at any time during the Term the Premises become untenantable because of the interruption of services to the Building and such interruption is neither within Tenant's control nor due to the fault of Tenant, its contractors, agents or employees, Rent, Additional Rent, and any other charges due from Tenant hereunder will abate in proportion to the extent of the Building that is untenantable,

beginning with the second day of such untenantability until the Premises again become tenenantable.

6. MAINTENANCE.

a. Landlord will maintain, and make all necessary repairs and/or replacement to, the Building and its structural elements, the building systems, common areas, other tenant's premises (if any) and the exterior walls, exterior doors, windows, roof, corridors and structural portions of the Premises and the Building, and will maintain the Building and the property including all common areas, landscaping, exterior windows and parking areas as a first-class, professional office building consistent with other similar buildings in the Ft. Lauderdale, Florida area and suitable for general office and/or teleservicing use, and in compliance with all building and zoning codes and all other applicable laws, ordinances, rules and regulations. Landlord will keep the building systems in good condition and repair and will make the building systems available to Tenant twenty-four (24) hours per day, seven (7)

days per week, 365 (or 366 as the case may be) days per year. Expenses incurred by Landlord in connection with the foregoing will be included as Operating Costs under Section 4.a.i., subject to the exclusions listed in Section 4.a.ii., and reimbursable by Tenant as part of Operating Costs. Landlord, at its sole expense, will repair all defects (including latent defects) in the construction of the Building and the Premises (excluding any defects in the Tenant Improvements or additional work constructed by Tenant in accordance with Section 7), and such expenses will not be included as reimbursable Operating Costs. All repairs and maintenance performed by Landlord will be of a first-class quality and done in a prompt, diligent and good workmanlike manner. Landlord will use reasonable efforts to do any repairs and maintenance, construction or any other work in such a manner as not materially to interfere with or impair Tenant's use or occupancy of the Premises. Landlord will be responsible for compliance of the Premises, the Building, and the Property with all applicable codes, laws, ordinances, rules, and regulations, including without limitation the Environmental Laws (defined below) and the ADA. If a violation of the ADA as it was in effect as of the Effective Date is found to exist which has not been caused by Tenant, Landlord at its expense (and not as a component of Operating Cost) will promptly correct such violation. Notwithstanding the foregoing, Tenant shall be responsible and pay for any alterations, modifications, additions or improvements to the interior of the Premises which may be required by the ADA as a result of (a) Tenant's alteration or modification of the Premises or construction of the Tenant Improvements in accordance with this Lease or (b) in order to make reasonable accommodations to specific employees of Tenant with disabilities. In the event Landlord fails to perform any of its obligations under this Section 6.a., and such failure subjects persons or property to an immediate risk of harm, Tenant will have the right to perform such obligations and Landlord will reimburse Tenant for the reasonable cost of performing such obligations within thirty (30) days of receipt of an invoice for such costs. In the event Landlord fails to reimburse Tenant for such costs

within such thirty (30) day period, interest will accrue on such amount at the Default Rate from the day after such payment was due.

b. Excluding the obligations of Landlord under Section 6.a., above, Tenant shall, at its own expense, maintain the interior, nonstructural portions of the Building in good condition and repair, reasonable wear and tear and casualty damage excepted. Tenant shall provide for its own janitorial services for the Building, including but not limited to cleaning of window surfaces within the interior of the Building. Upon the expiration or earlier termination of this lease, Tenant shall surrender the Building to Landlord in good condition, reasonable wear and tear and casualty damage excepted. Notwithstanding anything to the contrary in this Lease, Tenant shall have no obligation to restore the Building to its original condition or to remove any tenant improvements, including the Tenant Improvements, in the Building upon the expiration or termination of this Lease.

c. If Tenant fails to perform any of its maintenance obligations hereunder (including those obligations under this Section 6 and Section 11), Landlord shall have the right, after

providing Tenant with thirty (30) days' written notice and opportunity to perform all necessary repairs, to perform such repairs (and replacements, if necessary) on Tenant's behalf and Tenant shall reimburse Landlord within thirty (30) days for all of Landlord's costs in connection therewith. In the event Tenant fails to reimburse Landlord for such costs within such thirty (30) day period, interest will accrue on such amount at the Default Rate from the day after such payment was due.

7. ALTERATIONS. Tenant shall have the right to make such alterations to the Premises as may be necessary for the conduct of Tenant's business after completion of the Tenant Improvements and reasonably approved by Landlord; provided, however, that Tenant shall not make (a) any structural alterations, any nonstructural alterations that affect the integrity of the Building systems, or any nonstructural alterations a single component of which costs in excess of $100,000 (and for which Tenant has not agreed in writing to restore the Premises to the condition immediately prior to such alteration at the expiration or earlier termination of this Lease) without the written consent of Landlord, which consent Landlord may withhold in its sole discretion; of (b) any nonstructural alterations a single component of which costs in excess of $100,000 (and for which Tenant has agreed in writing to restore the Premises to the condition immediately prior to such alteration at the expiration or earlier termination of this lease) without the written consent of Landlord, which consent shall not be unreasonably withheld or delayed. Tenant shall obtain all necessary building permits as are required for such alterations. Except as provided herein (;particularly with respect to Tenant's machinery, trade fixtures, furnishings, equipment and signs) such alterations made by Tenant shall become part of the Premises and shall be returned to Landlord as part of the Premises upon termination. Tenant shall also have the right to install, attach, affix or otherwise place in or upon the Premises, any and all machinery, equipment for teleservicing, office or software development, trade fixtures, furnishings and exterior signs necessary or desirable for Tenant's proper use of the Premises. Notwithstanding anything to the contrary, Tenant will retain ownership and shall remove any and all of Tenant's machinery,

equipment for teleservicing, office or software development, trade fixtures, furnishings and exterior signs (including without limitation telecommunications equipment, computers, office furniture, office equipment, disaster recovery backup equipment, cabling, wiring, signs, etc.) at any time including at the termination or expiration of this Lease, whether or not the same shall be deemed to be affixed to the Premises or the Building. After removal, Tenant shall, at its expense, restore the Premises to the same condition in which they were prior to the installation, attachment or placement of such machinery, trade fixtures, furnishings, equipment and exterior signs. Notwithstanding the foregoing, Tenant shall have no obligation to remove the Tenant Improvements or to restore the Premises to the condition existing prior to the completion of the Tenant Improvements. All work performed and all repairs made hereunder by Tenant shall be done in a good and workmanlike manner which shall be consistent with industry standards, using only first quality materials and labor and in compliance with all applicable buildings and zoning laws and with all other laws, ordinances, orders, rules, regulations, and requirements of all federal, state, and municipal governments and the appropriate departments, commissions, boards and officers thereof.

8. INSURANCE.

a. Tenant shall, at its cost and expense, but for the mutual benefit of Landlord and Tenant, maintain commercial general (public) liability insurance covering any legal liability of Tenant against claims for bodily injury, death and/or property damage arising directly out of the Tenant's occupancy or use, and/or operation of the Premises and/or the conduct of the Tenant's business in such amounts as Landlord may reasonably require, but in no event less than Three Million Dollars ($3,000,000) combined single limit for bodily injury or death and/or property claims in one accident. The aforementioned limit may be met under blanket or multiple policies. At Tenant's options, Tenant may self-insure or retain, through deductible or other retentions, all or a portion of the risks described in this Subsection 8.a. under its corporate risk management program. The Landlord and/or its designated mortgagees or assignees are to be listed under such insurance policy as additional insured(s) as respects their vicarious legal liability caused by the actions or omissions of the Tenant in relation to the Premises or the Building. Such insurance shall contain a severability of interests provision.

Tenant agrees to insure, at its cost and expense, or at its option to self-insure, its personal property, including trade fixtures, furnishings, operating equipment and the leasehold improvements for which it retains ownership.

Tenant shall maintain Worker's Compensation insurance as required by applicable laws.

b. Notwithstanding the provisions of Subsection 8.a., above, Landlord shall provide commercial general (public) liability insurance covering Landlord, its employees, representatives, officers, directors, agents, assignees, invitees and tenants for claims arising out of the negligence or other actions or omissions to act of the Landlord, its employees, representatives, officers, directors, agents, assignees and invitees. Such

commercial general (public) liability insurance policy shall include the Tenant as an additional insured as respects its vicarious legal liability caused by the actions or omissions of the Landlord in relation to the Premises of the Building. Such insurance shall contain a severability of interests provision.

During the Term of this lease, Landlord shall keep its personal property, the Premises, and leasehold improvements for which it retains ownership (including the Premises), including rent loss insurance, insured against loss or damage by fire and all other risks of direct physical loss, only excepting the customary exclusions that are contained in a standard "all risks" policy, for not less than one hundred percent (100%) of the replacement value thereof. Such policy may at Landlord's election contain an endorsement for flood. For purposes of this Section, "replacement value" shall be deemed to be the cost of replacing the property less the cost of excavation, foundations and footings of the Building. Damages that are not insured and/or amounts for which the Landlord becomes a co-insurer under its policy, including any related costs, which occur due to the Landlord's failure to maintain property insurance on the Premises at the most recent replacement value shall be borne by the Landlord.

c. Deductibles or retained losses applicable to the property or

commercial general (public) liability insurance policies specified in Subsections 8.a. and 8.b. above shall be borne by the party listed as named insured on the respective policies.

d. Insurance maintained by Tenant and Landlord hereunder shall be maintained with insurers licensed to do business in the State of Florida and shall have a Best's Guide rating of at least A-/IX. Tenant and Landlord will each furnish to the other a true, correct and original certificate of such insurance policies as are referenced in any and all Sections contained in this Lease, within fifteen (15) days of the execution of this Lease and, upon request, will provide evidence of the renewal of such insurance upon expiration of the policies. Such insurance policies shall provide that they will not be materially changed, canceled, or not renewed without thirty (30) days' prior written notice to the certificate holder by the respective insurance company.

e. Under no circumstances shall Tenant be responsible for insurance expenses over and above those directly related to the operation or maintenance of the Premises and the Building, e.g., excess or other insurance which primarily benefits the Landlord, its shareholders, directors or officers or other tenants. Landlord shall promptly pay when due all insurance premiums on insurance policies required to be maintained by Landlord hereunder.

f. Landlord and Tenant hereby expressly waive, and release each other and their respective agents and employees from, any and all claims it may have against each other or anyone claiming through or under them by way of subrogation for any loss caused by or resulting from risks insured against, whether such insurance relates to property damage, public liability or other risks (or which would have been insured against had that party carried all insurance required under this Agreement), provided that the insurance company issuing such policy shall have

waived its right of subrogation with respect to all such claims prior to such loss. Tenant and Landlord each shall obtain a waiver from each and every insurance company with which, in accordance with the insurance requirements of this lease, they carry insurance, whether insuring the Building, the Premises, improvements, personal property or liability with respect to the Premises. Such waiver shall release the insurance company's subrogation rights against the other party. However, if at any time their respective insurers shall refuse to permit waivers of subrogation, Landlord or Tenant may in each instance revoke said waiver of subrogation effective thirty (30) days from the date of notice to the other unless, within such thirty (30) day period, the other is able to secure and furnish, without additional expense, insurance in other companies which provide such waiver of subrogation. If such waiver can only be obtained at additional expenses, the other party may agree to pay such additional expense to maintain the waiver of subrogation.

g. Tenant will indemnify, defend and hold Landlord, and its members, partners, officers, directors, subsidiaries, affiliates, and employees, harmless from any and all loss or damage which Landlord may sustain by reason of claims brought against Landlord alleging bodily injury or death to any person or damage to property to the extent that such loss or damage is caused by (i) the negligence or willful misconduct of the

Tenant Parties in the use of the Premises, or (ii) Tenant's default under the terms of this Lease. Nothing contained herein will require Tenant to defend, indemnify or hold harmless Landlord, or its members, partners, officers, directors, subsidiaries, affiliates, and employees for losses or damages related to claims of bodily injury or death to any person or damage to property to the extent caused by the negligence or willful misconduct of the Landlord Parties (as defined in Section `12.c.).

h. Landlord will indemnify, defend, and hold Tenant, and its members, partners, officers, directors, subsidiaries, affiliates, and employees, harmless from any and all loss or damage which Tenant may sustain by reason of claims brought against Tenant alleging bodily injury or death to any person or damage to property to the extent that such loss or damage is caused by (i) the negligence or willful misconduct of the Landlord Parties in connection with the Premises, or (ii) Landlord's default under the terms of this Lease. Nothing contained herein will require Landlord to defend, indemnify or hold harmless Tenant, or its members, partners, officers, directors, subsidiaries, affiliates, and employees, for losses or damages related to claims of bodily injury or death to any person or damage to property to the extent caused by the negligence or willful misconduct of the Tenant Parties.

i. The indemnities set forth in this Section 8 shall survive termination or expiration of this Lease and shall not terminate or be waived, diminished or affected in any manner by any abatement or apportionment of Rent under any provision of this Lease. If any proceeding is filed fore which indemnity is required hereunder, the indemnifying party agrees, upon request therefor, to defend the indemnified party

in such proceeding at its sole cost utilizing counsel reasonably satisfactory to the indemnified party.

9. DESTRUCTION OF PREMISES.

a. Definitions. For purposes of this Section, the following definitions will apply.

i. "Casualty means the destruction of or damage to all or any part of the Premises or the Building.

ii. "Architect" means an independent architect selected jointly by Landlord and Tenant.

iii. "Insured Casualty" means a Casualty which (i) is insured under Landlord's all risks policy described in Section 8.b., above, or (ii) would have been insured under such a policy had Landlord maintained such policy in effect.

iv. "Uninsured Casualty" means a Casualty which (i) is not insured under Landlord's all risks policy described in Section 8.b. above, or (ii) would not have been insured under such a policy had Landlord maintained such policy in effect.

v. "Minor Casualty" means (1) a Casualty, if being the destruction of or damage to all the Premises or

Building, which can be rebuilt or repaired, as reasonably determined by the Landlord, within the lesser of (i) two hundred seventy (170) days after the date a building permit is issued for the reconstruction, or (ii) the length of time remaining in the then current Term, or (2) a Casualty, if being the destruction of or damage to less than all of the Premises or Building, which can be rebuilt or repaired, as reasonably determined by Landlord, within the lesser of (i) one hundred eighty (180) days after the date of the Casualty, or (ii) the length of time remaining in the then current Term.

vi. "Major Casualty" means (1) a Casualty, if being the destruction of or damage to all the Premises or Building, which cannot be rebuilt or repaired, as reasonably determined by the Landlord, within the lesser of (i) two hundred seventy (170) days after the date a building permit is issued for the reconstruction, of (ii) the length of time remaining in the then current Term, or (2) a Casualty, if being the destruction of or damage to less than all of the Premises or Building, which cannot be rebuilt or repaired, as reasonably determined by Landlord, within the lesser of (i) one hundred eighty (180) days after the date of the Casualty, or (ii) the length of time remaining in the then current Term.

vii. "Dollar Limit" means the lesser of the following:

. Two Hundred Fifty Thousand Dollars ($250,000), or

. During the last year of the then current Term, the total Base Rent which would have been due from Tenant from the date of the Casualty until the end of the then current Term, had the Casualty not occurred.

b. Minor Insured Casualties. If an Insured Casualty occurs which is also a Minor Casualty, then Landlord will promptly commence reconstruction or repair and diligently pursue the same toward completion, unless such Casualty occurs during the last year of the then current Term and the Lease is terminated pursuant to Section 9.g.

c. Major Casualties - Tenant's Election. If a Major Casualty occurs and Tenant's ability to operate its business in the Premises is materially hindered or impaired as reasonably determined by Tenant, then Tenant may elect to terminate this Lease effective on the tenth (10/th/) day after such election by providing written notice to Landlord within ten (10) days after receipt of the Architect's written estimate of the length of time necessary for such reconstruction or repair. If Tenant does not elect to terminate this lease, then Landlord will promptly commence reconstruction or repair and diligently pursue the same toward completion.

d. Uninsured Casualties - Landlord's Election. If an Uninsured Casualty occurs and the estimated cost of the repair or reconstruction as reasonably determined by Landlord is expected to exceed the Dollar limit, then Landlord may elect to terminate this

Lease effective on the tenth (10th) day after such election by providing written notice to Tenant within ten (10) days after receipt of the Architect's written estimate of the cost for such reconstruction or repair. If Landlord does not elect to terminate this Lease, then Landlord will promptly commence reconstruction or repair and diligently pursue the same toward completion.

e. Reconstruction or Repair. Upon commencement of reconstruction or repair after a Casualty, Landlord will rebuild or repair the Building and Premises with all reasonable speed and promptness, subject to excusable delay, to substantially the same condition which existed immediately prior to the happening of the Casualty, except that Landlord's obligation to rebuild or repair will not include any personal property of Tenant, nor will Landlord be required to spend for such work an amount in excess of the insurance proceeds actually received by Landlord as a result of the Casualty plus any applicable deductible, provided that Landlord has maintained insurance on the Building and Improvements as required in Section 8 above. Landlord will not be liable for any inconvenience or annoyance to Tenant or injury to the business of Tenant resulting in any way from such destruction or damage or the reconstruction or repair thereof.

f. Rent Abatement. During any period of reconstruction or repair after a Casualty, Base Rent, Additional Rent, and any other charges due hereunder from Tenant will abate in proportion to the damage sustained, beginning on the date of the Casualty and continuing until the reconstruction or repair is completed. In addition, if any Casualty occurs and Tenant's ability to operate its business in the Premises is materially hindered or impaired due to the interruption of services to the Building,

as reasonably determined by Tenant, Tenant rent will abate commencing the first day of untentantability.

g. Casualties at the End of the Term. Notwithstanding anything to the contrary contained in this Section 9, if a Casualty occurs within the last year of the then current Term and either (i) the estimated cost of the repair or reconstruction as reasonably determined by Landlord is expected to exceed the Dollar Limit, or (ii) the Casualty is a Major Casualty, then, provided that in all in stances the insurance proceeds are paid to Landlord, excluding those proceeds payable to Tenant for its property, Landlord will not be obligated to restore or repair such destruction or damage and the Lease will be terminated effective on the date of the Casualty unless Tenant agrees, within thirty (30) days after receipt of the Architect's written estimate of the cost for such reconstruction or repair and the time necessary to complete such reconstruction or repair, to extend the Term for an additional period of time such that at least five (5) years will remain in the Term following the completion of such reconstruction or repair.

h. Landlord's Notice. Within thirty (30) days after a Casualty, landlord shall cause prepare and deliver to Tenant a written estimate of the cost and time for reconstruction or repair.

10. CONDEMNATION.

a. If all or any part of the Premises is appropriated by any local,

state or federal government or agency, whether by agreement or suit, then this Lease shall terminate as to the part so taken on the date of the appropriation, and Rent shall abate proportionately from the date of appropriation. If, during the term of the Lease, or any extension or renewal thereof, less than the entire Premises but a reasonable material portion thereof shall be taken in any such appropriation, this lease shall, upon vesting of title in the appropriation, terminate as to the portion of the Premises so taken, and Tenant may at its option terminate this lease as to the remainder of the Premises; provided that Tenant shall not have the right to terminate this Lease pursuant to the preceding sentence unless (a) twenty percent (20%) or more of the Building is taken and Landlord and Tenant have not agreed upon the terms of Landlord's construction or securing of substantially similar space to the space so taken on the Premises within thirty (30) days of the date of appropriation or (b) ten percent (10%) or more of Tenant's parking spaces are taken and Landlord and Tenant have not agreed upon the terms of Landlord" securing replacement parking spaces in the Westpointe Centre within thirty (30) days of the date of appropriation. Notwithstanding the foregoing, Tenant will not be entitled to terminate the Lease or to an abatement of Rent, Tenant shall be entitled the entire portion of any award made by the condemning authority for such parking spaces.

b. In the event of an appropriation, Landlord shall be entitled to the award made by the condemning authority, and Tenant shall have no claim against Landlord; provided,

however, that Tenant shall be entitled to make a separate claim to the extent such claim does not otherwise reduce the award to Landlord for any award paid for or on account of: (i) the unamortized portion of leasehold improvements, additions, replacements or alterations paid for by Tenant; and (ii) cost of removal and relocation.

11. USE OF PREMISES. Tenant may use and occupy the Premises for general office and storage purposes, for Tenant's telephone marketing, research and related services business and/or for any other purpose not prohibited by applicable laws and regulations or the CCR ("Business Purposes"); provided that Tenant shall be under no obligation to operate or conduct any business in the Premises. Landlord represents to Tenant that the Premises is properly zoned for a call center, including general office purposes. Tenant shall not commit or suffer any waste on the Premises nor use the Premises for any unlawful purpose. Tenant shall comply with and obey all applicable laws, ordinances, rules, orders, regulations and requirements which affect Tenant's use of the Premises, or Tenant's uses under this Lease. Tenant and its agents and employees shall have access to, and exclusive use of, the Premises at all times, subject to the rights of Landlord hereunder.

12. ENVIRONMENTAL MATERS AND INDEMNIFICATION.

a. Each party agrees that it shall not do any act or omit to do any act relating to the Premises during the Terms of this Lease which will constitute a breach or violation of any Environmental Laws. Landlord further agrees on an ongoing basis that if the Land, Building or Premises is found to contain any Hazardous Substances, through actions caused by Landlord, Landlord shall promptly remove such materials and pay for all costs related to this removal, including, but not limited to, any moving costs or temporary housing costs required by Tenant. As used in this Lease: (1) the term "Hazardous Substance" means all chemicals, substances, and/or materials listed

under or otherwise governed or regulated by any Environmental Laws, including without limitation, hazardous or toxic substances, wastes or materials, and petroleum and any fraction thereof; and (2) the term "Environmental Laws" means any local, state or federal law, rule, regulation or ordinance pertaining to environmental regulation, contamination or cleanup, including without limitation investigation and cleanup of Hazardous Substances.

b. Tenant will release, indemnify, defend and hold Landlord and its members, partners, officers, directors, subsidiaries, affiliates, and employees harmless from and against any and all claims, orders, demands, causes of actin, proceedings, judgments, suits, damages, liabilities, losses, costs or expenses (including, without limitation, technical consultant fees, expert witness fees, reasonable attorneys' fees, court costs and expenses paid to third parties) arising out of the presence of any Hazardous Substances at, on or in the Premises as a result of any act or omission of Tenant, its directors, partners, officers, members, subsidiaries, affiliates, employees, contractors and agents (collectively, the "Tenant Parties") at the Premises from and after the Effective Date. In no event will Tenant's indemnification obligations under this Section 12.b. cover the acts or omissions of any parties other than the Tenant Parties.

c. Landlord will release, indemnify, defend and hold Tenant harmless from and against any and all claims, orders, demands, causes of action, proceedings, judgments, suits, damages, liabilities, losses, costs or expenses (including, without limitation, technical consultant fees, expert witness fees, reasonable attorneys' fees, court costs and expenses paid to third parties) arising out of the presence of any Hazardous Substances at, on or in the Premises as a result of any act or omission of Landlord, its members, directors, partners, officers, subsidiaries, affiliates, contractors, employees and agents (collectively, the "Landlord Parties"). In no event will Landlord's indemnification obligations under this Section 12.c. cover the acts or omissions of any parties other than the Landlord Parties.

d. The indemnification agreements contained in this Section 12 are continuing in nature and shall survive the termination or expiration of this Lease.

13. ASSIGNMENT AND SUBLETTING.
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a. Tenant may sublet the Premises or assign this Lease, subject to Landlord's approval (which approval shall not be unreasonably withheld, delayed, or conditioned); provided that Tenant shall remain primarily .liable for all obligations of Tenant hereunder. Tenant agrees to split equally with Landlord (on a monthly basis as and when subtenant's rent is paid) Tenant's "net profit" from the sublease, which shall be an amount equal to (a) the amount by which the Base Rent and any additional amounts and consideration paid by the subtenant exceeds the Base Rent and Additional Rent payable hereunder, less (b) Tenant's reasonable and actual expenses in connection with the sublease, including but not limited to brokerage commissions, and reasonable and actual costs incurred by Tenant in altering, dividing, repairing or otherwise making the space ready for subtenant's occupancy; and any free rent, tenant construction allowance (unless the amount of such construction allowance is being recovered in subtenant's rental payments) or other financial incentives provided to subtenant. If Tenant desires to assign its interest in this Lease and the Premises or sublease all or a portion of the Premises, Tenant shall deliver to Landlord written request

specifying the terms and conditions for such assignment or sublease and requesting Landlord's consent, and Tenant shall supply such additional information related to the proposed assignment or subletting as Landlord reasonably requests in connection with its review and evaluation of Tenant's request. Landlord shall respond in writing to any request for approval of an assignment or sublease within ten (10) business days of receipt of Tenant's request and Landlord's failure to respond within such period shall constitute approval.

b. Notwithstanding anything to the contrary contained in this Lease, Tenant may, upon written notice to, but without the consent of Landlord, assign this Lease or sublet all or any portion of the Premises to: (i) any entity controlling, controlled by, or under direct or indirect common control with Tenant, (ii) any person or entity which acquires all or substantially all of Tenant's assets or stock, or (iii) any organization resulting from a merger or consolidation with Tenant; provided that in all such instances, Tenant shall remain primarily liable hereunder.

14. TENANT'S DEFAULT AND LANDLORD'S REMEDIES. Tenant shall be in default hereunder if during the term of this lease:

a. (a) Tenant makes an assignment for the benefit of creditors; or (b) a voluntary petition is filed by Tenant under any law having for its purpose the adjudication of Tenant a bankrupt or the extension of the time or payment, composition, adjustment, modification, settlement, or satisfaction of the liabilities of Tenant, reorganization of Tenant, or liquidation of Tenant, or (c) an involuntary petition is filed against Tenant under any law having for its purpose the adjudication of Tenant a bankrupt or the extension of the time of payment, composition, adjustment, modification, settlement or satisfaction of the liabilities of Tenant or to which any property of Tenant may be subject or the reorganization or liquidation of Tenant and such petition is not dismissed within sixty (60) days; or (d) a permanent receiver be appointed for the property of Tenant by reason of the insolvency or alleged insolvency of Tenant; or (e) Tenant shall default in the performance of any of the covenants of this Lease (other than the covenants for the payment of Base Rent and Additional Rent, or other charges payable by Tenant hereunder) and such default is not cured within thirty (30) days of receipt of notice thereof (provided if such cure cannot be reasonably completed within such thirty (30) day period, Tenant shall not be in default as long as Tenant commences to cure such failure within such thirty (30) day period and thereafter diligently pursues such cure to completion); or (f) if Tenant shall default in the payment of any amount due hereunder and such payment is not made within five (5) business days after receipt of notice by Tenant of the non-receipt of such payment by Landlord.

b. Upon the occurrence of any of such events of default described in or elsewhere in this Lease (and after applicable notice has been given to Tenant and such default has not been used within the cure period), Landlord shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever:

(i) Landlord may (a) terminate this Lease or (b) terminate Tenant's right to possession only, without terminating the Lease.

(ii) Upon any termination of this Lease, whether by lapse of time or otherwise, or upon termination of Tenant's right to possession without termination of the Lease, Tenant shall

surrender possession and vacate the Premises immediately, and deliver possession thereof to Landlord, and Tenant hereby grants to Landlord full and free license to enter into and upon the Premises, to the extent permitted by applicable law, to repossess Tenant of the Premises and to expel or remove Tenant and any others who may be occupying or be within the Premises and to remove any and all property therefrom without relinquishing Landlord's right to rent or any other right given to Landlord hereunder or by operation of law.

(iii) Upon termination of this Lease, whether by lapse of time or otherwise, Landlord shall be entitled to recover all appropriate damages, including the acceleration of all Rent due hereunder for the remainder of the term

(including only those options as previously exercised by Tenant) discounted to its present value and as offset by the market rent of the Premises similarly discounted to its present value.

(iv) Upon any termination of Tenant's right to possession only without termination of this Lease, Landlord may, at landlord's option, enter into the Premises, remove Tenant's signs and other evidences of tenancy, and take and hold possession thereof as provided in subparagraph (ii) above, without such entry and possession terminating the Lease or releasing Tenant, in whole or in part, from any obligation, including Tenant's obligation to pay the Rent for the remainder of the term (including only those options as previously exercised by Tenant).

(v) Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law (all such remedies being cumulative), nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any Rent or other payments due to Landlord hereunder or of any of the terms provision and covenants herein contained. No act or thing done by Landlord or its agents during the term of this lease shall be deemed a termination of this Lease or an acceptance of the surrender of the Premises, and no agreement to terminate this Lease or accept a surrender of the Premises shall be valid unless in writing signed by Landlord. No waiver by Landlord of any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions and covenants herein contained. Landlord's acceptance of the payment of rental or other payments hereunder after the occurrence of a default shall not be construed as a waiver of such default, unless Landlord so notifies Tenant in writing. Forbearance by Landlord in enforcing one or more of the remedies herein provided upon a default shall not be deemed or construed to constitute a waiver of such default or of Landlord's right to enforce any such remedies with respect to such default or any subsequent default.

15. LANDLORD'S DEFAULT AND TENANT'S REMEDIES. The following will be considered a default by Landlord: (i) failure to pay any economic allowances due from Landlord hereunder for more than thirty (30) days after receipt of written demand from Tenant, or (ii) failure to keep and perform any of the terms, covenants or conditions of this Lease to be kept and performed by Landlord and such failure continues for thirty (30) days after receipt of written

notice from Tenant (provided that if such cure cannot be completed within such 30-day period, Landlord will not be in default as long as Landlord commences to cure such failure within such 30-day period and thereafter diligently pursues such cure to completion). If Landlord's failure results in, or is reasonably likely to result in, a material adverse effect on Tenant's operations within the Premises, then Tenant may elect to pay such sum or perform such covenant or condition and Landlord

will reimburse Tenant for the cost of performing such obligations within thirty (30) days of receipt of an invoice for such costs. In the event Landlord fails to reimburse Tenant for such costs within such thirty (30) day period, interest will accrue on such amount at the Default Rate from the day after such payment was due. Forbearance by Tenant to enforce any remedy upon any default by Landlord will not constitute a waiver of such default. The failure of Tenant to insist at any time upon the strict performance of any covenant or agreement or to exercise any options, right, power or remedy contained in this Lease will not be construed as a waiver or a relinquishment thereof for the future. The remedies set forth in this Section are in addition to and not in limitation of any other rights and remedies of Tenant contained in this Lease, or at law or in equity. Tenant agrees that it will give concurrent notice of any default by Landlord under this lease to Landlord's mortgagee (provided that Tenant has actually received written notice of such mortgagee and the address to which such notices are to be sent) and such mortgage will have a period of thirty (30) days in addition to the time periods given to Landlord in this Section to effect a cure before Tenant may exercise its rights hereunder.

16. MEMORANDUM OF LEASE. Landlord and Tenant each agree that they will execute
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a memorandum or short form of this Lease in recordable form for recording and that such memorandum or short form Lease will be recorded immediately after the deed for the Premises to Landlord is recorded and prior to any mortgage on the Premises.

17. QUIET ENJOYMENT. Landlord covenants and agrees that, in the absence of a
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failure beyond any cure period to pay Rent and to observe and keep the terms, covenants and conditions of this lease on Tenant's part to be paid, observed and kept, Tenant shall lawfully, peaceably and quietly hold, occupy and enjoy the Premises during the term of this lease without hindrance or molestation by Landlord or any person or persons claiming under Landlord.

18. NOTICES. All notices shall be given in writing, postage prepaid, by
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certified or registered mail, return receipt requested, by personal delivery, regular U.S. mail, facsimile transmission followed by regular U.S. mail, or by reputable national overnight courier, at the addressed listed in the first paragraph of this Lease (if to Landlord, to the attention of Gerald A. Pienka, with a copy to Don Johnson, and if to Tenant, to the attention of Claudia L. Schaefer, Esq., with a copy to Frost & Jacobs LLP, 2500 PNC Center, 201 East Fifth Street, Cincinnati, Ohio 45202, Attention: Charles E. Schroer, Esq.). Notices will be deemed delivered and effective on the date received or refused. Notice addresses may be changed by notice to the parties in the manner set forth in this Section 18.

19. BROKER. Each party represents to the other that no real estate broker,
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consultant, finder or like agent other than Jones Lang LaSalle Americas, Inc. (whose commissions shall be paid by Landlord pursuant to an agreement between Landlord and such broker) has any interest in this transaction under any an agreement with such party. Each party agrees to indemnify and hold the other party, and its members, partners, officers and directors

harmless from and against all claims, losses, liabilities and expenses, including reasonable attorneys' fees, arising out of any claim relating to this lease or the Premises by any other broker, consultant, finder or like agent with whom the indemnifying party has dealt or negotiated.

20. HOLDING OVER. If Tenant holds over after the expiration of the Term, then it shall be construed as a month-to-month tenancy on the same terms and conditions herein specified, except the holdover Base Rent shall be one hundred fifty percent (150%) of the Base Rent owed by Tenant under this Lease for the month immediately preceding the holdover period. This holdover Base Rent shall be deemed Landlord's exclusive right and remedy for damages against Tenant for holding over; provided, however, Landlord reserves the right to evict Tenant in accordance with Florida law.

21. SUBORDINATION. Subject to the mutual execution and delivery of a subordination, nondisturbance and attornment agreement reasonably acceptable to Tenant (the "SNDA"), Landlord reserves the right to subject and subordinate this Lease to the lien of any mortgage(s) or ground or underlying lease(s) placed upon Landlord's interest in the Property after the Effective Date and after a memorandum of this Lease is recorded. Tenant agrees, upon thirty (30) days' advance written request, to execute the SNDA as is reasonably requested by Landlord's lender subordinating its interest and/or attorning to such mortgagees and lessors, provided that: (i) such mortgagees and/or lessors attorn in writing, agreeing to recognize Tenant's possession and rights under this lease and agreeing not to disturb or impair Tenant's rights to quiet enjoyment of the Premises as long as Tenant is not in default beyond any applicable cure period, and (ii) any default by Landlord under such mortgage or ground lease will not affect Tenant's rights under this Lease as long as Tenant is not in default beyond any applicable cure period.

22. ENTIRE AGREEMENT. This Lease, including the attached exhibits, constitutes the entire agreement between Landlord and Tenant with respect to the Premises, the Building and the Premises, and supersedes any other prior oral or written communications, representations or statements with respect to the transaction contemplated in this lease. This Lease may not be modified, altered or amended in any manner except by an agreement in writing executed by the parties. This Lease shall be interpreted and governed by the laws of the State where the Premises are located. This Lease shall inure to the benefit of, and be binding upon, Landlord and Tenant, and their respective heirs, successors and assigns.

23. ATTORNEYS' FEES. Unless otherwise provided in this Lease, the nonprevailing party in any litigation, claim or action under this Lease shall promptly reimburse the prevailing party for all costs, including reasonable attorneys' fees, incurred by the prevailing party up to and including all trial and appellate levels.

24. AUTHORITY. Each party represents to the other that it has full right and authority to enter into this Lease and by doing so violates no existing agreement or indenture to which it is a party or which it is bound or affected, and that the execution and delivery of this Lease has been duly authorized by each party's board of directors, general partners, members and/or managers, as the case may be.

25. BUILDING NAME, GRAPHICS AND SIGNAGE. Tenant will have the exclusive right to name the Building and to use its standard graphics on the Premises and the Building, subject to Landlord's reasonable approval that shall not be

unreasonably withheld or delayed. Tenant will have the exclusive right to install building signage on the exterior of the Building and exclusive monument signage on the exterior of the Building and interior

lobby areas of the Building, at Tenant's expense and at locations reasonably selected by Tenant, subject to Landlord's reasonable approval which shall not be unreasonably withheld or delayed. Landlord at its expense will provide Tenant with sufficient lines on the Building lobby directory, appropriate signage for Tenant's suite, and signage outside of the Building or on an exterior sign. All signage hereunder shall be subject to the CCR, applicable local code requirements and the approval of applicable governmental authorities. Landlord does not represent nor warrant that any particular type or amount of signage is available for the Building and the Premises, and availability of any particular type or amount of signage is not a condition to Tenant's obligations under this Lease; provided, however, Landlord represents to Tenant that a monument sign for the Premises and a building mounted sign for the Building are permitted under the CCR and applicable local code requirements.

26. COMPETITORS. Landlord agrees during the Initial Term not to knowingly, after due inquiry, directly lease or sell any property within the Westpointe Centre (as indicated on Exhibit E) to any competitor of Tenant as listed on Exhibit D ("Named Competitor") or to any real estate entity who is acting as an intermediary, nominee or agent for such Named Competitor which entity intends to directly enter into a sale or lease transaction with such Named Competitor at the Westpointe Centre.

27. ESTOPPEL CERTIFICATES. Within twenty (20) days of receipt of a written request from Landlord, Tenant will execute and deliver to Landlord and such persons as Landlord will reasonably request, a statement certifying that this lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified), stating the dates to which Base Rent, Additional Rent, and other charges payable under this Lease have been paid, stating that Landlord is not in default hereunder (or if Tenant alleges a default stating the nature of such alleged default), and stating that Tenant is not entitled to any credits, offsets, defenses or deductions against payment of rent hereunder (or if they exist, describing them) (collectively, the "Estoppel Items"). If Tenant fails to execute and deliver an estoppel certificate as required hereunder, and such failure shall continued uncured for five (5) days after receipt of a second written notice from Landlord delivered after the expiration of the initial twenty (20) day period, then such failure shall be deemed a statement by Tenant that the Estoppel Items are true and correct to the best of Tenant's knowledge without exception and that Base Rent and Additional Rent have been paid current and not more than thirty (30) days in advance of the due date.

28. TELECOMMUNICATIONS. Landlord will provide Tenant with sufficient rooftop access on the Building for placement of two (2) telecommunication receivers and related transmission equipment (including satellite dishes). Installation, repair, and maintenance of such equipment will be performed by Tenant at Tenant's expense, and Tenant will promptly repair any damage to the roof by reason of any such work (and such work will be coordinated with Landlord and/or performed by Landlord, at Tenant's expense, so as to comply with the terms of Landlord's roof warranty). Landlord will not allow any other equipment on the roof of the Building or on the Premises that may, as reasonably determined by Tenant, denigrate, distort or otherwise interfere with or affect the

performance of Tenant's roof top equipment. Landlord will notify Tenant before any other equipment is located on the roof of the Building or on the Premises. At the expiration or termination of this Lease, Tenant will remove all of its equipment from the roof and shall promptly repair any damage occasioned to the roof by reason of the removal of such equipment. In addition, all such usage shall be subject to applicable local code requirements.

29. EMERGENCY POWER SOURCE. Tenant will have the right to install a diesel generator outside the Building for emergency backup power. The generator will be situated in the area shown generally on Exhibit A. If Tenant desires to locate the generator in a different area, the new location shall be subject to Landlord's reasonable approval. Landlord shall be responsible for installing the generator and UPS System. Tenant will be responsible for the cost of installing the generator and UPS System. At the expiration or termination of this lease, Tenant will remove the generator from the Premises and shall promptly repair any damage occasioned to the premises by reason of the removal of the generator.

30. FORCE MAJEURE. In the event that either party is delayed or hindered in, or prevented from, the performance of any act by reason of restrictive governmental laws or regulations, riots, insurrections, labor disputes not caused by Landlord, inability to secure materials, supplies or labor through ordinary sources by reason of unusually inclement weather or regulation or order of any governmental agency, the act, failure to act, or default of the other party, war or other reason beyond its reasonable control (including unusually inclement weather), then performance of such act will be excused for the period for the delay and the period of the performance of such act will be extended for a period equivalent to the period of such delay. Notwithstanding the foregoing, lack of funds will not be deemed to be a cause beyond the control of either party. Notwithstanding anything to the contrary contained in this Lease, force majeure will not apply as a defense for the nonperformance of either party's obligations under this Lease unless the nonperforming party has given the other party written notice that an event of force majeur has occurred, such notice to be given within a reasonable period of time as is practical under the circumstances after the date such event first occurred.

31. CANCELLATION OPTION. Tenant shall have the right to terminate this Lease effective on the first day of the eighth (8/th/) Lease Year ("Cancellation Date") by providing Landlord with written notice ("Tenant's Termination Notice") at least twelve (12) months prior to the Cancellation Date. If Tenant elects to terminate the Lease pursuant to this section, Tenant shall pay to Landlord a termination fee (the "Termination Fee") equal to twelve (12) months of Base Rent for the Lease Year immediately preceding the Cancellation Date payable as follows: (i) fifty percent (50%) of the Termination Fee within thirty (30) days after receipt of written notice from Landlord delivered to Tenant anytime after Landlord's receipt of Tenant's Termination Notice, and (ii) fifty percent (50%) of the Termination Fee within thirty (30) days after receipt of written notice from Landlord delivered to Tenant no sooner than one hundred twenty days prior to the Cancellation Date. Upon termination of this Lease effective as of the Cancellation Date, and pursuant to this section, Landlord and Tenant shall thereafter have no obligations to each other, with the exception that either party

shall indemnify the other for any acts or occurrences which arose prior to the Cancellation Date in accordance with the provisions of Section 12.

32. OPTION TO PURCHASE.

a. Tenant will have the exclusive option to purchase the Premises (the "Option") for an amount equal to the product of the Actual Total Project Costs and 1.15 (the "Purchase Price"). In order to exercise the Option, Tenant shall give Landlord written notice of such exercise ("Exercise Notice") in accordance with Section 18 of this lease on or before 5:00 p.m. eastern time on the day which is six months following the Commencement Date (the "Exercise Date"). In the event Tenant exercises the Option, Tenant shall deliver to a national title insurance company selected by Tenant (the "Title Company") within thirty (30) days after receipt of written notice from Landlord an initial cash deposit in the amount of $400,000.00 (the "Deposit"), to be held by the Title Company pursuant to the terms and conditions of this Lease and an escrow agreement reasonably acceptable to Landlord, Tenant and the Title Company (the "Escrow Agreement"). In the event the Exercise Notice is not timely given, the Option shall expire and be of no further force or effect. The Option may not be exercised if Tenant is in default under this Lease beyond any applicable cure period at the time of giving the Exercise Notice. The closing on the purchase and sale (the "Closing') shall occur on the first business day which is at least thirty (30) days after the expiration of eighteen (18) months from the Commencement Date.

b. If Tenant properly exercises the Option, Landlord shall convey to Tenant marketable fee simple title to the Premises, by special warranty deed (the "Deed"), free and clear of all liens and encumbrances whatsoever, except the following (the "Permitted Exceptions"): (a) real estate taxes and assessments not then due and payable; (b) easements, covenants, conditions and restrictions of record as of the date hereof; (c) zoning, building and other laws, ordinances and regulations; and (d) all encumbrances and other matters on or affecting the Premises created by Tenant. Tenant may, at its sole options, upon written notice to Landlord, waive any of the title requirements set forth in the preceding sentence.

c. Within thirty (30) days after Tenant's exercise of its Option, Tenant shall obtain (and deliver a copy to Landlord) a commitment (the "Commitment") for an owner's policy of title insurance issued by the Title Company in the amount of the Purchase Price. The Commitment shall show in Landlord marketable fee simple title to the Premises, free and clear of all liens and encumbrances except the Permitted Exceptions and liens or encumbrances to be satisfied by Landlord at Closing out of the sale proceeds. Tenant shall pay all examination and commitment fees and premiums in connection with the Commitment and policy to be issued.

d. If the Commitment shows that Landlord's title to the Premises is subject to any liens, encumbrances, easements, conditions, restrictions or encroachments other

than the Permitted Exceptions (any of these matters being referred to as a "Title Defect"), Landlord, within thirty (30) days after written notice of the Title Defect, shall use reasonable efforts to remedy or remove the Title Defect. If Landlord is unable to remedy or remove the Title Defect within the thirty (30) day period, Tenant may, at its option, by written notice to Landlord, either (i) accept such title to the Premises as Landlord is able to convey or (ii)

cancel the Closing in which event the Lease shall remain in full force and effect except that there shall no longer be any Options rights of Tenant.

e. At the Closing, Tenant will pay the Purchase Price in case, certified or cashier's check, or by wire transfer of immediately available funds. The Deposit shall be applied to the Purchase Price at the Closing. At Closing, Landlord will deliver to Tenant fully executed counterparts of each of the following instruments: (i) the Deed; (ii) a Foreign Investment in Real Property Tax Act ("FIRPTA") certification in conformance with the requirements of FIRPTA; (iii) evidence reasonably satisfactory to the Title Company of the existence and good standing of Landlord and the authority of the individual(s) acting on behalf of Landlord at Closing; (iv) title affidavit from Landlord in the form customarily required by the Title Company; (v0 information from Landlord necessary for reporting the sale of the Premises to tax authorities; (vi) all transferable drawings, plans and specifications in respect to the Premises which are in the possession or control of Landlord; and (vii) such other documents reasonably necessary to effectuate the Closing as required by the Title Company. At the Closing, there shall be no proration or real estate taxes, insurance premiums or utility charges. The cost of documentary stamps on the deed, any transfer charges and recording fees shall be the obligation of Tenant, it being the intent of the parties that the Purchase Price is "net" to Landlord. Any prepaid Rent shall be credited against the Purchase Price at the Closing. Except for the indemnification contained in Section 12 hereof that will survive the Closing, Tenant acknowledges that it will take the Premises "as is" at the Closing and Landlord will make no additional representations or warranties as to the condition of the premises. Landlord's successors and assigns will take the Premises subject to the Option rights of Tenant.

f. If Landlord fails or refuses to convey title to the Premises to Tenant in accordance with, and by the time required by, this lease (other than as the results of an uncured Title Defect not waived by Tenant) then Tenant's sole remedy shall be to enforce specific performance of Landlord's obligations to convey the Premises to Tenant; alternatively, Tenant may terminate its obligation to purchase the Premises, in which event the Option shall expire and the Lease shall otherwise remain in full force and effect. Notwithstanding the foregoing, in the event that, at the time scheduled for Closing, there exists a violation of Environmental Laws with respect to the Premises, then

(1) if the violation is other than as the result of an act of one of the Landlord Parties or Tenant Parties, Tenant shall have the option to either (i) proceed to close on the purchase of the Premises with no diminution in the

Purchase Price, in which event Landlord shall be released by Tenant from any liability with respect to such breach of Environmental Laws or (ii) extend the Closing for up to six (6) months in order to provide Landlord with time to remedy the breach, which Landlord shall diligently and in good faith pursue. In the event Landlord has not remedied the breach during such six-month period to the reasonable satisfaction of Tenant, then Tenant shall either (i) proceed to close on the purchase of the Premises with no diminution in the Purchase Price, in which event Landlord shall be released by Tenant from any liability with respect to such breach of Environmental Laws or (ii) cancel the Closing in which event the Lease shall remain in full force and effect except that there shall no longer be any Option rights of Tenant;

(2) if the violation is as the result of an act of one of the Landlord parties, Tenant shall have the option to either (i) proceed to close on the purchase of the Premises with no diminution in the Purchase Price, in which event landlord shall remain liable with respect to such breach of Environmental Laws and Landlord shall diligently pursue the remediation thereof at Landlord's sole cost and expenses or (ii) cancel the Closing in which event the Lease shall remain in full force and effect except that there shall no longer be any Option rights of Tenant; or

(3) If the violation is the result of an act of one of the Tenant parties, Tenant shall proceed to close on the purchase of the Premises with no diminution in the Purchase Price and landlord shall be released by Tenant from any liability with respect to such breach of Environmental Laws.

g. In the event that following its exercise of the Option, Tenant defaults in its obligation to acquire the premises as herein provided and fails to cure such default within five (5) days of receipt from Landlord of notice of such default, then the Title Company shall deliver the Deposit to Landlord and Landlord's sole and exclusive remedy at law or in equity shall be to terminate Tenant's Option and to retain the Deposit as liquidated damages.

THE PARTIES ACKNOWLEDGE THAT LANDLORD'S ACTUAL DAMAGES, IN THE EVENT TENANT DEFAULTS IN ITS OBLIGATION TO ACQUIRE THE PREMISES AS HEREIN PROVIDED, WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE. THEREFORE, BY SEPARATELY EXECUTING THIS SECTION BELOW, THE PARTIES ACKNOWLEDGE THAT THE LIQUIDATED DAMAGES AMOUNT HAS BEEN AGREED UPON, AFTER NEGOTIATION, AS THE PARTIES' REASONABLE ESTIMATE OF LANDLORD'S ACTUAL DAMAGES IN THE EVENT TENANT DEFAULTS IN ITS OBLIGATION TO ACQUIRE THE PREMISES AS HEREIN PROVIDED. BY THEIR SEPARATELY EXECUTING THIS SECTION BELOW, LANDLORD AND TENANT ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTOOD THIS PROVISION COVERING THE LIQUIDATED DAMAGES AMOUNT AND THAT EACH PARTY WAS REPRESENTED BY

COUNSEL WHO EXPLAINED THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION AT THE TIME THE LEASE WAS EXECUTED.

Landlord: _____ (initials) Tenant: [ILLEGIBLE] (initials)

33. GUARANTY. Upon execution and delivery of this Lease, Tenant will cause Covergys Corporation, an Ohio corporation, to execute and deliver to Landlord a guaranty in the form attached hereto as Exhibit F.

34. EXHIBITS. This lease includes the following Exhibits, each of which is incorporated herein as if fully rewritten:

Exhibit A Work Letter

Exhibit B Legal description for the Land

Exhibit C CCR

Exhibit D List of Competitors

Exhibit E Westpointe Centre

35. MISCELLANEOUS.

A. Tenant agrees to permit Landlord and the authorized representatives of Landlord to enter the Premises at all times during usual business hours upon prior notice, emergency situation excepted (at which time Landlord shall have the immediate right to enter the premises).

B. Tenant agrees that no disposition of Landlord's interest in the Premises shall of itself operate in any way to terminate Tenant's obligation to perform its undertakings under this lease in accordance with its terms.

C. The covenants and agreements herein contained shall bind and inure to the benefit of Landlord, its successors and assigns, and Tenant, its successors and assigns, provided that any required consent to any assignment hereof shall be had and obtained as hereinbefore set forth and subject to the provisions of Section 12.

D. Time is of the essence of this lease and all of its provisions.

E. Tenant shall not suffer or permit any mechanics' lien to be filed against the Premises or any part thereof by reason of work, labor, services, or materials performed or supplied or claimed to have been performed or supplied, whether prior to or subsequent to the date of this Lease, to Tenant or anyone holding the premises or any part thereof through or under Tenant. If any such mechanics' lien shall at any time be filed against the Premises, Tenant shall post a bond in the amount thereof or cause the same to be discharged of record within thirty (30)

days after the date of filing the same and notice thereof has been given to Tenant. If Tenant shall fail to discharge or bond over such mechanics' lien within such period, then, in addition to any other right or remedy of Landlord, Landlord may, but shall not be obligated to, discharge the same by bond or by paying the amount claimed to be due without inquiry into the validity of the same and Tenant shall, immediately upon notice from landlord, reimburse Landlord for all such reasonable amounts paid. Tenant, however, shall have the right to contest such lien or liens provided that, within thirty (30) days after any such lien attaches to the Premises, and notice has been given to Tenant, it shall post a bond in the amount thereof and give notice to Landlord of its intention to contest the same and provided further that Tenant shall proceed to contest the validity or amount of such lien or liens by appropriate legal proceedings. Tenant hereby indemnifies Landlord from any cost, damage, loss or expense (including reasonable attorneys' fee) incurred by Landlord as a result of any mechanics' lien placed upon the Premises arising out of Tenant's work or actions or contested by Tenant. In accordance with the terms of the Lease and Section 713.10, Florida Statues, the interest of Landlord in the Premises shall not be subject to liens for improvements made by Tenant and Tenant shall so advise all contractors performing work at the request of Tenant at the Premises.

F. Landlord may transfer the Premises and any of its rights under this Lease. If Landlord assigns its rights under this Lease, then Landlord shall thereby be released from any further obligations hereunder arising after the date of transfer, provided that the assignee assumes Landlord's obligations hereunder in writing.

G. The liability of Landlord (and its partners, shareholders or

members) to Tenant (or any person or entity claiming by, through or under Tenant) for any default by Landlord under the terms of this lease or any matter relating to or arising out of the occupancy or use of the Premises and/or the Building shall be recoverable only from the interest of Landlord in the Premises, and Landlord (and its partners, shareholders or members) shall not be personally liable for any deficiency.

H. TO THE MAXIMUM EXTENT PERMITTED BY LAW, LANDLORD AND TENANT EACH WAIVE RIGHT TO TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF OR WITH RESPECT TO THIS LEASE.

I. Radon is a naturally occurring radioactive gas that, when it has accumulated in a structure in sufficient quantities, may present health risks to persons who are exposed to it. Levels of radon that exceed Federal and State guidelines have been found in buildings in the State of Florida. Additional information regarding radon and radon testing may be obtained from the county public health unit.

J. If any clause or provision of this Lease is illegal, invalid, or unenforceable under present or future laws, then the remainder of this Lease shall not be affected thereby and in lieu of such clause or provision, there shall be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid, and enforceable.

K. This Lease has been a collaborative effort of Landlord, Tenant and their respective consultants and counsel. Then normal rule of construction that any ambiguities be resolved against the drafting party shall not apply to the interpretation of this lease or any exhibits or amendments hereto.

The undersigned have executed this Lease as of the date first above set forth.

LANDLORD:

WESTPOINT BUILDING NO. 1, L.L.C.
a Delaware limited liability company

/s/ Gregory A. Ciambrone
Print Name: Gregory A. Ciambrone

By: /s/ Gerald A. Piertka
Print Name: Gerald A. Piertka
Title: Member

/s/ Marc Poggid
Print Name: Marc Poggid

TENANT:

CONVERGYS CUSTOMER MANAGEMENT GROUP, INC. An Ohio corporation

/s/ Cathy Woods
Print Name: CATHY WOODS

By: /s/ Ronald Schultz
Print Name: RONALD SCHULTZ

Title: PRESIDENT, CMC

/s/ Melanie Miles

Print Name: Melanie Miles

EXHIBIT 10.114

AGREEMENT FOR PURCHASE AND SALE OF WINDY POINT BUILDINGS

AGREEMENT FOR PURCHASE AND SALE

between

WINDY POINT OF SCHAUMBURG, LLC,
as Seller

and

WELLS CAPITAL, INC.,
as Purchaser

Dated: NOVEMBER 30, 2001

TABLE OF CONTENTS

EXHIBITS:

AGREEMENT FOR PURCHASE AND SALE

THIS AGREEMENT FOR PURCHASE AND SALE (as more particularly defined in Section 1.1 below, this "Agreement") is made as of the 30th day of November, 2001 by and between WINDY POINT OF SCHAUMBURG, LLC (as more particularly defined in Section 1.1 below, "Seller") and WELLS CAPITAL, INC. (as more particularly defined in Section 1.1 below, "Purchaser").

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. Seller and Purchaser hereby agree that the following terms shall have the meanings hereinafter set forth, such definitions to be applicable equally to the singular and plural forms, and to the masculine and feminine forms, of such terms:

"Actual New Seventh Floor Rent Credit" shall mean an amount derived by multiplying (a) $28.86 by (b) 28,322 square feet and then multiplying such product by a fraction, the numerator of which is the actual number of days between (i) the Closing Date and (ii) the date on which The Apollo Group, Inc. is obligated to commence the payment of rent under the New Seventh Floor Lease, after deducting any days of delay directly caused by Purchaser and the denominator of which is 365 days.

"Agreement" shall mean this Agreement for Purchase and Sale, as amended or supplemented from time to time in writing by the parties hereto in accordance with the terms hereof.

"Association" shall mean Windy Point Owners Association, an Illinois not-for-profit corporation.

"Bankruptcy Code" shall mean the United States Bankruptcy Code, 11 U.S.C.ss.ss.101, et seq., as amended or supplemented from time to time.

"Broker" shall mean CB Richard Ellis, Inc., and its legal representatives, successors and assigns.

"Closing" shall mean the consummation of the purchase and sale transaction contemplated by this Agreement in accordance with Section 4.1, which shall occur
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no later than 3:00 p.m., Central Time, on the Closing Date.

"Closing Date" shall mean December 31, 2001, or such other date and time as may be permitted under Sections 2.2(a) and 2.2(b) or agreed upon in writing by
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Seller and Purchaser.

"Contracts" shall mean those unexpired contracts shown on Exhibit P
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relating to the Property as of the Closing Date, to the extent assignable.

"Conveyancing Documents" shall have the meaning of the same defined term set forth in Section 4.2.

"Declaration" shall mean that certain Declaration of Covenants, Conditions, Restrictions, Reciprocal Rights and Easements for Windy Point Development, Schaumburg, Illinois, dated as of February 8, 1999, recorded February 9, 1999, as Document No. 99137489 in the Cook County, Illinois Recorder's Office; as amended by that certain First Amendment to Declaration of Covenants, Conditions, Restrictions, Reciprocal Rights and Easements made by Declarant, dated as of May 12, 1999, and recorded as Document No. 99474175 in said public records; as amended by that certain Second Amendment to Declaration of Covenants, Conditions, Restrictions, Reciprocal Rights and Easements, made by Declarant dated as of October 26, 1999, and recorded as Document No. 09025166 in said public records.

"Due Diligence" shall have the meaning of the same defined term set forth in Section 2.3.

"Due Diligence Termination Date" shall mean the earlier of (i) 5:00 p.m., Central Time, on the date that is thirty (30) days after the Effective Date (or the next business day, if such 30/th/ day is not a business day) and (ii) December 28, 2001.

"Earnest Money" shall mean the sum of One Million and No/100 United States Dollars ($1,000,000.00) required to be deposited by Purchaser with Escrow Agent for the benefit of Seller in accordance with the terms of Section 3.1(a) and the
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Earnest Money Trust Agreement, or so much thereof as has actually been paid by

Purchaser that may be remaining from time to time, together with all interest earned thereon, all of which shall be applied and disbursed in accordance with the terms of this Agreement and the Earnest Money Trust Agreement.

"Earnest Money Trust Agreement" shall mean that certain Earnest Money Trust Agreement of even date herewith executed or to be executed and delivered by and among Purchaser, Seller and Escrow Agent, in the form attached as Exhibit B, as the same may be amended or supplemented from time to time in writing by the parties thereto in accordance with the terms thereof.

"Effective Date" shall mean the date on which each and all of the conditions precedent to the effectiveness of this Agreement are satisfied in accordance with Section 7.16.

"Environmental Laws" shall have the meaning set forth in Section 5.2(i).

"Escrow Agent" shall mean Near North National Title Corporation, as escrow agent and settlement agent, under the Escrow Agreement, or any successor escrow agent mutually designated by Seller and Purchaser, and their respective legal representatives, successors and assigns.

"Escrow Agreement" shall mean that certain Closing Escrow Agreement executed or to be executed and delivered by and among Purchaser, Seller and Escrow Agent, in the form attached as Exhibit C, as the same may be amended or supplemented from time to time in writing by the parties thereto in accordance with the terms thereof.

"Estimated New Seventh Floor Rent Credit" shall mean an amount equal to $434,439.30, which amount was derived by multiplying (a) $28.86 by (b) 28,232 square feet and then multiplying such product by a fraction, the numerator of which is 194 days and the denominator of which is 365 days.

"Evaluation Materials" shall have the meaning of the same defined term set forth in Section 2.4.

"Financing" shall mean, individually and collectively, any financing, investment and/or other funding arrangements of any kind or nature whatsoever, whether direct or indirect, private or public, interim or long term, structured as debt or equity, secured or unsecured, pursuant to repurchase agreements or reverse repurchase agreements, and whether for purposes of acquisition, ownership, holding, warehousing, securitization or otherwise, together with the rights and obligations of the holders thereof and payments and distributions thereon and proceeds therefrom.

"Fixtures" shall mean all of the right, title and interest of Seller in and to the fixtures which are located at and affixed to any of the improvements on the Property as of the Closing Date, but specifically excluding any fixtures owned by the Tenants under the Leases.

"FRC Windy Point" shall mean FRC Windy Point L.L.C., an Illinois limited liability company.

"Governmental Authority" shall mean the United States, any State, Commonwealth, District, Territory, municipality, foreign state, or other foreign or domestic government, or department, agency, board, commission, or instrumentality of any of the foregoing.

"Information" shall mean, individually and collectively, all documents,

reports, studies, materials and other information of any kind or nature whatsoever, including the Evaluation Materials, whether relating to the Property or otherwise, provided to any of the Purchaser Parties by any of the Seller Parties, whether prior to, on or after the date hereof, in whatsoever form.

"Insolvency Proceedings" shall mean any reorganization, liquidation, dissolution, receivership or other actions or proceedings under the Bankruptcy Code or any other federal, state or local laws affecting the rights of debtors and/or creditors generally, whether voluntary or involuntary and including proceedings to set aside or avoid any transfer of an interest in property or obligations, whether denominated as a fraudulent conveyance, preferential transfer or otherwise, or to recover the value thereof or to charge, encumber or impose a lien thereon.

"Insolvent" shall have the meaning of the same defined term set forth in Section 101(32) of the Bankruptcy Code.

"Leases" shall mean all unexpired leases and each amendment, renewal, expansion and extension thereto, subleases, occupancy agreements, licenses and any other agreements for the possession or occupancy of the Property shown on Exhibit E, to the extent in effect as of the Closing Date, together with the
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security deposits of Tenants thereunder not applied in accordance with the terms thereof prior to Closing.

"Lease-Up Costs" shall mean collectively, all locator fees, finder's fees, referral fees and other leasing commissions ("Commissions") and all tenant allowances and concessions applicable to the Leases. The current outstanding Lease-Up Costs, including Commissions, are shown on Exhibit X attached hereto.

"Liabilities" shall mean, individually and collectively, any and all claims, controversies, disputes, demands, losses, damages, liabilities, costs and expenses (including reasonable attorneys' fees and expenses, whether incurred in connection with nonjudicial action, prior to trial, at trial or in settlement, excluding, however, attorneys' fees and expenses incurred on appeal) incurred by or asserted against Purchaser Parties or Seller Parties, as the case may be, whether grounded in contract, statute (including the Securities Laws), tort or otherwise, at law or in equity.

"Litigation Schedule" shall have the meaning set forth in Section 5.2(i).

"Monetary Objection or Objections" or "Monetary Exception or Exceptions" shall mean (a) any mortgage, deed to secure debt, deed of trust or similar security instrument granted by Seller encumbering all or any part of the Property, (b) any mechanic's, materialman's or similar lien (unless resulting from any act or omission of Purchaser or any of the Purchaser Parties or any Tenant or unless pursuant to obligations of Tenants under Leases), (c) the lien of ad valorem real or personal property taxes, assessments and governmental charges affecting all or any portion of the Property which are delinquent, and (d) any judgment of record against Seller in the county or other applicable jurisdiction in which the Property is located which judgments, in aggregate, total less than $500,000.

"New Seventh Floor Lease" shall mean that certain lease dated November 16, 2001, by and between Seller and The Apollo Group, Inc. for the seventh floor of Windy Point I.

"Obligations" shall mean, individually and collectively, any and all liabilities, obligations, duties, covenants or agreements of Seller or Purchaser (as assignee of Seller pursuant to this Agreement) under or with respect to or in any way arising out of or relating to the Property during their respective

periods of ownership of the Property, including the Leases and Contracts.

"Other Contracts" shall mean the management agreement between Seller and Property Manager, any insurance policies and those contracts shown on Exhibit P-1.

"Permitted Exceptions" shall mean, collectively, (a) liens for taxes, assessments and governmental charges not yet due and payable or due and payable but not yet delinquent, (b) the Leases, (c) such other easements, restrictions and encumbrances that do not constitute Monetary Exceptions and that are accepted (or deemed accepted) or not otherwise objected to by Purchaser in accordance with Section 2.13, and (d) such additional exceptions to title arising through the acts of Seller but only to the extent permitted by Sections 2.8, 2.9 and 2.10.

"Person" shall mean an individual, estate, trust, trustee, receiver, partnership, limited liability partnership, corporation, limited liability company, depository institution (including federal or state savings banks, saving and loan associations and credit unions), Governmental Authority, or other legal entity.

"Personal Property" shall mean: (a) all personal property listed on the attached Exhibit S; and (b) all of the right, title and interest of Seller as of the Closing Date in and to all furniture, equipment, machinery, and other tangible property owned by Seller and installed in, located at, or situated on the Property and all intangible assets of any nature owned by Seller and relating solely to the Property for the period from and after the Closing Date, to the extent assignable, including (i) all guaranties and warranties applicable to the Property, (ii) all plans, specifications, engineering drawings and prints relating to the construction of the improvements, (iii) all operating manuals and books, data and records regarding the physical component systems of the improvements at the Property, (iv) all tenant lists and tenant marketing information and materials, (v) all goodwill associated with the Property, (vi) all licenses, permits, certificates of occupancy and other approvals issued to Seller by any Governmental Authority relating to the use, maintenance or operation of the Property, (vii) all logos, designs, trademarks and trade names related to the Property, (viii) all telephone exchange numbers identified with the Property, (ix) all other intangible property used by Seller solely in connection with the Property and (x) all books and records relating to the Property (but excluding any Confidential Information); but specifically excluding, whether tangible or intangible, the following property: (A) any personal property and fixtures owned, financed and/or leased by the Tenants; (B) the names, trademarks and/or trade names of "Travelers," "The Travelers Insurance Company," "Citigroup," "Fifield" and/or the Property Manager, in whatsoever form, and any tangible personal property in which any of the foregoing are affixed or incorporated (other than the leasing and other Property files and records), any or all of which shall be removed by Seller at its expense prior to or within ten (10) days after Closing and Purchaser and Seller agree to cooperate in such removal and Purchaser acknowledges that such removal may result in the removal of certain tangible personal property including such names, trademarks and/or trade names which will not be replaced by Seller, provided Seller agrees to repair any physical damage to the Property caused by such removal; (C) any cash-on-hand, petty cash, bank accounts or other funds of Seller (excluding any prepaid Rents which shall be adjusted between the parties pursuant to Section 3.3) in whatsoever form the same are held; (D) any and all Rents and Uncollected Rents, all of which shall be separately adjusted between the parties pursuant to Section 3.3; (E) all rights to refunds, accounts

receivable, accrued and unpaid claims, causes of action and rights of reimbursement from third parties (other than amounts under the Contracts and Leases which shall be prorated pursuant to Section 3.3), including, without limitation, any amounts that are due and owing or otherwise may be payable to Seller in connection with the Owners' Controlled Insurance Program ("OCIP Refund"), bonds (including payment and performance), and any other claims for payment Seller may have, to the extent arising or relating to the period prior to Closing and including, without limitation, the Reserved Claims; (F) all of Seller's financial and corporate books and records, in whatsoever form or nature, relating to tax returns and reporting information (other than reporting information necessary for the reconciliation of real estate taxes and operating expenses for the Property as required under the Leases), organizational documents, minutes, resolutions, and related corporate materials, appraisals or valuations or other proprietary or confidential reports and studies (of whatsoever form or nature and whether or not prepared by the Seller Parties or any other person) of the Property, materials relating to the marketing of or market information regarding the Property, including leasing (to the extent the same includes the names, trademarks and/or trade names of "Travelers," "The Travelers Insurance Company," "Citigroup," "Fifield" and/or the Property Manager, in whatsoever form) or sale of the Property, internal analyses and communications (of whatsoever form or nature) of the Seller Parties relating to the Property or

any other matter (including inspections, evaluations, approvals, work summaries and work product), communications or other documentation prepared by or exchanged with legal counsel (whether internal or external) of the Seller Parties (including any work product and any other documentation prepared in anticipation of litigation, other than litigation with tenants who reside at the Property as of the Closing), financial statements and related confidential information of the Seller Parties, communications or other documentation prepared by or exchanged with any current or former lender of Seller (whether internal or external), and financial analyses and projections (by whomsoever prepared) relating to the Property or otherwise (all such documents are hereinafter referred to as "Confidential Information") ; and (G) all software of any kind or nature whatsoever, including applications software and computer software, databases, programs, archive media, backup media, electronic data, documentation, manuals and codes used by any of Seller Parties in connection with the management, operation and maintenance of the Property.

"Property" shall mean individually and collectively, those parcels of land described on Exhibit A, together with the improvements thereon as of Closing, and all of Seller's right, title and interest as of the Closing Date in and to: (a) all privileges, rights, easements and appurtenances belonging to such land; (b) all streets, alleys, passages and other rights-of-way or appurtenances, included in, adjacent to, or used in connection with such land; and (c) the Leases, Contracts, Fixtures, and Personal Property.

"Property Manager" shall mean Cushman & Wakefield of Illinois, Inc., in its capacity as property manager for the Property, and its legal representatives, successors and assigns.

"Protest Proceedings" shall have the meaning set forth in Section 3.3(f).

"Purchaser" shall mean Wells Capital, Inc., a Georgia corporation, and its legal representatives, successors and the assigns permitted in Section 7.1.

"Purchaser Parties" shall mean, collectively, Purchaser, and each and all of its members, officers, directors, employees, shareholders, partners, agents,

and contractors, and each and all of the respective legal representatives, heirs, successors and assigns of any of the foregoing.

"Purchase Price" shall have the meaning set forth in Section 3.1(b).

"Purchaser's Conditions Precedent" shall have the meaning of the same defined term set forth in Section 2.2 (b).

"Rents" shall mean collectively, all rents (whether denominated base rent, fixed rent, additional rent, escalations or otherwise under the Leases), advance rentals, fees, all reimbursements, and other sums payable by Tenants under the Leases to Seller, but specifically excluding security deposits and Tenant Service Payments.

"Required Endorsements" shall mean each of the following endorsements to the owner's title policy to be issued by the Title Company as contemplated herein: (a) separate tax parcel, (b) legal subdivision, (c) access, (d) zoning 3.1 (including parking), (e) same as survey, (f) affirmative coverage that Zurich American Insurance Company and TCI Great Lakes, Inc. have waived their purchase options under their respective Leases with respect to the sale contemplated herein, and (g) contiguity between the fee parcels. Such Required Endorsements

shall be in the form as may be acceptable to Purchaser, as determined prior to the Due Diligence Termination Date.

"Required Tenants" shall mean (a) Global Knowledge Network, Inc.; (b) National Semiconductor Corporation; (c) TCI Great Lakes, Inc.; (d) Zurich American Insurance Company; and (e) The Apollo Group, Inc.

"Reserved Claims" shall have the meaning of the same defined term set forth in Section 3.3(b).

"Securities Laws" shall mean, individually and collectively, the Securities Act of 1933, the Securities Exchange Act of 1934, and any and all other laws, regulations, rules, orders and decrees of any Governmental Authorities governing the issuance, sale, marketing, exchange or disposition of Securities, as any of the foregoing are amended from time to time.

"Security(ies)"shall have the meaning of the same defined term in any Securities Laws, including the meaning for such term set forth in section 77(b)(1) of the Securities Act of 1933 (15 U.S.C.(S) 77(b)(1)), section 3(a)(10) of the Securities Exchange Act of 1934 (15 U.S.C.(S) 78(c)(10)), and Section 101(49)(A) of the Bankruptcy Code, and shall further include, without limitation, individually and collectively: note; stock; treasury stock; share in a corporation (whether or not transferable or denominated "stock" or similar security); bond; debenture; evidence of indebtedness; collateral trust certificate; pre-organization certificate or subscription; transferable share; voting trust certificate; certificate of deposit; certificate of deposit for security; investment contract; certificate of interest or participation in a profit sharing agreement or trust or in a royalty, lease, contract or other interest; interests in a partnership; any legal or beneficial interest in a trust or pooling or custodial agreement; any claim, interest or instrument commonly known as a "security" or otherwise defined as a "security" under any Securities Laws; certificate of interest or participation in, temporary or interim certificate for, guarantee of, receipt for, warrant or right to subscribe to or purchase or sell any of the foregoing; whether in the nature of debt or equity, and whether or not the subject of a registration statement filed with the Securities and Exchange Commission or exempt under Securities Laws from the requirement to file such a statement, together with the rights and

obligations of the holders thereof and the payments and distributions thereon and the proceeds therefrom.

"Seller" shall mean Windy Point of Schaumburg, LLC, a Delaware limited liability company, and its legal representatives, successors and assigns.

"Seller Parties" shall mean collectively, Seller, each and all of its members, officers, directors, employees, shareholders, contractors and agents (including Property Manager), and each and all of the legal representatives, heirs, successors and assigns of any of the foregoing.

"Seller's Conditions Precedent" shall have the meaning of the same defined term set forth in Section 2.2(a).

"Settlement Statement" shall mean the Settlement Statement to be executed by Purchaser and Seller in connection with the Closing of the transactions contemplated hereby and delivered to Escrow Agent on or prior to the Closing Date.

"Tenants" shall mean each Person occupying or possessing, or having the right to occupy or possess, all or any portion of the Property pursuant to the Leases, including tenants and subtenants, all as shown on Exhibit E.

"Tenant Estoppel Certificate" or "Tenant Estoppel Certificates" shall mean certificates substantially in the form attached hereto as Exhibits N-1 through N-7 to be sought from the Required Tenants, G&R Management II, Inc. and SprintCom, Inc. under their respective Leases.

"Tenant Service Payments" shall mean sums due to Seller, as landlord under the Leases, from the Tenants for reimbursement of costs incurred by Seller prior to the Closing Date in connection with the provision of services to the Tenants (excluding operating expenses which are charged to all Tenants at the Property) identified on an exhibit attached to the Settlement Statement.

"Title Commitment" shall mean that certain commitment for title insurance No. N01012216 (Revision __ 11/__/01, ba) issued by Near North National Title Corporation, as agent for Ticor Title Insurance Corporation, with an effective date of October 25, 2001.

"Title Company" shall mean Ticor Title Insurance Company.

"Transfer" shall mean, individually and collectively, any conveyance, sale, assignment, transfer, lease (other than in the ordinary course of business to Tenants), hypothecation, encumbrance, pledge, mortgage (including security deed, deed of trust and security interest), charge or alienation of any kind or nature whatsoever, or any offer or agreement to do any of the foregoing, whether direct or indirect, private or public, voluntary or involuntary, by operation of law or otherwise, with or without the consent of the Seller Parties.

"Travelers Windy Point" shall mean Travelers Schaumburg Windy Point, LLC, a Delaware limited liability company.

"Uncollected Rents" shall mean collectively, all Rents which are due or past due under the Leases and have not been collected by Seller as of the Closing Date (whether or not billed), but excluding security deposits.

"Windy Point I" shall mean the Property located at 1500 McConnor Parkway in Schaumburg, Illinois.

"Windy Point II" shall mean the Property located at 1600 McConnor Parkway in Schaumburg, Illinois.

Section 1.2 Rules of Construction. Article and Section captions used in this Agreement are for convenience only and shall not affect the construction of the Agreement. All references to "Articles" and "Sections," without reference to a document other than this Agreement are intended to designate articles and sections of this Agreement, and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article or Section, unless specifically designated otherwise. The use of the term: (a) "including" shall mean in all cases "including but not limited to," unless specifically designated otherwise; and (b) "legal representatives" shall mean any trustee,

receiver, custodian and/or any other person or entity appointed or authorized to act in a representative capacity by a court or any other governmental or quasi-governmental entity, whether appointed pursuant to the Bankruptcy Code or otherwise. No rules of construction against the drafter of this Agreement shall apply in any interpretation or enforcement of this Agreement, any documents or certificates executed pursuant hereto, or any provisions of any of the foregoing.

ARTICLE II

PURCHASE AND SALE

Section 2.1 Agreement to Purchase and Sell. Subject to the conditions set forth in Sections 2.2(a) and 2.2(b), Seller agrees to sell, and Purchaser agrees to purchase, the Property on the Closing Date in accordance with the terms and provisions hereof. In connection with such sale, Seller agrees to transfer and assign, and Purchaser agrees to assume and perform, all of Seller's right, title and interest in and to the Leases and Contracts and the Obligations arising and/or accruing from and after Closing.

Section 2.2 Conditions Precedent.

(a) Seller's Conditions Precedent to Sale of Property. Seller's obligation to sell the Property in accordance with Section 2.1 is hereby conditioned upon full and complete satisfaction, or written waiver signed by Seller, of each and all of the following conditions precedent (individually, the "Seller's Condition Precedent" and collectively, the "Seller's Conditions Precedent") on or prior to the dates specified below:

(i) on or before the Due Diligence Termination Date, Purchaser shall have given notice to Seller of its election to proceed to Closing strictly in accordance with the terms of this Agreement, including without limitation Section 2.3;

(ii) on or before the Closing Date, Purchaser shall have executed and delivered to Escrow Agent, to be held pursuant to the terms of the Escrow Agreement, the Escrow Agreement and each and all of the Conveyancing Documents to be delivered by Purchaser pursuant to Section 4.2;

(iii) on or before 1:00 p.m. Central Time on the Closing Date, Purchaser shall have delivered to Escrow Agent, to be held pursuant to the terms of the Escrow Agreement, the full amount of the Purchase Price (taking into consideration the Earnest Money and all prorations, credits and adjustments pursuant to the terms of this Agreement), in immediately available funds, together with any and all other sums that are to be paid by Purchaser at Closing pursuant to this Agreement, including the costs and expenses identified in Sections 3.2 and 3.3 and any other amounts shown as payable by Purchaser on the Settlement Statement;

(iv) the representations and warranties made by Purchaser in Section 5.1 shall be true and correct in all material respects on and as of the date made and as of Closing and Purchaser shall have performed and complied in all material respects with all covenants and obligations required to be performed by it as of the Closing Date; and

(v) on and as of the Closing Date, each and all of the conditions precedent to release of the Purchase Price and Conveyancing Documents from escrow set forth in the Escrow Agreement to be performed by Purchaser shall have been fully and completely satisfied, or waived in writing by Seller, strictly in accordance with the terms of this Agreement and the Escrow Agreement.

Seller agrees that, as soon as Seller has notice of the failure of the Seller's Condition Precedent set forth in (iv) above, Seller shall notify Purchaser thereof and Purchaser shall have ten (10) business days after the giving of such notice within which to cure such failure (no obligation to do so being implied hereby) and, if required, the Closing Date shall automatically be extended to the next business day occurring after such ten (10) business day period; provided, however, in no event shall the Closing Date be further extended unless Seller and Purchaser agree in writing to such extension. In the event each and all of the Seller's Conditions Precedent are not fully and completely satisfied or waived on or before the dates specified above or, if applicable, on the first business day occurring after the ten (10) business day cure period mentioned in the immediately preceding sentence (which shall not be further extended without Seller's and Purchaser's prior written agreement), unless caused by a breach by Seller (in which case Purchaser shall have the rights and remedies in Section 6.2 on account of such breach), Seller shall have the option to: (A) waive all or any of such Seller's Conditions Precedent and proceed with Closing; or (B) terminate Seller's obligation to sell the Property by written notice at or prior to Closing, whereupon Seller's obligation to sell and Purchaser's obligation to purchase the Property shall be deemed, without additional notice, grace or further act of any party, to be automatically null and void and of no force or effect, in which event neither Seller nor Purchaser shall have any further rights or obligations hereunder or relating hereto, except pursuant to such provisions hereof as survive termination of this Agreement, and Purchaser shall be entitled to a refund of the Earnest Money in accordance with Section 3.5 unless the failure of any of Seller's Conditions Precedent to be satisfied is otherwise, or is caused by, a breach in any material respect of any of Purchaser's express representations, warranties, covenants or obligations set forth in this Agreement or the Escrow Agreement existing beyond any applicable notice and cure period, in which case Seller shall be entitled to the rights and remedies set forth in Section 6.1 on account of such breach. Purchaser shall have no liability for failing to satisfy any of the Seller's Conditions Precedent unless the failure to satisfy the same is otherwise, or is caused by,

a breach in any material respect of any of Purchaser's express representations, warranties, covenants or obligations set forth in this Agreement or the Escrow Agreement existing beyond any applicable notice and cure period, whereupon Seller shall also be entitled to the rights and remedies set forth in Section 6.1 on account thereof. The Seller's Conditions Precedent set forth in this Section 2.2(a), and each of them, shall inure solely to the benefit of Seller, and no other Person, including Purchaser, shall have any right to waive or defer any of the conditions specified herein.

(b) Purchaser's Conditions Precedent to Purchase of Property.

Purchaser's obligation to purchase the Property in accordance with Section 2.1 is hereby

conditioned upon full and complete satisfaction, or written waiver signed by Purchaser, of each and all of the following conditions precedent (individually, the "Purchaser's Condition Precedent" and collectively, the "Purchaser's Conditions Precedent") on or prior to the dates specified:

(i) on or before the Closing Date, Seller shall have executed and delivered to Escrow Agent, to be held pursuant to the terms of the Escrow Agreement, the Escrow Agreement and each and all of the Conveyancing Documents to be delivered by Seller pursuant to Section 4.2;

(ii) the representations and warranties made by Seller in Section 5.2 shall be true and correct in all material respects on and as of the date made and as of Closing (and as if made without limitation to Seller's knowledge for purposes of this Section 2.2(b)(ii) only) and Seller shall have performed and complied in all material respects with all covenants and obligations required to be performed by it as of the Closing Date;

(iii) each and all of the conditions precedent to release of the Purchase Price and Conveyancing Documents from escrow set forth in the Escrow Agreement to be performed by Seller shall have been fully and completely satisfied, or waived in writing by Purchaser, strictly in accordance with the terms of this Agreement and the Escrow Agreement;

(iv) The Title Company shall be irrevocably committed as of the Closing to issue its policy of title insurance (including the Required Endorsements) insuring Purchaser's fee simple title to the Property, subject only to the Permitted Exceptions, provided the failure of the Purchaser's Condition Precedent set forth in this Section 2.2(b)(v) shall not constitute a default by Seller hereunder, unless such failure is due to Seller's failure to satisfy its obligations pursuant to this Agreement; and

(v) There shall be no material adverse change in the environmental condition of the Property from the condition of the Property reflected in the environmental reports obtained by or on behalf of Purchaser prior to the Due Diligence Termination Date.

Purchaser agrees that, as soon as Purchaser has notice of the failure of a Purchaser's Condition Precedent, other than those Purchaser's Conditions Precedent set forth in (i) and (iii) above, Purchaser shall notify Seller thereof and Seller shall have ten (10) business days after the giving of such notice within which to cure such failure (no obligation to do so being implied hereby) and, if required, the Closing Date shall automatically be extended to the next business day occurring after such ten (10) business day period; provided, however, in no event shall the Closing Date be further extended unless Purchaser and Seller agree in writing to such extension. In the event each and all of the Purchaser's Conditions Precedent are not fully and completely satisfied or waived on or before the dates specified above or, if applicable, on the first business day occurring after the ten (10) business day cure period mentioned in the immediately preceding sentence (which shall not be further extended without Purchaser's and Seller's prior written

agreement), unless caused by a breach by Purchaser (in which case Seller shall have the rights and remedies in Section 6.1 on account of such breach), Purchaser shall have the option to: (A) waive all or any of such Purchaser's Conditions Precedent and proceed with Closing; or (B) terminate Purchaser's obligation to purchase the Property by written notice at or prior to the Closing Date, as extended pursuant to this Section 2.2, whereupon Purchaser's obligation to purchase and Seller's obligation to sell the Property shall be deemed, without additional notice, grace or further act of any party, to be automatically null and void and of no force or effect, in which event neither Seller nor Purchaser shall have any further rights or obligations hereunder or relating hereto, except pursuant to such provisions hereof as survive termination of this Agreement and Purchaser shall be entitled to an immediate refund of the Earnest Money in accordance with Section 3.5 unless the failure of any of Purchaser's Conditions Precedent to be satisfied is otherwise, or is caused by, a breach in any material respect of any of Purchaser's express representations, warranties, covenants or obligations set forth in this Agreement or the Escrow Agreement existing beyond any applicable notice and cure period, in which case Seller shall be entitled to the rights and remedies set forth in Section 6.1 on account of such breach. Seller shall have no liability for failing to satisfy any of the Purchaser's Conditions Precedent unless the failure to satisfy the same is otherwise, or is caused by, a breach in any material respect of any of Seller's express representations, warranties, covenants or obligations set forth in this Agreement or the Escrow Agreement existing beyond any applicable notice and cure period, whereupon Purchaser shall also be entitled to the rights and remedies set forth in Section 6.2 on account thereof. The Purchaser's Conditions Precedent set forth in this Section 2.2(b), and each of them, shall inure solely to the benefit of Purchaser, and no other Person, including Seller, shall have any right to waive or defer any of the conditions specified herein.

Section 2.3 Due Diligence Period. Subject to the provisions of Section 2.4 and prior to the Closing Date, Purchaser shall be entitled to conduct such feasibility studies, due diligence activities, testing (excluding any invasive testing, which shall not be conducted without Seller's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed), inspections, investigations, tests and examinations of the Property, including the Leases and Contracts, as it deems necessary or appropriate and to examine and investigate to its full satisfaction all other facts, circumstances and matters as it deems relevant to the purchase and assumption of Seller's right, title, interest and Obligations from and after the Closing Date in or relating

to the Property, including the Leases, Contracts, income and operating performance of the Property, the condition of the Property (including the physical condition and use of the Property, availability and adequacy of utilities, access, zoning, compliance with applicable laws, credit worthiness of Tenants, environmental conditions on and/or affecting the Property, and engineering and structural matters), title, survey matters, and any other matters it deems necessary or appropriate for purposes of entering into and consummating the Agreement (all such studies, due diligence activities, reviews, testing, inspections, investigations, tests and examinations, whether occurring prior or subsequent to the date hereof, are collectively referred to herein as the "Due Diligence"). Pursuant to the terms hereof and prior to entering into this Agreement, Seller has provided to Purchaser copies of the documents listed on the attached Exhibit T, receipt of which is hereby acknowledged by Purchaser.

Upon or prior to the Closing Date, if and to the extent in the possession of Seller or Property Manager, Seller agrees to make available to Purchaser at the offices of Property Manager and/or the Property, for inspection, copying and review by the Purchaser Parties, at Purchaser's sole cost and expense, all operating

files maintained by Seller or the Property Manager or Seller's leasing agent in connection with the leasing, maintenance and/or management of the Property, including, without limitation, the Leases, lease files, contracts, leasing commission agreements, Personal Property, insurance policies, bills, invoices, receipts and other general books and records relating to the income and expenses of the Property, real estate tax records, files and records relating to the Association (including copies of the articles of incorporation and bylaws of the Association), correspondence, budgets for the year 2002, if available, and prior years, surveys, plans and specifications, warranties for services, equipment and materials provided to, installed in or supplied to the Property, engineering reports, soil tests, environmental audits or assessments (excluding, however, any Confidential Information). Each and all of the documents listed on the attached Exhibit T shall be deemed to be Evaluation Materials and treated in
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accordance with the terms hereof. To the extent any document or information requested by Purchaser is not already in existence in the possession of or maintained or prepared by or on behalf of Seller, Seller shall have no obligation to cause such documents or information to be obtained, prepared and/or maintained and provided to Purchaser. If Purchaser is satisfied with the results of its Due Diligence, Purchaser shall give written notice to Seller of its election to proceed to Closing on or before the Due Diligence Termination Date in accordance with all of the terms and conditions of this Agreement. In the event Purchaser is not satisfied with the results of its Due Diligence for any reason or no reason whatsoever, including, without limitation, Seller's inability to deliver Tenant Estoppel Certificates from the Required Tenants, Purchaser's sole remedy shall be to either: (a) waive such matters and elect to proceed to Closing, without offset or adjustment (unless expressly agreed to in writing by a written amendment to this Agreement fully executed by the Seller and Purchaser prior to the Due Diligence Termination Date), or (b) terminate this Agreement by giving notice of its election not to proceed to Closing or failing to give notice of its election to proceed to Closing as aforesaid. In the event Purchaser gives notice of its election not to proceed to Closing or fails to give notice of its election to proceed to Closing as aforesaid, this Agreement shall automatically terminate on the earlier to occur of Seller's receipt of such notice or the Due Diligence Termination Date without further notice or action of either party, in which event neither Seller nor Purchaser shall have any further rights or obligations hereunder or relating hereto, except pursuant to such provisions hereof as survive termination of this Agreement, and Purchaser shall be entitled to an immediate refund of the Earnest Money in accordance with Section 3.5. Seller shall cooperate, and shall instruct
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its Property Manager, leasing agent, real estate tax consultant and, upon request from Purchaser, other contractors and agents, to cooperate with

Purchaser in making Information, individuals and materials available, including all files (excluding: (i) materials, correspondence and other documents provided to, received from, exchanged with or relating in any way to prospective purchasers, prospective purchaser lists and marketing information, valuations and appraisals, and internal analyses and communications (of whatsoever form or nature) of the Seller Parties and other materials relating to the marketing and possible sale of the Property, (ii) communications or other documentation prepared by or exchanged with legal counsel (whether internal or external) of the Seller Parties (including any work product and any documentation prepared in anticipation of litigation) and related confidential information of the Seller Parties and (iii) any other Confidential Information, in accordance with Section 2.4.

Section 2.4 Due Diligence Conditions. Purchaser's right to conduct Due Diligence is expressly conditioned upon, and Purchaser, for itself and the Purchaser Parties, covenants and agrees that: (a) all Due Diligence shall be conducted by the Purchaser Parties in a manner which

is not disruptive in any material respect to the Tenants or the normal operations of the Property; (b) the Purchaser Parties shall not enter upon the Property except during regular business hours for agreed upon purposes and subject to first coordinating such entry and access with Seller by giving at least one (1) business day prior written notice in advance and detailing the scope of the Due Diligence to be conducted, whether or not Property Manager's presence is required; (c) the Purchaser Parties shall coordinate with Seller and shall not contact any of the Tenants or any parties to the Contracts or Other Contracts, without the prior consent of Seller which shall not be unreasonably withheld, conditioned or delayed and, at Seller's option, the presence of Property Manager at all times, and access to units occupied by Tenants shall be coordinated with Seller by giving at least one (1) business day prior written notice in advance thereof and shall be subject to the terms of the Tenants' respective Leases; (d) the Purchaser Parties shall at all times strictly comply with any and all procedures agreed to in this Section 2.4 for the Due Diligence and all laws, ordinances, rules and regulations applicable to the Property and shall not engage in any activities that would violate any permits, licenses, environmental, wetlands or other regulations pertaining to the Property; (e) Purchaser shall promptly, and no later than five (5) business days after each entry on the Property, restore or repair, to Seller's reasonable satisfaction, any damage caused by the Due Diligence or other acts or omissions of any of the Purchaser Parties, provided however, Purchaser shall cause any invasive testing, including testing within walls and pipes, to the extent permitted by Seller, to be immediately repaired to Seller's reasonable satisfaction and shall specifically coordinate such testing and repairs in advance with Seller; (f) none of the Purchaser Parties shall engage in any activities that would cause Seller's rights, title, interests or Obligations in or relating to the Property to be adversely affected in any way, including, without limitation, the assertion of any mechanic's liens, and Purchaser shall, without limitation, immediately remove and bond over any liens, notices and claims of liens or other matters affecting any of the foregoing which are caused by or arise out of the acts or omissions of the Purchaser Parties; (g) Purchaser shall maintain worker's compensation insurance covering all of its employees involved in such activities, and shall cause the Purchaser Parties entering upon the Property to maintain, at all times, commercial general liability insurance coverage in an amount not less than One Million Dollars ($1,000,000) or such other reasonable amount as Seller and Purchaser may agree upon from time to time, naming Seller as an additional insured, and worker's compensation insurance covering all employees involved in such activities, and shall prior to the date on which access or entry to the Property first occurs, provide Seller with evidence of such insurance coverage, which insurance shall be in a form and issued by a

company reasonably satisfactory in all respects to Seller and shall not limit in any way Purchaser's obligations or liabilities hereunder; (h) unless the Closing has been consummated as herein provided, all materials, documents and other Information, of whatsoever kind or nature, obtained by any of the Purchaser Parties in the course of conducting Due Diligence, whether or not provided by Seller (other than information which is published or which otherwise is generally available from public records or is in the public domain) (collectively, the "Evaluation Materials"), shall be treated as strictly confidential and shall not be disclosed, except as may be required by law or as may be necessary or required in connection with any proceedings or action involving this Agreement or the Property, to any Person without Seller's prior written consent, provided however, Purchaser may make disclosures to the Purchaser Parties and Purchaser's agents, professionals, consultants, investors, lenders, (including potential lenders), and attorneys for purposes of evaluating the prospective purchase or financing so long as each such Person has first been advised of and agrees to respect the terms of this confidentiality agreement; (i) in the

event Purchaser does not elect to proceed to Closing in accordance with Section 2.3 or terminates this Agreement pursuant to Sections 2.2(b) or 2.12, Purchaser shall promptly, and no later than five (5) days thereafter, return to Seller all Evaluation Materials provided to any of the Purchaser Parties by any of the Seller Parties; (j) Purchaser shall bear all costs and expenses of its Due Diligence, including the Due Diligence conducted by any of the Purchaser Parties, and Seller shall have no obligation to pay for and/or reimburse any of the Purchaser Parties for any of such costs and expenses, whether or not Closing occurs hereunder, except as may be provided in Section 6.2 and (k) upon request, Purchaser shall provide Seller with copies of any and all reports or other information prepared by third parties on behalf of Purchaser with respect to the Property. Purchaser hereby covenants and agrees to indemnify, defend and hold harmless Seller Parties from and against any and all liability, damage, loss, lien, expense, suit and claim, including reasonable attorneys' fees (whether incurred in connection with nonjudicial action, prior to trial or at trial, including any proceedings under the Bankruptcy Code, excluding, however, any attorneys' fees incurred on appeal) and expenses, whether arising out of injury or death to persons or damage to the Property or loss of any personal property or otherwise, caused by or arising out of: (i) a breach by any of the Purchaser Parties of the conditions, covenants and obligations set forth in this Section 2.4; and/or (ii) the Due Diligence conducted by the Purchaser Parties or other acts or omissions of the Purchaser Parties (but shall not be obligated to indemnify, defend or hold harmless the Seller Parties for their own acts or omissions or pre-existing conditions or the discovery or release of any Hazardous Substances unless brought onto the Property by the Purchaser Parties or resulting from any act or omission of the Purchaser Parties). Purchaser's indemnity obligations shall not be limited by any workmen's compensation, benefits, disability or other similar laws.

Section 2.5 Purchaser's Independent Investigation. Purchaser hereby acknowledges and agrees that, in all cases except for the representations and warranties expressly set forth in this Agreement or in the Conveyancing Documents executed by Seller, the Seller makes no representations or warranties, express or implied, regarding the Property or any matter related thereto, including, without limitation, the adequacy, accuracy, completeness or content of any Information or the suitability of the Property or such Information for any purpose and that the Seller Parties shall have no liability to Purchaser Parties, or any other Person claiming by, through or under any of them, arising out of the Information, or to any Person to whom any of them has disclosed any

of the Information, or otherwise with respect thereto, and, except for the representations and warranties expressly set forth in this Agreement or in the Conveyancing Documents, neither the Purchaser Parties, any person or entity claiming by, through or under any of them, nor any Person to whom any of such Information was disclosed by any of the foregoing, shall have or make any claims against any of the Seller Parties based upon any of the Information, including the adequacy, accuracy, completeness or content of any Information or the suitability of such Information for any purpose. Purchaser hereby acknowledges that, except for the representations and warranties expressly set forth in this Agreement or in the Conveyancing Documents, as of the Closing (i) it shall be deemed to have relied solely on its own independent examination of the Property, including the Leases and Contracts, and the Obligations, and Due Diligence in consummating the purchase thereof in accordance with the terms of this Agreement, (ii) that Purchaser is assuming the risk of future changes in the applicable laws, and (iii) that Purchaser has not relied on, is not entitled to rely on, and shall not rely on, and the Seller Parties are not liable for or bound by, any warranties or representations (none being so implied), statements (verbal or written), documents, reports, studies, Information

or other materials made or provided by any of the Seller Parties or any other Person representing or purporting to represent or act on behalf of any of the Seller Parties. Further, Purchaser acknowledges that, except for the representations and warranties expressly set forth in this Agreement or in the Conveyancing Documents, no representations or warranties, express or implied, have been or shall be deemed to be made or provided by any of the Seller Parties, relating to any of the Information, Due Diligence or the Property, including the Leases and Contracts, the Obligations or otherwise, and Purchaser hereby acknowledges that no representations or warranties, either express or implied, have been or shall be deemed to be made by any of the Seller Parties (except as expressly set forth in this Agreement or in the Conveyancing Documents) with respect to any of the foregoing. To the extent any Person, including any surveyors, appraisers, title agents, Escrow Agent, Tenants, parties to Contracts or Other Contracts, Property Manager, Broker, attorneys or engineering or environmental consultants, any of the Seller Parties or any other Person, made any representations or warranties (except as expressly set forth in this Agreement or in the Conveyancing Documents) or any other statements (verbal or written) to Purchaser, or provided any documents, reports, studies, information or other materials, Purchaser acknowledges it shall have no claim or right of action against any of the Seller Parties arising therefrom, nor any right to rescind, revoke or terminate this Agreement or any of the transactions contemplated hereunder on account thereof except as expressly provided in Sections 2.3, 2.6, 6.2 and 6.3.

Section 2.6 Property Conveyed As Is. In the event Purchaser elects to proceed to Closing in accordance with Section 2.3, Purchaser shall be deemed to be satisfied with and/or to have waived the results of the Due Diligence and to have accepted the Property, including the Leases and Contracts, and Obligations arising from and after Closing, "AS IS," "WHERE IS," and "WITH ALL FAULTS," including latent defects, without recourse to and without representation or warranty by Seller (except as otherwise expressly set forth in Sections 5.2 and 7.11 or in the Conveyancing Documents), express or implied, whether statutory or otherwise, and without any warranties of transfer (except as provided in Sections 5.2 and 7.11 or the Conveyancing Documents), merchantability or fitness for a particular, or Purchaser's intended, use or purposes. Provided Purchaser elects to proceed to Closing, the Property, including the Leases and Contracts, and Obligations arising from and after Closing, shall be conveyed subject to all easements, covenants, restrictions, title and survey exceptions and any matters

affecting the Property as of the Closing Date, subject to Section 2.10; provided however, Seller shall deliver the Conveyancing Documents which it is required to deliver in accordance with Section 4.2. WITHOUT LIMITATION AND EXCEPT AS EXPRESSLY SET FORTH IN SECTIONS 5.2 AND 7.11 OR IN THE CONVEYANCING DOCUMENTS, SELLER HEREBY EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF TRANSFER, QUALITY, FITNESS, MERCHANTABILITY OR OTHERWISE, RELATING TO THE PROPERTY, INCLUDING THE LEASES AND CONTRACTS, AND OBLIGATIONS TO BE CONVEYED HEREUNDER AND ANY WARRANTIES ARISING UNDER ARTICLES 2 AND 3 (OR SIMILAR SECTIONS) OF THE UNIFORM COMMERCIAL CODE IN EFFECT IN THE JURISDICTION IN WHICH THE PROPERTY IS LOCATED OR TO WHICH THIS AGREEMENT IS SUBJECT. Except as otherwise expressly set forth in Sections 2.7, 5.2, 5.3 or 7.11, none of the representations of Seller set forth in this Agreement shall be deemed to survive Closing, and except as expressly set forth in Sections 5.2 or 7.11 or in the Conveyancing Documents, upon Closing, Purchaser shall be deemed to have accepted the

Property, including the Leases and Contracts, and Obligations arising from and after Closing, unconditionally and with any and all (none being so implied) rights to rescind, set aside or avoid the transactions contemplated hereby or to seek a reduction, adjustment, offset or recovery of the Purchase Price (except for the adjustments and prorations required under Article III hereof), on the grounds of retribution or otherwise, waived and relinquished. Except as otherwise provided herein or in Sections 2.7, 5.2, 6.2, 6.3 or in the Conveyancing Documents, from and after the Closing, Purchaser shall have no, and hereby waives, any rights, claims and causes of action, whatsoever, against any of the Seller Parties for any manner, cause or thing arising from or relating to the Due Diligence, Information, Property, including the Leases and Contracts, and Obligations arising from and after Closing. Notwithstanding the foregoing or anything to the contrary contained elsewhere in this Agreement, if and to the extent that at any time after the Closing any Person other than the Purchaser Parties shall assert or file a claim or cause of action against Purchaser relating to an act or omission of Seller occurring prior to Closing or to an event, condition or circumstance that occurred, existed or arose prior to Closing, nothing contained in this Agreement shall be deemed to limit or restrict Purchaser's right to name Seller as a third party defendant in any such claim or action; it being specifically understood and agreed that unless provided herein to the contrary, Purchaser is not and shall not be deemed to be assuming, and shall not assume, nor shall Purchaser be deemed to have waived any rights, claims or causes of action that may be asserted or filed against Purchaser in respect of, any Obligations of Seller, whether foreseen or unforeseen, liquidated or contingent, which were to have been performed or observed by Seller prior to Closing.

Section 2.7 Leasing and Management Agreements. Prior to Closing, and subject to the prorations to be made pursuant to Section 3.3(e), Seller shall terminate all leasing, brokerage and management agreements and Other Contracts currently in effect at the Property, including the management agreement with Property Manager, and shall timely pay and remain liable for payment of all amounts owing or other Obligations arising thereunder, if any, and hereby agrees to indemnify, hold harmless and defend Purchaser from and against any and all liabilities, claims and expenses, including reasonable attorneys' fees, arising from such termination or the Seller's failure to pay the same when due (except for amounts or other Obligations that arise out of the Purchaser Parties' Due

Diligence or other acts or omissions of the Purchaser Parties, including for example, separate agreements for services, copies, etc. reached between any of the Purchaser Parties and Property Manager or other parties to the Contracts or Other Contracts, any damages to the Property or property of any of the Property Manager or other parties to the Contracts or Other Contracts, and injuries to the Property Manager or other parties to the Contracts or Other Contracts).

Section 2.8 New Contracts and Leases. For the period from the Effective Date to the Closing Date, Seller agrees not to enter into any new contract, including any contract for services or capital improvements, which shall survive Closing without first providing Purchaser with a copy of the same for Purchaser's review and approval, which approval prior to the Due Diligence Termination Date shall not be unreasonably withheld, conditioned or delayed by Purchaser. Purchaser shall be deemed automatically and irrevocably to have approved of any new contract (including any new amendment, renewal, expansion, assignment, or extension of an existing Contract) unless Purchaser notifies Seller in writing of its objection thereto, stating with specificity the reasons for such objection, within three (3) business days from Purchaser's receipt of a copy of same and related supporting information which Seller obtains in the ordinary course.

For the period from the Effective Date to the Closing Date, Seller shall not be entitled to enter into any new Lease (including any new amendment, renewal, expansion, assignment, sublease or extension of any existing Lease) without Purchaser's prior written consent without first providing Purchaser with a copy of same, together with copies of all Contracts for any Lease-Up Costs associated therewith, to the extent then available. During the period between the Effective Date and the Due Diligence Termination Date, Purchaser shall not unreasonably withhold, condition or delay its consent to any new Lease (including any new amendment, renewal, expansion, assignment, sublease or extension of any existing Lease) and (b) during the period between the Due Diligence Termination Date and the Closing Date, Purchaser may withhold its consent to any new Lease (including any new amendment, renewal, expansion, assignment, sublease or extension of any existing Lease) in its sole and absolute discretion. Purchaser's consent to a new Lease (including any new amendment, renewal, expansion, assignment, sublease or extension of any existing Lease) shall be deemed given unless Seller receives notice of Purchaser's objection thereto, stating with specificity the reasons for such objection, within three (3) business days from Purchaser's receipt of copies of same as provided herein. All new contracts and Leases (including any new amendment, renewal, expansion, assignment, sublease or extension of an existing Contract or Lease) approved or deemed approved pursuant to this Section shall automatically be deemed added to Exhibit P or Exhibit E, as applicable, and all new contracts and Leases (including any new amendment, renewal, expansion, assignment, sublease or extension of an existing Contract or Lease) approved or deemed approved pursuant to this Section, including any Lease-Up Costs associated therewith (including the Lease-Up Costs for the New Seventh Floor Lease), shall be assigned to and assumed by Purchaser at Closing, subject to the provisions of Section 3.3(e). Purchaser further hereby specifically approves the Contracts identified as "pending" on Exhibit P, so long as the same are terminable by Purchaser without penalty or cost on no more than thirty (30) days' prior notice. Seller may enter into Other Contracts (including any amendment, renewal, expansion, assignment, sublease or extension of Other Contracts) without restriction and such Other Contracts shall not be assigned to or assumed by Purchaser and shall be terminated without cost or liability to Purchaser, unless the parties otherwise agree in writing at Closing. Further, if, prior to the Due Diligence Termination Date, Purchaser objects to any new contract (including any new amendment, renewal, expansion, assignment, or extension of an existing Contract) submitted for its review and approval, Seller shall nonetheless be entitled to enter into the same prior to expiration of the Due Diligence Termination Date and Purchaser's sole remedy shall be to elect not

to proceed to Closing in accordance with Section 2.3 and receive a refund of the Earnest Money pursuant to Section 3.5. If, after the Due Diligence Termination Date and provided Purchaser has elected to proceed to Closing in accordance with Section 2.3, Purchaser objects to any new contract (including any such new amendment, renewal, expansion, assignment, or extension of an existing Contract) submitted for its review and approval, Seller shall not be entitled to enter into the same for the period from the Due Diligence Termination Date to the Closing Date, without the prior approval of the Purchaser, which may be withheld, conditioned or delayed in Purchaser's sole discretion.

Section 2.9 Termination of Contracts, Other Contracts and/or Leases. For the period from the Due Diligence Termination Date to the Closing Date, Seller agrees: (a) not to terminate, modify or amend any Contracts or Leases, except in accordance with the terms thereof and this Agreement, including upon default or expiration of the stated term thereof, or pursuant to Section 2.8; and (b) to terminate the Other Contracts at or prior to Closing, at no cost or expense to Purchaser.

Section 2.10 No New Encumbrances. For the period from the Effective Date to the Closing Date and except as otherwise provided in Sections 2.7 through 2.11, Seller shall not: (a) voluntarily convey all or any portion of the Property or any rights or interests therein (except conveyance to effect or facilitate a Like-Kind Exchange in accordance with Section 7.25), (b) enter into any new security document, easement or other agreement affecting title to all or any portion of or interest in the Property, other than Leases, Contracts or Other Contracts entered into pursuant to Sections 2.7, 2.8 and/or 2.9, or (c) amend any existing agreement granting to any Person any rights with respect to all or any portion of the Property or any interests therein (other than Leases, Contracts or Other Contracts and any amendments, renewal, expansion, assignment, sublease or extension thereof entered into pursuant to Sections 2.7, 2.8 and/or 2.9), without the prior written approval of Purchaser, which approval shall not be unreasonably withheld, delayed or conditioned by Purchaser in respect of the matters referenced in (b) and (c) prior to the Due Diligence Termination Date and is in Purchaser's sole discretion after the Due Diligence Termination Date provided Purchaser elects to proceed to Closing in accordance with Section 2.3. If prior to the Closing Date, all or any portion of the Property or any rights therein becomes subject to any Monetary Exception, (but excluding any condemnation or eminent domain proceeding) Seller agrees to pay or discharge (including by bonding over the same) such Monetary Exception at or prior to Closing.

Section 2.11 Ordinary Course of Business. For the period from the Effective Date to the Closing Date, Seller agrees: (a) to manage, operate and lease the Property, or cause the Property to be managed, operated and leased, substantially in the ordinary and usual manner in which the Seller and Property Manager conducted their business prior to entering into this Agreement, provided however, it is understood and agreed that Seller shall not be obligated to undertake any capital repairs (other than maintenance in the ordinary course) or improvements, whether or not reflected in the budget for the Property; (b) to

maintain its existing insurance coverage and policy(ies) in place and provide to Purchaser copies of the certificate(s) of insurance relating thereto; (c) not to dispose of any portion of the Personal Property identified on Exhibit S (other than inventory and supplies used or sold in the normal course of business), unless replaced with an item of equal or greater value, quality or utility; (d) not to take any affirmative actions to modify the zoning applicable to the Property and not to acquiesce to any zoning modification; and (e) to promptly provide Purchaser with copies of all written notices which it receives from and after the date hereof from any Governmental Authorities, Tenant or other third party of violations of any statutes, laws, ordinances, rules, legal regulations, Leases, Contracts or private restrictions of record applicable to the Property.

Section 2.12 Casualty/Condemnation. In the event any condemnation or eminent domain proceedings are initiated prior to the Closing which might result in the taking of all or any material portion of the Property or the use thereof or any fire, flood, explosion, accident or other casualty occurs which damages or destroys all or any material portion of the Property, then Purchaser may elect to: (a) proceed to Closing without adjustment or offset to the Purchase Price (except for an adjustment to the Purchase Price upon the occurrence of a casualty in an amount equal to the lesser of (i) the estimated reasonable, out-of-pocket cost to repair the physical damages to the Property caused by such casualty, or (ii) (a) the deductible under Seller's insurance policy relating to such physical damages to the Property if insured casualty damage, or (b) $250,000 if uninsured casualty damage), in which event Seller shall assign at Closing all of its right, title and interest in and to, and deliver at Closing if received prior thereto or following

Closing if and when received thereafter, such insurance and/or condemnation proceeds, if any, as the same are paid or payable on account of such condemnation or casualty, except that proceeds on account of rental and/or business interruption coverage or losses shall be prorated as of the Closing Date when collected, and less and except amounts previously expended by Seller to repair such damages; or (b) terminate this Agreement by written notice to Seller within ten (10) days after Purchaser receives notice of any such casualty or condemnation (but no later than the Closing Date), in which event neither Seller nor Purchaser shall have any further rights or obligations hereunder or relating hereto, except pursuant to such provisions hereof as survive termination of this Agreement, and Purchaser shall be entitled to an immediate refund of the Earnest Money in accordance with Section 3.5. In no event shall Seller have any obligation to repair or restore the Property or any portion thereof unless Seller's failure to commence repairs or restoration would give rise to a Tenant's right to terminate its Lease pursuant to the express terms thereof. The term "material" as used herein shall mean a casualty as a result of which any Lease is terminated or terminable at the option of the Tenant (unless the termination option is waived) or which would require more than 60 days to repair or would cost more than $100,000 to repair and restore or a condemnation which Purchaser reasonably determines materially adversely affects the use and operation of the Property or which would give rise to a Tenant's right, that has not been waived, to terminate its Lease pursuant to the express terms thereof. In the event of any condemnation or casualty which is not material, Purchaser shall be deemed to have elected the rights and remedy in subparagraph (a) above and shall not have the right or option to terminate.

Section 2.13 Title and Survey. Seller has heretofore ordered, at Seller's expense, and delivered, and Purchaser acknowledges receipt of, the Title Commitment with respect to the Property which reflects Seller as the owner of record thereof and the documents of record referenced therein. By December 13, 2001, Seller shall deliver updated surveys for the Property (each and together, the "Survey"). Purchaser shall have until the date that is three (3)

business days after receipt of the Survey to give written notice (the "First Title Notice") to Seller of such objections as Purchaser may have to any exceptions to title or matters of Survey disclosed in the Title Commitment or in any Survey or otherwise in Purchaser's examination of title to the Property. If Purchaser fails to timely give Seller a First Title Notice, Purchaser shall be deemed to have accepted all matters reflected on the Title Commitment and the Survey. Seller shall have the right, but not the obligation (except as to Monetary Objections), to attempt to remove, satisfy or otherwise cure any exceptions to title to which the Purchaser so objects. Within three (3) business days after receipt of Purchaser's First Title Notice, Seller shall give written notice to Purchaser informing the Purchaser of Seller's election with respect to such objections. If Seller fails to give written notice of election within such three (3) business day period, Seller shall be deemed to have elected not to attempt to cure the objections (other than Monetary Objections). If Seller elects to attempt to cure any objections, Seller shall be entitled to one or more reasonable adjournments of the Closing of up to but not beyond the thirtieth (30th) day following the initial date set for the Closing to attempt such cure, but, except for Monetary Exceptions, Seller shall not be obligated to expend any sums, commence any suits or take any other action to effect such cure. With respect to any exceptions to title of which Purchaser has the right to object, except as to Monetary Exceptions, if Seller elects, or is deemed to have elected, not to cure any exceptions to title to which Purchaser has objected or if, after electing to attempt to cure, Seller determines that it is unwilling or unable to remove, satisfy or otherwise cure any such exceptions, Purchaser's sole remedy hereunder in such event shall be either (i) to accept

title to the Property subject to such exceptions as if Purchaser had not objected thereto and without reduction of the Purchase Price, or (ii) to terminate this Agreement within three (3) business days after receipt of written notice from Seller either of Seller's election not to attempt to cure or that Seller is unable or unwilling to do so, or three (3) business days after Seller is deemed hereunder to have elected not to attempt to cure such objections (and upon any such termination under clause (ii) above, Escrow Agent shall return the Earnest Money to Purchaser). Notwithstanding anything to the contrary contained elsewhere in this Agreement, Seller shall be obligated to cure or satisfy all Monetary Exceptions at or prior to Closing, and may use the proceeds of the Purchase Price at Closing for such purpose. To the extent any Monetary Exception has not been cured or satisfied at or prior to Closing, Purchaser, at its election, shall be entitled to apply a portion of the Purchase Price to effect such cure (or withhold such portion as may be reasonably necessary to satisfy or cure such Monetary Exception) and Purchaser shall receive a credit against the Purchase Price for any such amounts so applied or withheld.

Between the date of the First Title Notice and Closing, Purchaser may order an update to the Title Commitment and/or the Survey and thereafter notify Seller in writing (the "Gap Notice") of any exceptions to title or survey matters (a) that did not exist as of the effective date of the Title Commitment or the last revision date of the prior Survey and are not due to acts done or suffered by or through the Purchaser Parties and (b) are first raised by the Title Company or surveyor between the effective date of the Title Commitment or the last revision date of the prior Survey and the Closing, provided that Purchaser must notify Seller of such new exceptions to title on the date which is the earlier of (i) two (2) business days after Purchaser's receipt of an updated Title Commitment (or supplement to the Title Commitment) or other written notice disclosing the existence of such new exceptions to title and (ii) one (1) business day prior to the Closing. If Purchaser fails to so notify Seller as aforesaid, such new exceptions to title shall be deemed to be Permitted Exceptions. If Purchaser sends a Gap Notice to Seller, Purchaser and Seller shall have the same rights and obligations with respect to such Gap Notice as apply to the First Title Notice in the immediately preceding grammatical paragraph and the Closing shall be adjourned as necessary to satisfy the time periods provided therein.

Section 2.14 Tenant Estoppel Certificates. Seller shall endeavor (but

without obligation to incur any cost or expense) to obtain and deliver to Purchaser two (2) business days prior to the Due Diligence Termination Date the Tenant Estoppel Certificates substantially in the forms attached hereto as Exhibits N-1 through N-7 duly executed by each of the Tenants named therein, each of which Tenant Estoppel Certificates establish that the applicable Tenant is not in bankruptcy, that neither Tenant nor the landlord is in default under such Tenant's Lease, that no offsets or other claims or counterclaims exist under such Lease (other than any amounts that Seller shall credit Purchaser at Closing), and that confirms the terms of such Tenant's Lease and that such Lease is in full force and effect and, in the case of the Tenant Estoppel Certificates for TCI Great Lakes, Inc. and Zurich American, that such Tenants have waived their respective purchase rights of the Property with respect to the transaction contemplated herein. The inability of Seller to obtain and deliver any or all of the Tenant Estoppel Certificates (Seller having endeavored to obtain the same but without obligation to incur any cost or expense) shall not constitute a default by Seller hereunder. Seller acknowledges that if Seller is unable to deliver to Purchaser Tenant Estoppel Certificate from the Required Tenants on or before the date that is two (2) business days prior to the Due Diligence Termination Date, Purchaser may exercise its right to terminate this Agreement by giving notice of its election not to proceed to Closing on or

before the Due Diligence Termination Date or by failing to give notice of its election to proceed to Closing on or before the Due Diligence Termination Date, provided that if Purchaser does not exercise its right to terminate by the Due Diligence Termination Date (whether by notice of termination or failure to give notice to proceed to Closing), then Purchaser shall be deemed to have waived its right to terminate this Agreement pursuant to this Section 2.14.

Section 2.15 Subdivision Bond. Seller shall cause the Travelers Casualty and Surety Company of America to continue to maintain the surety bond currently held by the Village of Schaumburg in the amount of $828,482 until such date as the Village of Schaumburg no longer requires the posting of such bond by Seller or the owner of the Property, and Seller shall remain responsible at its sole cost and expense for completion of any work or the performance of any actions necessary to secure the release of said bond. Purchaser acknowledges that Seller shall be solely entitled to such surety bond or any proceeds therefrom upon release by the Village of Schaumburg.

Section 2.16 Restrictions Estoppels. Seller shall endeavor (but without obligation to incur any cost or expense) to obtain and deliver to Purchaser estoppel certificates on the forms attached hereto as Exhibit W-1 and Exhibit W-2 as modified to reflect the current state of facts ("Restrictions Estoppels") on or before the date that is two (2) business days prior to the Due Diligence Termination Date. Seller acknowledges that if the Restrictions Estoppels, as modified, are not satisfactory to Purchaser, in its sole and absolute discretion, Purchaser may terminate this Agreement by giving notice of its election not to proceed to Closing on or before the Due Diligence Termination Date or by failing to give notice of its election to proceed to Closing on or before the Due Diligence Termination Date, provided that if Purchaser does not exercise its right to terminate by the Due Diligence Termination Date (whether by notice of termination or failure to give notice to proceed to Closing), then Purchaser shall be deemed to have waived its right to terminate this Agreement pursuant to this Section 2.16.

Section 2.17 Lot 4A Parking. After the Closing, Seller will retain title to and intends to sell for development, the property designated as "Lot 4A" (as defined in the Declaration), which is adjacent to the Property. In order to

facilitate the development and sale of Lot 4A, Seller shall have the right to designate not more than twenty (20) parking spaces on the Property (the "Lot 4A Parking Spaces") which shall remain available for the non-exclusive use by the owner of Lot 4A in common with the owners, tenants and occupants of the Property, pursuant to the cross-parking easements established under the Declaration. Not later than ten (10) days after the Effective Date, Seller shall prepare and deliver to Purchaser a plan indicating the location of the Lot 4A Parking Spaces, which shall be subject to Purchaser's approval, not to be unreasonably withheld or delayed. If Purchaser and Seller fail to agree on the location of the Lot 4A Parking Spaces within such ten (10) day period, then Seller shall have the right to terminate this Agreement, in which event the Earnest Money shall be returned to Purchaser and neither Seller nor Purchaser shall have any further obligations hereunder or relating hereto, except pursuant to such provisions hereof that expressly survive the termination of this Agreement. If the location of the Lot 4A Parking Spaces are agreed upon and the parties proceed to Closing hereunder, then the Deed shall include an express reservation of the rights hereby reserved by Seller, as the owner of Lot 4A with respect to the Lot 4A Parking Spaces. In addition, Purchaser shall cooperate with Seller, as the owner of Lot 4A in good faith (but without obligation to incur any expenses or liabilities not expressly contemplated hereunder) in connection with the site plan

approval and other land use entitlements that may be required for the development of Lot 4A, to the extent that such site plan approval or other entitlements are conditioned upon Lot 4A Parking Spaces. The obligation of Purchaser, pursuant to the preceding sentence, shall survive the Closing hereunder until the sale of Lot 4A by Seller to a Person that is not affiliated with Seller.

ARTICLE III

PURCHASE PRICE; CLOSING ADJUSTMENTS

Section 3.1 Earnest Money; Purchase Price.

(a) Earnest Money. As an express condition precedent to Seller's obligations under this Agreement, the Earnest Money shall be deposited by Purchaser with Escrow Agent concurrently with Purchaser's execution of this Agreement, to be held as Earnest Money for the benefit of Seller, subject to the provisions of Section 3.5. The Earnest Money shall be paid by Purchaser (and no other Person) in immediately available funds, in lawful money of the United States of America, which shall be legal tender for all debts and dues, public and private at the time of payment. The Earnest Money shall be held and disbursed by Escrow Agent in accordance with the terms of the Earnest Money Trust Agreement and this Agreement. The Earnest Money shall be applied against payment of the Purchase Price on the Closing Date in accordance with the terms of this Agreement, subject to Section 3.5.

(b) Purchase Price. In consideration of and as a condition precedent to Seller's conveyance of the Property, Purchaser shall pay to Seller the aggregate purchase price of Eighty-Nine Million Two Hundred Seventy-Five Thousand and No/100 United States Dollars ($89,275,000.00) ("Purchase Price"), adjusted to account for the Earnest Money and all prorations, credits and adjustments pursuant to the terms of this Agreement, together with any and all other sums that are to be paid by

Purchaser pursuant to this Agreement, including the costs and expenses identified in Sections 3.2 and 3.3 and all other amounts shown as payable by Purchaser on the Settlement Statement on the Closing Date. The Purchase Price (subject to the adjustments and prorations in this Article III), together with any and all other sums to be paid to Seller at Closing by Purchaser in connection with this Agreement, shall be paid to Seller by Purchaser (and no other Person other than Escrow Agent pursuant to the Escrow Agreement) in immediately available funds, in lawful money of the United States of America, which shall be legal tender for all debts and dues, public and private, at the time of payment. All such funds shall be deposited by Purchaser with Escrow Agent on or prior to 1:00 p.m. Central Time on the Closing Date, to be held in escrow and disbursed pursuant to the terms of the Escrow Agreement.

Section 3.2 Closing Costs. Purchaser shall pay all costs and expenses incurred by it and/or the Purchaser Parties associated with the Due Diligence and any other investigations of the Purchaser Parties, and/or the purchase and sale contemplated hereunder, including any and all environmental assessments and reports, structural and engineering inspections, surveys (to the

extent the cost of such surveys exceeds $7,200), any cost associated with satisfying Purchaser's reinsurance requirements for the owner's title policy, insurance premiums associated with the cost of any endorsements relating to the owner's title policy, including, without limitation, any charge for "extended coverage" and the Required Endorsements, one-half (1/2) of any transfer taxes due the local municipality, Purchaser's attorneys' fees and expenses, and all costs and expenses of obtaining any Financing that Purchaser may elect to obtain (including any fees, financing costs, and transfer and recordation taxes and recording fees in connection therewith and all escrow, settlement, handling and/or other fees and expenses to be paid to Escrow Agent in connection with any Financing) and one-half (1/2) of any escrow, settlement, handling and/or other fees and expenses to be paid Escrow Agent in connection with the Escrow Agreement and the Earnest Money Trust Agreement; provided however, Seller agrees to pay at Closing the base title insurance premium for issuance of an owner's title policy in the amount of the Purchase Price (excluding, however, any cost associated with satisfying Purchaser's reinsurance requirements), on the standard form in use in the State of Illinois, all state and county transfer taxes, one-half (1/2) of any transfer taxes due to the local municipality, the cost of obtaining a ALTA surveys of Windy Point I and Windy Point II (not to exceed $7,200) and the transfer fee, if any, payable to Bank of America, N.A. for the transfer to Purchaser of the beneficial interest of letter of credit deposited by Global Knowledge Network, Inc. Seller shall also pay all costs and expenses incurred by it and/or the Seller Parties associated with the purchase and sale contemplated hereunder, including Seller's attorneys' fees and expenses, amounts owed to Broker and one-half (1/2) of any escrow, settlement, handling and/or other fees and expenses to be paid to Escrow Agent in connection with the Escrow Agreement and the Earnest Money Trust Agreement. All such costs and expenses shall be paid in full on or prior to the Closing Date, unless otherwise agreed to and specified by the parties in the Settlement Statement.

Section 3.3 Prorations and Adjustments. Prorations and adjustments shall be made between Purchaser and Seller, and shall be set forth in the Settlement Statement agreed to by the parties on or prior to the Closing Date, in accordance with Sections 3.3(a) through (e) below, based upon the best evidence then available. All prorations, other than any proration relating to pass-throughs and other Tenant reimbursable amounts under the Leases ("Tenant Reimbursable Amounts ") or to Protest Proceedings as described in Section 3.3(f) below ("Protest Proceeding Amounts"), shall be deemed final at Closing. The Tenant Reimbursable Amounts and the Protest Proceeding Amounts shall be finalized by the parties no later than six (6) months after the Closing Date.

Notwithstanding the foregoing, the parties understand and agree that any prorations and adjustments to the Purchase Price as aforesaid shall not be deemed to relieve any party for obligations and liabilities retained, assumed or assigned pursuant to this Agreement or in any of the Conveyancing Documents, including the respective obligations and liabilities under this Section or Section 3.4. Unless otherwise stated hereafter, all prorations and adjustments shall be made on a per diem basis, with Seller responsible for the number of days in the applicable period up to and including the Closing Date and Purchaser responsible for the period commencing on the day after the Closing Date and all days thereafter. In addition to the foregoing and notwithstanding anything contained herein to the contrary, if Seller fails to receive the Purchase Price, as adjusted herein, before 3:00 p.m. Central Time on the Closing Date, the proration and adjustments set forth on the Settlement Statement shall be further adjusted so that all proration items shall be prorated as of the business day immediately following the Closing Date. Any amount which Purchaser is obligated to pay in accordance with the prorations provided below: (A) which has been paid by Seller as of the Closing Date, or will be paid outside

Closing by Seller in the event the invoices for same are received by Seller within the five (5) business day period prior to the Closing Date, at Seller's election, shall be reimbursed by Purchaser or treated as a credit in favor of Seller on the Closing Date, and thereafter Seller shall be solely responsible for making such payment; or (B) which has not been and will not be paid by Seller as of the Closing Date shall be assumed by and become the sole responsibility of Purchaser and no adjustment shall be made at Closing for same. Any amount which Seller is obligated to pay in accordance with the prorations provided below which has not been paid as of the Closing Date shall: (1) be treated as a credit in favor of Purchaser on the Closing Date and Purchaser shall assume and be solely responsible for making such payment; or (2) at Seller's option in the event the invoices for same are received by Seller within the five (5) business day period prior to the Closing Date, shall be paid by Seller outside Closing and Seller shall be solely responsible for timely making such payment. Each party agrees to provide the other with written evidence of payment of such amounts upon request. Seller agrees to indemnify, defend and hold Purchaser harmless from and against any and all claims, liens, damages, demands, causes of action, liabilities, lawsuits, judgments, losses, costs and expenses (including, but not limited to, attorneys' fees and expenses) asserted against or incurred by Purchaser by reason of or arising out of any failure by Seller to make the payments to be made by Seller in accordance with the prorations provided below, to the extent Purchaser was not given a credit therefor at Closing.

(a) Taxes. All real estate taxes and installments of special assessments, whether assessed by the state, county, township, school district or any other Governmental Authority having jurisdiction over the Property, payable (whether or not prepaid by Seller) shall be prorated on a cash basis as of the Closing Date between Purchaser and Seller based on the actual bills paid in the year of the Closing (without regard to whether such bills pertain to a tax period prior to the Closing Date). Purchaser shall be solely responsible for the payment of any installments of real estate taxes due and payable after the Closing Date, even if such installments pertain to tax periods occurring prior to the Closing Date.

(b) Income. All Rents and any other prepaid income (specifically excluding any insurance and/or condemnation proceeds) collected by Seller prior to Closing shall be prorated as of the Closing Date between Purchaser and Seller, with Seller entitled to all Rents (including payments from Tenants on account of taxes and operating expenses) and other prepaid income allocable to the period prior to and including the Closing Date and Purchaser entitled to all Rents and other prepaid income allocable to all days after the Closing Date. Tenant Service Payments shall not be prorated

at Closing as Seller is entitled to all Tenant Service Payments. In addition to the foregoing, at Closing Seller shall pay as an expense at Closing the Estimated New Seventh Floor Rent Credit (which expense shall be subject to reproration as provided in Section 3.4(e)). With respect to security deposits, Purchaser shall receive at Closing a credit for all outstanding cash security deposits under the Leases which are held by Seller as of the Closing Date (and not previously applied by Seller under the Leases), together with such interest, if any, as may be due thereon to Tenants as of the Closing Date under the express terms of the Leases or, if greater and required, applicable law. From and after Closing, all such security deposits so credited to Purchaser shall thereafter be deemed transferred to Purchaser and Purchaser shall assume and be solely responsible for the payment of such security deposits to Tenants in accordance with the Leases and applicable law. With

respect to any non-cash security deposits (including letters of credit) Purchaser shall not be entitled to a credit but Seller shall deliver same to Purchaser at Closing and Seller shall cooperate with Purchaser after Closing to effectuate the transfer of such non-cash security deposits. Seller shall be entitled to a refund of and/or if assigned to Purchaser receive a credit for, any utility deposits, any deposits with third parties and any bonds posted under any of the Contracts and Other Contracts. Notwithstanding any provision of this Agreement or any of the Conveyancing Documents executed and delivered pursuant hereto, Seller shall retain all rights to refunds, accrued and unpaid claims, causes of action and rights of reimbursement from third parties, including, without limitation, the OCIP Refund (other than amounts under the Contracts and Rents under the Leases which shall be prorated as aforesaid), bonds (including payment and performance), and any other claims for payment Seller may have to the extent arising or relating to the period prior to Closing (collectively, the "Reserved Claims"). The foregoing is not intended to negate the assignment to Purchaser at Closing of any guarantees or warranties relating to the Property as provided herein. At Purchaser's request, Seller hereby agrees to reasonably cooperate with Purchaser, at Purchaser's sole cost and expense, to enforce any such guarantees and warranties.

(c) Expenses. All payments under the Contracts and payments for utilities, common area and other operating and maintenance expenses and charges, fuel oil, association fees, expenses and charges, permit fees, license fees and any accrued or prepaid expenses relating to the Property (excluding insurance premiums) shall be prorated as of the Closing Date between Purchaser and Seller. Purchaser shall make arrangements, at its sole expense, to have all utilities, other than those utilities in the names of Tenants, transferred directly to its account as of the Closing Date, and Seller shall cooperate with Purchaser in arranging such transfer.

(d) Uncollected Rents. Purchaser agrees to pay to Seller, upon receipt, any Rents that apply to periods prior to Closing but are received by Purchaser after Closing; provided, however, that any Rents received by Purchaser after Closing shall be applied first to any current amounts owing by such Tenants, then to delinquent Rents in the order in which such Rents are most recently past due, with the balance, if any, paid over to Seller to the extent of delinquencies existing at the time of Closing to which Seller is entitled. Notwithstanding the foregoing, Purchaser shall immediately pay to Seller any Tenant Service Payments received by Purchaser after the Closing Date. From and after Closing, Seller may attempt to collect (i) any delinquent Rents from those Tenants that were identified by Seller to Purchaser on or before the date that is three (3) days prior to the Due Diligence Termination Date as having delinquent Rents and (ii) Tenant Service Payments and may institute any lawsuit or collection procedures in connection therewith, but may not evict any Tenant, provided Seller shall provide Purchaser with notice prior to filing any such action

or procedure. Purchaser hereby agrees to use commercially reasonable efforts, at Seller's sole expense, to collect any delinquent Rents, Tenant Service Payments or other payments from the Tenants, which commercially reasonably efforts shall specifically exclude any obligation to declare such Tenant in default under its Tenant Lease or to file suit to collect such amounts. Any reimbursements payable by any Tenant under the terms of any Lease (other than Tenant Service Payments) affecting the Property as of the Closing Date, which reimbursements pertain to such Tenant's pro

rata share of increased operating expenses or common area maintenance costs incurred with respect to the Property for the year in which Closing occurs, shall be prorated upon Purchaser's actual receipt of any such reimbursements, on the basis of the number of days of Seller and Purchaser's respective ownership of the Property during the period in respect of which such reimbursements pertain within thirty (30) days after Purchaser's receipt thereof. Conversely, if any Tenant under any such Lease shall become entitled at any time after Closing to a refund of tenant reimbursements actually paid by such Tenant prior to Closing, then, Seller within thirty (30) days following Purchaser's demand therefor, pay to Purchaser any amount equal to Seller's pro rata share of such reimbursement refund obligations, said proration to be calculated on the same basis as hereinabove set forth. Seller shall approve the tenant reconciliation statement prepared by Purchaser for calendar year 2001, which approval shall not be unreasonably withheld and which approval shall be deemed given if Seller fails to object to such reconciliation statement in writing within seven (7) business days after receipt of such reconciliation statement.

(e) Lease-Up Costs. Purchaser shall assume and be solely responsible for all Lease-Up Costs allocable to Leases entered into after the Effective Date (other than the New Seventh Floor Lease) which are approved (or deemed approved) by Purchaser in accordance with and to the extent required by Section 2.8 above, including any Contracts, leasing agreements and brokerage agreements relating to same (whether or not such Contracts or agreements are terminated or assigned to Purchaser). Seller shall provide a credit to Purchaser at Closing, and thereupon Purchaser shall assume and be solely responsible for, all Lease-Up Costs allocable to the New Seventh Floor Lease and the Lease-Up Costs shown on Exhibit X, to the extent unpaid by Seller prior to Closing. Seller shall supply, on or before the Closing Date, invoices and statements for all Lease-Up Costs for which Purchaser is entitled to receive a credit at Closing. From and after Closing, Purchaser shall be solely responsible for the payment of all Lease-Up Costs payable in connection with any Leases (including any amendments, renewals, expansions or extensions of existing Leases) occurring or arising under the Leases, whether executed before or after the Closing Date and the Lease-Up Costs for which Purchaser was given a credit at Closing; provided, however, with respect to Leases executed prior to the Closing, Purchaser shall only be responsible for Lease-Up Costs for which Purchaser has been given a credit at Closing, except in connection with the exercise after Closing of any renewals, expansions or extensions of any such Leases executed prior to Closing, for which Purchaser shall be responsible for all Lease-Up Costs, notwithstanding the fact Purchaser did not receive a credit for such amounts at Closing. Purchaser agrees to indemnify, defend and hold Seller harmless from and against any and all claims, liens, damages, demands, causes of action, liabilities, lawsuits, judgments, losses, costs and expenses (including but not limited to attorneys' fees and expenses) asserted against or incurred by Seller by reason of or arising out of any failure by Purchaser to pay to the Person(s) entitled to those Lease-Up Costs for which Purchaser received a credit at Closing. To the extent of any inconsistency with the provisions of Section 2.8, the terms of this provision shall control.

(f) Tax Protests. Notwithstanding any provision in this Agreement to the contrary, any tax refunds or proceeds (including interest thereon) on account of a

favorable determination resulting from a challenge, protest, appeal or similar proceeding relating to taxes and assessments relating to the Property ("Protest Proceedings"): (i) for all tax periods in which Seller is responsible for payment of the taxes hereunder shall be retained by and paid exclusively to Seller; and (ii) for all tax periods in which Purchaser is responsible for payment of the taxes hereunder, shall be paid to Purchaser after reimbursement to Seller for all fees, expenses and costs (including reasonable attorneys' and consultants' fees) incurred by Seller, in connection with the Protest Proceedings. Neither Seller nor Purchaser shall settle any Protest Proceedings in which taxes for the tax period for which the other party is responsible are being adjudicated without the consent of such party, which consent shall not be unreasonably withheld, conditioned or delayed. Purchaser and Seller shall cooperate in the pursuit of any Protest Proceedings and in responding to reasonable requests of the other for information concerning the status of, and otherwise relating to, such Protest Proceedings, provided however, neither party shall be obligated to incur any non-de minimis out-of-pocket fees, costs and expenses in responding to the requests of the other.

Seller and Purchaser shall endeavor to prepare a statement detailing the prorations and adjustments estimated to be due as of the Closing Date pursuant to this Section no later than three (3) business days prior to the Closing Date. Purchaser and Seller hereby acknowledge and agree that, except for the adjustments being made pursuant to this Section 3.3, the sums to be paid pursuant to Section 3.2 and the adjustments, if any, to be made pursuant to Section 2.12 upon the occurrence of a casualty or condemnation prior to Closing, no other adjustments shall be made to the Purchase Price.

Section 3.4 Post-Closing Inspection, Verification and Adjustments.

(a) Purchaser Cooperation. Following Closing and until June 1, 2002, the Purchaser Parties shall, upon request, give the Seller Parties and their respective agents and contractors, access to Purchaser's books and records at Purchaser's offices for purposes of verifying collections and remittances required pursuant to this Agreement and for any other purpose relating to Seller's prior ownership of the Property, at reasonable times and upon reasonable advance notice to Purchaser. The Seller Parties shall keep all information obtained pursuant to this Section in confidence, except to the extent required to defend or prosecute any litigation arising out of or related to their prior ownership of the Property (including Protest Proceedings and the Reserved Claims) or for purposes of disclosure to investors or otherwise required by law.

(b) Seller Cooperation. Following Closing and until June 1, 2002, the Seller Parties shall, upon request, give the Purchaser Parties and their respective agents access to Seller's books and records, at Seller's offices, for purposes of verifying collections and remittances required pursuant to this Agreement, at reasonable times and upon reasonable advance notice to Seller (recognizing such books and records may be in storage). The Purchaser Parties shall keep all information obtained pursuant to this Section in confidence, except to the extent required to defend or prosecute any litigation arising out of or related to the collections and remittances

required pursuant hereto or for purposes of disclosure to investors or lenders (both existing and prospective) or otherwise required by law.

(c) Reserved Claims. Notwithstanding any other provisions of this Agreement, Seller hereby reserves and retains, exclusively for itself, the Reserved Claims, and all rights, title and interests therein and benefits thereof, at law and/or in equity, and nothing herein shall be deemed to limit or impair in any respect Seller's rights and entitlement to independently enforce any of the Reserved Claims by such means as Seller deems necessary or appropriate, which may include the commencement of legal proceedings, subject to the limitations contained in Section 3.3(d). Purchaser is not entitled to, and Purchaser agrees that it shall not, waive, discharge or modify any of the rights, title, interests, benefits and other provisions of the Reserved Claims, or attempt to do any of the foregoing.

(d) Remittance of Funds. Following Closing, each of Seller and Purchaser agrees to promptly remit any amounts collected or received by it to which the other may be entitled under the terms of Sections 3.3 and 3.4(c), whether or not such amounts consist of Uncollected Rents (including accounts receivable) or Reserved Claims.

(e) New Seventh Floor Rent Credit. Within ten (10) business days after the date on which The Apollo Group, Inc. is obligated to commence the payment of rent ("Apollo Commencement Date"), under the New Seventh Floor Lease, Purchaser shall provide Seller with written notice ("Rent Credit Notice") of the Actual New Seventh Floor Rent Credit. If the Estimated New Seventh Floor Rent Credit is less than the Actual New Seventh Floor Rent Credit, then Seller shall pay such difference to Purchaser within three (3) business days after Seller's receipt of the Rent Credit Notice. If the Actual New Seventh Floor Rent Credit is less than the Estimated New Seventh Floor Rent Credit, then Purchaser shall pay such difference to Seller within three (3) business days after the date of the Rent Credit Notice. Purchaser hereby agrees not to modify the New Seventh Floor Lease in any manner which would delay the Apollo Commencement Date and if the New Seventh Floor Lease is so modified then the Purchaser and Seller agree that the proration hereunder shall be determined by reference to the date on which The Apollo Group, Inc. would have become obligated to commence the payment of rent under the New Seventh Floor Lease but for such modification.

Section 3.5 Application of Earnest Money. The Earnest Money shall be held and disbursed and/or credited against the Purchase Price in accordance with the terms of the Earnest Money Trust Agreement and the provisions of this Agreement, including the provisions of this Agreement. Seller, Purchaser and Escrow Agent shall execute the Earnest Money Trust Agreement contemporaneously with the execution of this Agreement and Purchaser's deposit of the Earnest Money with Escrow Agent.

ARTICLE IV

CLOSING; CONVEYANCING DOCUMENTS

Section 4.1 Closing Escrow. On or prior to the Closing Date, all

Conveyancing Documents and funds required for Closing, including the Purchase Price, shall be placed in escrow pursuant to the terms of the Escrow Agreement. Closing shall not be deemed to have occurred and the Conveyancing Documents placed in escrow shall not be deemed effective

unless and until: (a) each and all of the Seller's Conditions Precedent and Purchaser's Conditions Precedent have been fully and completely satisfied or waived, strictly in accordance with the terms hereof; and (b) the Conveyancing Documents have been delivered out of escrow and the funds disbursed, including payment of the Purchase Price to Seller, by Escrow Agent in accordance with the terms of the Escrow Agreement. Closing shall occur on or prior to the Closing Date at the offices of Piper Marbury Rudnick & Wolfe, 203 N. LaSalle Street, Suite 1800, Chicago, Illinois or such other place as may be mutually agreed to by the parties. The risk of loss of the Property shall be borne by the Seller until the release of the Conveyancing Documents from escrow at Closing, except as otherwise specifically set forth in this Agreement.

Section 4.2 Conveyancing Documents. On or prior to the Closing Date, the following documents necessary for Closing (collectively, the "Conveyancing Documents") shall be executed and/or delivered to Escrow Agent or as otherwise hereinafter provided by the applicable parties designated in Sections 4.2(a) through (p) below, to be held in escrow pursuant to the terms of the Escrow Agreement. All Conveyancing Documents shall be substantially in the forms of the Exhibits referenced hereinafter.

(a) Deed. Special Warranty Deed, in the form attached as Exhibit F (the "Deed"), shall be properly executed and delivered into escrow by Seller, in recordable form, for purposes of conveying the Property (other than the Leases, Contracts and Personal Property) to Purchaser as contemplated hereunder.

(b) Bill of Sale and Assignment. Quit Claim Bill of Sale and Assignment, in the form attached as Exhibit G, shall be properly executed and delivered into escrow by Seller for purposes of conveying the Personal Property to Purchaser as contemplated hereunder.

(c) Assignment of Leases. Assignment of Leases, in the form attached as Exhibit H, shall be properly executed and delivered into escrow by Seller, as assignor, and by Purchaser, as assignee, for purposes of the assignment to and assumption by Purchaser of the Leases (including security deposits) as contemplated hereunder.

(d) Assignment of Contract Rights. Assignment of Contract Rights, in the form attached as Exhibit I, shall be properly executed and delivered into escrow by Seller, as assignor, and by Purchaser, as assignee, for purposes of the assignment to and assumption by Purchaser of the Contracts as contemplated hereunder.

(e) Settlement Statement. The Settlement Statement (a draft of which shall be prepared and circulated by Seller or the Title Company at least two (2) business days prior to Closing) shall be properly executed and delivered into escrow by Seller and Purchaser, setting forth the Purchase Price, all prorations and other adjustments to be made pursuant to

the terms hereof, and the funds required for Closing as contemplated hereunder.

(f) Tenant Notices. A Tenant Notice, in the form attached as Exhibit K, shall be properly executed and delivered into escrow by Seller and Purchaser for purposes of

notifying all Tenants of the assignment to and assumption by Purchaser of the Leases as contemplated hereunder.

(g) FIRPTA Affidavit. A FIRPTA Affidavit, in the form attached as Exhibit L, shall be properly executed and delivered into escrow by Seller.

(h) Contractor Notices. A Contractor Notice, in the form attached as Exhibit M, shall be properly executed and delivered into escrow by Seller and Purchaser for purposes of notifying all parties under the Contracts of the assignment to and assumption by Purchaser of the Contracts as contemplated hereunder.

(i) Association Documentation. The resignation (effective as of the Closing Date) of each officer, director, member and manager, as appropriate, of the Association and an Assignment of Declarant's rights under the Declaration.

(j) Transfer Declarations. All transfer tax statements, declarations and filings as may be necessary or appropriate for purposes of recordation of the deed shall be properly executed and delivered into escrow by Seller and/or Purchaser, as applicable.

(k) Title Affidavit and Other Title Company Requirements. An owner's affidavit, a "gap undertaking" and such evidence as Purchaser's counsel and/or the Title Company may reasonably require as to the authority of the person or persons executing documents on behalf of Seller shall be delivered into escrow by Seller, along with such lien waivers, if any, properly executed by brokers, leasing agents, contractors or other third parties claiming by, through or under Seller as may be required by the Title Company to issue the Title Policy without exception for liens or claims of lien by any third party claiming by, through or under Seller (excluding any lien or claim of lien resulting from the acts or omissions of Purchaser Parties) and subject to the rights of Tenants, as tenants only, under the Leases assigned to and assumed by Purchaser.

(l) Tenant Letter of Credit. That certain $100,000 letter of credit deposited by Global Knowledge Network, Inc. with Seller, as the beneficiary thereunder, shall be delivered by Seller, together with the Assignment of Letter of Credit in the form attached hereto as Exhibit Y executed by Seller and Purchaser.

(m) Illinois Income Tax. At Seller's option, either (i) a certificate from the Illinois Department of Revenue certifying the amounts, if any, which may be payable by Seller to the Illinois Department of Revenue pursuant to the provisions of Section 902(d) of the Illinois Income Tax Act

or (ii) an indemnity agreement by Seller, FRC Windy Point and Travelers Windy Point in the form attached hereto as Exhibit Z ("Bulk Sales Indemnity") pursuant to which Seller, FRC Windy Point and Travelers Windy Point jointly and severally agree to indemnify Purchaser for any obligations of Seller under Section 902(d) of the Illinois Income Tax Act in connection with this Property, provided if Seller delivers the Bulk Sale Indemnity to Purchaser at Closing, Purchaser shall not be entitled to withhold any portion of the sale proceeds without Seller's prior written consent, which consent may be withheld by Seller in its sole and absolute discretion. Seller shall use good faith efforts to obtain the certificate referred to in (i) above prior to

the Due Diligence Termination Date and shall provide Purchaser with a copy thereof upon receipt thereof.

(n) Certificates as to Representations and Warranties. A certificate evidencing the reaffirmation of the truth and accuracy in all material respects of all representations and warranties made in this Agreement by Seller or Purchaser (as the case may be) in the respective forms attached hereto as Exhibit V-1 and Exhibit V-2, shall be properly executed and delivered by Seller and Purchaser into escrow, with such modifications thereof as may be appropriate in light of any change in circumstance since the Effective Date.

(o) Surety Bond. A surety bond (the "Parking Bond") in the amount of $382,556 for the benefit of the Village of Schaumburg to secure Purchaser's obligations, as the owner of the Property, with respect to replacing any parking affected by the IDOT Easement as described on Exhibit J-1 attached hereto, or evidence reasonably satisfactory to Seller that Purchaser has satisfied the requirements of the Village of Schaumburg with respect to the Parking Bond such that Seller may obtain the release of its surety bond posted in connection with the parking areas affected by the IDOT Easement.

(p) Miscellaneous. Such other documents and instruments as the parties may agree in writing and any other document or instruments that the Escrow Agent may reasonably require shall be executed and/or delivered into escrow.

Immediately following Closing, Seller shall deliver exclusive possession of the Property (subject only to the right of Tenants under the Leases and the Permitted Exceptions) and all keys to the Property (to the extent in the possession of Seller or Property Manager) to Purchaser. Originals or, if originals are not available, copies, of all Leases and Contracts, together with all of the leasing and Property operating files and records (excluding any Confidential Information) and other additional documents, if any, mutually agreed to by Seller and Purchaser, to the extent in Seller's possession or under its control, shall be held at the Property and delivered with possession of the Property. Promptly following Closing, Purchaser shall be responsible for delivering all Tenant Notices to Tenants and shall within five (5) business days after Closing deliver copies thereof to Seller. Promptly following Closing, Seller shall deliver all Contractor Notices to parties to the Contracts and copies of terminations of the Other Contracts to the extent such terminations are accomplished by Seller by written notice to the parties thereto and Seller shall within five (5) business days after Closing deliver copies thereof to Purchaser.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

Section 5.1 Representations and Warranties by Purchaser. Purchaser hereby makes the following representations and warranties for the benefit of Seller as of the date hereof and the Closing Date, each of which representations and warranties shall survive Closing for the Survival Period:

(a) Partnership/Corporate Status. Purchaser is a corporation duly organized and validly existing under the laws of the State of Georgia and is or at Closing will be in good standing and duly qualified to do business in the States of Illinois.

(b) Power and Authority. Purchaser has full power and authority to enter into and perform this Agreement, the documents and certificates to be executed and delivered by Purchaser pursuant hereto, and each and all of the transactions contemplated hereby and thereby in accordance with the terms hereof and thereof. Purchaser has by all necessary action, validly authorized the execution, delivery and performance of this Agreement, the documents and certificates to be executed and delivered by Purchaser in connection herewith, and the transactions contemplated hereby and thereby in accordance with the terms hereof and thereof, and the performance and assumption by Purchaser of each and all of Purchaser's covenants, obligations, liabilities and duties under and with respect to the Leases and Contracts pursuant hereto in accordance with the respective terms thereof. The individual(s) executing this Agreement, and each of the other documents and certificates to be executed and delivered in connection herewith, on behalf of Purchaser ("Authorized Signatories") is(are) competent, duly appointed and authorized officer(s) and/or agents of, with full legal capacity, power and authority, acting alone, to act on behalf of and bind Purchaser in all respects.

(c) Agreement Binding. This Agreement and each of the documents and certificates executed or to be executed and delivered by Purchaser, and/or the Authorized Signatories in connection herewith are, or will be when executed and delivered, the legal, valid and binding obligations of and enforceable against Purchaser in accordance with the terms hereof and thereof.

(d) Actions Against Purchaser. Purchaser has no actual knowledge of any action, proceeding, investigation or Insolvency Proceeding pending or threatened in writing against Purchaser or any of the other Purchaser Parties before any Governmental Authority which would affect or impair in any respect Purchaser's ability to consummate the transactions contemplated hereby.

(e) No Conflicting Orders. The execution, delivery and performance by Purchaser of this Agreement and each of the documents and certificates to be executed and delivered by Purchaser pursuant hereto do not violate any of the terms, conditions or provisions of any judgment, order, injunction or decree of any Governmental Authority to which Purchaser is subject. No consent, waiver or approval of any Person, which has not already been obtained, is required in connection with the execution, delivery and performance by Purchaser of this Agreement and each of the documents and instruments to be executed and delivered by Purchaser pursuant hereto,

except as may be set forth in the Contracts or Leases.

(f) Solvency; No Fraudulent Conveyance. Purchaser is not Insolvent and will not become Insolvent as a result of entering into and consummating this Agreement and the purchase of the Property, including the Leases and Contracts, and the Obligations in accordance with the terms hereof, nor are the transfers to be made hereunder or obligations incurred in connection herewith made or incurred by Purchaser with any

intent to hinder, delay or defraud any creditors to which Purchaser is or becomes indebted. Purchaser is not engaged in business or any transactions, including the transactions contemplated hereunder, or about to engage in any business or transactions, for which any remaining property of Purchaser is unreasonably small capital, nor does Purchaser intend to incur or believe that it will incur, debts that would be beyond its ability to pay as such debts matured. Purchaser acknowledges that it is receiving new, fair, reasonably equivalent value in exchange for the transfers and obligations contemplated by this Agreement, and affirmatively represents that its entry into this Agreement and consummation of the transactions contemplated hereby does not constitute a fraudulent conveyance or preferential transfer under the Bankruptcy Code or any other federal, state or local laws affecting the rights of creditors generally.

Purchaser's representations and warranties in this Section 5.1 and Section 7.22 below are expressly limited to and shall automatically be deemed to expire and terminate on the date which is 270 days from the Closing Date ("Survival Period"), except for claims for which Seller has given written notice as set forth below prior to the expiration of the Survival Period, whereupon Seller shall have the rights and remedies set forth in Article VI. Notwithstanding the foregoing, no rights or remedies shall be deemed to accrue on account of a breach of any such representations or warranties unless and until: (1) Seller shall have given Purchaser written notice specifying in reasonable detail any alleged breach prior to the expiration of the Survival Period; and (2) Purchaser shall have failed to cure (which may include bonding over a defect in a manner reasonably agreed to by Seller) any breach within thirty (30) days, or such longer period of time as is reasonable under the circumstances if such breach is susceptible to cure, not to exceed one hundred and twenty (120) days after receipt of notice from Seller, provided Purchaser is continuously and diligently pursuing a cure of such breach. Notwithstanding anything in clause (2) to the contrary, Purchaser shall not be entitled to the cure period provided in clause (2) unless Purchaser provides Seller with notice of its intention to cure ("Purchaser's Cure Notice") within five (5) business days after receipt of Seller's notice referred to in clause (1).

Section 5.2 Representations and Warranties by Seller. Seller hereby makes the representations and warranties in Sections 5.2(a) through (m) for the benefit of Purchaser as of the date hereof and the Closing Date. The Seller representations and warranties in this Section 5.2 shall survive Closing for the Survival Period:

(a) Corporate Status. Seller is a limited liability company, duly organized and validly existing under the laws of the State of Delaware and is in good standing and licensed to do business under the laws of the State of Delaware and Illinois.

(b) Power and Authority. Seller has full power and authority to

enter into and perform this Agreement, the documents and certificates to be executed and delivered by Seller pursuant hereto, and each and all of the transactions contemplated hereby and thereby in accordance with the terms hereof and thereof. Seller has, by all necessary action, validly authorized the execution, delivery and performance of this Agreement, the documents and certificates to be executed and delivered by Seller in connection herewith, and the transactions contemplated hereby and thereby in accordance with the terms hereof and thereof, and the performance and assignment by Seller of each and all of

Seller's covenants, obligations, liabilities and duties under and with respect to the Leases and Contracts pursuant hereto in accordance with the respective terms thereof. The individual(s) executing this Agreement, and each of the other documents and certificates to be executed and delivered in connection herewith, on behalf of Seller is(are) competent, duly appointed and authorized officer(s) of Seller, with full legal capacity, power and authority, acting alone, to act on behalf of and bind Seller in all respects.

(c) Agreement Binding. This Agreement and each of the documents and certificates executed or to be executed and delivered by Seller in connection herewith are, or will be when executed and delivered, the legal, valid and binding obligations of and enforceable against Seller in accordance with the terms hereof and thereof.

(d) Actions Against Seller. To Seller's knowledge, there is no action, proceeding, investigation or Insolvency Proceeding pending or threatened in writing against Seller or any of the other Seller Parties before any Governmental Authority relating to the Property or which would affect or impair in any respect Seller's ability to consummate the transactions contemplated hereby.

(e) Seller not a "Foreign Person." Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code, as amended, and the regulations promulgated thereunder, or Seller shall otherwise comply with the provisions thereof.

(f) Solvency; No Fraudulent Conveyance. Seller is not Insolvent and will not become Insolvent as a result of entering into and consummating this Agreement and the sale of the Property, including the Leases and Contracts, and the Obligations in accordance with the terms hereof, nor are the transfers to be made hereunder or obligations incurred in connection herewith made or incurred by Seller with any intent to hinder, delay or defraud any creditors to which Seller is or becomes indebted. Seller is not engaged in business or any transactions, including the transactions contemplated hereunder, or about to engage in any business or transactions, for which any remaining property of Seller is unreasonably small capital, nor does Seller intend to incur or believe that it will incur, debts that would be beyond its ability to pay as such debts matured. Seller acknowledges that it is receiving new, fair, reasonably equivalent value in exchange for the transfers and obligations contemplated by this Agreement, and affirmatively represents that its entry into this Agreement and consummation of the transactions contemplated hereby does not constitute a fraudulent conveyance or preferential transfer as to Seller under the Bankruptcy Code or any other federal, state or local laws affecting the rights of creditors generally.

(g) No Conflicting Orders. The execution, delivery and performance by Seller of this Agreement and each of the documents and certificates to be

executed and delivered by Seller pursuant hereto do not violate any of the terms, conditions or provisions of any judgment, order, injunction or decree of any Governmental Authority to which Seller is subject. No consent, waiver or approval of any Person, which has not already been obtained, is required in connection with the execution, delivery and

performance by Seller of this Agreement and each of the documents and instruments to be executed and delivered by Seller pursuant hereto.

(h) Leases. To Seller's knowledge, Exhibit E attached hereto is a true and complete list of all Leases in effect as of the date thereof. To Seller's knowledge, true and complete copies of the Leases (to the extent theretofore executed) have been or will be delivered to Purchaser prior to the Due Diligence Termination Date as set forth herein, or if executed after the Due Diligence Termination Date, then at least three (3) business days prior to the Closing Date. To Seller's knowledge, Exhibit Q attached hereto is a list of all security deposits (cash and non-cash) held by Seller for the Leases in effect as of the date thereof. Except as set forth on Exhibit E, there are no other Leases or occupancy agreements affecting the Property, and to Seller's knowledge, except as may be set forth on Exhibit E-1, neither Seller nor any Tenant is in default under any of the Leases. To Seller's knowledge, all Lease-Up Costs as of the Effective Date are listed on Exhibit X attached hereto. To Seller's knowledge, all commission agreements relating to Commissions due under any Leases in effect as of the Effective Date are listed on Exhibit R attached hereto, and all Commissions payable thereunder prior to the Closing have been paid in full (except as disclosed on Exhibit X).

(i) Governmental Notices. Except as disclosed by the Litigation Schedule attached as Exhibit O ("Litigation Schedule"), to Seller's knowledge, Seller has not received, as of the date hereof, any written notices from any Governmental Authority of any existing or pending investigation or inquiry by any Governmental Authority or any remedial actions by any Governmental Authority under, or any violations of any applicable law, statute, ordinance, rule, regulation, order, determination of any Governmental Authority or judicial court, or any restrictive covenant, deed restriction or zoning or building ordinance or classification affecting the Property pertaining to health, public safety, or the environment ("Environmental Laws"), which have not been complied with in all material respects. Except as disclosed on the Litigation Schedule and on Exhibit J attached hereto, to Seller's knowledge, Seller has not received any written notice of any existing, pending or threatened litigation (including, without limitation, any condemnation or notice of condemnation) affecting or related to the Property or any of the Leases. Notwithstanding the foregoing, Purchaser acknowledges that the Illinois Department of Transportation has the rights described on Exhibit J-1 attached hereto.

(j) Assignment of Leases. As of Closing, none of the landlord's interest in the Leases and none of the rents or other amounts payable thereunder to landlord will be subject to any assignment (other than the Assignment of Leases to be delivered by Seller at Closing), pledge, or other encumbrance created by Seller.

(k) Contracts. To Seller's knowledge, attached hereto as Exhibit P is a

true and complete list of all Contracts entered into by or on behalf of Seller with respect to the Property (including all Contracts relating to the payment of Lease-Up Costs and all Contracts for the provision of services, materials or supplies to the Property). To Seller's knowledge, true and complete copies of all of the Contracts (to the extent theretofore executed) have been or will be delivered to Purchaser or otherwise made available for

Purchaser's review as part of the Evaluation Materials. To Seller's knowledge, there are no agreements or instruments in effect that grant to any person or any entity any right, title, interest or benefit in or to any part of the Property or any rights relating to use, management, leasing, operation or repair of the Property which survive Closing or will be binding on Purchaser after Closing other than the Leases, the Permitted Exceptions and the Contracts disclosed on said Exhibit P.

(l) Employees. Seller has no employees to whom by virtue of such
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employment Purchaser will have an obligation after Closing.

(m) Environmental. To Seller's knowledge, Seller has not received
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any written notice from any Person of any uncured violation at the Property of any applicable Environmental Laws.

References to the "knowledge" of Seller shall refer only to the current actual knowledge of Richard Blum, an employee of Fifield Companies (the "Designated Employee"), and shall not be construed, by imputation or otherwise, to refer to the knowledge of Seller or any affiliate of Seller, to any property manager, or to any other officer, agent, manager, representative or employee of Seller or any affiliate thereof or to impose upon such Designated Employee any duty to investigate the matter to which such actual knowledge, or the absence thereof, pertains. Moreover, qualifying Seller's knowledge shall in no event give rise to any personal liability on the part of Designated Employee on account of any breach of any representation or warranty made by Seller herein.

If and to the extent a representation and warranty set forth in Section 5.2 (or
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portion thereof) survives Closing, such representation or warranty (or portion thereof) is expressly limited to and shall automatically be deemed to expire and terminate upon the expiration of the Survival Period, except for claims for which Purchaser has given written notice as set forth below prior to the expiration of the Survival Period, whereupon Purchaser shall have the rights and remedies set forth in Article VI. Notwithstanding the foregoing, no rights or
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remedies shall be deemed to accrue on account of a breach of any such representations or warranties unless and until: (1) Purchaser shall have given Seller written notice specifying in reasonable detail any alleged breach prior to the expiration of the Survival Period; and (2) Seller shall have failed to cure (which may include bonding over a defect in a manner reasonably agreed to by Purchaser) any breach within thirty (30) days, or such longer period of time as is reasonable under the circumstances if such breach is susceptible to cure, not to exceed one hundred and twenty (120) days after receipt of notice from Purchaser, provided Seller is continuously and diligently pursuing a cure of such breach. Notwithstanding anything in clause (2) to the contrary, Seller shall not be entitled to the cure period provided in clause (2) unless Seller provides Purchaser with notice of its intention to cure ("Seller's Cure Notice") within five (5) business days after receipt of Purchaser's notice referred to in clause (1).

Section 5.3 Special Seller Representation and Warranty Regarding Bulk
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Sales. Seller hereby represents and warrants to Purchaser that Seller has paid
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and will continue to pay to the State of Illinois Department of Revenue any taxes due from Seller pursuant to Section 902(d) of the Illinois Income Tax Act (35 ILCS 5/902(d)). Seller's representation and warranty set forth in this Section 5.3 shall survive for three (3) years after the Closing (and shall

thereafter terminate if no suit has been brought by Purchaser within said three (3) year period) and Seller's obligations under this Section 5.3 shall not be subject to the limitations on liability contained in Section 6.3 or Section 7.12 herein. FRC Windy Point and Travelers Windy Point hereby acknowledge that, notwithstanding the terms and conditions of Section 7.12 herein, they shall be jointly and severally liable with Seller to Purchaser in the event Seller breaches the representation and warranty contained in this Section 5.3 and FRC Windy Point and Travelers Windy Point have agreed to join in the execution of this Agreement for the purpose of evidencing such obligation. If Seller at any time delivers a clearance letter from the Illinois Department of Revenue evidencing that there are no taxes due from Seller pursuant to Section 902(d) of the Illinois Income Tax, then all of the obligations and liabilities of Seller, FRC Windy Point and Travelers Windy Point under this Section 5.3 shall terminate and be of no further force or effect.

ARTICLE VI

DEFAULT REMEDIES

Section 6.1 By Purchaser. If prior to Closing, Purchaser breaches in any material respect any of its covenants, obligations, liabilities or duties hereunder without such breach being cured within applicable notice and cure periods, or in any documents or certificates executed and delivered by any of the Purchaser Parties in connection herewith, or if any of Purchaser's representations and warranties prove to be false in any material respect as of the date deemed to be made, then Seller shall be entitled to elect one of the following options: (a) terminate its obligation to sell and Purchaser's obligation to purchase the Property and not proceed with Closing, whereupon Seller shall be entitled to prompt receipt of the Earnest Money from Escrow Agent pursuant to the Earnest Money Trust Agreement and/or Purchaser, as applicable, and retain the Earnest Money as its sole and exclusive remedy and as liquidated damages for Purchaser's breach of this Agreement, any and all other claims for losses, damages, costs and expenses being deemed waived hereby, provided however, the recovery of reasonable attorneys' fees (whether incurred in connection with nonjudicial action, prior to trial or at trial, including any proceedings under the Bankruptcy Code, excluding, however, any attorneys' fees incurred on appeal) and expenses as hereinafter provided and any indemnification obligations set forth in this Agreement shall not be limited hereby; or (b) in the event Closing occurs, exercise the rights and remedies set forth in Section 6.3. Further, in the event Seller elects not to proceed to Closing and receives and retains the Earnest Money as provided herein, and because the actual damages suffered by Seller as a result of such breach by Purchaser would be impracticable or extremely difficult or impossible to determine, Purchaser and Seller agree that the amount of the Earnest Money shall be the amount of damages to which Seller is entitled in such event and that the amount of such liquidated damages is reasonable and does not constitute a penalty. Upon full receipt of the Earnest Money by Seller pursuant to (a) above, this Agreement, including the purchase and sale obligations of Purchaser and Seller hereunder, shall be deemed automatically terminated, and the parties shall have no further rights, obligations or liabilities hereunder, provided however, the recovery of reasonable attorneys' fees (whether incurred in connection with nonjudicial action, prior to trial or at trial, including any proceedings under the Bankruptcy Code, excluding, however, any attorneys' fees incurred on appeal) and expenses as hereinafter provided and any indemnification obligations set forth

in this Agreement shall not be limited hereby. If Purchaser hinders, delays, contests or interferes with Seller's receipt or retention of

the Earnest Money (or attempts to do any of the foregoing), then in any action brought thereon, the prevailing party shall be entitled to recover reasonable attorney's fees and expenses (whether incurred in connection with nonjudicial action, prior to trial, at trial or on appeal or review, including any proceedings under the Bankruptcy Code). If Seller is the prevailing party, such amounts shall be in addition to retention of the Earnest Money, and if Purchaser is the prevailing party, such amounts shall be in addition to the return of the Earnest Money by Seller.

Section 6.2 By Seller. If prior to Closing, Seller breaches in any material respect any of its covenants, obligations, liabilities or duties hereunder without such breach being cured within applicable notice and cure periods, or in any documents or certificates executed and delivered by any of the Seller Parties, or if any of Seller's representations and warranties prove to be false in any material respect as of the date deemed to be made (collectively, a "Seller Default"), Purchaser shall be entitled to elect one of the following options: (a) terminate its obligations to purchase and Seller's obligations to sell the Property and not proceed with Closing, whereupon Purchaser shall be entitled to a prompt return of the Earnest Money from Escrow Agent (to the extent actually paid by Purchaser) pursuant to the Earnest Money Trust Agreement as its sole and exclusive remedy (except as may be expressly set forth herein, including, without limitation, the last sentence of this Section 6.2), any and all other claims for losses, damages, costs and expenses being deemed waived hereby; provided however, the recovery of reasonable attorneys' fees (whether incurred in connection with nonjudicial action, prior to trial or at trial, including any proceedings under the Bankruptcy Code, excluding, however, any attorneys' fees incurred on appeal) and expenses as hereinafter provided and any indemnification obligations set forth in this Agreement shall not be limited hereby; (b) seek specific performance of Seller's obligation to sell the Property, and if the Purchaser prevails in obtaining such specific performance, Purchaser shall be entitled to recover its reasonable legal fees and costs actually incurred in obtaining the decree for specific performance (at trial but not on appeal) and otherwise Seller shall be entitled to recover its reasonable legal fees and costs in connection therewith; or (c) proceed with Closing and in the event Closing occurs, exercise the rights and remedies set forth in Section 6.3; provided, however, that Section 6.3 shall not apply to, and Seller shall have no liability (other than as provided in clauses (a) and (b) above and the last sentence of this Section 6.2) for any breach of Seller's representations and warranties which are known to Purchaser prior to Closing. Notwithstanding the foregoing, if there is a Seller Default and as a result thereof, Purchaser elects to seek specific performance and Purchaser is unable to obtain a judgment for specific performance of Seller's obligation to sell the Property, Purchaser shall thereafter be entitled to the remedy set forth in clause (a) above. If Seller hinders, delays, contests or interferes with Purchaser's receipt or retention of the Earnest Money pursuant to (a) above (or attempts to do any of the foregoing), then in any action brought thereon, the prevailing party shall be entitled to recover reasonable attorney's fees and expenses (whether incurred in connection with nonjudicial action, prior to trial, at trial or on appeal or review, including any proceedings under the Bankruptcy Code. The prevailing party in any such action for damages, or in the event Purchaser must pursue an action to recover the Earnest Money, shall be entitled to recover reasonable attorney's fees and expenses (whether incurred in connection with nonjudicial action, prior to trial, at trial or on appeal or review, including any proceedings under the Bankruptcy Code). Notwithstanding anything contained herein to the contrary, if this Agreement is terminated pursuant to clause (a) above due to an intentional breach by Seller in any material respect of any of

its covenants hereunder or if Seller knowingly and intentionally caused one of Seller's representations and warranties to be false in any material

respect, or if Seller's intentional action makes it impossible to enforce specific performance, then Seller shall reimburse Purchaser for the actual, out-of-pocket third party costs (not to exceed $100,000) incurred by Purchaser in connection with this transaction which are directly related to Purchaser's due diligence regarding the condition of the Property and Purchaser's reasonable attorneys' fees in connection with the negotiation of this Agreement (but excluding any loan commitment or related fees paid by Purchaser), to the extent such costs are evidenced to Seller's reasonable satisfaction.

Section 6.3 Post-Closing Defaults. If, following Closing, any party hereto breaches any of its covenants, obligations, liabilities, indemnities or duties hereunder (other than the obligations of Purchaser and Seller contained in Section 3.3, the obligations of Seller pursuant to the Bulk Sale Indemnity and the obligations of Seller contained in Section 5.3), or in any documents or certificates executed and delivered by it, or if any of its representations and warranties which survive Closing prove to be false in any material respect as of the date deemed to be made (subject to the limitations in Section 6.2 above), the other party shall be entitled to recover from such defaulting party any and all damages (excluding any special, consequential and/or lost profit damages and subject to the limitations set forth in Sections 5.2, 6.1 and 6.2), costs and expenses, including reasonable attorneys' fees (whether incurred in connection with nonjudicial action, prior to trial or at trial, including any proceedings under the Bankruptcy Code, excluding, however, any attorneys' fees incurred on appeal) and expenses suffered or incurred by such other party as a result of such breach subject to the conditions contained herein. Notwithstanding the foregoing, neither party shall have liability to the other party for a breach of any of its covenants, obligations, liabilities, indemnities or duties hereunder, or in any documents or certificates executed and delivered by it, or if any of its representation or warranties which survive Closing are false in any material respect as of the date deemed to be made (a) unless the valid claims for all such breaches collectively aggregate more than Fifty Thousand and No/100 Dollars ($50,000.00) in which event the full amount of such valid claims shall be actionable up to, but not in excess of, Seven Hundred Fifty Thousand and No/100 Dollars ($750,000.00), and (b) unless written notice containing a description of the specific nature of such breach shall have been given by the claiming party to the other party prior to the expiration of the Survival Period and an action shall have been commenced by the claiming party against the other party within sixty (60) days after (a) the Survival Period or (b) if Seller has delivered to Purchaser Seller's Cure Notice, or if Purchaser has delivered to Seller Purchaser's Cure Notice, the expiration of the cure period as provided in Section 5.1 and Section 5.2 hereof,.

Section 6.4 General Provisions. All rights and remedies in favor of the parties in this Agreement are the sole and exclusive rights and remedies available to the parties and exclusive of any other rights and remedies available at law or in equity. The rights and remedies in favor of the parties hereunder are cumulative and may be exercised successively or concurrently as determined by such parties in their sole discretion, except as otherwise provided herein to the contrary (including in Sections 5.2, 6.1 and 6.2). Except as provided herein to the contrary, the exercise of any one right or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right or remedy and no delay in exercising or failing to exercise any rights or remedies hereunder (subject to the limitations set forth herein) shall constitute, or be deemed to constitute, a waiver of the right to exercise any such rights or remedies at any time thereafter or a release, satisfaction or discharge of the terms hereof, all such rights and remedies remaining

continuously in force. This Article VI, including without limitation, the liquidated damages

provisions and waivers set forth in Sections 6.1 and 6.2, shall not limit or impair in any way, and shall be in addition to, the rights and remedies any party hereto may have by virtue of any specific indemnities granted herein (including Sections 2.4, 2.7, 7.1, 7.11, and 7.17) or in any documents or certificates executed and delivered by any of the parties to the other.

ARTICLE VII

MISCELLANEOUS

Section 7.1 Assignment. Purchaser hereby acknowledges Purchaser shall not have any right to assign this Agreement or any of its rights or obligations hereunder (including any representations and warranties included herein) without the prior written consent of Seller, which consent may be withheld, conditioned or delayed in Seller's sole and absolute discretion, except as hereinafter provided. Any assignment or attempted assignment by Purchaser of this Agreement or Purchaser's rights and obligations hereunder, except in strict accordance with the terms of this Section 7.1, shall constitute a breach by Purchaser under this Agreement and shall entitle Seller to exercise any and all of its rights and remedies hereunder. Seller will consent to a one time only assignment by Purchaser of this Agreement and its rights and benefits hereunder, prior to Closing, to any Person which is owned or controlled, directly or indirectly, by Purchaser or any of its equity holders, subsidiaries or affiliates, and/or to any Person which owns or controls, directly or indirectly, Purchaser or any of its equity holders, subsidiaries or affiliates, any Person that may succeed to the interests of Purchaser by merger, consolidation or other business combination, or any Person who acquires all or substantially all of Purchaser's assets or any of its equity holders, affiliates or subsidiaries or to Wells Operating Partnership, L.P., a Delaware limited partnership, or to any partnership having Purchaser or Wells Operating Partnership, L.P. as a direct or indirect general partner thereof, provided that as a condition precedent to the effectiveness of and prior to any such assignment: (a) Purchaser shall give Seller at least three (3) business days' prior written notice of its intent to assign this Agreement; and (b) Purchaser and such assignee shall have executed and delivered to Seller an amendment to this Agreement, in the form attached hereto as Exhibit AA, wherein the assignee expressly assumes and agrees to pay and perform all of the Purchaser's covenants, representations, warranties, obligations and liabilities hereunder (whether arising prior or subsequent to such assignment) and under all documents and certificates executed and delivered or to be executed and delivered by the Purchaser or such permitted assignee in connection herewith, and Purchaser agrees to remain jointly and severally liable with such assignee for the payment and performance of all of such covenants, obligations, liabilities, representations and warranties. Any assignment or other Transfer, or attempted or purported assignment or other Transfer, by Purchaser of this Agreement, or any of its rights and benefits hereunder, shall be NULL AND VOID, unless made with the prior written consent of Seller and strictly in accordance with the terms hereof. Any such permitted assignee shall be deemed the "Purchaser" for all purposes hereunder from and after the assignment by Purchaser of this Agreement and its rights, benefits and obligations in accordance with the terms hereof; provided, however, the original named Purchaser herein shall remain jointly and severally liable after such assignment with its permitted assignee for the performance of all covenants, obligations, duties, liabilities, representations and warranties of Purchaser

under this Agreement and all documents and certificates executed and delivered or to be executed and delivered by Purchaser or its permitted assignee in connection herewith.

Section 7.2 Notices. All notices, demands, requests and other communications required hereunder shall be in writing and shall be deemed to have been given and/or received: (a) upon delivery if personally delivered; (b) three (3) days after deposit in the United States Mail when delivered, postage pre-paid, by certified or registered mail; (c) the next business day after deposit with a nationally recognized overnight delivery service marked for delivery on the next business day; or (d) as of the date of facsimile transmission provided that an original of such facsimile is also sent to the intended addressee by means described in clauses (a), (b) or (c) above; addressed to the party for whom it is intended at its address hereinafter set forth:

(a) If to Seller, FRC Windy Point, Travelers Windy Point or Fifield Realty:
Windy Point of Schaumburg, LLC
c/o Fifield Companies
20 North Wacker Drive, Suite 3200
Chicago, Illinois 60606
Attn: Mr. Richard Blum
Facsimile: (312) 855-1719

With a copy to:
The Travelers Insurance Company
190 South LaSalle Street, Suite 2740
Chicago, Illinois 60603
Attn: Mr. Thomas B. Karbowski
Facsimile: (312) 917-3636

With a copy to:
(for overnight delivery):

The Travelers Insurance Company
c/o Citigroup Global Investments
242 Trumbull Street - 7TS
Hartford, Connecticut 06103
Attn: Ellen N. Derrig, Esq.
Facsimile: (860) 954-2620

(for regular U.S. mail delivery):

The Travelers Insurance Company
c/o Citigroup Global Investments
P.O. Box 150449
Hartford, Connecticut 06115-0449
Attn: Ellen N. Derrig, Esq.

With a copy to:
Piper Marbury Rudnick & Wolfe
203 North LaSalle Street, Suite 1800
Chicago, Illinois 60601
Attn: Alison Mitchell, Esq. and Grace Poe, Esq.
Facsimile: (312) 236-7516

(b) If to Purchaser:
Wells Capital, Inc.
6200 The Corners Parkway, Suite 250
Norcross, Georgia 30092
Attn: Mr. Michael C. Berndt
Facsimile: (770) 200-8199

With a copy to: Troutman Sanders LLP
Bank of America Plaza, Suite 5200
600 Peachtree Street N.E.
Atlanta, Georgia 30308-2216
Attn: John W. Griffin, Esq. and Leslie Fuller Secrest, Esq.
Facsimile: (404) 962-6577 (Griffin)
(404) 962-6678 (Secrest)

Any party may designate a change of address by written notice to the other, given at least ten (10) days before such change of address is to become effective.

Section 7.3 No Third Party Beneficiary. The provisions of this Agreement are solely for the benefit of Purchaser and Seller, and their successors and permitted assigns. No provision of this Agreement or of any of the documents and certificates executed in connection herewith shall be construed as creating in any Person other than Purchaser and Seller, and their successors and permitted assigns, any rights of any nature whatsoever.

Section 7.4 Successors and Assigns. Subject to the provisions of Sections 7.1 and 7.3, all of the terms, covenants and conditions contained herein and in the other documents and certificates executed in connection herewith shall apply to and be binding upon, and inure to the benefit of, the successors and permitted assigns of Purchaser and Seller, respectively.

Section 7.5 Severability. If any provision in this Agreement is found by a court of competent jurisdiction to be in violation of any applicable law, and if such court should declare such provision of this Agreement to be unlawful, void, illegal or unenforceable in any respect, the remainder of this Agreement shall be severable, and the rights, obligations and interests of the parties hereto under the remainder of this Agreement shall continue in full force and effect. To the extent permitted by applicable law, the parties hereto waive any provision of law which prohibits or renders void or unenforceable any provision hereof. If the invalidity of any part or provision of this Agreement shall deprive any party of the economic benefit intended to be conferred by this Agreement, the parties shall negotiate, in good faith, to develop a structure, the economic effect of which is nearly as possible the same as the economic effect of this Agreement without regard to such invalidity.

Section 7.6 Modification. This Agreement and the terms hereof may not be changed, waived, modified, canceled, discharged or terminated orally, but only by an instrument or instruments in writing signed by Purchaser and Seller.

Section 7.7 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF ILLINOIS, EXCLUDING CONFLICTS OF LAW PRINCIPLES.

Section 7.8 Consent to Jurisdiction. Each of Purchaser and Seller hereby consents to the exercise of personal jurisdiction over it by the federal court in the Northern District of Illinois or any state circuit or district courts in Cook County, and consents to the laying of venue in any such federal or state courts.

Section 7.9 Headings. The Article headings and the Section and Subsection

titles hereof are inserted for convenience of reference only, are not intended to modify the terms hereof, and shall not be construed in any way to limit or define the content, scope or intent of the provisions hereof.

Section 7.10 Entire Agreement. This Agreement and the Exhibits hereto, each of which is incorporated herein by this reference, together with the documents and certificates executed and delivered in connection herewith set forth the entire agreement between Purchaser and Seller relating to the transactions contemplated hereby, and all prior or contemporaneous agreements, understandings, representations or statements, oral or written, are superseded hereby and thereby.

Section 7.11 Broker. Purchaser hereby represents and warrants to Seller that it has not engaged any finder, broker or other agent with respect to any of the transactions described by this Agreement or otherwise relating to the acquisition of all or any portion of the Property, other than Broker whose commission shall be paid by Seller under a separate agreement between Seller and Broker in accordance with the terms thereof, and none of the Purchaser Parties shall assert any claims against any of the Seller Parties or the Property (or any portion thereof) for any brokerage or sales commissions, finder's fees, consultant's fees or any other similar fees or compensation of any kind or nature whatsoever, irrespective of the termination of this Agreement and whether or not Closing occurs hereunder. Seller hereby represents and warrants to Purchaser that it has not engaged any finder, broker or other agents with respect to any of the transactions described by this Agreement or otherwise relating to the sale of all or any portion of the Property, other than Broker, and none of the Seller Parties shall assert any claims against the Purchaser Parties for any brokerage or sales commissions, finder's fees, consultant's fees or any other similar fees or compensation of any kind or nature whatsoever, irrespective of the termination of this Agreement and whether or not the Closing occurs hereunder. Purchaser hereby covenants and agrees to indemnify, defend and hold harmless the Seller, and Seller covenants and agrees to indemnify, defend and hold harmless the Purchaser, from and against any and all liability, damage (including special and consequential), loss, lien, expense, suit and claim (including attorneys' fees and expenses at the trial level) caused by or arising out of: (a) a breach of the aforesaid representations and warranties of the indemnifying party; and/or (b) any claims for any brokerage or sales commissions, finder's fees, consultant's fees or any other similar fees or compensation of the indemnifying party or any person claiming to have dealt with, on behalf of, through or under such indemnifying party.

Section 7.12 No Personal/Joint Liability. This Agreement and all documents, agreements, understandings and arrangements relating hereto and to the transactions contemplated hereby have been negotiated, executed and delivered on behalf of Seller and Purchaser by their respective partners and/or officers in their representative capacities and not individually, and bind only the assets of Seller and Purchaser (including any assignee), respectively, and no officer, director, employee, partner (including, without limitation, General Partner), agent or shareholder of either the Seller Parties or Purchaser Parties shall be bound or held to any personal liability or responsibility in connection with the agreements, obligations and undertakings of Seller or Purchaser, as the case may be, hereunder. Any Person dealing with Seller and/or Purchaser in connection herewith shall look solely to the assets of Seller and Purchaser (including any assignee), respectively, for the payment of any claim or for the performance of any of its agreements, obligations or undertakings hereunder. Each party acknowledges and agrees that each agreement and other document executed by the other party in accordance with or in respect of this Agreement and the transactions contemplated hereby shall be deemed and treated to include in all respects and for all purposes the provisions of this Section 7.12. Notwithstanding the foregoing, the limitation on liability contained in this

Section 7.12 shall not apply with respect to Seller's obligations contained in Section 5.3 or the Bulk Sale Indemnity.

Section 7.13 Survival. All representations and warranties (subject to the limitations in Section 5.1, 5.2 and 5.3), covenants, obligations, indemnities and provisions of this Agreement shall survive the Closing of the transactions contemplated hereby and/or termination of this Agreement.

Section 7.14 Waiver of Trial by Jury. SELLER AND PURCHASER HEREBY WAIVE TRIAL BY JURY IN ANY ACTION BROUGHT ON, UNDER OR BY VIRTUE OF OR RELATING IN ANY WAY TO THIS AGREEMENT OR ANY OF THE DOCUMENTS OR CERTIFICATES EXECUTED IN CONNECTION HEREWITH, OR ANY CLAIMS, DEFENSES, RIGHTS OF SET-OFF OR OTHER ACTIONS PERTAINING HERETO OR THERETO.

Purchaser's Initials: /s/ [ILLEGIBLE] Seller's Initials: /s/ [ILLEGIBLE]

Section 7.15 Time Is of Essence. TIME IS OF THE ESSENCE under this Agreement, each and all of the other documents and certificates executed in connection herewith, and each and every term, covenant, condition and provision hereof and thereof.

Section 7.16 Effective Date. Notwithstanding the fact that this Agreement may have been executed on a date prior or subsequent thereto, this Agreement shall be deemed effective on the date on which each and all of the following conditions precedent to effectiveness are satisfied (but not prior thereto): (a) Purchaser shall have executed and delivered this Agreement to Seller and the Earnest Money Trust Agreement to Escrow Agent and Seller; (b) concurrently with the execution and delivery by Purchaser of this Agreement and the Earnest Money Trust Agreement, the Earnest Money shall have been deposited and paid in full in accordance with the provisions of Section 3.1(a); and (c) Seller shall have executed and delivered this Agreement and the Earnest Money Trust Agreement to Purchaser and Escrow Agent. Any calculation of time periods within which Purchaser or Seller must act or respond which refer in any way to the date

of this Agreement shall mean and refer to the Effective Date and not the date set forth on the first page hereof. Each party agrees to confirm in writing, upon request, the Effective Date hereof.

Section 7.17 No Recording. Purchaser and Seller hereby agree that neither this Agreement nor any memorandum hereof shall be recorded. Each party hereby agrees to indemnify and hold harmless the other for all liabilities, losses, damages, liens, suits, claims, costs and expenses (including reasonable attorneys' fees) incurred by the other by reason of a breach of the foregoing covenant.

Section 7.18 Informed Consent. Each of Purchaser and Seller hereby acknowledges for the benefit of the other that: (a) it has thoroughly read and reviewed the terms and provisions of this Agreement and each of the other documents and certificates to be executed in connection herewith and is familiar with same; (b) the terms and provisions hereof and thereof are clearly understood and have been fully consented to; (c) it has had the full benefit and advice of counsel of its own selection, in regard to understanding the terms and provisions hereof and thereof, the meaning and effect of this Agreement and each of the other documents and certificates to be executed in connection herewith,

and otherwise as desired; and (d) all such documents have been entered into freely, voluntarily, in good faith, with full knowledge of the consequences thereof and without duress.

Section 7.19 Further Assurances. Seller and Purchaser hereby agree, upon reasonable request of the other party, to do, execute, acknowledge and deliver, or to cause to be done, executed, acknowledged and delivered, all such further acts and instruments as may be reasonably required to effectuate the transactions contemplated hereby. All costs and expenses incurred by either party in connection with this Section shall be paid by the party making the request pursuant hereto.

Section 7.20 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which together shall constitute but one original. This Agreement shall not be effective unless and until executed and delivered by Purchaser and Seller in one or more counterparts.

Section 7.21 WAIVER OF CONSUMER PROTECTION/DECEPTIVE TRADE PRACTICES ACTS. PURCHASER HEREBY REPRESENTS AND WARRANTS TO SELLER THAT: (I) IT SEEKS TO ACQUIRE AND WILL BE ACQUIRING THE PROPERTY, INCLUDING THE LEASES AND CONTRACTS, AND OBLIGATIONS FOR COMMERCIAL PURPOSES ONLY, AND NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES; (II) PURCHASER IS EXPERIENCED AND HAS PREVIOUSLY ENGAGED IN THE ACQUISITION OF PROPERTY AND OTHER TRANSACTIONS OF THE TYPE CONTEMPLATED HEREUNDER; AND (III) NEITHER THIS AGREEMENT NOR ANY OF THE TRANSACTIONS CONTEMPLATED HEREUNDER, INCLUDING THE PURCHASE AND SALE OF THE PROPERTY, INCLUDING THE LEASES AND CONTRACTS, AND OBLIGATIONS, IS A CONSUMER TRANSACTION AND/OR GOVERNED, OR INTENDED TO BE GOVERNED, BY ANY CONSUMER PROTECTION, UNFAIR OR DECEPTIVE, TRADE OR CONSUMER FRAUD ACTS IN THE JURISDICTION IN WHICH THE PROPERTY IS LOCATED OR TO WHICH THIS AGREEMENT IS SUBJECT, AND

PURCHASER HEREBY WAIVES UNCONDITIONALLY AND IRREVOCABLY ALL RIGHTS, BENEFITS, PROTECTIONS, REMEDIES AND OTHER PROVISIONS THEREOF AND THEREUNDER.

Section 7.22 Securities Acknowledgments. Purchaser, for itself and each of the Purchaser Parties, hereby represents and acknowledges the following to the actual knowledge of Purchaser:

(a) notwithstanding any Information, cooperation or assistance of any kind by any of the Seller Parties from time to time, none of the Seller Parties is intended to be or shall be construed as a party to or a participant in any transaction entered into by Purchaser in connection with any Transfer or Financing entered into by the Purchaser Parties of or for any of the Property or any Securities in or relating to any of the foregoing, which Financing, Transfer and/or Securities transactions are acknowledged to be, insofar as the Seller Parties are concerned, for the sole benefit of Purchaser and/or the other Purchaser Parties; and,

(b) none of the Seller Parties shall have any disclosure, other responsibilities or Liabilities in connection with any Transfer or Financing entered into by the Purchaser Parties of or for any of the Property or any Securities in or relating to any of the foregoing, including the completeness or accuracy of any Information and any decisions to include or exclude any Information, or any inclusion or failure to include any other information, in any offering materials prepared, used or disseminated in connection with any of the foregoing. Nothing herein is intended to diminish or eliminate either party's express representations and warranties to the other party set forth in this Agreement or in the Conveyancing Documents.

Section 7.23 Public Disclosure. Prior to and after the Closing, any release to the public of information with respect to the sale contemplated herein or any matters set forth in this Agreement, other than any filings which Purchaser is required by Securities Laws to make with the Securities and Exchange Commission, will be made only in the form approved by Purchaser and Seller which approval shall not be unreasonably withheld, conditioned or delayed. The provisions of this Section 7.23 will survive the Closing or any termination of this Agreement.

Section 7.24 Letter of Understanding. Purchaser and Seller acknowledge and agree that certain letter of understanding dated October 17, 2001 and all prior and subsequent letters or expressions of intent between Seller and Purchaser (or Broker) are hereby deemed terminated, of no further force and effect, and superseded by the terms of this Agreement.

Section 7.25 Like Kind Exchange. Seller, at its option, may elect to use the proceeds for the sale of the Property to purchase a replacement property as part of a like-kind exchange under Section 1031 of the Internal Revenue Code of 1986, as amended. If Seller desires to sell the Property as part of such a like-kind exchange, Seller shall notify Purchaser no later than two (2) business days prior to the Closing Date. Provided Seller has so notified Purchaser, Purchaser agrees to cooperate with Seller to effect the like-kind exchange contemplated hereunder and to execute and deliver all documents which reasonably may be required to effectuate such exchange as a qualified transaction pursuant to Section 1031 of the Code, including, without limitations,

documents evidencing Purchaser's consent to one (1) or more assignments of this Agreement; provided that: (i) the Closing shall not be delayed; (ii) Purchaser incurs no additional cost or liability in connection with the like-kind exchange; (iii) Seller pays all costs associated with the like-kind exchange; and (iv) Purchaser is not obligated to take title to any other property.

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

PURCHASER:

WELLS CAPITAL, INC., a Georgia corporation

By: /s/ Leo F. Wells
Name: LEO F. WELLS
Title: PRESIDENT

SELLER:

WINDY POINT OF SCHAUMBURG, LLC,
a Delaware limited liability company

By: FRC Windy Point L.L.C., an Illinois
limited liability company, its member

By: /s/ Steven D.Fifield

Name: Steven D. Fifield

Title: Managing Member

JOINDER

Each of the undersigned parties hereby joins in the execution of this Agreement for Purchase and Sale (this "Agreement") for the purpose of binding itself on a joint and several basis with one another and on a joint and several basis with Seller to all of the obligations of Seller, FRC Windy Point and Travelers Windy Point contained in Section 5.3 of this Agreement.

FRC WINDY POINT:

FRC WINDY POINT L.L.C., an Illinois limited liability company

By: /s/ Steven D. Fifield

Name: Steven D. Fifield

Title: Managing Member

TRAVELERS WINDY POINT:

TRAVELERS SCHAUMBURG WINDY POINT, LLC, a Delaware limited liability company

By: /s/ Thomas B. Karbowski

Name: Thomas B. Karbowski

Title: Vice President

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

Parcel 1:

Lot 1 in Windy Point of Schaumburg in Section 12, Township 41 North Range 10, East of the Third Principal Meridian, according to the plat thereof recorded as document number 99137488, in Cook County, Illinois.

Parcel 2:

Lot 2 in Windy Point of Schaumburg in Section 12, Township 41 North Range 10, East of the Third Principal Meridian according to the plat thereof recorded as document number 99137488, in Cook County, Illinois.

Parcel 3:

Easements for ingress and egress, utilities, storm drainage, parking and signage for the benefits of parcels 1 and 2 aforesaid as set forth in the Declaration of Covenants, Conditions, Restrictions, Reciprocal Rights and Easements for Windy Point of Schaumburg Subdivision recorded February 9, 1999, as document number 99137489.

EXHIBIT 10.115

LEASE AGREEMENT WITH TCI GREAT LAKES, INC.
FOR A PORTION OF WINDY POINT I BUILDING

WINDY POINT OF SCHAUMBURG

OFFICE LEASE

BETWEEN

WINDY POINT OF SCHAUMBURG L.L.C.
as Landlord

AND

TCI GREAT LAKES, INC.
as Tenant

Dated: July 29, 1999

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OFFICE LEASE

THIS LEASE is made as of July 29, 1999, between WINDY POINT OF SCHAUMBURG L.L.C., a Delaware limited liability company, having an address at c/o Fifield Realty Corp., 20 North Wacker Drive, Chicago, Illinois 60606 ("Landlord"), and TCI GREAT LAKES, INC., a Delaware corporation, having an address at Suite 200, 1500 McConnor Parkway, Schaumburg, Illinois 60173 ("Tenant"), for space in the building at 1500 McConnor Parkway (such building, including the land upon which the building and related facilities are situated, being herein referred to as the "Building"), in the mixed-use complex consisting of approximately 35 acres at the northeast corner of the intersection of Meacham Road and McConnor Parkway in Schaumburg, Illinois, and known as Windy Point of Schaumburg (the "Complex"). The following schedule (the "Schedule") sets forth certain basic terms of this Lease:

SCHEDULE

1. Premises:
   A) Suite 200
   B) Approximately 89,082 rentable square feet, consisting of part of the first floor, part of the second floor and all of the third and fourth floors of the Building.

Base Rent:

Year of Term	Rate of Annual Base Rent per Rentable Square Foot of the Premises	2. Annual Base Rent	3. Monthly Base Rent
1	$14.70	1,309,505.40	109,125.45
2	15.14	1,348,701.48	112,391.79
3	15.60	1,389,679.20	115,806.60
4	16.06	1,430,656.92	119,221.41
5	16.54	1,473,416.28	122,784.69
6	17.04	1,517,957.28	126,496.44
7	17.55	1,563,389.16	130,282.43
8	18.08	1,610,602.56	134,216.88
9	18.62	1,658,706.84	138,225.57
10	19.18	1,708,592.76	142,382.73

4. Tenant's Proportionate Share:. 47.66%
5. Security Deposit:. ..... None
6. Commencement Date:. ..... December 1, 1999
7. Anticipated Expiration Date:. ..... November 30, 2009
8. Broker(s):. ..... Fifield Realty Corp. and Equis
9. Brokerage Agreement:. ... Agreement dated July 7, 1999, between Landlord and Brokers.

1. DEMISE AND TERM. Landlord leases to Tenant and Tenant leases from Landlord the premises (the "Premises") described in Item 1 of the Schedule and shown on the plans attached hereto as Exhibit A, subject to the covenants and conditions set forth in this Lease, for a term (the "Term") commencing on the date (the "Commencement Date") which is the first to occur of (x) the date described in Item 6 of the Schedule (subject to deferral as provided in Paragraph 4 of the Work Letter Agreement attached hereto as Exhibit C [the "Work Letter Agreement"]) or (y) the date Tenant commences business operations in any part of the Premises, and expiring on the date (the "Expiration Date") that immediately precedes the tenth anniversary of the Commencement Date, unless terminated earlier as otherwise provided in this Lease (or, if such anniversary of the Commencement Date is not the first day of a calendar month, the Expiration Date shall be the last day of the month in which the tenth anniversary of the Commencement Date occurs). Tenant shall complete and furnish to Landlord, on or before occupancy of the Premises, the Suite Acceptance Agreement attached hereto as Exhibit D, which shall acknowledge the actual Commencement Date and Expiration Date.

2. RENT.

A. Definitions. For purposes of this Lease, the following terms shall have the following meanings:

(i) "Expenses" shall mean all expenses, costs and disbursements (other than Taxes) paid or incurred by Landlord in connection with the ownership, management, maintenance, operation, replacement and repair

of the Building. Expenses shall not include: (a) costs of tenant alterations or improvements; (b) costs of capital improvements (except for costs of any capital improvements made or installed for the purpose of reducing Expenses or made or installed pursuant to governmental requirement or insurance requirement not in effect on the Commencement Date, which costs shall be amortized by Landlord in accordance with sound accounting and management principles); (c) interest, principal payments and late fees on mortgages (except interest on the cost of any capital improvements for which amortization may be included in the definition of Expenses) or any rental payments on any ground leases (except for rental payments which constitute reimbursement for Taxes and Expenses); (d) advertising expenses and leasing commissions; (e) any cost or expenditure for which Landlord is reimbursed, whether by insurance proceeds or otherwise, except through Adjustment Rent (hereinafter defined); (f) the cost of any kind of service

furnished to any other tenant in the Building which Landlord does not generally make available to all tenants in the Building; (g) legal expenses of negotiating leases; (h) expenses occasioned by fire, windstorm, or any other insured casualty, to the extent Landlord receives insurance proceeds; (i) legal fees incurred in enforcing the terms of any lease or arising out of any mortgage or ground lease affecting the Building; (j) the cost of any work or service performed for any tenant at such tenant's cost; (k) the cost of correcting structural defects in the Premises (not including improvements that are part of Tenant's Work [as defined in the work Letter Agreement]) or structural defects or design flaws in the Building (not including the Premises) or any of its major systems; (l) the cost of any work or materials performed or supplied to any facility other than the Building (except Landlord may include in Expenses Landlord's share of costs, fees and assessments imposed upon the Building in connection with its inclusion in the Complex); (m) salaries, wages and benefits of Landlord's officers, directors and employees above the level of Building manager; (n) any charge for depreciation of the Building or equipment (except as allowed pursuant to clause (b) above; (o) any tenant improvement allowance or other payment from Landlord to Tenant; (p) bad debt losses or reserves therefor; (q) costs of selling, syndicating, financing, mortgaging or hypothecating the Building or the Complex or Landlord's interest in the Building or the Complex; or (r) any janitorial expenses (to the extent Tenant contracts for its own janitorial service), utility costs for operating HVAC equipment (if the HVAC units serving the Premises are submetered) and/or electrical expenses for the Premises. Expenses shall be net of any reimbursement, refund or credit relating thereto and actually received by Landlord. Expenses shall be determined on a cash or accrual basis, as Landlord may elect (provided Landlord shall not change such method of determining Expenses during the Term).

(ii) "Rent" shall mean Base Rent, Adjustment Rent and any other sums or charges due by Tenant hereunder.

(iii) "Taxes" shall mean all taxes, assessments and fees levied upon the Building, the property of Landlord located therein or the rents collected therefrom, by any governmental entity based upon the ownership, leasing, renting or operation of the Building, including all costs and expenses of protesting any such taxes, assessments or fees. Taxes shall not include any net income, capital stock, succession, transfer, franchise, gift, estate, inheritance, excise or profit taxes; provided, however, if at any time during the Term, a tax or excise on income is levied or assessed by any governmental entity, in lieu of or as a substitute for, in whole or in part, real estate taxes or other ad valorem taxes, such tax shall constitute and be included in Taxes. Furthermore, Taxes shall not include any penalties (or penalty rate of interest) resulting from the failure to pay any

component of Taxes (so long as Tenant has paid all Adjustment Rent [as hereinafter defined] when due) or any taxes that are separately assessed by government agencies to, and paid by, other tenants of the Building or any taxes attributable to another tenant's improvements, alterations or additions if and to the extent such taxes are separately assessed by Landlord to such tenant. For the purposes of determining Taxes for any given year, the amount to be included for such year (a) from special assessments payable in installments shall be the amount of the installments (and any

interest) due and payable during such year, and (b) from all other Taxes shall at Landlord's election either be the amount accrued, assessed or otherwise imposed for such year or the amount due and payable in such year (provided Landlord shall not change such method of determining Taxes during the Term).

(iv) "Tenant's Proportionate Share" shall mean the percentage set forth in Item 4 of the Schedule which has been determined by dividing the rentable square feet in the Premises (i.e., the number of rentable square feet stated in Item 1B of the Schedule) by the rentable square feet in the Building (186,921, which Landlord and Tenant agree shall be deemed to be the rentable square footage of the Building for the Term, subject to Section 2C(v)).

B. Components of Rent. Tenant agrees to pay the following amounts
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to Landlord at the office of the Building or at such other place as Landlord designates:

(i) Base rent ("Base Rent") to be paid in monthly installments in the amount set forth in Item 3 of the Schedule in advance on or before the first day of each month of the Term.

(ii) Adjustment rent ("Adjustment Rent") in an amount equal to Tenant's Proportionate Share of (a) the Expenses for any calendar year and (b) the Taxes for any calendar year. Prior to each calendar year, Landlord shall estimate the amount of Adjustment Rent due for such year, and Tenant shall pay Landlord one-twelfth of such estimate on the first day of each month during such year. Such estimate may be revised by Landlord whenever it obtains information relevant to making such estimate more accurate (but not more than once during any year of the Term). After the end of each calendar year, Landlord shall deliver to Tenant a report setting forth the actual Expenses and Taxes for such calendar year and a statement of the amount of Adjustment Rent that Tenant has paid and is payable for such year. Landlord shall use commercially reasonable efforts to deliver such report of actual Expenses and Taxes for a calendar year by May 1 of the following calendar year. Within thirty days after receipt of such report, Tenant shall pay to Landlord the amount of Adjustment Rent due for such calendar year minus any payments of Adjustment Rent made by Tenant for such year. If Tenant's estimated payments of Adjustment Rent exceed the amount due Landlord for such calendar year, Landlord shall apply such excess as a credit against Tenant's next installment of Rent due under this Lease or promptly refund such excess to Tenant if the Term has already expired, provided Tenant is not then in default hereunder, in either case without interest to Tenant.

C. Payment of Rent. The following provisions shall govern the payment
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of Rent: (i) if this Lease commences or ends on a day other than the first day or last day of a calendar year, respectively, the Rent for the year in which this Lease so begins or ends shall be prorated and the monthly installments shall be adjusted accordingly; (ii) all Rent shall be paid to Landlord without offset or deduction, except as otherwise expressly provided herein, and the

covenant to pay Rent

shall be independent of every other covenant in this Lease; (iii) if during all or any portion of any year the Building is not fully rented and occupied, Landlord may elect to make an appropriate adjustment of Expenses and/or Taxes for such year to determine the Expenses and/or Taxes that would have been paid or incurred by Landlord had the Building been fully rented and occupied for the entire year and the amount so determined shall be deemed to have been the Expenses and/or Taxes for such year (provided in no event will the foregoing adjustment entitle Landlord to recover from the tenants of the Building more than 100% of the Expenses and/or Taxes actually incurred); (iv) any sum due from Tenant to Landlord which is not paid within five business days of its date due shall bear interest from the date due until the date paid at the annual rate of 10% per annum, but in no event higher than the maximum rate permitted by law (the "Default Rate"); (v) if changes are made to this Lease modifying the space leased to Tenant or physical changes are made to the Building changing the number of square feet contained in the Building, Landlord shall make an appropriate adjustment to Tenant's Proportionate Share; (vi) Tenant shall have the right, upon reasonable prior written notice to Landlord, to inspect Landlord's accounting records relative to Expenses and Taxes during normal business hours at any time within 90 days following the furnishing to Tenant of the annual statement of Adjustment Rent; and, unless Tenant shall take written exception to any item in any such statement within such 90-day period, such statement shall be considered as final and accepted by Tenant; (vii) in the event of the termination of this Lease prior to the determination of any Adjustment Rent, Tenant's agreement to pay any such sums and Landlord's obligation to refund any such sums (provided Tenant is not in default hereunder) shall survive the termination of this Lease; (viii) no adjustment to the Rent by virtue of the operation of the rent adjustment provisions in this Lease shall result in the payment by Tenant in any year of less than the Base Rent shown on the Schedule; (ix) Landlord may at any time change the fiscal year of the Building; (x) each amount owed to Landlord under this Lease for which the date of payment is not expressly fixed shall be due on the same date as the Rent listed on the statement showing such amount is due; and (xi) if Landlord fails to give Tenant an estimate of Adjustment Rent prior to the beginning of any calendar year, Tenant shall continue to pay Adjustment Rent at the rate for the previous calendar year until Landlord delivers such estimate (Landlord shall use commercially reasonable efforts to deliver such estimate by May 1 of each year during the Term).

D Limitations on Rent. Notwithstanding anything in this Section 2 to the contrary:

(i) No Monthly Base Rent shall be due for the "Initial Premises" (i.e., the spaces described in Item 1B of the Schedule) for the first three months of the initial ten-year Term (the "Initial Term"); provided, however, that (a) Tenant shall pay Adjustment Rent for each of said three months and (b) the entire Monthly Base Rent otherwise due and payable for each of said three months shall be reinstated and shall become immediately due and payable upon the occurrence of a Default by Tenant under this Lease, which reinstatement shall be as a result of the failure to satisfy a condition subsequent and shall not be deemed liquidated damages or a penalty.

(ii) Adjustment Rent for the first year of the Term shall not exceed $7.36 per rentable square foot of the Premises and Adjustment Rent for the second year of the Term

shall not exceed $9.14 per rentable square foot of the Premises. Thereafter there shall be no "cap" on Adjustment Rent, except as provided in clause (iii) below. Notwithstanding the foregoing, to the extent that a Landlord Delay (as defined in the Work Letter Agreement) causes the deferral of the Commencement Date in accordance with Paragraph 4 of the Work Letter Agreement and if such Landlord Delay is due to an event of force majeure (as described in Section 25J), then the foregoing caps shall be increased so that for each of the first two years of the Term, the cap for such year of the Term shall equal the sum of: (w) the number of calendar months during such year of the Term that occur in 1999, if any, multiplied by $0.57 plus (x) the number of calendar months during such year of the Term that occur in 2000, if any, multiplied by $0.62 plus (y) the number of calendar months during such year of the Term that occur in 2001, if any, multiplied by $0.78 plus (z) the number of calendar months during such year of the Term that occur in 2002, if any, multiplied by $0.92 (for any partial calendar month, the foregoing amounts shall be prorated based upon the number of days in such month).

(iii) Commencing with the fourth year of the Term, solely for purposes of calculating Tenant's Adjustment Rent, Controllable Expenses for any year of the Term shall not be deemed to exceed Controllable Expenses for the immediately preceding year of the Term by more than 5%. "Controllable Expenses" shall mean only those items of Expenses where the cost or expense thereof shall be within the reasonable ability of Landlord to control, including without limitation, cleaning services and landscaping services (specifically excluded from Controllable Expenses, without limitation, are the costs and expenses of electricity, fuels, insurance and snow-plowing and the wages of union employees [and the costs and expenses of independent contractors who may employ union employees]). Such limitation on Controllable Expenses shall apply only to Controllable Expenses and not to other items of Expenses or Taxes and shall not limit or otherwise affect Tenant's obligations regarding the payment of any component of Rent other than the Controllable Expenses component of Adjustable Rent.

For purposes of this Lease, a "year of the Term" shall mean a 12 month period commencing on the Commencement Date or any anniversary thereof.

3. USE. Tenant agrees that it shall occupy and use the Premises for general offices and a call/training center, which may include support functions such as a fitness center and lounge areas and break rooms (which may include games and vending machines), provided such support functions are exclusively provided to Tenant's employees. If allowed by all applicable codes and ordinances, Tenant may further use up to 4,500 rentable square feet on the first floor of the Building for retail uses and a payment center, provided such retail uses and payment center are related to Tenant's primary business (and a subtenant may use such spaces for such uses only if such subtenant has also subleased the majority of the balance of the Premises [and subject to any exclusive rights granted by Landlord to any other occupant of the Complex]). To the extent allowed by applicable laws, ordinances and regulations, and subject to Landlord's reasonable rules and regulations, Tenant's employees (but not its invitees or the general public) may use the Building's card key system to

access the Building's internal stairwells for access to the various spaces comprising the Premises. Tenant shall not keep open the doors to the stairwells. Tenant shall comply with all federal, state and municipal laws, ordinances and regulations and all covenants, conditions and restrictions of record applicable to Tenant's use or occupancy of the Premises.

4. CONDITION OF PREMISES.

A. Initial Condition. Tenant's taking possession of the Premises shall
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be conclusive evidence that the Premises were in good order and satisfactory condition when Tenant took possession, subject only to punchlist items of Landlord's Work (as defined in the Work Letter Agreement), which shall be corrected by Landlord as provided in the Work Letter Agreement. No agreement of Landlord to alter, remodel, decorate, clean or improve the Premises or the Building (or to provide Tenant with any credit or allowance for the same), and no representation regarding the condition of the Premises or the Building, have been made by or on behalf of Landlord or relied upon by Tenant, except as stated in the Work Letter Agreement attached hereto as Exhibit C.

B. Americans With Disabilities Act. The parties acknowledge that the Americans With Disabilities Act of 1990 (42 U.S.C. ss.12101 et seq.) and regulations and guidelines promulgated thereunder, as amended and supplemented from time to time (collectively referred to herein as the "ADA") establish requirements under Title III of the ADA ("Title III") pertaining to business operations, accessibility and barrier removal, and that such requirements may be unclear and may or may not apply to the Premises and the Building. The parties acknowledge and agree that Tenant has been provided an opportunity to inspect the Premises and the Building sufficient to determine whether or not the Premises and the Building in their condition as of the date hereof deviate in any manner from the ADA Accessibility Guidelines ("ADAAG") or any other requirements under the ADA pertaining to the accessibility of the Premises or the Building. Tenant further acknowledges and agrees that except as may otherwise be specifically provided herein, Tenant accepts the Premises and the Building in "as-is" condition and agrees that Landlord makes no representation or warranty as to whether the Premises or the Building conform to the requirements of the ADAAG or any other requirements under the ADA pertaining to the accessibility of the Premises or the Building. Tenant further acknowledges and agrees that to the extent that Landlord prepares, reviews or approves any of plans or specifications relating to leasehold improvements in the Premises, such action shall in no event be deemed any representation or warranty that the same comply with any requirements of the ADA. Notwithstanding anything to the contrary in this Lease, the parties hereby agree to allocate responsibility for Title III compliance as follows: (a) Tenant shall be responsible for all Title III compliance and costs in connection with the Premises, including structural work, if any, and including any leasehold improvements or other work to be performed in the Premises under or in connection with this Lease, and (b) Landlord shall perform, and Tenant shall be responsible for the cost of, any so-called Title III "path of travel" requirements triggered by any construction activities or alterations in the Premises after the Commencement Date. Landlord covenants and agrees that during the Term, Landlord shall cause the ground floor common areas of the Building, the entrances to the Building which provide public access to the Building, and the parking areas serving the Building, to comply with the requirements (as reasonably interpreted from time to time) of Title III.

Tenant understands and agrees that the costs and expenses of such compliance shall be included in Expenses except to the extent prohibited pursuant to Section 2A(i)(b). Except as set forth above with respect to Landlord's Title III obligations, Tenant shall be solely responsible for all other requirements under the ADA relating to Tenant or any affiliates or persons or entities related to Tenant (collectively, "Affiliates"), operations of Tenant or Affiliates, or the Premises, including, without limitation, requirements under Title I of the ADA pertaining to Tenant's employees.

5. BUILDING SERVICES.

A. Basic Services. Landlord shall furnish the following services: (i) heating and air conditioning facilities capable of providing a temperature condition for comfortable occupancy of the Premises under normal business operations. The heating and air conditioning for the Premises is provided through "heat pumps" which may be controlled by Tenant (i.e., Tenant controls

the hours of operation and the temperature settings); (ii) water for drinking, and, subject to Landlord's reasonable approval, water at Tenant's expense for any private restrooms and office kitchen requested by Tenant; (iii) men's and women's restrooms at locations designated by Landlord and in common with other tenants of the Building; (iv) daily janitor service in the Premises (including any restrooms) and common areas of the Building, weekends and holidays excepted, including periodic outside window washing of the perimeter windows in the Premises at least three times per year (the current specifications for the janitor service to be provided by Landlord are attached as Exhibit F, provided Landlord reserves the right to alter such specifications from time to time in Landlord's reasonable discretion); (v) passenger elevator service in common with Landlord and other tenants of the Building, 24 hours a day, 7 days a week; and freight elevator service daily, weekends and holidays excepted, upon request of Tenant (and at no charge to Tenant for customary use) and subject to scheduling by Landlord; and (vi) a security system with keycard access and surveillance cameras (Landlord will provide Tenant with one keycard for each of Tenant's employee at the Premises at no cost to Tenant). For purposes of this Section 5.A, "holidays" shall mean New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas, as well as, at Landlord's election, any other day that the majority of comparable office buildings in Schaumburg, Illinois treat as a public holiday.

B. Electricity. Electricity shall be distributed to the Premises by the electric utility company serving the Building (as designated by Landlord from time to time) and Landlord shall permit Landlord's wire and conduits, to the extent available, suitable and safely capable, to be used for such distribution. Landlord will provide 208V/120V, 3 phase, 4 wire service with 600 amps of electricity. Tenant at its cost shall make all necessary arrangements with the electric utility company for metering and paying for electric current furnished to the Premises. All electricity used during the performance of janitor service, or the making of any alterations or repairs in the Premises (other than the Tenant Work described in the Work Letter Agreement), or the operation of any special air conditioning systems serving the Premises, shall be paid for by Tenant. The heat pumps providing heating and air conditioning services for the Premises draw upon the Building's electric supply (and the costs of such electricity consumed during the Building's standard hours of operation [as set forth in Section 5D] shall be included in Expenses).

C. Telephones. Tenant shall be responsible for arranging for its own telecommunications services at the Premises. All telegraph, telephone, and electric connections which Tenant may desire shall be first approved by Landlord in writing, which approval shall not be unreasonably withheld, conditioned or delayed, before the same are installed, and the location of all wires and the work in connection therewith shall be performed by contractors approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed, and shall be subject to the direction of Landlord. Tenant shall be responsible for and shall pay all costs incurred in connection with the installation of telephone cables and related wiring in the Premises, including, without limitation, any hook-up, access and maintenance fees related to the installation of such wires and cables in the Premises and the commencement of services therein, and the maintenance thereafter of such wire and cables; and there shall be included in Expenses for the Building all installation, hook-up or maintenance costs incurred by Landlord in connection with telephone cables and related wiring in the Building which are not allocable to any individual users of such service but are allocable to the Building generally. If Tenant fails to maintain all telephone cables and related wiring in the Premises and such failure affects or interferes with the operation or maintenance of any other telephone cables or related wiring in the Building, and such failure and affect or interference continues after written notice from Landlord, then Landlord or any vendor hired by Landlord may enter into and upon the Premises forthwith and perform such repairs, restorations or alterations as Landlord deems necessary in order to eliminate any such interference (and Landlord may

recover from Tenant all of Landlord's costs in connection therewith). Upon expiration of the Term hereof Tenant shall remove all telephone cables and related wiring installed by or for Tenant which Landlord requests Tenant to remove. Tenant agrees that neither Landlord nor any of its agents or employees shall be liable to Tenant, or any of Tenant's employees, agents, customers or invitees or anyone claiming through, by or under Tenant, for any damages, injuries, losses, expenses, claims or causes of action because of any interruption, diminution, delay or discontinuance at any time for any reason in the furnishing of any telecommunications service to the Premises or the Building.

D. Additional Services. The standard hours of operation of the Building's heating and air conditioning systems are Monday through Friday, 8:00 a.m. to 6:00 p.m., Saturdays, 8:00 a.m. to 1:00 p.m., holidays excepted. If Tenant operates the heating and air conditioning systems serving the Premises beyond the foregoing standard hours of operation, then (i) Tenant shall pay to Landlord for such after-hours use of the heat pumps an amount equal to the product of (x) the number of hours each such heat pump is used (as indicated by the DDC program for the heat pump) multiplied by (y) the then-current hourly charge for operating each heat pump for heating or cooling, as the case may be (which charge shall include Landlord's electric costs, at the rates then charged by the Building's electricity provider, and a reasonable fee to Landlord for maintenance and repair of the heat pumps), and (ii) such operation will activate the Building's fan system, and Tenant shall pay Landlord for such after-hours operation of the Building's fan system at the rate of $16.00 per hour (subject to increase by 3% per year each year of the Term [i.e., such rate will be $16.48 for the second year of the Term, $16.97 for the third year of the Term, $17.48 for the fourth year of the Term, and so on]) (provided that if any other tenant also requests such after-hours heating or air conditioning, during the periods that the Building's fan system serves more than one tenant requesting such service, the costs of operating the Building's fan system shall be allocated among such tenants based upon the

rentable areas receiving the heating or air conditioning services). Furthermore, if due to an unusual concentration of personnel or machinery in the Premises (compared to typical office use), or an unusually large number of heat pumps serving the Premises (compared to the number of heat pumps serving the other premises in the Building), the heat pumps serving the Premises consume a disproportionate amount of electricity, Tenant shall pay such excess amount to Landlord. Tenant shall pay all such costs relating to after-hours or excessive use of the heating or air conditioning systems serving the Premises within 10 days after being billed therefor.

If Landlord furnishes other services requested by Tenant in addition to those stated in the first grammatical paragraph of this Section 5, Tenant shall pay Landlord's actual costs (as reasonably determined by Landlord) for such services. If Tenant shall fail to make any such payment within five business days after written notice, Landlord may, in addition to all other remedies available to Landlord, discontinue any additional services. No discontinuance of any such additional service shall result in any liability of Landlord to Tenant or be considered as an eviction or a disturbance of Tenant's use of the Premises. In addition, if Tenant's concentration of personnel or equipment adversely affects the temperature or humidity in the Building, Landlord may install supplementary air conditioning units in the Premises; and Tenant shall pay for the cost of installation and maintenance thereof (provided that if Landlord believes, in connection with reviewing Tenant's plans for Tenant's Work [as defined in the Work Letter Agreement] or an alteration [in accordance with Section 9], that such supplementary air conditioning will be required as a result of such work, Landlord shall notify Tenant of such belief before Tenant starts its work).

E. Failure or Delay in Furnishing Services. Tenant agrees that

Landlord shall not be liable for damages for failure or delay in furnishing any service stated above if such failure or delay is caused, in whole or in part, by any one or more of the events stated in Section 25J below, nor shall any such failure or delay be considered to be an eviction or disturbance of Tenant's use of the Premises, or relieve Tenant from its obligation to pay any Rent when due, or from any other obligations of Tenant under this Lease. Notwithstanding the foregoing, if for any reason other than an act or omission of Tenant or its agents, employees, contractors, subtenants or occupants or the occurrence of a fire or other casualty which is covered by Section 12 hereof, any service to the Premises as described above is not furnished to the Premises and if as a result thereof the Premises, or a "material part" (as defined below) of the Premises, is rendered untenantable or inaccessible for a period of five consecutive business days, and Tenant does not occupy the Premises, or such material part thereof which is rendered untenantable or inaccessible, during such 5-business day period, then as Tenant's sole remedy for such failure to furnish such service, Base Rent and Adjustment Rent payable for such portion of the Premises which Tenant does not so occupy shall abate for the period commencing on the expiration of said five business day period and expiring on the date such service is restored or Tenant is able to resume occupancy of the Premises or such material part thereof, as the case may be. (As used herein, the phrase "material part" shall mean an amount in excess of 10% of the rentable area of the Premises.)

6. RULES AND REGULATIONS. Tenant shall observe and comply and shall cause its subtenants, assignees, employees, contractors and agents to observe and comply (and shall use

reasonable efforts to cause its invitees to observe and comply) with the rules and regulations listed on Exhibit B attached hereto and with such reasonable modifications and additions thereto as Landlord may make from time to time. Landlord shall not be liable for failure of any person to obey such rules and regulations. Landlord shall not be obligated to enforce such rules and regulations against any person (provided Landlord shall not unreasonably discriminate against Tenant in the enforcement of such rules and regulations), and the failure of Landlord to enforce any such rules and regulations shall not constitute a waiver thereof or relieve Tenant from compliance therewith.

7. CERTAIN RIGHTS RESERVED TO LANDLORD. Landlord reserves the following rights, each of which Landlord may exercise without notice to Tenant (except as otherwise expressly provided herein) and without liability to Tenant, and the exercise of any such rights shall not be deemed to constitute an eviction or disturbance of Tenant's use or possession of the Premises and shall not give rise to any claim for set-off or abatement of rent or any other claim (except as otherwise expressly provided herein): (a) upon not less than 60 days prior written notice to Tenant, to change the name or street address of the Building or the suite number of the Premises; (b) to install, affix and maintain any and all signs on the exterior or interior of the Building (subject to Tenant's rights set forth in Section 30); (c) to make repairs, decorations, alterations, additions, or improvements, whether structural or otherwise, in and about the Building, and for such purposes, upon not less than 24 hours' oral or telephonic notice to Tenant at the Premises (excluding emergencies, when no such notice shall be required), to enter upon the Premises, temporarily close doors, corridors and other areas in the Building and interrupt or temporarily suspend services or use of common areas, and Tenant agrees to pay Landlord for overtime and similar expenses incurred if such work is done other than during ordinary business hours at Tenant's request; (d) to retain at all times, and to use in appropriate instances, keys to all doors within and into the Premises; (e) to grant to any person or to reserve unto itself the exclusive right to conduct any business or render any service in the Building; (f) upon not less than 24 hours' oral or telephonic notice to Tenant at the Premises (excluding emergencies, when no such notice shall be required), to show or inspect the Premises at reasonable times (provided Landlord may show the Premises to prospective tenants only if there are less than 12 months left in the Term or Tenant has vacated the Premises) and, if vacated or abandoned, to prepare the Premises for reoccupancy;

(g) to install, use and maintain in and through the Premises, pipes, conduits, wires and ducts serving the Building, provided that such installation, use and maintenance does not unreasonably interfere with Tenant's use of the Premises; and (h) to take any other action which Landlord deems reasonable in connection with the operation, maintenance or preservation of the Building. In the exercise of the foregoing rights, Landlord shall use reasonable efforts to minimize interference with Tenant's business operations.

8. MAINTENANCE AND REPAIRS.

A. Tenant's Obligations. Tenant, at its expense, shall maintain and keep
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the Premises in good order and repair at all times during the Term. In addition, Tenant shall reimburse Landlord for the cost of any repairs to the Building necessitated by the acts or omissions of Tenant, its subtenants, assignees, invitees, employees, contractors and agents, to the extent Landlord is not reimbursed for such costs under its insurance policies.

B. Landlord's Obligations. Landlord shall use reasonable efforts to
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perform any maintenance or make any repairs to the Building as Landlord shall desire or reasonably deem necessary for the safety, operation or preservation of the Building, or as Landlord may be required or requested to do by any governmental authority or by the order or decree of any court or by any other proper authority. Landlord shall use reasonable efforts to keep the Building's parking areas and walkways clean and free of ice, water, pests and rubbish, and in a neat, clean, orderly and sanitary condition. Landlord shall use reasonable efforts to further keep the exterior of the Building and its parking areas lighted from dusk until dawn, including replacement of bulbs and fixtures, as necessary. Landlord shall arrange for landscaping services so the Building has an orderly and neat appearance. Tenant acknowledges that Landlord does not control all of the parking and landscaped areas serving the Complex and that Landlord shall not have responsibility for or liability relating to the maintenance of areas that are not part of the Building and under Landlord's direct control.

9. ALTERATIONS.

A. Requirements. Tenant shall not make any replacement, alteration,
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improvement or addition to or removal from the Premises (collectively an "alteration") without the prior written consent of Landlord. In the event Tenant proposes to make any alteration, Tenant shall, prior to commencing such alteration, submit to Landlord for prior written approval: (i) detailed plans and specifications; (ii) sworn statements, including the names, addresses and copies of contracts for all contractors; (iii) all necessary permits evidencing compliance with all applicable governmental rules, regulations and requirements; (iv) certificates of insurance in form and amounts required by Landlord, naming Landlord and any other parties designated by Landlord as additional insureds; and (v) all other documents and information as Landlord may reasonably request in connection with such alteration. Neither approval of the plans and specifications nor supervision of the alteration by Landlord shall constitute a representation or warranty by Landlord as to the accuracy, adequacy, sufficiency or propriety of such plans and specifications or the quality of workmanship or the compliance of such alteration with applicable law. Tenant shall pay the entire cost of the alteration and, if the cost of the alteration, together with all related alterations, will exceed $300,000, then if requested by Landlord, Tenant shall deposit with Landlord prior to the commencement of the alteration, security for the payment and completion of the alteration in form and amount required by Landlord (provided that so long as Tenant has a net worth equal to or greater than the net worth of Tenant as of the date of this Lease, Tenant shall not be required to deposit such security). Landlord shall not unreasonably withhold, condition or delay its consent to any proposed alteration (whether non-structural or structural). Notwithstanding the foregoing, no consent shall

be necessary for any decorative or cosmetic alteration (or related alteration) that (i) together with all other decorative or cosmetic alterations during the immediately preceding 12-month period costs less than $100,000, (ii) does not require the issuance of a building permit and (iii) does not adversely affect the structural elements of the Building or the base Building mechanical, electrical or plumbing systems, the architectural aesthetics of the Building, the common areas of the Building or the use by other tenants in the Building of their demised premises (provided that even if Landlord's consent is not necessary for such an alteration, the following provisions of this Section 9A shall apply). Each alteration shall be performed in a good and workmanlike manner, in accordance with the plans and specifications

approved by Landlord (if applicable), and shall meet or exceed the standards for construction and quality of materials established by Landlord for the Building. In addition, each alteration shall be performed in compliance with all applicable governmental and insurance company laws, regulations and requirements. Each alteration shall be performed by union contractors if required by Landlord and in harmony with Landlord's employees, contractors and other tenants. Each alteration, whether temporary or permanent in character, made by Landlord or Tenant in or upon the Premises (excepting only Tenant's furniture, equipment and trade fixtures) shall become Landlord's property and shall remain upon the Premises at the expiration or termination of this Lease without compensation to Tenant; provided, however, that Landlord shall have the right to require Tenant to remove such alteration at Tenant's sole cost and expense in accordance with the provisions of Section 15 of this Lease. Notwithstanding anything contained in this Section 9A to the contrary, if Landlord gives its consent or approval, pursuant to the provisions of this Section 9A, to allow Tenant to make any alterations in the Premises, Landlord agrees, upon Tenant's written request, to notify Tenant in writing at the time of the giving of such consent or approval whether Landlord will reserve the right to require Tenant to remove such alterations at the termination or expiration of this Lease (provided Landlord shall not be required to give such a notice with respect to Tenant's signage, data cabling and other items within Conduits [as hereinafter defined], Connecting Equipment [as hereinafter defined], communications equipment [such as antennas and satellite dishes] and independent power systems, which items Tenant acknowledges must be removed at the termination or expiration of this Lease).

B. Liens. Upon completion of any alteration, Tenant shall promptly
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furnish Landlord with sworn owner's and contractors statements and full and final waivers of lien covering all labor and materials included in such alteration. Tenant shall not permit any mechanic's lien to be filed against the Building, or any part thereof, arising out of any alteration performed, or alleged to have been performed, by or on behalf of Tenant. If any such lien is filed, Tenant shall within 30 days thereafter have such lien released of record. Notwithstanding the foregoing, Tenant shall have the right to contest in good faith the validity of any lien or claimed lien, provided that a bond or other security in form, amount and issued by a surety satisfactory to Landlord is posted with Landlord within 30 days after such lien or claimed lien is filed and, on final determination of the lien or claimed lien, Tenant shall immediately pay any judgment rendered with all proper costs and charges and will have the lien released. If Tenant fails to have such lien so released or to deliver such bond to Landlord, Landlord, without investigating the validity of such lien, may pay or discharge the same; and Tenant shall reimburse Landlord upon demand for the amount so paid by Landlord, including Landlord's expenses and attorneys' reasonable fees. Landlord shall not permit any mechanic's lien arising out of any alteration performed by Landlord to encumber Tenant's interest in the Premises (provided Landlord shall have the right to contest in good faith the validity of any such lien or claimed lien so long as Landlord discharges the lien before the lien claimant completes foreclosure proceedings adversely affecting Tenant's interest in the Premises).

10. INSURANCE.

A. Tenant's Insurance. Tenant, at its expense, shall maintain at all times during the Term the following insurance policies: (a) fire insurance, including extended coverage, vandalism, malicious mischief, sprinkler leakage, water damage and all risk coverage and demolition and debris removal, insuring the full replacement cost of all improvements, alterations or additions to the Premises made at Tenant's expense, and all other property owned or used by Tenant and located in the Premises; (b) commercial general liability insurance, including blanket contractual liability insurance, with respect to the Building and the Premises, with limits to be set by Landlord from time to time but in any event not less than $3,000,000 each occurrence combined single limit for bodily injury, sickness or death or for damage to or destruction of property, including loss of use thereof; (c) workers' compensation and occupational disease insurance with Illinois statutory benefits and employers liability insurance with limits of not less than $3,000,000 each accident, each disease and aggregate for disease; and (d) insurance against such other risks and in such other amounts as Landlord may from time to time require. The form of all such policies and deductibles thereunder shall be subject to Landlord's prior approval. All such policies shall be issued by insurers acceptable to Landlord and licensed to do business in Illinois. In addition, the commercial general liability policy shall name Landlord, its property manager and any other parties designated by Landlord as additional insureds. All policies shall require at least thirty (30) days' prior written notice to Landlord of termination or modification and shall be primary and not contributory. Tenant shall at least ten (10) days prior to the Commencement Date, and within ten (10) days prior to the expiration of each such policy, deliver to Landlord certificates evidencing the foregoing insurance or renewal thereof, as the case may be.

B. Mutual Waiver of Subrogation. Landlord and Tenant each agree that neither Landlord nor Tenant (nor their respective successors or assigns) will have any claim against the other for any loss, damage or injury to property which is covered by insurance carried by either party (or, with respect to Tenant, which would have been covered if Tenant had carried the insurance required by this Lease), notwithstanding the negligence of either party in causing the loss. The waiver also applies to each party's directors, officers, employees, shareholders and agents. The waiver does not apply to claims caused by a party's wilful misconduct.

If despite a party's best efforts it cannot find an insurance company (in the case of Tenant, meeting the requirements of Section 10A) that will allow a waiver at reasonable commercial rates, then it shall give notice to the other party within 30 days after discovering such situation. The other party shall then have 30 days to find an insurance company that will allow the waiver. If the other party cannot find such an insurance company, then both parties shall be released from their obligation to obtain the waiver.

If an insurance company is found but it will allow the waiver only at rates greater than reasonable commercial rates, then the parties can agree to pay for the waiver under any agreement they can negotiate. If the parties cannot in good faith negotiate an agreement, then both parties shall be released from their obligation to obtain the waiver.

11. WAIVER AND INDEMNITY.

A. Tenant's Waiver. Tenant releases Landlord, its property manager and their respective agents and employees from, and waives all claims for, damage or injury to person or property and loss of business sustained by Tenant and

resulting from the Building or the Premises or any part thereof or any equipment therein becoming in disrepair, or resulting from any accident in or about the Building. This paragraph shall apply particularly, but not exclusively, to flooding, damage caused by Building equipment and apparatus, water, snow, frost, steam, excessive heat or cold, broken glass, sewage, gas, odors, excessive noise or vibration or the bursting or leaking of pipes, plumbing fixtures or sprinkler devices. Without limiting the generality of the foregoing, Tenant waives all claims and rights of recovery against Landlord, its property manager and their respective agents and employees for any loss or damage to any property of Tenant, which loss or damage is insured against, or required to be insured against, by Tenant pursuant to Section 10 above, whether or not such loss or damage is due to the fault or negligence of Landlord, its property manager or their respective agents or employees, and regardless of the amount of insurance proceeds collected or collectible under any insurance policies in effect. The foregoing waivers do not apply to claims caused by Landlord's wilful misconduct.

B. Tenant's Indemnity. Tenant agrees to indemnify, defend and hold harmless Landlord, its property manager and their respective agents and employees, from and against any and all claims, demands, actions, liabilities, damages, costs and expenses (including reasonable attorneys' fees), for injuries to any third parties and damage to or theft or misappropriation or loss of property of third parties occurring in or about the Building and arising from any breach or default on the part of Tenant in the performance of any covenant or agreement on the part of Tenant to be performed under this Lease or due to any other negligent act or omission or wilful misconduct of Tenant, its subtenants, assignees, invitees, employees, contractors and agents. Without limiting the foregoing, Tenant shall indemnify, defend and hold Landlord harmless from any claims, liabilities, damages, costs and expenses arising out of the use or storage of hazardous or toxic materials in the Building by Tenant. If any such proceeding is filed against Landlord or any such indemnified party, Tenant agrees to defend Landlord or such party in such proceeding at Tenant's sole cost by legal counsel reasonably satisfactory to Landlord, if requested by Landlord. Notwithstanding anything contained in this Section 11B to the contrary, Tenant shall not be required to indemnify Landlord, its property manager or their respective agents and employees from or in respect of any claim or matter which results from the negligence or wilful misconduct of Landlord, its property manager or their respective agents and employees.

C. Landlord's Waiver. Landlord waives all claims and rights of recovery against Tenant and its agents and employees for any loss or damage to any property of Landlord, which loss or damage is insured against by Landlord, whether or not such loss or damage is due to the fault or negligence of Tenant or its agents or employees, and regardless of the amount of insurance proceeds collected or collectible under any insurance policies in effect. The foregoing waiver does not apply to a claim caused by Tenant's wilful misconduct.

D. Landlord's Indemnity. Landlord agrees to indemnify, defend and hold harmless Tenant and its agents and employees, from and against any and all claims, demands, actions, liabilities, damages, costs and expenses (including reasonable attorneys' fees), for injuries to any third parties and damage to or theft or misappropriation or loss of property of third parties occurring in or about the Building and arising from any breach or default on the part of Landlord in the performance of any covenant or agreement on the part of Landlord to be performed under this Lease or due to any other negligent act or omission or wilful misconduct of Landlord or its employees, contractors and agents. Without limiting the foregoing, Landlord shall indemnify, defend and hold Tenant harmless from any claims, liabilities, damages, costs and expenses arising out of the use or storage of hazardous or toxic materials in the Building by Landlord. If any such proceeding is filed against Tenant or any such indemnified party, Landlord agrees to defend Tenant or such party in such proceeding at Landlord's sole cost by legal counsel reasonably satisfactory to Tenant, if

requested by Tenant. Notwithstanding anything contained in this Section 11D to the contrary, Landlord shall not be required to indemnify Tenant or its agents and employees from or in respect of any claim or matter which results from the negligence or wilful misconduct of Tenant or its agents and employees.

12. FIRE AND CASUALTY. Upon a fire or other casualty affecting the Building, Landlord, with reasonable diligence, shall restore the Building. Notwithstanding the foregoing, if all or a substantial part of the Premises or the Building is rendered untenantable by reason of fire or other casualty, Landlord may, at its option, either restore the Premises and the Building, or terminate this Lease effective as of the date of such fire or other casualty. Landlord agrees to give Tenant written notice within 60 days after the occurrence of any such fire or other casualty designating whether Landlord elects to so restore or terminate this Lease. If Landlord elects to terminate this Lease, Rent shall be paid through and apportioned as of the date of such fire or other casualty. If Landlord elects to restore, Landlord's obligation to restore the Premises shall be limited to restoring those improvements in the Premises existing as of the date of such fire or other casualty which were made at Landlord's expense and shall exclude any furniture, equipment, fixtures, additions, alterations or improvements in or to the Premises which were made at Tenant's expense. If Landlord elects to restore, Rent shall abate for that part of the Premises which is untenantable on a per diem basis from the date of such fire or other casualty until Landlord has substantially completed its repair and restoration work, provided that Tenant does not occupy such part of the Premises during said period.

Notwithstanding anything contained in this Section 12 to the contrary, within 60 days after the date of any fire or other casualty which renders all or a substantial part of the Premises or the Building untenantable, Landlord shall provide to Tenant in writing Landlord's good faith estimate of the time required by Landlord to restore the Premises ("Landlord's Restoration Estimate"). If Landlord's Restoration Estimate exceeds 270 days from the date of such fire or casualty, then Tenant shall have the right, exercisable by written notice to Landlord within 15 days after delivery of Landlord's Restoration Estimate, to terminate this Lease as of the date of such fire or other casualty. Furthermore, if neither party elects to terminate this Lease as provided above and Landlord fails to substantially complete the restoration of the Premises within 60 days after the time period set forth

in Landlord's Restoration Estimate (subject to delays caused by or attributable to Tenant or its agents, employees or contractors or to events of the type described in Section 25J), as Tenant's sole and exclusive remedy for such delay in substantial completion of the restoration, Tenant shall have the right, exercisable by written notice to Landlord within 15 days after the expiration of such 60-day period, to terminate this Lease as of the date of such fire or other casualty. Notwithstanding the foregoing, Tenant shall have no right to terminate this Lease if the fire or other casualty was caused, in whole or in part, by the negligence or intentional misconduct of Tenant or Tenant's agents, employees, contractors, invitees, subtenants or assigns.

13. CONDEMNATION.

A. Notice of Taking. The party receiving any notice of a kind specified below shall promptly give the other party notice of the receipt, contents and date of the notice received:

(i) Notice of intended Taking;

(ii) Service of any legal process relating to a Taking;

(iii) Notice in connection with any proceedings or negotiations with respect to a Taking; or

(iv) Notice of intent or willingness to make or negotiate a private purchase, sale, or transfer in lieu of a Taking.

"Taking" or "Taken" shall mean the taking or damaging of all or a portion of the Premises, including the tenant improvements thereon, by any public authority under the power of eminent domain, including a voluntary transfer to the condemning authority under threat of and in lieu of judicial condemnation.

B. Total Taking. If the whole of the Premises shall be Taken, the Term shall cease the day possession shall be Taken by such public authority, and Tenant shall pay Rent up to that date with an appropriate refund by Landlord of such Rent as may have been paid in advance for any period subsequent to the date possession is Taken.

C. Partial Taking. If less than all of the Premises shall be so Taken and if the untaken portion thereof is not reasonably tenantable, usable or adequate for the proper conduct of Tenant's business, this Lease may be terminated by Landlord or Tenant as of the day possession is so Taken by such public authority. If less than all of the Premises shall be so Taken and neither Landlord nor Tenant does so terminate, the Term shall cease only as to that portion of the Premises so Taken as of the day possession shall be Taken by such public authority, and Tenant shall pay Rent up to that day with appropriate refund by Landlord of such Rent as may have been paid for such Taken space in advance and thereafter the Rent shall be equitably adjusted. If neither Landlord nor Tenant elects

to terminate this Lease, Landlord shall, at its expense, promptly make all necessary repairs or alterations to the Premises so as to constitute the remaining premises a complete functional unit.

D. Temporary Taking. If a temporary Taking occurs during the Term (i.e., a non-permanent Taking of all or a portion of the Premises, for a specified period of time), this Lease shall continue in full force and effect without reduction of Rent. Tenant shall be entitled to make claim for, recover and retain any award recoverable in respect of such Taking, except that if such temporary Taking shall be for a period extending beyond the expiration of termination of the Term, Landlord shall be entitled to receive such portion of the award as shall be attributable to the portion of such period occurring after such expiration or termination.

E. Distribution of the Award. All compensation awarded for any Taking (other than a temporary Taking), whether for the whole or a part of the Premises, shall be the property of Landlord; provided, however, that Landlord shall not be entitled to any award specifically made with respect to, or to Tenant, for the value of its leasehold improvements installed by Tenant at Tenant's sole cost (not including improvements paid for through Landlord's Contribution [as defined in the Work Letter Agreement]), and for damages to, or condemnation of, personal property, trade fixtures, equipment and such other installations as Tenant shall be entitled to remove from the Premises as well as any reimbursement of Tenant's cost in moving and relocating such furniture, trade fixtures, equipment and other installation. As used in this Section, the term award or condemnation award shall include the compensation paid in connection with a deed in lieu of condemnation. If permitted to do so under applicable law, Tenant may apply to the condemnor for a separate award.

14. ASSIGNMENT AND SUBLETTING.

A. Landlord's Consent. Tenant shall not, without the prior written consent of Landlord (which consent shall not be unreasonably withheld or

conditioned with respect to a proposed assignment or sublease as provided in Section 14B): (i) assign, convey, mortgage or otherwise transfer this Lease or any interest hereunder, or sublease the Premises, or any part thereof, whether voluntarily or by operation of law; or (ii) permit the use of the Premises by any person other than Tenant and its employees. Any such transfer, sublease or use described in the preceding sentence (a "Transfer") occurring without the prior written consent of Landlord shall be void and of no effect. Landlord's consent to any Transfer shall not constitute a waiver of Landlord's right to withhold its consent to any future Transfer. Landlord's consent to any Transfer or acceptance of rent from any party other than Tenant shall not release Tenant from any covenant or obligation under this Lease. Landlord may require as a condition to its consent to any assignment of this Lease that the assignee execute an instrument in which such assignee assumes the obligations of Tenant hereunder. For the purposes of this paragraph, the transfer (whether direct or indirect) of all or a majority of the capital stock in a corporate Tenant (other than the shares of the capital stock of a corporate Tenant whose stock is publicly traded) or the merger, consolidation or reorganization of such Tenant and the transfer of all or any general partnership interest in any partnership Tenant shall be considered a Transfer. If Tenant is a general or limited partnership (or is comprised of two or more persons or entities), the change or conversion of Tenant to (i) a limited liability company, (ii) a limited liability

partnership or (iii) any other entity which possesses the characteristics of limited liability shall be prohibited unless the prior written consent of Landlord is obtained, which consent may be withheld in Landlord's sole discretion. Any such change or conversion without Landlord's consent shall not release the individuals or entities comprising Tenant from personal liability hereunder. Notwithstanding anything contained in this Section 14A to the contrary, provided Tenant is not then in Default under this Lease, Tenant shall have the right to assign this Lease or sublease the Premises, or any part thereof, to an "Affiliate" (as defined below) without the prior written consent of Landlord (and without Landlord having the right to receive any excess consideration or to recapture the Premises as otherwise provided below in this Section 14), but only upon at least 10 days prior written notice to Landlord and subject to all of the other provisions of this Lease, specifically including, without limitation, the continuation of liability of Tenant under this Lease. Upon an assignment of this Lease to an Affiliate, the Affiliate shall assume the obligations of the "Tenant" under this Lease from and after the effective date of such assignment pursuant to a written assumption agreement executed and delivered to Landlord prior to the effective date of such assignment. "Affiliate" shall mean any corporation or other entity controlling, controlled by or under the common control with Tenant or the surviving entity formed as a result of a merger or consolidation with Tenant. The word "control", as used herein, shall mean the power to direct or cause the direction of the management and policies of the controlled entity through ownership of more than 50% of the voting securities in such controlled entity. For the purposes of this Lease, an entity shall not be an "Affiliate" of Tenant unless it can deliver evidence reasonably satisfactory to Landlord that at the time of the proposed transfer it has a net worth (determined in accordance with generally accepted accounting principles) of at least $500 million dollars and during each of the two calendar years immediately prior to the proposed transfer it had a cash flow, after depreciation but before taxes, of at least $50 million dollars. Nothing contained in this Section 14A shall permit an assignment of this Lease or the subleasing of the Premises to any Affiliate that is disreputable or otherwise not in keeping with the nature or class of tenants in the Building.

B. Standards for Consent. If Tenant desires the consent of Landlord to a
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Transfer, Tenant shall submit to Landlord, at least 30 days prior to the proposed effective date of the Transfer, a written notice which includes such information as Landlord may require about the proposed Transfer and the transferee. If Landlord does not terminate this Lease, in whole or in part, pursuant to Section 14C, Landlord shall not unreasonably withhold its consent to

any assignment or sublease. Landlord shall not be deemed to have unreasonably withheld its consent if, in the judgment of Landlord: (i) the transferee is of a character or engaged in a business which is not in keeping with the standards or criteria used by Landlord in leasing the Building; (ii) the financial condition of the transferee is such that it may not be able to perform its obligations in connection with this Lease; (iii) the purpose for which the transferee intends to use the Premises or portion thereof is in violation of the terms of this Lease or the lease of any other tenant in the Building; (iv) the transferee is a tenant of the Building (unless otherwise approved in writing by Landlord or less than 5% of the rentable area of the Building is then available for leasing by Landlord to third parties); or (v) any other reasonable bases. If Landlord consents to any sublease, Tenant shall pay to Landlord 50% of all rent and other consideration received by Tenant in excess of the Rent paid by Tenant hereunder for the

portion of the Premises so sublet (after deducting therefrom the amount of all reasonable brokerage commissions, cash allowances and tenant improvement costs actually paid by Tenant in connection with such sublease, which amount shall be amortized on a straight-line basis over the lease term of the applicable sublease). Such rent shall be paid as and when received by Tenant. In addition, Tenant shall pay to Landlord any reasonable attorneys' fees and expenses incurred by Landlord in connection with any proposed Transfer, whether or not Landlord consents to such Transfer.

C. Recapture. If Tenant desires to assign this Lease (other than to an Affiliate), Landlord shall have the right to terminate this Lease. Landlord may exercise such right to terminate by giving notice to Tenant at any time within 15 days after the date on which Tenant has furnished to Landlord all of the items required under Section 14B above. Notwithstanding the foregoing, prior to marketing the Premises Tenant may notify Landlord that Tenant intends to commence such marketing (a "Marketing Notice"), in which case Landlord may exercise the right to terminate by giving notice to Tenant within 30 days after Tenant has delivered such Marketing Notice. If Landlord fails to exercise such right to terminate following delivery of a Marketing Notice, Landlord may not thereafter elect to terminate this Lease in connection with any proposed assignment submitted by Tenant during the six-month period commencing on the date of delivery of the Marketing Notice. Landlord's decision not to terminate this Lease as provided in this Section 14C shall not limit Landlord's right to reasonably decline to consent to a proposed assignment as provided herein. If Landlord exercises the right to terminate, Landlord shall be entitled to recover possession of, and Tenant shall surrender, the Premises on the effective date of the proposed assignment. If Landlord exercises such right to terminate, Landlord shall have the right to enter into a lease with the proposed transferee without incurring any liability to Tenant on account thereof.

D. Permitted Occupancies. In connection with providing or receiving services, including, but not limited to, telecommunications services, Tenant may locate or permit others to locate within the Premises equipment which is not owned by Tenant. Such an arrangement (an "Equipment Collocation") shall not be deemed an assignment or sublease and may be accomplished without notice to or consent from Landlord. Any such equipment shall, for all other purposes under this Lease, be deemed to be Tenant's personal property and Tenant shall be fully and primarily liable for any and all obligations pertaining to or arising out of such Equipment Collocation. Tenant shall indemnify, defend and hold harmless Landlord from and against any claims of any nature asserted by the owners of such equipment against Landlord.

15. SURRENDER. Upon termination of the Term or Tenant's right to possession of the Premises, Tenant shall return the Premises to Landlord in good order and condition, ordinary wear and damage by fire or other casualty excepted. If Landlord requires Tenant to remove any alterations pursuant to Section 9, then such removal shall be done in a good and workmanlike manner; and

upon such removal Tenant shall restore the Premises to its condition prior to the installation of such alterations. Without limiting the generality of the foregoing, Tenant, at its expense, shall remove its signage, data cabling and other items within Conduits, Connecting Equipment, communications equipment (such as the antennas and satellite dishes) and independent power systems. Tenant shall further restore all floor openings created for Tenant. If Tenant does not remove such alterations and

items which Tenant is required to remove after being requested to do so by Landlord, Landlord may remove the same and restore the Premises and the Building; and Tenant shall pay the cost of such removal and restoration to Landlord upon demand. Notwithstanding any provision contained in this Lease to the contrary, any and all machinery, equipment and trade fixtures (including, but not limited to, back-up generators, UPS, antennas and satellite dishes) or other personal property placed in or installed on the Premises or the roof by Tenant (or by Landlord at Tenant's expense) ("Tenant's Personalty") shall, at Tenant's option, remain personalty notwithstanding the fact that it may be affixed or attached to the realty, and shall during the Term belong to and at Tenant's option, be removable by Tenant from time to time. Landlord hereby waives any right of distraint against Tenant's Personalty for so long as it remains Tenant's property. Tenant shall also remove its furniture, equipment, trade fixtures and all other items of Tenant's Personalty from the Premises prior to the termination of the Term or Tenant's right to possession of the Premises. If Tenant does not remove such items, Tenant shall be conclusively presumed to have conveyed the same to Landlord without further payment or credit by Landlord to Tenant; or at Landlord's sole option such items shall be deemed abandoned, in which event Landlord may cause such items to be removed and disposed of at Tenant's expense, without notice to Tenant and without obligation to compensate Tenant. Without limiting Tenant's obligation to restore the Building after removal of its equipment, Tenant shall patch all holes in the roof remaining after the removal of Tenant's roof-top equipment in the manner suggested by the manufacture of the roof.

16. DEFAULTS AND REMEDIES.

A. Default. The occurrence of any of the following shall constitute a
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default (a "Default") by Tenant under this Lease: (i) Tenant fails to pay any Rent when due (and such default shall continue for five business days after written notice to Tenant); (ii) Tenant fails to perform any other provision of this Lease and such failure is not cured within 30 days (or immediately if the failure involves a hazardous condition) after written notice from Landlord (or if such failure not involving a hazardous condition will take longer than 30 days to cure, if Tenant fails to immediately commence curing such failure or thereafter fails to diligently pursue such cure to completion or in any event fails to complete such cure within 120 days after the written notice from Landlord); (iii) the leasehold interest of Tenant is levied upon or attached under process of law; (iv) Tenant dissolves; (v) Tenant abandons or vacates the Premises and ceases paying Rent when due; or (vi) any voluntary or involuntary proceedings are filed by or against Tenant or any guarantor of this Lease under any bankruptcy, insolvency or similar laws and, in the case of any involuntary proceedings, are not dismissed within 90 days after filing.

B. Right of Re-Entry. Upon the occurrence of a Default by Tenant,
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Landlord may elect to terminate this Lease, or, without terminating this Lease, terminate Tenant's right to possession of the Premises. Upon any such termination, Tenant shall immediately surrender and vacate the Premises and deliver possession thereof to Landlord. Tenant grants to Landlord the right to enter and repossess the Premises and to expel Tenant and any others who may be occupying the Premises and to remove any and all property therefrom, without being deemed in any manner guilty of trespass

and without relinquishing Landlord's rights to Rent or any other right given to Landlord hereunder or by operation of law.

C. Reletting. If Landlord terminates Tenant's right to possession of the Premises without terminating this Lease, Landlord shall use commercially reasonable efforts to relet the Premises on commercially reasonable terms; provided, however, Landlord may first lease Landlord's other available space and shall not be required to accept any tenant offered by Tenant or to observe any instructions given by Tenant about such reletting (but Landlord shall not be prejudiced against reletting the Premises). Tenant shall reimburse Landlord for the costs and expenses of reletting the Premises including, but not limited to, all brokerage, advertising, legal, alteration and other expenses incurred to secure a new tenant for the Premises. In addition, if the consideration collected by Landlord upon any such reletting, after payment of the expenses of reletting the Premises which have not been reimbursed by Tenant, is insufficient to pay monthly the full amount of the Rent, Tenant shall pay to Landlord the amount of each monthly deficiency as it becomes due. If such consideration is greater than the amount necessary to pay the full amount of the Rent, the full amount of such excess shall be retained by Landlord and shall in no event be payable to Tenant.

D. Termination of Lease. If Landlord terminates this Lease, Landlord may recover from Tenant and Tenant shall pay to Landlord, on demand, as and for liquidated and final damages, an accelerated lump sum amount equal to the amount by which the aggregate amount of Rent owing from the date of such termination through the Expiration Date plus Landlord's reasonable estimate of the aggregate expenses of reletting the Premises, exceeds the fair rental value of the Premises for the same period (after deducting from such fair rental value Landlord's reasonable estimate of the time needed to relet the Premises and the amount of concessions which would normally be given to a new tenant), both discounted to present value at the rate of 5% per annum.

E. Other Remedies. Landlord may but shall not be obligated to cure any Default of Tenant under this Lease; and, if Landlord so elects, all costs and expenses paid by Landlord in performing such obligation, together with interest at the Default Rate, shall be reimbursed by Tenant to Landlord on demand. Any and all remedies set forth in this Lease: (i) shall be in addition to any and all other remedies Landlord may have at law or in equity, (ii) shall be cumulative, and (iii) may be pursued successively or concurrently as Landlord may elect. The exercise of any remedy by Landlord shall not be deemed an election of remedies or preclude Landlord from exercising any other remedies in the future. Notwithstanding anything in this Lease to the contrary, Landlord shall not avail itself of, and hereby waives (i) any right to receive punitive damages and (ii) any statutory or contractual landlord's lien and any right or remedy of distress or distraint.

F. Bankruptcy. If Tenant becomes bankrupt, the bankruptcy trustee shall not have the right to assume or assign this Lease unless the trustee complies with all requirements of the United States Bankruptcy Code; and Landlord expressly reserves all of its rights, claims, and remedies thereunder.

G. Waiver of Trial by Jury. Landlord and Tenant waive trial by jury in the event of any action, proceeding or counterclaim brought by either Landlord or Tenant against the other in connection with this Lease.

H. Venue. If either Landlord or Tenant desires to bring an action against

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the other in connection with this Lease, such action shall be brought in the federal or state courts located in Chicago, Illinois. Landlord and Tenant consent to the jurisdiction of such courts and waive any right to have such action transferred from such courts on the grounds of improper venue or inconvenient forum.

I. Landlord's Default. The following shall constitute an "event of default" by Landlord under this Lease:

(i) Landlord's failure to make any payment that this Lease obligates Landlord to pay, provided such failure continues for ten days after Tenant's written notice thereof to Landlord; and

(ii) Landlord's failure to observe and perform any material, non-monetary obligations that this Lease requires Landlord to observe and perform, provided such failure continues for 30 days after Tenant's notice thereof to Landlord; provided further, however, that if the default cannot reasonably be cured within such 30-day period, Landlord shall not be in default if within such 30-day period Landlord shall commence such remedy and thereafter diligently prosecute the same to completion.

Upon the occurrence of any event of default by Landlord specified above, Tenant shall have all remedies available to it in equity or at law, including the right to seek an order for specific performance. Tenant shall not avail itself of, and hereby waives all rights to, any remedy of punitive damages. Except as stated in this Lease, no remedy conferred upon Tenant shall be deemed exclusive, but shall be cumulative, and every power and remedy given by this Lease to Tenant may be exercised from time to time and as often as occasion may arise or as may be deemed expedient.

J. Tenant's Special Remedy. If Landlord fails to make available Landlord's Contribution (as defined in Paragraph 9(a) of the Work Letter Agreement) for application to the cost of the Tenant Work in accordance with the requirements of the Work Letter Agreement, and such failure continues for a period of 30 days after Landlord receives written notice thereof from Tenant and if, as a result of such failure, Tenant itself actually pays any costs of the Tenant Work that should have been covered by Landlord's Contribution, then Landlord shall reimburse Tenant for such amounts actually paid by Tenant within ten days after Landlord receives from Tenant a written request for such reimbursement accompanied by invoices, paid receipts and lien waivers evidencing the lien-free performance of the work at the cost specified in the invoices. If Landlord fails to reimburse Tenant for amounts paid by Tenant in accordance with this Section 16J, and Tenant is not in Default under this Lease, Tenant may provide Landlord with a written notice of default and, if Landlord fails to make such reimbursement within ten days after Landlord's receipt of such notice

of default, Tenant shall have the right to deduct from installments of Base Rent thereafter next coming due under this Lease the amount that Tenant is otherwise entitled to receive as reimbursement. The exercise of such right of set-off by Tenant shall be communicated in writing to Landlord not later than five days after the exercise of such right. Tenant's improper set-off of Rent shall constitute a Default entitling Landlord to all available remedies.

17. HOLDING OVER. If Tenant retains possession of the Premises after the expiration or termination of the Term or Tenant's right to possession of the Premises and without the written permission of Landlord, Tenant shall pay Rent during such holding over at 150% of the rate in effect immediately preceding such holding over computed on a daily basis for each day that Tenant remains in possession. Tenant shall also pay, indemnify and defend Landlord from and against all claims and damages, consequential as well as direct, sustained by reason of Tenant's holding over. The provisions of this Section do not waive

Landlord's right of re-entry or right to regain possession by actions at law or in equity or any other rights hereunder, and any receipt of payment by Landlord shall not be deemed a consent by Landlord to Tenant's remaining in possession or be construed as creating or renewing any lease or right of tenancy between Landlord and Tenant.

18. [INTENTIONALLY DELETED].

19. [INTENTIONALLY DELETED]

20. ESTOPPEL CERTIFICATES. Tenant agrees that, from time to time upon not less than 20 days' prior request by Landlord, Tenant shall execute and deliver to Landlord a written certificate certifying: (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, a description of such modifications and that this Lease as modified is in full force and effect); (ii) the dates to which Rent has been paid; (iii) that Tenant is in possession of the Premises, if that is the case; (iv) that Landlord is not in default under this Lease, or, if Tenant believes Landlord is in default, the nature thereof in detail; (v) that Tenant has no off-sets or defenses to the performance of its obligations under this Lease (or if Tenant believes there are any off-sets or defenses, a full and complete explanation thereof); and (vi) such additional matters as may be requested by Landlord, it being agreed that such certificate may be relied upon by any prospective purchaser, mortgagee or other person having or acquiring an interest in the Building. If Tenant fails to execute and deliver any such certificate within 20 days after request, and such failure continues for five days after an additional notice from Landlord, then Tenant shall be deemed to have irrevocably appointed Landlord as Tenant's attorney-in-fact to execute and deliver such certificate in Tenant's name. Landlord agrees that, from time to time upon not less than 20 days' prior request by Tenant, Landlord shall execute and deliver to Tenant a written certificate certifying: (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, a description of such modifications and that this Lease as modified is in full force and effect); (ii) the dates to which Rent has been paid; (iii) that Tenant is not in default under this Lease, or, if Landlord believes Tenant is in default, the nature thereof in detail; and (iv) such additional factual matters as may be requested by Tenant, it being agreed that such certificate may be relied upon by any prospective subtenant or assignee of Tenant.

21. SUBORDINATION. This Lease is and shall be expressly subject and subordinate at all times to (a) any present or future ground, underlying or operating lease of the Building, and all amendments, renewals and modifications to any such lease, and (b) the lien of any present or future mortgage or deed of trust encumbering fee title to the Building and/or the leasehold estate under any such lease. If any such mortgage or deed of trust be foreclosed, or if any such lease be terminated, upon request of the mortgagee, beneficiary or lessor, as the case may be, Tenant will attorn to the purchaser at the foreclosure sale or to the lessor under such lease, as the case may be. The foregoing provisions are declared to be self-operative. Notwithstanding the foregoing to the contrary, any such mortgagee, beneficiary or lessor may elect to give the rights and interests of Tenant under this Lease (excluding rights in and to insurance proceeds and condemnation awards) priority over the lien of its mortgage or deed of trust or the estate of its lease, as the case may be. In the event of such election and upon the mortgagee, beneficiary or lessor notifying Tenant of such election, the rights and interests of Tenant shall be deemed superior to and to have priority over the lien of said mortgage or deed of trust or the estate of such lease, as the case may be, whether this Lease is dated prior to or subsequent to the date of such mortgage, deed of trust or lease. In such event, Tenant shall execute and deliver whatever instruments may be required by such mortgagee, beneficiary or lessor to confirm such superiority. Not later than the Commencement Date, Landlord, Tenant and Landlord's current first mortgagee shall execute and deliver a Subordination, Attornment and Non-Disturbance Agreement in the form attached hereto as Exhibit E. Furthermore, Tenant's agreement under this Section to subordinate this Lease to the interest of any holder of a

ground, underlying or operating lease or mortgage or deed of trust executed or delivered after the execution and delivery of this Lease is subject to and conditioned on Landlord causing such party to deliver to Tenant a subordination, non-disturbance and attornment agreement on such party's customary form or, at such party's election, on a form substantially similar to the form attached hereto as Exhibit E. If Tenant fails to execute any instrument required to be executed by Tenant under this Section 21 within 20 days after request, and such failure continues for five days after an additional notice from Landlord, Tenant irrevocably appoints Landlord as its attorney-in-fact, in Tenant's name, to execute such instrument. Landlord and Tenant agree that the subordinations by Tenant provided for in this Section 21 shall be effective only on the condition that the foreclosure of any current or future mortgage(s), or the termination of any current or future ground leases, shall not disturb Tenant's possession under this Lease or any of its rights under this Lease so long as Tenant is not in Default under this Lease.

22. QUIET ENJOYMENT. As long as no Default exists, Tenant shall peacefully and quietly have and enjoy the Premises for the Term, free from interference by Landlord, subject, however, to the provisions of this Lease. The loss or reduction of Tenant's light, air or view due to improvements on adjacent properties (including properties within the Complex) will not be deemed a disturbance of Tenant's occupancy of the Premises nor will it affect Tenant's obligations under this Lease or create any liability of Landlord to Tenant.

23. BROKER. Tenant represents to Landlord that Tenant has dealt only with the broker(s) set forth in Item 9 of the Schedule (the "Broker") in connection with this Lease and that, insofar as Tenant knows, no other broker negotiated this Lease or is entitled to any commission in

connection herewith. Tenant agrees to indemnify, defend and hold Landlord, its property manager and their respective employees harmless from and against all claims, demands, actions, liabilities, damages, costs and expenses (including, attorneys' fees) arising from either (i) a claim for a fee or commission made by any broker, other than the Broker, claiming to have acted by or on behalf of Tenant in connection with this Lease, or (ii) a claim of, or right to, lien under the statutes of Illinois relating to real estate broker liens with respect to any such broker retained by Tenant. Landlord agrees to pay the Broker a commission in accordance with the separate agreement between Landlord and the Brokers described in Item 10 of the Schedule.

24. NOTICES. Except as otherwise expressly provided herein, all notices and demands to be given by one party to the other party under this Lease shall be given in writing, mailed or delivered to Landlord or Tenant, as the case may be, at the address set forth above or at such other address as either party may hereafter designate. Notices shall be delivered by hand or by United States certified or registered mail, postage prepaid, return receipt requested, or by a nationally recognized overnight air courier service. Notices shall be considered to have been given upon the earlier to occur of actual receipt, two business days after posting in the United States mail or the first business day after delivery to the courier service.

25. MISCELLANEOUS.

A. Successors and Assigns. Subject to Section 14 of this Lease, each provision of this Lease shall extend to, bind and inure to the benefit of Landlord and Tenant and their respective legal representatives, successors and assigns; and all references herein to Landlord and Tenant shall be deemed to include all such parties.

B. Entire Agreement. This Lease, and the riders and exhibits, if any, attached hereto which are hereby made a part of this Lease, represent the complete agreement between Landlord and Tenant; and Landlord has made no

representations or warranties except as expressly set forth in this Lease. No modification or amendment of or waiver under this Lease shall be binding upon Landlord or Tenant unless in writing signed by Landlord and Tenant.

C. Time of Essence. Time is of the essence of this Lease and each and all of its provisions.

D. Execution and Delivery. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of space or an option for lease, and it is not effective until execution and delivery by both Landlord and Tenant. Execution and delivery of this Lease by Tenant to Landlord shall constitute an irrevocable offer by Tenant to lease the Premises on the terms and conditions set forth herein, which offer shall be deemed to be automatically revoked 15 days after such delivery unless executed by Landlord during such 15-day period.

E. Severability. The invalidity or unenforceability of any provision of this Lease shall not affect or impair any other provisions.

F. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State in which the Premises are located.

G. Attorneys' Fees. The nonprevailing party shall pay the prevailing party all costs and expenses, including reasonable attorneys' fees, incurred by such prevailing party in successfully enforcing the nonprevailing party's obligations or successfully defending the prevailing party's rights under this Lease against the nonprevailing party. Each party hereto shall pay the costs and expenses, including reasonable attorneys' fees, incurred by the other party as a result of any litigation in which such first party causes such second party, without such second party's fault to become involved as a result of this Lease.

H. [Intentionally Deleted].

I. Joint and Several Liability. If Tenant is comprised of more than one party, each such party shall be jointly and severally liable for Tenant's obligations under this Lease.

J. Force Majeure. Landlord shall not be in default hereunder and Tenant shall not be excused from performing any of its obligations hereunder if Landlord is prevented from performing any of its obligations hereunder due to any accident, breakage, strike, shortage of materials, acts of God or other causes beyond Landlord's reasonable control.

K. Captions. The headings and titles in this Lease are for convenience only and shall have no effect upon the construction or interpretation of this Lease.

L. No Waiver. No receipt of money by Landlord from Tenant after termination of this Lease or after the service of any notice or after the commencing of any suit or after final judgment for possession of the Premises shall renew, reinstate, continue or extend the Term or affect any such notice or suit. No waiver of any default of Tenant shall be implied from any omission by Landlord to take any action on account of such default if such default persists or be repeated, and no express waiver shall affect any default other than the default specified in the express waiver and then only for the time and to the

extent therein stated.

M. No Recording. Tenant shall not record this Lease or a memorandum of this Lease in any official records.

N. Limitation of Liability. Any liability of Landlord under this Lease shall be limited solely to its equity interest in the Building, and in no event shall any personal liability be asserted against Landlord in connection with this Lease nor shall any recourse be had to any other property or assets of Landlord.

26. EXPANSION OPTIONS.

A. Option Spaces. For purposes of this Lease, the "Second Floor Option Space" shall mean all rentable space on the second floor of the Building that is not then leased by Tenant and the "Fifth Floor Option Space" shall mean the entire fifth floor of the Building.

B. Pre-Commencement Second Floor Expansion Option. Tenant shall have an option to lease the Second Floor Option Space effective as of the Commencement Date by delivering written notice to Landlord at any time prior to the Commencement Date (the "Pre-Commencement Second Floor Expansion Option"). If Tenant exercises the Pre-Commencement Second Floor Expansion Option, then:

(i) the rate of Base Rent per rentable square foot of the Second Floor Option Space shall equal at all times during the Term the rate of Base Rent per rentable square foot of the Initial Premises;

(ii) no Monthly Base Rent or Adjustment Rent shall be due for the Second Floor Option Space for the first nine months of the Initial Term; provided, however, that the entire amount of rent so abated shall be reinstated and shall become immediately due and payable upon the occurrence of a Default by Tenant under this Lease, which reinstatement shall be as a result of the failure to satisfy a condition subsequent and shall not be deemed liquidated damages or a penalty; and

(iii) Landlord's Contribution (as defined in the Work Letter Agreement) shall be increased by an amount equal to the product of (x) $35.00 multiplied by (y) the number of rentable square feet in the Second Floor Option Space.

C. Post-Commencement Second Floor Expansion Option. Tenant shall have an option to lease the Second Floor Option Space at any time during the first nine months of the Initial Term by delivering written notice to Landlord at least three months prior to the commencement date of the lease term for the Second Floor Option Space (thus, such notice must be delivered no later than the last day of the sixth month of the Initial Term) (the "Post-Commencement Second Floor Expansion Option"). If Tenant exercises the Post-Commencement Second Floor Expansion Option:

(i) the Base Rent for the Second Floor Option Space shall be as follows:

Year of Term	Rate of Annual Base Rent per Rentable Square Foot of the Second Floor Option Space

1 (partial year)	$15.50

Year of Term	Rate of Annual Base Rent per Rentable Square Foot of the Second Floor Option Space
2	15.97
3	16.44
4	16.94
5	17.45
6	17.97
7	18.51
8	19.06
9	19.63
10	20.22

(ii) there shall be no abatement of Rent for the Second Floor Option Space; and

(iii) Landlord's Contribution (as defined in the Work Letter Agreement) shall be increased by an amount equal to the product of (x) $35.00 multiplied by (y) the number of rentable square feet in the Second Floor Option Space.

D. Second Floor Expansion Option Terms. Tenant's lease of the Second Floor Option Space pursuant to the Pre-Commencement Second Floor Expansion Option or the Post-Commencement Second Floor Expansion Option (each, a "Second Floor Expansion Option") shall be further subject to the conditions that Tenant is not in Default under this Lease, either on the date Tenant exercises the Second Floor Expansion Option or on the proposed commencement date of the lease term for the Second Floor Option Space, and this Lease is in full force and effect both on the date Tenant exercises the Second Floor Expansion Option and on the proposed commencement date of the lease term for the Second Floor Option Space. If Tenant does not timely or properly exercise the Post-Commencement Second Floor Expansion Option, Landlord may at any time thereafter lease the Second Floor Option Space to any third-party tenant on such terms and provisions as Landlord may elect, without any further rights of Tenant to lease such space (except as provided in Section 27).

E. Fifth Floor Expansion Option. Tenant shall have an option (the "Fifth Floor Expansion Option") to lease all of the Fifth Floor Option Space on a date selected by Landlord (the "Fifth Floor Expansion Date") within the 15 month period following the end of the fifth year of the

Term. Landlord shall provide Tenant with at least 14 months advance notice of the Fifth Floor Expansion Date. If Tenant exercises the Fifth Floor Expansion Option:

(i) the rate of Base Rent per rentable square foot of the Fifth Floor Option Space shall at all times during the lease term of the Fifth Floor Option Space equal the rate of Base Rent per rentable square foot of the Initial Premises;

(ii) there shall be no abatement of Rent for the Fifth Floor Option Space; and

(iii) Landlord shall provide Tenant with an allowance for tenant improvements to prepare the Fifth Floor Option Space for Tenant's occupancy equal to (x) $10.00 per rentable square foot of the Fifth Floor Option Space, if the Fifth Floor Option Space has previously been improved for the benefit of Landlord or another tenant, or (y) the product of (I) $30.00 per rentable square foot of the Fifth Floor Option Space multiplied by (II) the quotient of (A) the number of full calender months remaining in the Term as of the Fifth Floor Expansion Date divided by (B) 120, if the Fifth Floor Option Space has not previously been improved. Landlord and Tenant shall execute a work letter agreement for the work to be performed by Tenant to prepare the Fifth Floor Option Space for Tenant's occupancy (which work letter agreement shall be substantially similar to the Work Letter Agreement) and the foregoing allowance shall be disbursed to tenant in the same manner (and subject to the same conditions) as Landlord's Contribution under the Work Letter Agreement.

Tenant's lease of the Fifth Floor Option Space pursuant to the Fifth Floor Expansion Option shall be further subject to the following terms and conditions:

(i) Tenant gives Landlord a written notice of its election to exercise the Fifth Floor Expansion Option not later than 11 months prior to the Fifth Floor Expansion Date;

(ii) Tenant is not in Default under this Lease, either on the date Tenant exercises the Fifth Floor Expansion Option or on the proposed commencement date of the lease term for the Fifth Floor Option Space, and this Lease is in full force and effect both on the date Tenant exercises the Fifth Floor Expansion Option and on the proposed commencement date of the lease term for the Fifth Floor Option Space; and

(iii) If the Second Floor Expansion Space is available for leasing on the Fifth Floor Expansion Date and is an acceptable size to Tenant (which determination is solely the responsibility and right of Tenant), Landlord may instead substitute the Second Floor Expansion Space for the Fifth Floor Expansion Space.

If Tenant does not timely or properly exercise the Fifth Floor Expansion Option, Landlord may at any time thereafter lease the Fifth Floor Option Space to any third-party tenant on such terms and

provisions as Landlord may elect, without any further rights of Tenant to lease such space (except as provided in Section 27).

F. Terms. If Tenant exercises a Second Floor Expansion Option or the Fifth Floor Expansion Option (each, an "Expansion Option"), the following terms and provisions shall apply:

(i) Landlord shall lease the Second Floor Option Space or the Fifth Floor Option Space, as applicable (each, an "Option Space"), to Tenant for a lease term commencing on the applicable commencement date and expiring on the Expiration Date of the Term. Landlord shall use

reasonable efforts to deliver possession of the Option Space to Tenant at least two months prior to the applicable commencement date to enable Tenant to prepare the Option Space for Tenant's occupancy (possession by Tenant prior to the commencement of the lease term for the Option Space shall be upon all of the terms and conditions of this Lease [including, without limitation, Sections 9 and 11B], excluding only Tenant's obligation to pay Base Rent and Adjustment Rent for the Option Space during such period). Notwithstanding the foregoing, if Tenant exercises the Pre-Commencement Expansion Option, Landlord shall use reasonable efforts to deliver possession of the Second Floor Option Space on the date that is the later to occur of (x) the date Tenant is entitled to possession of the Initial Premises pursuant to the Work Letter Agreement and (y) two business days after the day Tenant exercises the Option. In no event shall Landlord be liable to Tenant if Landlord is unable to deliver possession of the Option Space to Tenant at least two months prior to the applicable commencement date (or, with respect to the Second Floor Option Space, if Tenant exercises the Pre-Commencement Second Floor Expansion Option, the date described above) for causes outside Landlord's reasonable control (including, without limitation, the failure of any existing tenant in such space to timely vacate its premises). If Landlord is unable to deliver possession of an Option Space to Tenant at least two months prior to by the applicable commencement date (or, with respect to the Second Floor Option Space, if Tenant exercises the Pre-Commencement Second Floor Expansion Space, the date described above), then the commencement date of the lease term of the Option Space shall be deferred by a number of days equal to the number of days of delay of delivery of possession of the Option Space to Tenant (excluding delays caused by Tenant or its employees, agents or contractors). Furthermore, if such delay exceeds three months (excluding delays caused by Tenant or its employees, agents or contractors), by written notice to Landlord no later than 15 days after the expiration of such three-month period, Tenant may elect to rescind its exercise of Expansion Option, in which case this Lease shall continue in full force and effect as if Tenant had never exercised such option.

(ii) Landlord shall deliver the Option Space to Tenant with the same level of base building improvements as Landlord is required to deliver the Initial Premises (not including the first floor), except with respect to the Fifth Floor Option Space if it has previously been improved for the benefit of Landlord or another tenant. Tenant shall accept the Option Space in an "as-is" physical condition, without any agreement, representation, credit or allowance

from Landlord with respect to the improvement or condition thereof, except as otherwise set forth in this Section 26.

(iii) Effective as of the commencement date of the lease term of the Option Space, Tenant's Proportionate Share shall be increased by the percentage equivalent of the quotient of the rentable square feet in the Option Space divided by the rentable square feet in the Building.

(iv) All of the terms and provisions of this Lease shall apply with respect to the Option Space, except as the same may be inconsistent with the provisions of this Section 26.

G. Amendment. If Tenant exercises an Expansion Option, Landlord and Tenant shall promptly execute and deliver an amendment to this Lease reflecting the lease of the Option Space by Landlord to Tenant on the terms herein provided.

H. Termination. Each Expansion Option shall automatically terminate

and become null and void upon the earlier to occur of (1) the expiration or termination of this Lease, (2) the termination by Landlord of Tenant's right to possession of all or any part of the Premises, (3) the assignment of this Lease by Tenant, in whole or in part (other than to an Affiliate), (4) the sublease by Tenant of all or any part of the Premises (other than to an Affiliate), (5) the recapture by Landlord of the Premises pursuant to Section 14C, or (6) the failure of Tenant to timely or properly exercise the Expansion Option.

27. RIGHTS OF FIRST REFUSAL TO LEASE SPACE.

A. Right of First Refusal. If Landlord intends to offer to a third party or to accept an offer from a third party for a lease of (i) all or any part of the Second Floor Option Space or the Fifth Floor Option Space, or (ii) the space described in clause (i) above plus any other space in the Building (for purposes hereof, such other space shall be deemed to be part of the "Actual ROFR Space"), Landlord shall give Tenant written notice of such offer ("Landlord's ROFR Notice") prior to Landlord entering into such lease. Landlord's Notice shall specify (i) the location and rentable area of the portion of the Option Space which Landlord desires to lease (which is henceforth referred to as the "Actual ROFR Space"), (ii) the proposed lease term for the Actual ROFR Space, (iii) the date Landlord will deliver possession of the Actual ROFR Space for the tenant to commence tenant improvements to prepare the Actual ROFR Space for occupancy, (iv) the annual rate of base rent per square foot of rentable area for the Actual ROFR Space, (v) the amount of all rent adjustments for the Actual ROFR Space, including, without limitation, fixed and/or indexed rent adjustments and rent adjustments for Expenses and Taxes for the Building, (vi) the tenant concessions (e.g., rent abatements and tenant improvement allowances and improvements), if any, which Landlord will provide in connection with such lease of the Actual ROFR Space; and (vii) any other material terms of such offer. Notwithstanding the foregoing, with respect to any offer to Landlord, its managing agent or its lender or any of their affiliates, the rental rate set forth in Landlord's ROFR Notice shall

equal the Fair Market Rent for the Actual ROFR Space (determined in the same manner as set forth in Section 28B with respect to the Actual ROFO Space [as hereinafter defined]) rather than the terms offered to such party. Tenant shall thereupon have a right (a "Right of First Refusal") to lease all, but not less than all, of the Actual ROFR Space, subject to the following terms and conditions:

(1) Tenant gives Landlord a written notice of its election to exercise the Right of First Refusal within 12 business days after Landlord gives Tenant Landlord's ROFR Notice; and

(2) Tenant is not in Default under this Lease, either on the date Tenant exercises the Right of First Refusal or on the proposed commencement date of the lease term for the Actual ROFR Space, and this Lease is in full force and effect both on the date Tenant exercises the Right of First Refusal and on the proposed commencement date of the lease term for the Actual ROFR Space.

If Tenant does not timely or properly exercise a Right of First Refusal, Landlord may at any time thereafter lease the Actual ROFR Space to any third-party tenant on terms and provisions substantially similar to those set forth in Landlord's ROFR Notice, without any further rights of Tenant to lease such space (except as provided in Section 26C) unless and until such third-party tenant has vacated the space and such space is again available for leasing. Furthermore, if such third party tenant is granted an option to expand into a specifically designated part of the Option Space, Tenant shall not have a Right of First Refusal to lease such specifically designated part of the Option Space unless and until such third-party tenant's expansion option on such part of the Option Space has expired.

B. Terms. If Tenant exercises a Right of First Refusal, the following terms and provisions shall apply:

(1) Landlord shall lease the Actual ROFR Space to Tenant for a lease term specified in Landlord's ROFR Notice and expiring on the Expiration Date of the Term (unless the commencement date of Tenant's lease of the Actual ROFR Space is on or after the third anniversary of the Commencement Date, in which case the expiration date of Tenant's lease of the Actual ROFR Space shall be the date set forth in Landlord's ROFR Notice). Landlord shall use reasonable efforts to deliver possession of the Actual ROFR Space to Tenant on the date specified in Landlord's ROFR Notice for the delivery of possession. In no event shall Landlord be liable to Tenant if Landlord is unable to deliver possession of the Actual ROFR Space on the date specified in Landlord's ROFR Notice for causes outside Landlord's reasonable control (including, without limitation, the failure of any existing tenant in such Actual ROFR Space to timely vacate its premises). If Landlord is unable to deliver possession of the Actual ROFR Space to Tenant by the specified date (excluding delays caused by Tenant or its employees, agents or contractors), then the commencement date of the lease term of the Actual ROFR Space shall be deferred by a

number of days equal to the number of days of delay of delivery of possession of the Actual ROFR Space to Tenant (excluding delays caused by Tenant or its employees, agents or contractors). Furthermore, if such delay exceeds three months (excluding delays caused by Tenant or its employees, agents or contractors), by written notice to Landlord no later than 15 days after the expiration of such three-month period, Tenant may elect to rescind its exercise of the Right of First Refusal, in which case this Lease shall continue in full force and effect as if Tenant had never exercised such option.

(2) The Base Rent payable for the Actual ROFR Space shall be equal to 95% of the Base Rent set forth in Landlord's ROFR Notice (provided that if the lease term set forth in Landlord's ROFR Notice is different than the lease term of Tenant's lease of the Actual ROFR Space [i.e., because the commencement date of the lease of the Actual ROFR Space is on or before the third anniversary of the Commencement Date], the Base Rent set forth in Landlord's ROFR Notice shall be equitably adjusted by Landlord to account for such difference).

(3) Tenant shall not be entitled to any rental abatement for the Actual ROFR Space except as otherwise set forth in Landlord's ROFR Notice.

(4) Tenant shall accept the Actual ROFR Space in an "as-is", "where-is" condition, without any agreement, representation, credit or allowance from Landlord with respect to the improvement or condition thereof, except as otherwise set forth in Landlord's ROFR Notice (provided that if the lease term set forth in Landlord's ROFR Notice is different than the lease term of Tenant's lease of the Actual ROFR Space, any allowance set forth in Landlord's ROFR Notice shall be equitably adjusted by Landlord to account for such difference).

(5) All of the terms and provisions of this Lease shall apply with respect to the Actual ROFR Space, except as the same may be inconsistent with the provisions of this Section 27.

C. Amendment. If Tenant exercises a Right of First Refusal, Landlord and Tenant shall promptly execute and deliver an amendment to this Lease reflecting the lease of the Actual ROFR Space by Landlord to Tenant on the

terms herein provided.

D. Termination. Each Right of First Refusal shall automatically terminate and become null and void upon the earlier to occur of (1) the expiration or termination of this Lease, (2) the termination by Landlord of Tenant's right to possession of all or any part of the Premises, (3) the assignment of this Lease by Tenant, in whole or in part (other than to an Affiliate), (4) the sublease by Tenant of all or any part of the Premises (other than to an Affiliate), (5) the recapture by Landlord of the Premises pursuant to Section 14C, or (6) the failure of Tenant to timely or properly exercise the Right of First Refusal.

28. RIGHTS OF FIRST OPPORTUNITY TO LEASE SPACE.

A. ROFO Space. For purposes of this Lease, the "ROFO Space" shall mean the entire sixth floor and seventh floor of the Building and, if Landlord develops and constructs an office building in the Complex adjacent to the Building (the "Phase II Building"), two contiguous full floors in such building (such floors to be designated by Landlord promptly after completion of the Phase II Building). Tenant acknowledges that Landlord shall have no liability and Tenant shall be entitled to no credit or abatement if Landlord does not develop and construct the Phase II Building. If the Phase II Building is a build-to-suit for a single tenant, no space in that building shall be included in the ROFO Space. Furthermore, the ROFO Space shall include space in the Phase II Building only during the period that Landlord owns both the Building and the Phase II Building.

B. Right of First Opportunity. With respect to any lease which Landlord hereafter intends to enter into with a third-party tenant for either (i) all or any portion of the ROFO Space, or (ii) the space described in clause (i) above plus any other space in the Building (for purposes hereof, any such other space shall be deemed to be part of the ROFO Space), Landlord shall give Tenant written notice of such intent ("Landlord's ROFO Notice") prior to Landlord entering into such lease. Landlord's ROFO Notice shall specify (i) the location and rentable area of the portion of the ROFO Space which Landlord desires to lease (which is henceforth referred to as the "Actual ROFO Space"), (ii) the proposed lease term for the Actual ROFO Space, (iii) the date Landlord will deliver possession of the Actual ROFO Space for Tenant to commence tenant improvements to prepare the Actual ROFO Space for Tenant's occupancy (which must be at least two months prior to the commencement of the lease term for the Actual ROFO Space), (iv) the annual rate of base rent per square foot of rentable area which Landlord desires to charge for the Actual ROFO Space, which shall not exceed the "Fair Market Rent" for such space. "Fair Market Rent" means the annual amount per rentable square foot that a willing, comparable, non-equity, non-renewal, non-expansion new tenant would pay, and a willing landlord of a comparable first-class office building in the pertinent market would accept at arms' length, giving appropriate consideration to annual rental rates per rentable square foot, the type of escalation clauses (including, but without limitation, operating expenses, real estate taxes and CPI), the extent of liability under the escalation clauses (e.g., whether determined on a "net lease" basis or by increases over a particular base year or base dollar amount), abatement provisions reflecting free rent and/or no rent during the period of construction or any other period during the lease term, brokerage commissions, length of lease term, size and location of premises being leased, level of existing improvements, building standard work letter and/or tenant improvement allowances, if any, creditworthiness of tenant and other generally applicable terms and conditions of tenancy for the space in question (Landlord may exclude from such consideration the terms of any lease of space in the Building or the Phase II Building by Landlord, its managing agent or its lender or any of their affiliates), but such rental rate per rentable square foot of the ROFO Space shall not at any time during the Term be less than the rental rate per rentable

square feet of the Initial Premises at such time, (v) the amount of all rent adjustments which Landlord desires to charge for the Actual ROFO Space, including, without limitation, fixed and/or indexed rent

adjustments and rent adjustments for Expenses and Taxes for the Building, and (vi) the tenant concessions (e.g., rent abatements and tenant improvement allowances), if any, which Landlord would be willing to provide to lease the Actual ROFO Space. Items (iv) through (vi) in the preceding sentence shall be quoted by Landlord in Landlord's Notice for a hypothetical lease having a lease term which would expire on the Expiration Date of the Term (unless the commencement date of the lease term of the Actual Option Space will be on or after the third anniversary of the Commencement Date, in which case Landlord may, in Landlord's ROFO Notice, set forth an expiration date Landlord believes will be acceptable to third parties). Tenant shall thereupon have a right (a "Right of First Opportunity") to lease all, but not less than all, of the Actual ROFO Space, subject to the following terms and conditions:

(1) Tenant gives Landlord a written notice of its election to exercise the Right of First Opportunity within 12 business days after Landlord gives Tenant Landlord's ROFO Notice; and

(2) Tenant is not in Default under this Lease, either on the date Tenant exercises the Right of First Opportunity or on the proposed commencement date of the lease term for the Actual ROFO Space, and this Lease is in full force and effect both on the date Tenant exercises the Right of First Opportunity and on the proposed commencement date of the lease term for the Actual ROFO Space.

If Tenant does not timely or properly exercise the Right of First Opportunity, Landlord may at any time thereafter lease the Actual ROFO Space to any third-party tenant on such terms and provisions as Landlord may elect, without any further rights of Tenant to lease such space; provided, however, that Landlord may not enter into a lease with any such third party on economic terms materially more favorable to such party than the terms offered by Landlord to Tenant in Landlord's ROFO Notice (as used herein, "materially more favorable" means the rental rate or tenant improvement allowance offered to the third party is at least 5% more favorable to the third party than the terms set forth in Landlord's ROFO Notice). Furthermore, if such third-party tenant is granted an option to expand into a specifically designated part of the ROFO Space, Tenant shall not have a Right of First Opportunity to lease such specifically designated part of the ROFO Space unless and until such third-party tenant's expansion option on such part of the ROFO Space has expired.

C. Terms. If Tenant exercises a Right of First Opportunity, the following terms and provisions shall apply:

(1) Landlord shall lease the Actual ROFO Space to Tenant for a lease term commencing on the date specified in Landlord's ROFO Notice and expiring on the expiration date set forth in Landlord's ROFO Notice. Landlord shall use reasonable efforts to deliver possession of the Actual ROFO Space to Tenant at least two months prior to the commencement date specified in Landlord's ROFO Notice to enable Tenant to prepare the Actual ROFO Space for Tenant's occupancy (possession by Tenant prior to the

commencement of the lease term for the Actual ROFO Space shall be upon all of the terms and conditions of this Lease [including, without limitation, Sections 9 and 11B], excluding only Tenant's obligation to pay Base Rent and Adjustment Rent for the Actual ROFO Space during

such period). In no event shall Landlord be liable to Tenant if Landlord is unable to deliver possession of the Actual ROFO Space to Tenant at least two months prior to the commencement date specified in Landlord's ROFO Notice for causes outside Landlord's reasonable control (including, without limitation, the failure of any existing tenant in such Actual ROFO Space to timely vacate its premises). If Landlord is unable to deliver possession of the Actual ROFO Space to Tenant at least two months prior to the commencement date, then the commencement date of the lease term of the Actual ROFO Space shall be deferred by a number of days equal to the number of days of delay of delivery of possession of the Actual ROFO Space to Tenant (excluding delays caused by Tenant or its employees, agents or contractors). Furthermore, if such delay exceeds three months (excluding delays caused by Tenant or its employees, agents or contractors), by written notice to Landlord no later than 15 days after the expiration of such three-month period, Tenant may elect to rescind its exercise of the Right of First Opportunity, in which case this Lease shall continue in full force and effect as if Tenant had never exercised such option.

(2) The Base Rent and Rent Adjustment payable for the Actual ROFO Space shall be as set forth in Landlord's ROFO Notice.

(3) Tenant shall not be entitled to any rental abatement for the Actual ROFO Space except as otherwise set forth in Landlord's ROFO Notice.

(4) Tenant shall accept the Actual ROFO Space in an "as-is", "where-is" condition, without any agreement, representation, credit or allowance from Landlord with respect to the improvement or condition thereof, except as otherwise set forth in Landlord's ROFO Notice.

(5) All of the terms and provisions of this Lease shall apply with respect to the Actual ROFO Space, except as the same may be inconsistent with the provisions of this Section 28.

D. Amendment. If Tenant exercises a Right of First Opportunity, Landlord and Tenant shall promptly execute and deliver an amendment to this Lease reflecting the lease of the Actual ROFO Space by Landlord to Tenant on the terms herein provided.

E. Termination. Each Right of First Opportunity shall automatically terminate and become null and void upon the earlier to occur of (1) the expiration or termination of this Lease, (2) the termination by Landlord of Tenant's right to possession of all or any part of the Premises, (3) the assignment of this Lease by Tenant, in whole or in part (other than to an Affiliate), (4) the sublease by Tenant of all or any part of the Premises (other than to an Affiliate), (5) the recapture by Landlord

of the Premises pursuant to Section 14C, or (6) the failure of Tenant to timely or properly exercise the Right of First Opportunity.

29. PARKING. Landlord agrees to furnish to Tenant, at no additional charge, 259 reserved parking spaces in the Building's parking lot, for so long as this Lease is in full force and effect and Tenant is not in Default under this Lease. If the rentable area of the Premises is reduced below the amount stated in Item 1B of the Schedule for any reason, then the number of Tenant's reserved parking spaces shall be reduced proportionately. The locations of the reserved parking spaces to be furnished to Tenant are designated on Exhibit G attached hereto. Tenant acknowledges that the locations of Tenant's reserved parking spaces are subject to change by Landlord if Landlord restripes the parking areas, adds additional parking areas or reconfigures the parking areas

for any reason (provided Landlord may not decrease the number of reserved parking spaces granted to Tenant and at least 17 of such reserved parking spaces must be the closest parking spaces to an entrance to the Building that may be reserved by Landlord). Landlord, at Landlord's expense, shall mark Tenant's reserved parking spaces in a reasonable manner to indicate to third parties that such spaces are reserved for use by Tenant, but Landlord shall have no responsibility for or liability in the event of any unauthorized use of said parking spaces reserved for Tenant. In addition to Tenant's right to use said reserved parking spaces, for so long as this Lease is in full force and effect and Tenant is not in Default hereunder, and so long as Tenant is then using all of its reserved parking spaces, Tenant may use the available non-reserved parking spaces in Landlord's parking lot, free of charge, on a first come, first-served basis with other tenants of the Building and their guests and invitees. The initial configuration of parking areas for the Building and the proposed Phase II Building is depicted on exhibit G (provided Landlord reserves the right to reconfigure such parking areas from time to time as provided above). Tenant's use of all parking spaces is subject to all applicable codes, ordinances, laws, regulations and statutes and reasonable rules and regulations promulgated from time to time by Landlord, as well as the restrictions set forth in the recorded Declaration of Covenants, Conditions, Restrictions, Reciprocal Rights and Easements encumbering the Complex (as amended from time to time, the "Declaration"). Provided Tenant is not then in Default under this Lease and Tenant is then occupying at least 70,000 rentable square feet of the Premises (not including occupancy of any subtenants or assignees other than Affiliates), Landlord shall not enter into a lease or written agreement expressly allowing any other tenant in the Building or the Phase II Building to use a number of parking spaces exceeding four parking spaces per 1,000 rentable square feet of such tenant's premises unless Landlord provides additional parking areas beyond those depicted on Exhibit G or makes other arrangements (such as expressly limiting the parking rights of other tenants or restriping the parking lots) to accommodate such excess (i.e., more than four parking spaces per 1,000 rentable square feet) parking spaces granted to such tenant.

30. SIGNAGE. Tenant, at Tenant's expense, shall have the exclusive right during the Term (including the Renewal Terms, if applicable) to install up to two signs on the Building's parapet. In addition, Tenant shall have the right during the Term, in common with other tenants in the Building, to maintain Building-standard signage on the pylon sign in front of the Building as well as at the entrance to the Building and in the elevator lobbies on floors occupied by Tenant. Such installation of Building-standard signage on the pylon and at the entrance and elevator lobbies shall

be at Landlord's expense. The design and installation of Tenant's parapet signage shall be in compliance with all applicable codes, ordinances, laws, regulations and statutes and the Declaration and further subject to Landlord's reasonable approval and supervision. It shall be a condition of Tenant's right to maintain its name on such signs that (a) Tenant is not in Default under this Lease and (b) this Lease is in full force and effect. It shall be a further condition of Tenant's right to maintain such parapet signage that Tenant is an occupant of at least 70,000 rentable square feet of space in the Building (not including occupancy of any subtenants or assignees other than Affiliates), provided, however, if Tenant occupies less than 70,000 rentable square feet but more than 60,000 rentable square feet, Tenant may maintain one sign on the Building's parapet. If Tenant occupies less than 60,000 rentable square feet in the Building (not including occupancy of any subtenants or assignees other than Affiliates), upon Landlord's written request Tenant shall remove its parapet signage, at Tenant's expense. Upon the expiration or termination of the Term or Tenant's right to retain such signage, Tenant, at Tenant's expense, shall remove its parapet signs. The rights granted to Tenant in this Section 30 are personal to TCI Great Lakes, Inc. and shall not inure for the benefit of any subtenant or assignee (other than an Affiliate). For so long as (w) Tenant is not in Default under this Lease, (x) this Lease is in full force and effect, (y) Tenant is an occupant of at least 60,000 rentable square feet in the Building (not including occupancy of any subtenants or assignees other than Affiliates) and (z) among

Tenant's primary business activities is providing to the general public video, data, satellite or voice communications capabilities (e.g., a telephone company, cable television company or internet service provider), Landlord shall not grant to any other tenant in the Building whose primary business is providing to the general public video, data, satellite or voice communications capabilities (e.g., America Online, Ameritech, MCI or Qwest) (but not including, without limitation, any tenant whose primary business is providing software or hardware for such communications or content for such communications [e.g., Bloomberg, Dow Jones or Salon Magazine]), the right to maintain a sign in the lobby of the Building (not including mention of such tenant in any Building directory).

31. RIGHT OF FIRST REFUSAL TO PURCHASE BUILDING. Before Landlord makes or accepts an offer set forth in a letter of intent to sell the Building to a third party, Landlord shall offer to sell the Building to Tenant on such terms. If Tenant does not accept such offer from Landlord within ten business days after its submission, Landlord may thereafter sell the Building to any third party on terms acceptable to Landlord (which may be similar to or different than those contained in the offer submitted to Tenant, provided that the net purchase price to be paid by such third party [after taking into account all credits, prorations and concessions] is not less than 95% of the purchase price set forth in the offer submitted to Tenant and the non-economic terms offered to such third party are not materially more favorable than those set forth in the offer submitted to Tenant). If the offer set forth in the letter of intent is to sell the Building with other property (such as, without limitation, the Phase II Building), then Landlord's offer to Tenant shall include both the Building and such other property (and Tenant will not have the option of buying only the Building or only the other property).

32. RENEWAL OPTIONS.

A. First Renewal Option. Tenant shall have an option (the "First Renewal Option") to renew the Term with respect to all or a portion of the Premises demised under or pursuant to this Lease as of the expiration date of the Initial Term (subject to Section 32D), for one additional term (the "First Renewal Term") of five years, upon the following terms and conditions:

(1) Tenant gives Landlord written notice of Tenant's election to exercise the First Renewal Option not later than 12 months prior to the expiration date of the Initial Term (which notice shall specify which portion of the Premises Tenant desires to renew);

(2) Tenant is not in Default under this Lease, either on the date Tenant exercises the First Renewal Option or on the expiration date of the Initial Term, and this Lease is in full force and effect on the date on which Tenant exercises the First Renewal Option and on the proposed commencement date of the First Renewal Term; and

(3) If Tenant renews the Term for less than all of the Premises, such lesser portion must consist of all space leased by Tenant on a floor and Tenant may not renew the Term for a particular floor unless Tenant also renews the Term for all space then leased by Tenant on lower floors (not including the space leased by Tenant on the second floor, which may, in Tenant's sole discretion, not be included in the space being renewed).

(4) Tenant may not renew the Term for any particular part of the Premises if Tenant has subleased or assigned (other than to an Affiliate) that part of the Premises for a term that expires less than two years prior to the expiration of the Initial Term.

B. Second Renewal Option. Tenant shall have an option (the "Second Renewal Option") to renew the Term with respect to all (but not less

than all) of the Premises demised under or pursuant to this Lease as of the expiration date of the First Renewal Term, for one additional term (the "Second Renewal Term") of five years, upon the following terms and conditions:

(1) Tenant gives Landlord written notice of Tenant's election to exercise the Second Renewal Option not later than 12 months prior to the expiration date of the First Renewal Term;

(2) Tenant is not in Default under this Lease, either on the date Tenant exercises the Second Renewal Option or on the expiration date of the First Renewal Term, and this Lease is in full force and effect on the date on which Tenant exercises the Second Renewal Option and on the proposed commencement date of the Second Renewal Term; and

(3) Tenant may not renew the Term if Tenant has subleased any part of the Premises or assigned this Lease (other than to an Affiliate) for a term that expires less than two years prior to the expiration of the First Renewal Term.

C. Terms. If Tenant timely and properly exercises the First

Renewal Option or the Second Renewal Option (each, a "Renewal Option"):

(1) The Rent payable for the First Renewal Term or the Second Renewal Term (each, a "Renewal Term"), as applicable, shall be equal to the "market rate of rent" that will be in effect for the applicable space at the commencement of the Renewal Term. If Tenant exercises a Renewal Option, Landlord shall notify Tenant of Landlord's determination of the market rate of rent for the Renewal Term within 15 days after Tenant's exercise of the Renewal Option. "Market rate of rent" shall mean the greater of (i) 95% of Fair Market Rent for the applicable space (as defined in Section 28B) and (ii) the then-escalated rate of Rent for the Premises as of the last year of the Initial Term or the First Renewal Term, as applicable (the "Existing Rental Rate"). The Base Rent payable during the Renewal Term shall be subject to adjustment during the Renewal Term as provided in Landlord's written notice setting forth the market rate of rent (or, if the market rate of rent is the Existing Rental Rate, the Base Rent shall increase by 3% during each year of the Renewal Term, commencing with the first day of the first year of the Renewal Term). There shall be no abatement of Base Rent or Adjustment Rent for the Premises during the Renewal Term, except as may be specifically provided in Landlord's written notice setting forth the market rate of rent. If Landlord and Tenant fail to agree in writing upon the market rate of rent for the Renewal Term within 30 days of Tenant's exercise of the Renewal Option, as Tenant's sole option and remedy, Tenant may elect to rescind Tenant's exercise of the Renewal Option by written notice to Landlord during such 30-day period (if Tenant fails to timely deliver such notice of rescission and the parties have failed to agree in writing upon the market rate of Rent, Landlord's determination of the market rate of rent shall be binding upon Landlord and Tenant).

(2) Tenant shall have no further options to renew the Term of this Lease beyond the expiration date of the Second Renewal Term.

(3) Landlord shall not be obligated to perform any leasehold improvement work in the Premises or give Tenant any allowance for any such work or any other purposes during or for a Renewal Term, except as to any allowance which may be specifically provided in Landlord's written notice setting forth the market rate of rent and except that Landlord, at its sole cost and expense, will at one time during each Renewal Term paint all painted wall surfaces with one coat of paint and replace all carpeting (the paint and carpet shall be similar in quality to the original materials installed by Tenant).

(4) Except for the rate of Rent and except as otherwise provided herein, all of the terms and provisions of this Lease shall remain the same and in full force and effect during the Renewal Term.

D. Staggered Terms. If Tenant exercises a Right of First Refusal or a Right of First Opportunity and the Actual ROFR Space or the Actual ROFO Space has a lease term expiring on

a date other than the expiration date of the Initial Term, then Tenant shall have the right to renew the lease term of such Actual ROFR Space or Actual ROFO Space on the terms provided above in this Section 32, provided the time periods for the exercise of such Renewal Options for such Actual ROFR Space or Actual ROFO Space and for the commencement of such five-year Renewal Terms for such Actual ROFR Space or Actual ROFO Space shall be based upon the scheduled lease terms of such spaces (i.e., for such Actual ROFR Space and Actual ROFO Space, the references to "Initial Term" in this Section 32 shall mean the originally scheduled lease term for such space after Tenant exercises the applicable option and takes possession of the space).

E. Amendment. If Tenant exercises a Renewal Option, Landlord and Tenant shall promptly execute and deliver an amendment to this Lease reflecting the lease of the Premises by Landlord to Tenant for the Renewal Term on the terms provided above.

F. Termination. Each Renewal Option shall automatically terminate and become null and void upon the earlier to occur of (1) the expiration or termination of this Lease, (2) the termination of Tenant's right to possession of the Premises, or (3) the failure of Tenant to timely or properly exercise the Renewal Option.

33. TERMINATION OPTION.

A. Termination Option. Tenant shall have an option (the "Termination Option") to terminate this Lease with respect to the Initial Premises and the Second Floor Option Space (if Tenant leases such space through the exercise of the Second Floor Expansion Option), or to terminate Tenant's lease of only a part of the Initial Premises and the Second Floor Option Space (if Tenant leases such space through the exercise of the Second Floor Expansion Option) (provided if Tenant terminates this Lease as to only a part of the Premises, (i) such part must consist of at least one full floor, (ii) Tenant may not terminate this Lease for a particular floor unless Tenant also terminates this Lease for all portions of the applicable space then leased by Tenant on higher floors, and (iii) if consisting of more than one full floor, may not include less than all space leased by Tenant on a floor [i.e., Tenant may not terminate only part of the space leased by Tenant on a particular floor]), effective as of the last day of the seventh year of the Term (the "Termination Date"). Tenant may not terminate this Lease with respect to any space leased by Tenant pursuant to the Fifth Floor Expansion Option, the Right of First Refusal or the Right of First Opportunity or pursuant to separate negotiations between Landlord and Tenant. The Termination Option is granted subject to the following terms and conditions:

(1) Tenant gives Landlord written notice of Tenant's election to exercise the Termination Option not later than 12 months prior to the Termination Date;

(2) Tenant is not in Default under this Lease, either on the date that Tenant exercises the Termination Option on the Termination Date; and

(3) Tenant pays to Landlord, not later than three months before the Termination Date, a cash lease termination fee (the "Fee") in an amount equal to the product of $35.00 multiplied by the rentable area of the part of the Premises being terminated.

B. Terms. If Tenant timely and properly exercises the Termination Option: (1) all Rent payable under this Lease for the portion of the Premises so terminated shall be paid through and apportioned as of the Termination Date (in addition to payment of the Fee), (2) neither party shall have any rights, estates, liabilities or obligations under this Lease for the period accruing after the Termination Date, except those which, by the provisions of this Lease, are intended to survive the expiration or termination of the Term of this Lease, (3) if less than all of the Premises is terminated, Base Rent and Adjustment Rent shall be reduced proportionately, and (4) Landlord and Tenant shall promptly enter into a written agreement reflecting the termination of this Lease upon the terms provided for herein.

C. Termination. The Termination Option shall automatically terminate and become null and void upon the earlier to occur of (1) the termination of Tenant's right to possession of all or any part of the Premises, (2) the assignment by Tenant of this Lease, in whole or in part (other than to an Affiliate), or (3) the failure of Tenant to timely or properly exercise the Termination Option.

34. HAZARDOUS MATERIALS.

A. Landlord's Environmental Protection. Tenant shall not cause or permit to occur (excluding acts of Landlord, other tenants of the Building and their respective agents, employees and contractors):

(i) any violation of any present or future federal, state or local law, ordinance or regulation related to environmental conditions in or about the Premises, including, but not limited to, improvements or alterations made to the Premises at any time by Tenant, its agents or contractors, or

(ii) the use, generation, release, manufacture, refining, production, processing, storage or disposal of any "Hazardous Substances" (as hereinafter defined) in or about the Premises, or the transportation to or from the Premises of any Hazardous Substances (save and except reasonable quantities of normal office products such as cleaners, solvents and toners, all of which shall be stored and used by Tenant, at its expense, in compliance with all applicable laws).

Tenant, at its expense, shall comply with each present and future federal, state and local law, ordinance and regulation related to environmental conditions in or about the Premises or Tenant's use of the Premises, including, without limitation, all reporting requirements and the performance of any cleanups required by any governmental authorities as a result of Tenant's activities (or activities for which Tenant is responsible) at the Premises. Tenant shall indemnify, defend and hold

harmless Landlord and its employees from and against all fines, suits, claims, actions, damages, liabilities, costs and expenses (including attorneys' and consultants' fees) asserted against or sustained by any such person or entity and arising out of or in any way connected with Tenant's failure to comply with

its obligations under this Section 34.A, which obligations shall survive the expiration or termination of this Lease.

B. Tenant's Environmental Protection. Landlord shall not cause or permit to occur (excluding acts of Tenant, other tenants of the Building and their respective agents, employees and contractors):

(i) any violation of any present or future federal, state of local law, ordinance or regulation related to environmental conditions in or about the Building (excluding the Premises), including, but not limited to, improvements or alterations made to the Building at any time by Landlord, its agents or contractors, or

(ii) the use, generation, release, manufacture, refining, production, processing, storage or disposal of any "Hazardous Substances" (as hereinafter defined) in or about the Building (excluding the Premises), or the transportation to or from the Building (excluding the Premises) of any Hazardous Substances (save and except reasonable quantities of normal cleaning and janitorial products, sanitary sewage and solid wastes, all of which shall be stored, disposed and used by Landlord, at its expense, in compliance with all applicable laws).

Landlord, at its expense (but subject to inclusion in Expenses except to the extent prohibited pursuant to Section 2A(i)(b)), shall comply with each present and future federal, state and local law, ordinance and regulation related to environmental conditions in or about the Building, including, without limitation, all reporting requirements and the performance of any cleanups required by any governmental authorities as a result of Landlord's activities (or activities for which Landlord is responsible) at the Building. Landlord shall indemnify, defend and hold harmless Tenant and its employees from and against all fines, suits, claims, actions, damages, liabilities, costs and expenses (including attorney's and consultant's fees) asserted against or sustained by any such person or entity and arising out of or in any way connected with Landlord's failure to comply with its obligations under this Section 34B, which obligations shall survive the expiration or termination of this Lease.

C. Hazardous Substances. As used in this Section 34, "Hazardous Substances" shall include, without limitation, flammables, explosives, radioactive materials, asbestos containing materials (ACMs), polychlorinated biphenyls (PCBs), chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, petroleum and petroleum products, chlorofluorocarbons (CFCs) and substances declared to be hazardous or toxic under any present or future federal, state or local law, ordinance or regulation.

D. Recycling. Tenant, at its expense, agrees to comply with each present and future federal, state and local law, ordinance and regulation regarding the collection, sorting, separation and

recycling of waste products, garbage, refuse and trash (the "Wastes" collectively) in or about the Premises. Tenant shall sort and separate the Wastes into such categories as required by law. Each separately sorted category of the Wastes shall be placed in separate receptacles designated and approved by Landlord. Such separate receptacles shall be removed from the Premises in accordance with a collection schedule prescribed by law or as otherwise reasonably prescribed by Landlord. Landlord reserves the right to refuse to collect or accept from Tenant any Wastes that are not separate and sorted as required by law, and to require Tenant to arrange for such collection as Tenant's expense, utilizing a contractor reasonably satisfactory to Landlord.

E. Permitted Exceptions. Tenant shall have the right to use and store
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the following Hazardous Substances in the ordinary course of business and in compliance with all applicable laws, ordinances and regulations: fuel for the generator described in Section 37; acid contained within batteries for back-up power; reasonable amounts of standard cleaning fluid and materials customarily used in conjunction with business machines; cleaning supplies in reasonable quantities; coolant necessary for maintenance of Tenant's approved telecommunications systems, and halon used in fire suppression. Tenant may replace or dispose of such materials as necessary, provided such replacement or disposal complies with all applicable federal, state and local regulations, statues, or ordinances. Landlord shall have the right to use Hazardous Substances in the ordinary course of business at the Building.

35. HIGH SPEED DATA SERVICE. Landlord shall designate Tenant's affiliate, AT&T, as Landlord's "exclusive provider" of high-speed internet service for the Building. Notwithstanding the foregoing, Landlord may allow other internet providers to provide service to tenants of the Building if (i) any tenant requests the right to use such other internet providers, (ii) required by any order, law, rule or regulation of any governmental body, (iii) AT&T ceases providing such service, (iv) Landlord has received complaints from tenants about the service provided by AT&T or (v) AT&T is not offering the types of services at competitive prices being offered by its competitors. Landlord and AT&T shall enter into a separate agreement in a form reasonably acceptable to Landlord and AT&T regarding AT&T's activities at the Building.

36. PENETRATION POINTS AND CONNECTING EQUIPMENT. Tenant may use up to 50% of the area of the Building's points of penetration (not including BELs [as hereinafter defined]) for data cabling. If Tenant desires a penetration area at another location in the Building, Landlord will not unreasonably withhold its consent to Tenant, at its sole cost and expense, creating such penetration (Landlord may require plans and specifications for such penetration before deciding whether to grant its consent). Furthermore, with Landlord's prior written approval (which shall not be unreasonably withheld), Tenant shall have the non-exclusive right to use any existing building entrance links used by utilities to bring services into the Building ("BELs"), subject to the rights and requirements of the utility users. Tenant, at its cost and expense, but at no additional rental, may install such equipment conduits, fiber optic and other cables and materials (the "Connecting Equipment") in the existing shafts, ducts, conduits, chases, utility closets and other facilities of the Building (the "Conduits"), and along, under or through the roof of the Building as is necessary or desirable to connect the antennas or satellite dishes to be installed by Tenant on the roof of the

Building to Tenant's equipment in the Premises, and further, may run the Connecting Equipment through the basement of the Building and over, on, under or through the Building (using any easements adjacent to the Building if and to the extent allowed) in order to connect Tenant's equipment in the Premises to other communications networks and/or to the local telephone company. As provided in the Work Letter Agreement, Tenant may install, at its expense, and exclusively use five 4-inch diameter conduits that extend from Meacham Road and feed the Building's main telephone closet and risers (and with Landlord's prior written consent, Tenant may use the remaining conduits). Tenant shall have a right of access at all times to the areas where such Connecting Equipment is located for the purpose of maintaining, repairing, testing and replacing the same and the right of access to any other Conduits in the Building and the right to install such additional Connecting Equipment as may be required for the proper conduct of Tenant's business. Tenant shall also have the right, at no additional cost or rental, to use and have access to such Conduits in order to connect the Premises to the offices of other tenants in the Building in order to provide communication services to such tenants. Tenant acknowledges that except as otherwise expressly provided herein, Tenant's use of the points of penetration,

BELs and Conduits shall be non-exclusive and Landlord may limit Tenant's use if Landlord reasonably believes it is disproportionate.

All use of points of penetration, BELs and Conduits, and all alterations, improvements and work relating to the installation of Connecting Equipment, including, without limitation, cabling, shall be (i) subject to Landlord's prior written approval (which approval shall not be unreasonably withheld or conditioned), and (ii) performed in accordance with Section 9. Landlord shall approve or disapprove the plans and specifications for the proposed use or work, including use of any Conduits in the Building, within ten days of receipt of plans and specifications therefor. Any disapproval by Landlord shall specify in detail the reason(s) for disapproval. Landlord's approval of any contractor Tenant may engage in connection with such installations shall not be unreasonably withheld or delayed. Tenant must remove all Connecting Equipment and data cabling and, at Landlord's option, restore any such additional penetration points, upon the expiration or termination of the Term.

37. INDEPENDENT POWER SYSTEMS. Tenant, at its expense, may install a back-up generator and ancillary equipment (such as stationary batteries and chargers) at the location at the Building depicted on Exhibit H attached hereto, to service Tenant in the event of a power failure. Tenant, at its expense, shall construct and maintain screens as recommended by Landlord's architect to minimize, to the maximum extent possible, the adverse aesthetic appearance of such generator and equipment. Furthermore, Tenant may install in its Premises an Uninterrupted Power Source System to serve Tenant's electrical equipment. In the event of a power failure, Tenant may operate at the Building portable generators. It shall be a condition of Tenant's right to install any such equipment that Tenant has received all required governmental approvals and consents. Tenant may operate such equipment only (i) in compliance with all applicable laws, codes, statutes and ordinances, manufacturer's recommendations and insurance requirements and (ii) if such equipment does not produce loud noises or offensive odors (and such equipment shall at all times be properly vented). Tenant must remove all such equipment and restore the Building upon the expiration or termination of the Term.

38. ROOFTOP COMMUNICATIONS AND HVAC EQUIPMENT. Prior to the Commencement Date, Tenant shall designate a portion of the roof located on one side of the Building's penthouse as "Tenant's Reserved Rooftop Space." Landlord shall not allow any other tenant or occupant to use Tenant's Reserved Rooftop Space without Tenant's prior consent (which consent shall not be unreasonably withheld, conditioned or delayed). Tenant acknowledges that Landlord may locate equipment serving the Building (including other rentable areas) in Tenant's Reserved Rooftop Space. Tenant may locate and install satellite dishes and antennas on Tenant's Reserved Rooftop Space to serve Tenant's business operations at the Premises, provided that (a) the installation and maintenance of such equipment is in conformity with all applicable zoning provisions, (b) such equipment does not affect the structural integrity of the Building and (c) Landlord first approves the size of and specifications for such equipment (which approval shall not be unreasonably withheld), and provided further that the location, installation, operation and maintenance of such equipment shall (i) be subject to and completed in accordance with the terms and conditions of Section 9 of this Lease and with any and all applicable governmental laws, codes, rules, regulations and ordinances in effect from time to time; (ii) in no manner interfere with the use of any other communications equipment installed on the roof (Tenant acknowledges that Tenant's right to install such satellite dish or antenna is non-exclusive); and (iii) be designed to make the equipment as aesthetically pleasing as possible so that it does not negatively impact the architectural appeal of the Building. Landlord may from time to time require Tenant to relocate equipment on the roof at Landlord's sole cost and expense. Tenant shall not be obligated to pay any rent for such use of the roof. Tenant must remove all such equipment and restore the Building (including all roof penetrations) upon the expiration or termination of the Term.

Tenant may further install additional HVAC equipment serving the Premises upon all of the same terms and conditions stated above with respect to Tenant's communications equipment, with the further condition that the operation of such HVAC equipment does not interfere with or adversely affect the Building's mechanical, HVAC, plumbing or utility systems.

Tenant may not take any action with respect to its use of any space on the Building's rooftop that will violate or diminish any warranty or guarantee of the roof.

39. FOOD SERVICE. Landlord intends to cause a "deli" to be operated on the first floor of the Building as an amenity for the tenants and occupants of the Building. Landlord's choice of operator for the deli shall be subject to Tenant's reasonable approval. Landlord will consider any such operator recommended by Tenant. The deli's hours of operation will be at least 7:00 a.m. to 3:30 p.m., Monday through Friday, holidays excepted. Landlord shall use reasonable efforts to require the operator's food service facility and operations to be of a comparable (or better) quality as that of similar facilities in comparable office buildings in the metropolitan Chicago area. If Tenant, in its reasonable discretion, is not satisfied with the operations of the deli, and such operations are not improved to a reasonably acceptable level within 30 days after notice from Tenant, then Tenant shall have the right to operate a cafeteria in the Premises (provided such cafeteria shall be for the exclusive use of Tenant's employees). Likewise, Landlord shall have no liability to Tenant if at any time during the Term Landlord fails to cause a deli to be operated on the

first floor of the Building, but rather in such instance Tenant shall have the right to operate a cafeteria in the Premises for the exclusive use of Tenant's employees.

40. Y2K. Landlord warrants to Tenant that all necessary equipment, software and appliances, including, but not limited to, elevators, heating, ventilating and air conditioning systems, card key access systems, door locks, energy management systems, sprinkler systems, fire detection and life safety systems and other Building systems are designed to remain fully functional and perform their normal operations on and after January 1, 2000, without interruptions or malfunctions as a result of the passage from the year 1999 to the year 2000. If any repairs, alterations or replacements must be made to any of the foregoing equipment, software or appliance in order to prevent or eliminate any such interruptions or malfunctions in the services or operations provided thereby, Landlord will cause any such repairs, alterations or replacements to be promptly and timely made and the cost of any such repairs, alterations or replacements will be paid by Landlord. Landlord further agrees that any interruption or malfunction of any of the aforesaid Building systems which may occur as the result of the passage from the year 1999 to the year 2000 will not be deemed to constitute a force majeure delay as described in Section 25J or an event, the occurrence of which is beyond the reasonable control of Landlord to prevent or avoid.

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IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

LANDLORD:	TENANT:
WINDY POINT OF SCHAUMBURG L.L.C., a Delaware limited liability company	TCI GREAT LAKES, INC., a Delaware corporation

By: FRC WINDY POINT L.L.C., an Illinois limited liability company, its managing member

By: /s/ Steven D. Fifield
Title: Manager

By: /s/ Michael Lovett
Title: Regional Vice President

(Landlord's Acknowledgment)

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

On this 20/th/ day of August, 1999, before me appeared Steven D. Fifield, to me personally known, who being by me duly sworn, did say that he/she is the Manager of FRC WINDY POINT, L.L.C., an Illinois limited liability company ("Manager") and managing member of WINDY POINT OF SCHAUMBURG L.L.C., a Delaware limited liability company ("Owner"), the company that executed the within and foregoing instrument and that said instrument was signed and sealed in behalf of said Manager and Owner, and said _____ acknowledged said instrument to be the free act and deed of said Manager and Owner.

Kathryn A. Hutcheson
NOTARY PUBLIC

(Tenant Corporate Acknowledgment)

STATE OF Il)
) SS.
COUNTY OF COOK)

On this 19 day of July, 1999, before me appeared Michael Lovett, to me personally known, who being by me duly sworn, did say that he/she is the Regional Vice President of TCI GREAT LAKES, INC., a Delaware corporation, the corporation that executed the within and foregoing instrument and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and that the seal affixed is the corporate seal of said corporation and said _____ acknowledged said instrument to be the free act and deed of said corporation.

/s/ Laura B. Munn
NOTARY PUBLIC

[SEAL]

EXHIBIT A


[FLOOR PLAN APPEARS HERE]

A-1


[FLOOR PLAN APPEARS HERE]

A-2


[FLOOR PLAN APPEARS HERE]

A-3


[FLOOR PLAN APPEARS HERE]

A-4

EXHIBIT 10.116

FIRST AMENDMENT TO OFFICE LEASE
WITH TCI GREAT LAKES, INC.

FIRST AMENDMENT TO OFFICE LEASE

THIS FIRST AMENDMENT TO OFFICE LEASE (this "Amendment") is made as of this 1st day of June, 2000, by and between WINDY POINT OF SCHAUMBURG L.L.C., a Delaware limited liability company ("Landlord"), and TCI GREAT LAKES INC., a Delaware corporation ("Tenant").

RECITALS:

A. Landlord and Tenant entered into a certain Office Lease (the "Lease") dated as of July 29, 1999, whereby Landlord leased to Tenant certain premises consisting of approximately89,082 rentable square feet of office space (the "Original Premises") on the first through fourth floors of that certain building located at 1500 McConnor Parkway, Schaumburg, Illinois (the "Building").

B. Tenant desires to lease certain additional premises in the Building and Landlord is willing to lease such premises to Tenant.

NOW, THEREFORE, for good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. DEFINITIONS. Each capitalized term used in this Amendment shall have the same meaning as is ascribed to such capitalized term in the Lease, unless otherwise provided for herein.

2. FIRST ADDITIONAL SPACE. Landlord leases to Tenant and Tenant leases from Landlord that certain office space (the "First Additional Space") consisting of approximately11,753 rentable square feet located on the 2nd floor of the Building and shown on the plan attached hereto as Exhibit A-1. The First Additional Space is leased to Tenant subject to all of the same terms and provisions as are contained in the Lease, except as otherwise set forth herein. The First Additional Space is leased for a lease term commencing on September 1, 2000 (the "First Additional Space Commencement Date"). The Term of the Lease shall expire on the Expiration Date with respect to both the Original Premises and the First Additional Space. From and after the First Additional Space Commencement Date, the term "Premises" as used and defined in the Lease, as amended hereby, shall be deemed to mean and refer to the Original Premises and the First Additional Space. Landlord shall deliver possession of the First Additional Space to Tenant promptly after full execution and delivery of this Amendment to enable Tenant to prepare the First Additional Space for Tenant's occupancy (possession by Tenant prior to the commencement of the lease term for the First Additional Space shall be upon all of the terms and conditions of the Lease [including, without limitation, Sections 9 and 11B], excluding only Tenant's obligation to pay Base Rent and Adjustment Rent for the First Additional Space during such period).

3. SECOND ADDITIONAL SPACE. Landlord leases to Tenant and Tenant leases from Landlord that certain office space (the "Second Additional Space") consisting of approximately

28,322 rentable square feet, comprising the entire 6th floor of the Building and

shown on the plan attached hereto as Exhibit A-2. The Second Additional Space is leased to Tenant subject to all of the same terms and provisions as are contained in the Lease, except as otherwise set forth herein. The Second Additional Space is leased for a lease term commencing on October 1, 2000 (the "Second Additional Space Commencement Date"). The Term of the Lease shall expire on the Expiration Date with respect to the Original Premises, the First Additional Space and the Second Additional Space. From and after the Second Additional Space Commencement Date, the term "Premises" as used and defined in the Lease, as amended hereby, shall be deemed to mean and refer to the Original Premises, the First Additional Space and the Second Additional Space. Landlord shall deliver possession of the Second Additional Space to Tenant promptly after full execution and delivery of this Amendment to enable Tenant to prepare the Second Additional Space for Tenant's occupancy (possession by Tenant prior to the commencement of the lease term for the Second Additional Space shall be upon all of the terms and conditions of the Lease [including, without limitation, Sections 9 and 11B], excluding only Tenant's obligation to pay Base Rent and Adjustment Rent for the Second Additional Space during such period).

4. BASE RENT. The Base Rent payable under Section 2B of the Lease for the First Additional Space and the Second Additional Space (each, an "Additional Space," and collectively, the "Additional Spaces") shall be the following amounts for the following periods:

First Additional Space:

Period	Rate of Annual Base Rent per Rentable Square Foot	Rate of Annual Base Rent	Monthly Base Rent
First Additional Space Commencement Date - 11/30/00	$15.50	$182,171.52	$15,180.96
12/1/00 - 11/30/01	15.97	187,695.36	15,641.28
12/1/01 - 11/30/02	16.44	193,219.32	16,101.61
12/1/02 - 11/30/03	16.94	199,095.84	16,591.32
12/1/03 - 11/30/04	17.45	205,089.84	17,090.82
12/1/04 - 11/30/05	17.97	211,201.44	17,600.12
12/1/05 - 11/30/06	18.51	217,548.00	18,129.00
12/1/06 - 11/30/07	19.06	224,012.16	18,667.68
12/1/07 - 11/30/08	19.63	230,711.40	19,225.95

Period	Rate of Annual Base Rent per Rentable Square Foot	Rate of Annual Base Rent	Monthly Base Rent
12/1/08 - 11/30/09	20.22	237,645.72	19,803.81

Second Additional Space:

Period	Rate of Annual Base Rent per Rentable Square Foot	Rate of Annual Base Rent	Monthly Base Rent
Second Additional Space Commencement Date - 11/30/00	$ 16.50	$ 467,313.00	$ 38,942.75
12/1/00 - 11/30/01	16.60	470,145.24	39,178.77
12/1/01 - 11/30/02	17.10	484,306.20	40,358.85
12/1/02 - 11/30/03	17.61	498,750.48	41,562.54
12/1/03 - 11/30/04	18.14	513,761.04	42,813.42
12/1/04 - 11/30/05	18.68	529,054.92	44,087.91
12/1/05 - 11/30/06	19.24	544,915.32	45,409.61
12/1/06 - 11/30/07	19.82	561,342.00	46,778.50
12/1/07 - 11/30/08	20.42	578,335.20	48,194.60
12/1/08 - 11/30/09	21.03	595,611.72	49,634.31

There shall be no abatement of Rent for either Additional Space, except as otherwise expressly provided in the Lease.

5. ADJUSTMENT RENT. Effective as of the First Additional Space Commencement Date, Tenant's Proportionate share shall be increased by 6.29% to account for the addition of the First Additional Space. Effective as of the Second Additional Space Commencement Date, Tenant's Proportionate share shall be increased by 15.15% to account for the addition of the Second Additional Space.

6. TENANT IMPROVEMENTS. Landlord shall deliver each Additional Space to Tenant with the same level of base building improvements as Landlord was required to deliver the Original Premises (not including the first floor). Tenant shall accept each Additional Space in an "as-is" physical condition, without any agreement, representation, credit or allowance from Landlord with respect to the improvement or condition thereof, except as otherwise set forth in this Paragraph 6. Landlord shall provide Tenant with a tenant improvement allowance in the amount of $35.00 per rentable square foot of the Additional Spaces. Such tenant improvement allowance shall be used only for improvements to the Additional Spaces and the Original Premises. The Work Letter Agreement attached hereto as Exhibit B shall control Tenant's performance of work to prepare the Additional Spaces for Tenant's initial occupancy.

7. ADDITIONAL PARKING AREA CONTINGENCY. Landlord is currently negotiating with Northern Illinois Gas Company for the acquisition (through fee ownership or through a long-term easement) of additional parking areas to serve the Windy Point of Schaumburg complex. Such parking areas will be located adjacent to, and North of, the complex. Notwithstanding anything in this Amendment to the

contrary, if Landlord fails to acquire such additional parking areas by July 31, 2000, by written notice to Landlord given not later than August 10, 2000, Tenant may elect to terminate its lease of the Second Additional Space (but not the First Additional Space). Failure by Tenant to timely deliver such notice shall be deemed a waiver by Tenant of the foregoing termination right. The termination right shall be Tenant's sole and exclusive remedy if Landlord does not obtain additional parking areas to serve the complex. If Tenant elects to terminate its lease of the Second Additional Space as provided in this Paragraph 7, the Lease, as amended hereby, shall continue in full force and effect with respect to the Original Premises and the First Additional Space (and references herein to the "Additional Space" and the "Additional Spaces" shall mean only the First Additional Space).

8. ADDITIONAL MODIFICATIONS.

A. After-Hours Operation of Building Fan System. Section 5D of the Lease is hereby amended to provide that the hourly charge for after-hours operation of the Building's fan system for heating or air conditioning provided to an Additional Space shall equal Landlord's electric costs, at the rates then charged by the Building's electricity provider, and a reasonable fee to Landlord for maintenance and repair of the fan system, rather than the fixed fee provided in such Section 5D. The hourly charge for after-hours operation of the Building's fan system for heating or air conditioning provided to the Original Premises shall continue to be determined as set forth in Section 5D of the Lease.

B. Second Floor Option Space. After consummation of the transactions described in this Amendment (but subject to Paragraph 7), Tenant shall have leased all of the available space on the second floor of the Building. Accordingly, Section 26 of the Lease is hereby amended by deleting the Pre-Commencement Second Floor Expansion Option and the Post-Commencement Second Floor Expansion Option. Likewise, Tenant shall no longer have a Right of First Refusal, as provided in Section 27, to lease space on the second floor of the Building.

C. Rights of First Opportunity. After consummation of the transactions described in this Amendment, Tenant shall have leased all rentable areas on the sixth floor of the Building. Accordingly, Section 28 of the Lease is hereby amended to provide that Tenant does not have a Right of First Opportunity to lease space on the sixth floor of the Building. Furthermore, Tenant acknowledges that the Phase II Building, as defined in Section 28 of the Lease, will be a build-to-suit and that, therefor, Tenant shall not have a Right of First Opportunity to lease any space in the Phase II Building. All references to the "Phase II Building" in Section 28 of the Lease are hereby deleted.

D. Termination Option. Landlord acknowledges and agrees that for purposes of the Termination Option set forth in Section 33 of the Lease, Tenant shall be deemed to have leased the First Additional Space and the Second Additional Space through the exercise of the Second Floor Expansion Option. Accordingly, Tenant shall have the right to terminate its lease of the First Additional Space and the Second Additional Space in accordance with such Section 33, provided the Fee for termination of the First Additional Space and/or the Second Additional Space shall be $25.00 per rentable square foot (but the Fee for termination of the balance of the applicable space shall remain $35.00 per rentable square foot).

9. BROKER. Tenant represents that except for Fifield Realty Corp. and Equis (collectively, the "Brokers"), Tenant has not dealt with any real estate broker, salesperson or finder in connection with this Amendment, and no such

person initiated or participated in the negotiation of this Amendment. Tenant agrees to indemnify, defend and hold Landlord, its property manager and their respective employees harmless from and against all claims, demands, actions, liabilities, damages, costs and expenses (including, attorneys' fees) arising from either (i) a claim for a fee or commission made by any broker, other than the Broker, claiming to have acted by or on behalf of Tenant in connection with this Amendment, or (ii) a claim of, or right to, lien under the statutes of Illinois relating to real estate broker liens with respect to any such broker retained by Tenant. Landlord agrees to pay the Brokers a commission in accordance with the agreement between Landlord and the Brokers recited in Item 10 of the Schedule of the Lease.

10. BINDING EFFECT. The Lease, as amended hereby, shall continue in full force and effect, subject to the terms and provisions thereof and hereof. In the event of any conflict between the terms of the Lease and the terms of this Amendment, the terms of this Amendment shall control. This Amendment shall be binding upon and inure to the benefit of Landlord, Tenant and their respective successors and permitted assigns.

11. LIMITATION OF LIABILITY. Any liability of Landlord under the Lease, as amended hereby, shall be limited solely to its equity interest in the Building, and in no event shall any personal liability be asserted against Landlord in connection with the Lease, as amended hereby, nor shall any recourse be had to any other property or assets of Landlord.

IN WITNESS WHEREOF, this Amendment is executed as of the day and year aforesaid.

LANDLORD:

WINDY POINT OF SCHAUMBURG L.L.C., a Delaware limited liability company

By: FRC WINDY POINT L.L.C., an Illinois limited liability company, its managing member

By: /s/ Steven D. Fifield

Title: Managing Member

TENANT:

TCI GREAT LAKES, INC., a Delaware corporation

By: /s/ Stephen C. [ILLEGIBLE]

Title: President Great Lakes Div

EXHIBIT A-1

FLOOR PLAN OF THE FIRST ADDITIONAL SPACE

[FLOOR PLAN APPEARS HERE]

EXHIBIT A-2

FLOOR PLAN OF THE SECOND ADDITIONAL SPACE

[FLOOR PLAN APPEARS HERE]

EXHIBIT 10.117

LEASE AGREEMENT WITH THE APOLLO GROUP, INC.
FOR A PORTION OF WINDY POINT I BUILDING

WINDY POINT OF SCHAUMBURG

OFFICE LEASE

BETWEEN

WINDY POINT OF SCHAUMBURG L.L.C.
as Landlord

AND

THE APOLLO GROUP, INC.
as Tenant

Dated: November 16, 2001

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OFFICE LEASE

THIS LEASE is made as of November 16, 2001, between WINDY POINT OF SCHAUMBURG L.L.C., a Delaware limited liability company, having an address at c/o Fifield Realty Corp., 20 North Wacker Drive, Chicago, Illinois 60606 ("Landlord"), and THE APOLLO GROUP, INC., an Arizona corporation, having an address at c/o Apollo Development Corp., 4615 East Elwood Street, Suite 160, Phoenix, Arizona 85040 ("Tenant"), for space in the building at 1500 McConnor Parkway, in the office complex known as Windy Point of Schaumburg (such building, including the land upon which the building and related facilities are situated, being herein referred to as the "Building"). The following schedule (the "Schedule") sets forth certain basic terms of this Lease:

SCHEDULE

1. Premises:..... A) Suite 700
B) Approximately 28,322 rentable square feet

Base Rent:

Month of Term	Rate of Annual Base Rent per Rentable Square Foot	2. Rate of Annual Base Rent	3. Monthly Base Rent
1 - 3	- 0 -	- 0 -	- 0 -
4 - 12	$16.85	$477,225.72	$39,768.81

13 - 24	17.27	489,156.36	40,763.03
25 - 36	17.70	501,385.20	41,782.10
37 - 48	18.15	513,919.92	42,826.66
49 - 60	18.60	526,767.84	43,897.32
61 - 72	19.06	539,937.12	44,994.76
73 - 84	19.54	553,435.56	46,119.63
85 - 87	20.03	567,271.44	47,272.62

4. Tenant's Proportionate Share:..... 15.15%
5. Security Deposit:..... None
6. Scheduled Commencement Date:..... April 1, 2002
7. Scheduled Expiration Date:..... June 30, 2009
8. Guarantor:..... None
9. Broker(s):..... Fifield Realty Corp., Todd Gould Company and Apollo Development Corp.
10. Brokerage Agreement:..... Prospect Registration Policy dated July 26, 2001, between Fifield Companies and Todd Gould Company

1. DEMISE AND TERM. Landlord leases to Tenant and Tenant leases from Landlord the premises (the "Premises") described in Item 1 of the Schedule and shown on the plan attached hereto as Exhibit A, subject to the covenants and conditions set forth in this Lease, for a term (the "Term") commencing on the date (the "Commencement Date") which is the earlier to occur of (a) the date described in Item 6 of the Schedule, or (b) the date that Tenant takes occupancy of the Premises for the conduct of business, and expiring on the date (the "Expiration Date") that is the last day of the 87th full calendar month of the Term, unless terminated earlier as otherwise provided in this Lease. The Commencement Date is subject to deferment as provided in Paragraph 6 of the Work Letter Agreement attached hereto as Exhibit C (the "Work Letter Agreement") based upon the terms and conditions set forth therein. Tenant shall complete and furnish to Landlord, on or before occupancy of the Premises, the Suite Acceptance Agreement attached hereto as Exhibit D, which shall acknowledge the actual Commencement Date and Expiration Date. In addition to the Premises, Tenant shall have the right to use, in common with Landlord and all other tenants and occupants of the Building, all portions of the Building designated by Landlord for the common use of tenants and occupants, including, without limitation, entrances and exits, hallways and elevators.

2. RENT.

A. Definitions. For purposes of this Lease, the following terms shall have the following meanings:

(i) "Expenses" shall mean all expenses, costs and disbursements (other than Taxes) paid or incurred by Landlord in connection with the ownership, management, maintenance, operation, replacement and repair of the Building. Expenses shall not include: (a) costs of tenant alterations and expenses for the preparation of leasable space or other work which Landlord performs in leasable space for any tenant and or prospective tenant of the Building; (b) costs of capital improvements (except for costs of any capital improvements (1) made or installed for the purpose of reducing Expenses or (2) made or installed pursuant to governmental requirement or insurance requirement, which costs shall be amortized by Landlord over the useful life of the improvement in accordance with sound accounting and management principles [and provided that with respect to costs of the

type described in clause (1), the amortized amount included in Expenses in any year shall not exceed the savings in Expenses that occur in such year as a result of the capital improvement]); (c) interest and principal payments on mortgages and depreciation expenses (except interest on the cost of any capital improvements for which amortization may be included in the definition of Expenses) or any rental payments on any ground leases (except for rental payments which constitute reimbursement for Taxes and Expenses), and all other costs, including legal fees, transfer taxes, land trust fees, recording taxes and any other charges in connection with the transfer of ownership in the Building; (d) advertising expenses and

leasing commissions; (e) any cost or expenditure for which Landlord is or will be reimbursed or indemnified, whether by insurance proceeds or otherwise (including insurance proceeds paid to Landlord due to a casualty), except through Adjustment Rent (hereinafter defined); (f) the cost of any kind of service furnished to any other tenant in the Building which Landlord does not generally make available to all tenants in the Building; (g) legal expenses of negotiating leases and amendments and incurred in connection with lease disputes; (h) overhead and administrative costs of Landlord not directly incurred in the operation and maintenance of the Building; (i) expenses incurred for replacement of any item to the extent that it is covered under warranty, and the cost of correcting defects in the initial construction of the Building or any common areas, provided, however, that repairs resulting from ordinary wear and tear shall not be deemed to be defects; (j) accounting and legal fees relating to the construction, leasing or sale of the Building; (k) any interest or penalty incurred due to the late payment of any operating expense and/or real estate tax (provided Tenant has paid all Adjustment Rent on a timely basis); (l) the cost of any penalty or fine incurred for noncompliance with any applicable law, code, ordinance, statute or governmental regulation; (m) any personal property taxes of Landlord for equipment or items not used in the operation or maintenance of the Building; (n) any management fees at a rate in excess of the rate then generally charged by property managers of comparable buildings in Schaumburg, Illinois; (o) payroll and payroll-related and other expenses related to any employees of Landlord above the level of Building Manager or equivalent operational level or not working full-time on the management or operation of the Building, provided that such expenses of part-time workers may be included if equitably allocated to reflect actual time spent on the Building; (p) any costs or expenses to acquire sculpture, paintings or other works of art; (q) the cost of overtime or other expense to Landlord in performing work expressly provided in this Lease to be borne at Landlord's expense; (r) all expenses directly resulting from the negligence or willful misconduct of the Landlord, its agents, servants or other employees; (s) all bad debt loss, rent loss or reserve for bad debt or rent loss; (t) payroll and payroll related expenses for any employees in commercial concessions operated by the Landlord; or (u) any amount paid to an entity related to Landlord which exceeds the amount that would have been paid for comparable goods or services in an arms-length transaction between unrelated parties in said market. Expenses shall be determined on a cash or accrual basis, as Landlord may elect (provided Landlord shall not change such method of determining Expenses during the Term).

(ii) "Rent" shall mean Base Rent, Adjustment Rent and any other sums or charges due by Tenant hereunder.

(iii) "Rentable" shall mean the area of the applicable space determined in accordance with the Standard Method for Measuring Floor Area in Office Buildings, ANSI 765.1-1996, as promulgated by the Building Owners and Managers Association (BOMA) International.

(iv) "Taxes" shall mean all taxes, assessments and fees levied upon the Building, the property of Landlord located therein or the rents collected therefrom, by any governmental entity based upon the ownership, leasing, renting or operation of the Building, including all costs and expenses of protesting any such taxes, assessments or fees. Taxes shall not include any net income, capital stock, succession, transfer, franchise, gift, estate or inheritance taxes; provided, however, if at any time during the Term, a tax or excise on income is levied or assessed by any governmental entity, in lieu of or as a substitute for, in whole or in part, real estate taxes or other ad valorem taxes, such tax shall constitute and be included in Taxes. For the purposes of determining Taxes for any given year, the amount to be included for such year (a) from special assessments payable in installments shall be the amount of the installments (and any interest) due and payable during such year, and (b) from all other Taxes shall at Landlord's election either be the amount accrued, assessed or otherwise imposed for such year or the amount due and payable in such year (provided Landlord shall not change such method of determining Taxes during the Term and the method selected by Landlord shall be consistently applied in accordance with Generally Accepted Accounting Principles).

(v) "Tenant's Proportionate Share" shall mean the percentage set forth in Item 4 of the Schedule which has been determined by dividing the rentable square feet in the Premises (i.e., the number of rentable square feet stated in Item 1B of the Schedule) by the rentable square feet in the Building (i.e., 186,921).

B. Components of Rent. Tenant agrees to pay the following amounts to Landlord at the office of the Building or at such other place as Landlord designates:

(i) Base rent ("Base Rent") to be paid in monthly installments in the amount set forth in Item 3 of the Schedule in advance on or before the first day of each month of the Term, except that Tenant shall pay the fourth month's Base Rent upon execution of this Lease.

(ii) Adjustment rent ("Adjustment Rent") in an amount equal to Tenant's Proportionate Share of (a) the Expenses for any calendar year and (b) the Taxes for any calendar year. Tenant shall not be obligated to pay Adjustment Rent for the first three months of the Term. Prior to each calendar year, Landlord shall estimate the amount of Adjustment Rent due for such year, and Tenant shall pay Landlord one-twelfth of such estimate on the first day of each month during such year. Such estimate may be revised by Landlord whenever it obtains information relevant to making such estimate more accurate. After the end of each calendar year, Landlord shall deliver to Tenant a report setting forth the actual Expenses and Taxes for such calendar year and a statement of the amount of Adjustment Rent that Tenant has paid and is payable for such year. Within thirty days after receipt of such report, Tenant shall pay to Landlord the amount of Adjustment Rent due for such calendar year minus any payments of Adjustment Rent made by Tenant for such year. If Tenant's estimated payments of Adjustment Rent exceed the amount due Landlord for such

calendar year, Landlord shall apply such excess as a credit against Tenant's other obligations under this Lease or promptly refund such excess to Tenant if the Term has already expired, provided Tenant is not then in default hereunder, in either case without interest to Tenant.

(iii) Solely for purposes of calculating Tenant's Adjustment Rent, Controllable Expenses for any year of the Term shall not be deemed to exceed Controllable Expenses for the immediately preceding year of the Term by more than 5%. "Controllable Expenses" shall mean only those items of Expenses where the cost or expense thereof shall be within the reasonable ability of Landlord to control (specifically excluded from Controllable Expenses, without limitation, are the costs and expenses of electricity, fuels, insurance and snow-plowing and the wages of union employees [and the costs and expenses of independent contractors who may employ union employees]). Such limitation on Controllable Expenses shall apply only to Controllable Expenses and not to other items of Expenses or Taxes and shall not limit or otherwise affect Tenant's obligations regarding the payment of any component of Rent other than the Controllable Expenses component of Adjustable Rent.

C. Payment of Rent. The following provisions shall govern the payment of Rent: (i) if this Lease commences or ends on a day other than the first day or last day of a calendar year, respectively, the Rent for the year in which this Lease so begins or ends shall be prorated and the monthly installments shall be adjusted accordingly; (ii) except as otherwise expressly provided herein, all Rent shall be paid to Landlord without offset or deduction, and the covenant to pay Rent shall be independent of every other covenant in this Lease; (iii) if during all or any portion of any year the Building is not at least 95% rented and occupied, Landlord may elect to make an appropriate adjustment of Expenses and/or Taxes for such year to determine the Expenses and/or Taxes that would have been paid or incurred by Landlord had the Building been 95% rented and occupied for the entire year and the amount so determined shall be deemed to have been the Expenses and/or Taxes for such year; (iv) any sum due from Tenant to Landlord which is not paid when due shall bear interest from the date due until the date paid at the annual rate of 12% per annum, but in no event higher than the maximum rate permitted by law (the "Default Rate"); and, in addition, Tenant shall pay Landlord a late charge for any Rent payment which is paid more than five days after its due date equal to 5% of such payment (provided Tenant shall not be liable for such 5% late charge or such interest the first two times Tenant fails to timely pay Rent when due in any calendar year unless, with respect to each such incidence, such failure continues for more than five days after written notice); (v) if changes are made to this Lease or the Building changing the number of square feet contained in the Premises or in the Building, Landlord shall make an appropriate adjustment to Tenant's Proportionate Share; (vi) Tenant shall have the right, upon reasonable prior written notice to Landlord, to inspect Landlord's accounting records relative to Expenses and Taxes during normal business hours at any time within 120 days following the furnishing to Tenant of the annual statement of Adjustment Rent; and, unless Tenant shall take written exception to any item in any such statement within such 120-day period, such statement shall be considered as final and accepted by Tenant. Tenant must timely pay all Adjustment Rent billed by Landlord pending the outcome of its inspection or any audit of Landlord's accounting records. If Tenant makes such timely written exception, Landlord and Tenant shall act in good faith to resolve any dispute. If Landlord and Tenant

are unable to resolve the dispute within 30 days, then by written notice to Landlord given not later than 35 days after the date Tenant made the written exception, Tenant may require that an audit as to the proper amount of Adjustment Rent for such period shall be performed by an independent certified public accounting firm selected by Tenant, but subject to Landlord's reasonable approval, which audit shall be final and conclusive. If Tenant fails to timely make a written exception or to timely require an audit by an independent

accounting firm, Landlord's statement shall be considered as final and accepted by Tenant. If the results of such audit reveal that Tenant has overpaid or underpaid Adjustment Rent for the applicable year, Landlord shall pay to Tenant such overpayment or Tenant shall pay to Landlord such underpayment, as applicable, within 30 days after the results of such audit are reported to the parties. Tenant agrees to pay the entire cost of such audit unless it is determined that Landlord's original determination of the Adjustment Rent for the year in issue was in error by more than 3%, in which case Landlord agrees to pay the cost of such audit. If Tenant makes a written exception to an item in Landlord's statement and the audit reveals an error in such item for any prior year in addition to the year in question, such error for the prior year shall also be addressed in the manner set forth above; (vii) in the event of the termination of this Lease prior to the determination of any Adjustment Rent, Tenant's agreement to pay any such sums and Landlord's obligation to refund any such sums (provided Tenant is not in default hereunder) shall survive the termination of this Lease; (viii) no adjustment to the Rent by virtue of the operation of the rent adjustment provisions in this Lease shall result in the payment by Tenant in any year of less than the Base Rent shown on the Schedule; (ix) Landlord may at any time change the fiscal year of the Building; (x) each amount owed to Landlord under this Lease for which the date of payment is not expressly fixed shall be due on the same date as the Rent listed on the statement showing such amount is due; (xi) if Landlord fails to give Tenant an estimate of Adjustment Rent prior to the beginning of any calendar year, Tenant shall continue to pay Adjustment Rent at the rate for the previous calendar year until Landlord delivers such estimate; and (xii) Tenant shall be entitled to Tenant's Proportionate Share of any refund of Operating Expenses or Taxes received by Landlord, but only to the extent Tenant paid a share of the Operating Expenses or Taxes being refunded.

3. USE. Tenant agrees that it shall occupy and use the Premises only as business offices and as classrooms for adult education and for no other purposes. Tenant shall comply with all federal, state and municipal laws, ordinances and regulations and all covenants, conditions and restrictions of record applicable to Tenant's use or occupancy of the Premises. Without limiting the foregoing, Tenant shall not cause, nor permit, any hazardous or toxic substances to be brought upon, produced, stored, used, discharged or disposed of in, on or about the Premises without the prior written consent of Landlord and then only in compliance with all applicable environmental laws.

4. CONDITION OF PREMISES.

A. Initial Condition. Tenant's taking possession of the Premises shall be conclusive evidence that the Premises were in good order and satisfactory condition when Tenant took possession, subject to "Punchlist Items" described in the Work Letter Agreement. No agreement of Landlord to alter, remodel, decorate, clean or improve the Premises or the Building (or to provide Tenant with any credit or allowance for the same), and no representation regarding the condition of

the Premises or the Building, have been made by or on behalf of Landlord or relied upon by Tenant, except as stated in the Work Letter Agreement.

B. Americans With Disabilities Act. The parties acknowledge that the Americans With Disabilities Act of 1990 (42 U.S.C. (S) 12101 et seq.) and regulations and guidelines promulgated thereunder, as amended and supplemented from time to time (collectively referred to herein as the "ADA"), establish requirements under Title III of the ADA ("Title III") pertaining to business operations, accessibility and barrier removal, and that such requirements may be unclear and may or may not apply to the Premises and the Building. Tenant further acknowledges and agrees that to the extent that Landlord prepares, reviews or approves any of plans or specifications relating to leasehold improvements in the Premises, such action shall in no event be deemed any

representation or warranty that the same comply with any requirements of the ADA. Notwithstanding anything to the contrary in this Lease, the parties hereby agree to allocate responsibility for Title III compliance as follows: (a) Landlord shall be responsible, at its expense, for causing the base building restrooms, elevator lobbies and common areas within the Building to comply with the requirements of the ADA in effect as of the Commencement Date; (b) Landlord shall perform, at Tenant's expense, any so-called Title III "path of travel" requirements triggered by Tenant's performance of any construction activities or alterations in the Premises after substantial completion of the Work; (c) Landlord shall be responsible for causing the base building restrooms and elevator lobbies within the Premises and the common areas of the Building to comply with the requirements of the ADA as they may be changed or modified after the Commencement Date, provided Landlord may include the expenses of such compliance in Expenses (if and to the extent allowed pursuant to Section 2A(i)(b)); and (d) except as provided in clauses (a), (b) and (c), Tenant shall be responsible for all Title III compliance and costs in connection with the Premises, including structural work, if any, and including any leasehold improvements or other work to be performed in the Premises under or in connection with this Lease. Except as set forth above with respect to Landlord's Title III obligations, Tenant shall be solely responsible for all other requirements under the ADA relating to Tenant or any affiliates or persons or entities related to Tenant, operations of Tenant or such affiliates or related parties, or the Premises, including, without limitation, requirements under Title I of the ADA pertaining to Tenant's employees.

C. Environmental Protection.

(i) Tenant, on behalf of itself, its agents, its employees and its contractors, shall not cause or permit to occur (excluding acts of Landlord, other tenants of the Building and their respective agents, employees and contractors or anyone else not under the direct control of Tenant except as otherwise specifically provided above):

(1) any violation of any federal, state or local law, ordinance or regulation related to environmental conditions in or about the Building, including, but not limited to, improvements or alterations made to the Premises at any time by Tenant, its agents or contractors, or

(2) the use, generation, release, manufacture, refining, production, processing, storage or disposal of any Hazardous Substances (as hereinafter defined) in or about the Building, or the transportation to or from the Building of any Hazardous Substances (save and except reasonable quantities of normal office products such as cleaners, solvents and toners, all of which shall be stored and used by Tenant, at its expense, in compliance with all applicable laws).

Tenant, on behalf of itself, its agents, its employees and its contractors, shall comply with each federal, state and local law, ordinance and regulation related to environmental conditions in or about the Premises or Tenant's use of the Premises, including, without limitation, all reporting requirements and the performance of any cleanups required by any governmental authorities. Tenant shall indemnify, defend and hold harmless Landlord and its employees from and against all fines, suits, claims, actions, damages, liabilities, costs and expenses (including reasonable attorneys' and consultants' fees) asserted against or sustained by any such person or entity and arising out of or in any way connected with a breach by Tenant of this Section 4C (including any action brought by any governmental authority or other regulatory body), which obligations shall survive the expiration or termination of this Lease.

(ii) Landlord, on behalf of itself, its agents, its employees

and its contractors, shall not cause or permit to occur (excluding acts of Tenant, other tenants of the Building and their respective agents, employees and contractors or anyone else not under the direct control of Landlord except as otherwise specifically provided above):

(1) any violation of any federal, state or local law, ordinance or regulation related to environmental conditions in or about the Building, including, but not limited to, improvements or alterations made to the Building at any time by Landlord, its agents or contractors, or

(2) the use, generation, release, manufacture, refining, production, processing, storage or disposal of any Hazardous Substances in or about the Building, or the transportation to or from the Building of any Hazardous Substances (save and except reasonable quantities of normal cleaning and janitorial products, sanitary sewage and solid wastes, all of which shall be stored, disposed and used by Landlord, at its expense, in compliance with all applicable laws).

Landlord, on behalf of itself, its agents, its employees and its contractors, shall comply with each federal, state and local law, ordinance and regulation related to environmental conditions in or about the Building, including, without limitation, all reporting requirements and the performance of any cleanups required by any governmental authorities. The costs and expenses of such compliance may be included in Expenses unless prohibited pursuant to Section 2A(i). Landlord shall indemnify, defend and hold harmless Tenant and its employees from and against all fines, suits, claims, actions, damages, liabilities, costs and expenses

(including reasonable attorney's and consultant's fees) asserted against or sustained by any such person or entity and arising out of or in any way connected with a breach by Landlord of this Section 4C (including any action brought by any governmental authority or other regulatory body), which obligations shall survive the expiration or termination of this Lease.

(iii) As used in this Section 4C, "Hazardous Substances" shall include, without limitation, flammables, explosives, radioactive materials, asbestos containing materials (ACMs), polychlorinated biphenyls (PCBs), chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, petroleum and petroleum products, chlorofluorocarbons (CFCs), medical wastes and substances declared to be hazardous or toxic under any federal, state or local law, ordinance or regulation.

5. BUILDING SERVICES.

A. Basic Services. Landlord shall furnish the following services: (i) heating and air conditioning to provide a temperature condition required for comfortable occupancy of the Premises under normal business operations (provided Tenant, in designing the Work, has provided for the installation of sufficient HVAC facilities to service the Premises for Tenant's use). The heating and air conditioning for the Premises is provided through "heat pumps" which may be controlled by Tenant (i.e., Tenant controls the hours of operation and the temperature settings); (ii) water for drinking, and, subject to Landlord's approval, water at Tenant's expense for any private restrooms and office kitchen requested by Tenant; (iii) men's and women's restrooms at locations designated by Landlord and in common with other tenants of the Building; (iv) daily janitor service in the Premises and common areas of the Building, weekends and holidays excepted, at a level consistent with that customarily provided to tenants of comparable office buildings in the Schaumburg, Illinois, metropolitan area, including periodic outside window washing of the perimeter windows in the

Premises; and (v) passenger elevator service in common with Landlord and other tenants of the Building, 24 hours a day, 7 days a week; and freight elevator service daily, weekends and holidays excepted, upon request of Tenant and subject to scheduling and charges by Landlord. For purposes of this Section 5.A, "holidays" shall mean New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas, as well as, at Landlord's election, any other day that the majority of comparable office buildings in Schaumburg, Illinois treat as a public holiday.

B. Electricity. Electricity shall be distributed to the Premises by the electric utility company serving the Building (as designated by Landlord from time to time) and Landlord shall permit Landlord's wire and conduits, to the extent available, suitable and safely capable, to be used for such distribution. Tenant at its cost shall make all necessary arrangements with the electric utility company for metering and paying for electric current furnished to the Premises. All electricity used during the performance of janitor service, or the making of any alterations or repairs in the Premises, or the operation of any special air conditioning systems serving the Premises, shall be paid for by Tenant. The heat pumps providing heating and air conditioning services for the Premises draw upon

the Building's electric supply (and the costs of such electricity consumed during the Building's standard hours of operation shall be included in Expenses).

C. Telephones. Tenant shall be responsible for arranging for its own telecommunications services at the Premises. All telegraph, telephone, and electric connections which Tenant may desire shall be first approved by Landlord in writing, before the same are installed (which approval shall not be unreasonably withheld), and the location of all wires and the work in connection therewith shall be performed by contractors approved by Landlord (which approval shall not be unreasonably withheld), and shall be subject to the direction of Landlord. Landlord reserves the right to designate and control the entity or entities providing telephone or other communication cable installation, repair and maintenance in the Building and to restrict and control access to telephone cabinets, so long as in so doing, Tenant's ability to operate its business in the Premises is not materially and adversely affected. If Landlord designates a particular vendor or vendors to provide cable installation, repair and maintenance for the Building, Tenant agrees to abide by and participate in such program, so long as in so doing, Tenant's ability to operate its business in the Premises is not materially and adversely affected. Tenant shall be responsible for and shall pay all costs incurred in connection with the installation of telephone cables and related wiring in the Premises, including, without limitation, any hook-up, access and maintenance fees related to the installation of such wires and cables in the Premises and the commencement of services therein, and the maintenance thereafter of such wire and cables; and there shall be included in Expenses for the Building all installation, hook-up or maintenance costs incurred by Landlord in connection with telephone cables and related wiring in the Building which are not allocable to any individual users of such service but are allocable to the Building generally. If Tenant fails to maintain all telephone cables and related wiring in the Premises and such failure affects or interferes with the operation or maintenance of any other telephone cables or related wiring in the Building, Landlord or any vendor hired by Landlord may enter into and upon the Premises forthwith and perform such repairs, restorations or alterations as Landlord reasonably deems necessary in order to eliminate any such interference (and Landlord may recover from Tenant all of Landlord's reasonable costs in connection therewith). When reviewing and approving the locations of and specifications for telephone cables and related wiring which are installed as part of the Work or subsequent alterations by Tenant, Landlord shall specify, in writing, whether Tenant must remove such telephone cables and related wiring at the expiration or termination of this Lease. Upon expiration or termination of this Lease, Tenant shall remove all

telephone cables and related wiring installed by or for Tenant which Landlord so requested Tenant to remove. Tenant agrees that neither Landlord nor any of its agents or employees shall be liable to Tenant, or any of Tenant's employees, agents, customers or invitees or anyone claiming through, by or under Tenant, for any damages, injuries, losses, expenses, claims or causes of action because of any interruption, diminution, delay or discontinuance at any time for any reason in the furnishing of any telecommunications service to the Premises or the Building. Notwithstanding the foregoing, the foregoing waiver shall not relieve Landlord from liability for any damage, injury, loss, expense, claim or cause of action which results from the negligence or wilful misconduct of Landlord or its agents or employees, except to the extent that any such damage, injury, loss, expense, claim or cause of action is insured against, or required to be insured against, by Tenant pursuant to Section 10 of this Lease (regardless of the amount of insurance proceeds collected or collectible under any

insurance policies in effect) and except that Landlord shall in no event be liable for indirect or consequential damages or lost profits.

D Additional Services. The standard hours of operation of the Building's heating and air conditioning systems are Monday through Friday, 8:00 a.m. to 6:00 p.m., Saturdays, 8:00 a.m. to 1:00 p.m., holidays excepted. If Tenant operates the heating and air conditioning systems serving the Premises beyond the foregoing standard hours of operation, then (i) Tenant shall pay to Landlord for such after-hours use of the heat pumps an amount equal to the product of (x) the number of hours each such heat pump is used (as indicated by the DDC program for the heat pump) multiplied by (y) the then-current hourly charge established by Landlord for operating each heat pump for heating or cooling, as the case may be (which charge shall include Landlord's electric costs, and a reasonable fee to Landlord for maintenance and repair of the heat pumps), and (ii) such operation will activate the Building's fan system, and Tenant shall pay Landlord for such after-hours operation of the Building's fan system at the then-current hourly charge established by Landlord (which charge shall include Landlord's electric costs and a reasonable fee to Landlord for maintenance and repair of the fan system). Furthermore, if due to an unusual concentration of personnel or machinery in the Premises (compared to typical office use), or an unusually large number of heat pumps serving the Premises (compared to the number of heat pumps serving the other premises in the Building), the heat pumps serving the Premises consume a disproportionate amount of electricity, Tenant shall pay the costs and charges for such excess usage to Landlord. Tenant shall pay all such costs relating to after-hours or excessive use of the heating or air conditioning systems serving the Premises within 30 days after being billed therefor.

Landlord shall not be obligated to furnish any services other than those stated above in this Section 5. If Landlord elects to furnish services requested by Tenant in addition to those stated above, Tenant shall pay Landlord's then prevailing reasonable charges for such services. If Tenant shall fail to make any such payment and such failure continues beyond all applicable notice and cure periods, Landlord may, in addition to all other remedies available to Landlord, discontinue any additional services. No discontinuance of any such additional service shall result in any liability of Landlord to Tenant or be considered as an eviction or a disturbance of Tenant's use of the Premises. In addition, if Tenant's concentration of invitees, personnel or equipment adversely affects the temperature or humidity in the Premises or the Building, Landlord may install supplementary air conditioning units in the Premises; and Tenant shall pay for the reasonable cost of installation and maintenance thereof.

E. Access. Tenant's employees will have access to the Premises at all times, subject to Landlord's reasonable security requirements and subject to Sections 5F, 7, 8, 12, 13 and 25I. The Building will have a key card system (or

other comparable or superior system selected by Landlord) to limit after-hours access. In addition, the Building may have manned security desk at hours selected by Landlord. Landlord will provide Tenant with key cards for Tenant's employees (at no charge with respect to the key cards initially provided to Tenant and at a reasonable charge with respect to any replacements thereof). Tenant's invitees will be required to present appropriate identification (and/or, at Landlord's option, key cards supplied by Landlord, at Tenant's expense), for after-hours access to

the Building. Tenant shall not allow any classes or other activities requiring occupancy of the Building by Tenant's students or invitees to extend beyond 11:00 p.m. or to start before 8:00 a.m. If Landlord provides after-hours manned security at the Building, Tenant shall pay its share of the cost of such service, as reasonably allocated by Landlord among the tenants based upon Landlord's reasonable determination of the after-hours use of the Building among the tenants. For purposes of this Section 5E, "after-hours" shall mean before 8:00 a.m. or after 6:00 p.m. on weekdays and at any time on weekends or holidays. Landlord shall schedule janitorial service to the Premises on weekdays after 11:00 p.m. and prior to 8:00 a.m.

F. Failure or Delay in Furnishing Services. Tenant agrees that
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Landlord shall not be liable for damages for failure or delay in furnishing any service stated above if such failure or delay is caused, in whole or in part, by any one or more of the events stated in Section 25I below, nor shall any such failure or delay be considered to be an eviction or disturbance of Tenant's use of the Premises, or relieve Tenant from its obligation to pay any Rent when due, or from any other obligations of Tenant under this Lease. Notwithstanding the foregoing, if as a result of a negligent act or omission of Landlord or any employee of Landlord (as distinguished from an act or omission of Tenant or the occurrence of an event of force majeure [as defined in Section 25I hereof] or the occurrence of a fire or other casualty which is covered by Section 12 hereof), any service to the Premises as described above is not furnished to the Premises and if as a result thereof the Premises, or a "material part" (as defined below) of the Premises, is rendered untenantable or inaccessible for a period of three consecutive business days, and Tenant does not occupy the Premises, or such material part thereof which is rendered untenantable or inaccessible, during such 3-business day period, then as Tenant's sole remedies for such failure to furnish such service, (i) Base Rent and Adjustment Rent payable for such portion of the Premises which Tenant does not so occupy shall abate for the period commencing on the date of the onset of such untenantability or inaccessibility and expiring on the date such service is restored or Tenant is able to resume occupancy of the Premises or such material part thereof, as the case may be and (ii) if such period of untenantability or inaccessibility exceeds 90 consecutive days, Tenant may elect to terminate this Lease by delivery of written notice to Landlord within 15 business days after the expiration of such 90-day period. (As used herein, the phrase "material part" shall mean an amount in excess of 25% of rentable area of the Premises or an area within the Premises that is integral for Tenant's normal business operations.) For purposes of this Lease, the Premises, or a part thereof, shall be deemed to be "untenantable" if a condition exists such that the Premises, or such part thereof, cannot be used for the purpose for which it was rented.

6. RULES AND REGULATIONS. Tenant shall observe and comply and shall cause its subtenants, assignees, invitees, employees, contractors and agents to observe and comply, with the rules and regulations listed on Exhibit B attached hereto and with such reasonable modifications and additions thereto as Landlord may make from time to time. Landlord shall not be liable for failure of any person to obey such rules and regulations. Landlord shall not be obligated to enforce such rules and regulations against any person, and the failure of Landlord to enforce any such rules and

regulations. Landlord will provide Tenant with reasonable advance written notice of any modifications or additions to the rules and regulations. No such modifications may materially interfere with Tenant's normal business operations. Furthermore, if any modification or addition to the rules and regulations conflicts with any right expressly granted to Tenant in this Lease, the terms of this Lease shall control and prevail.

7. CERTAIN RIGHTS RESERVED TO LANDLORD. Landlord reserves the following rights, each of which Landlord may exercise without notice to Tenant and without liability to Tenant, and the exercise of any such rights shall not be deemed to constitute an eviction or disturbance of Tenant's use or possession of the Premises and shall not give rise to any claim for set-off or abatement of rent or any other claim: (a) to change the name or street address of the Building or the suite number of the Premises; (b) to install, affix and maintain any and all signs on the exterior or interior of the Building; (c) to make repairs, decorations, alterations, additions, or improvements, whether structural or otherwise, in and about the Building, and for such purposes to enter upon the Premises, temporarily close doors, corridors and other areas in the Building and interrupt or temporarily suspend services or use of common areas, and Tenant agrees to pay Landlord for overtime and reasonably similar expenses incurred if such work is done other than during ordinary business hours at Tenant's request; (d) to retain at all times, and to use in appropriate instances, keys to all doors within and into the Premises; (e) subject to Section 28, to grant to any person or to reserve unto itself the exclusive right to conduct any business or render any service in the Building; (f) to show or inspect the Premises at reasonable times and upon reasonable prior notice to Tenant and, if vacated or abandoned, to prepare the Premises for reoccupancy; (g) to install, use and maintain in and through the Premises, pipes, conduits, wires and ducts serving the Building, provided that such installation, use and maintenance does not unreasonably interfere with Tenant's use of the Premises; and (h) to take any other action which Landlord deems reasonable in connection with the operation, maintenance or preservation of the Building. In the exercise of the foregoing rights, Landlord will use reasonable efforts to minimize interference with Tenant's business operations in the Premises. If, in exercising any of the foregoing reserved rights and as a result of a negligent act or omission of Landlord or any employee of Landlord (as distinguished from an act or omission of Tenant or the occurrence of an event of force majeure [as defined in Section 25I hereof] or the occurrence of a fire or other casualty which is covered by Section 12 hereof) in connection therewith, the Premises, or a "material part" (as defined below) of the Premises, is rendered untenantable or inaccessible for a period of three consecutive business days, and Tenant does not occupy the Premises, or such material part thereof which is rendered untenantable or inaccessible, during such 3-business day period, then as Tenant's sole remedies for untenantability or inaccessibility, (i) Base Rent and Adjustment Rent payable for such portion of the Premises which Tenant does not so occupy shall abate for the period commencing on the date of the onset of such untenantability or inaccessibility and expiring on the date Tenant is able to resume occupancy of the Premises or such material part thereof, as the case may be and (ii) if such period of untenantability or inaccessibility exceeds 90 consecutive days, Tenant may elect to terminate this Lease by delivery of written notice to Landlord within 15 business days after the expiration of such 90-day notice. (As used herein, the phrase "material part" shall mean an amount in excess of 25% of rentable area of the Premises or an area within the Premises that is integral for Tenant's normal business operations.)

8. MAINTENANCE AND REPAIRS. Landlord shall maintain in good order and repair the structural elements, roof, exterior walls and windows and public common areas of the Building, and the base Building plumbing, heating, ventilating and air conditioning systems. Subject to Tenant's obligations pursuant to this Lease, Landlord shall also perform any maintenance or make any repairs to the Building as Landlord may reasonably deem necessary for the safety, operation or preservation of the Building, or as Landlord may be required or requested to do by any governmental authority or by the order or

decree of any court or by any other proper authority. The costs and expenses of Landlord's maintenance and repairs shall be included in Expenses, except to the extent prohibited pursuant to Section 2A(i)(b). Tenant, at its expense, shall maintain and keep the Premises in good order and repair at all times during the Term, subject to Sections 12 and 13 and Landlord's obligations pursuant to this Lease. In addition, Tenant shall reimburse Landlord for the cost of any repairs to the Building necessitated by the acts or omissions of Tenant, its subtenants, assignees, invitees, employees, contractors and agents, to the extent Landlord is not reimbursed for such costs under its insurance policies. Subject to the preceding sentence, Landlord shall perform any maintenance or make any repairs to the Building as Landlord shall desire or deem necessary for the safety, operation or preservation of the Building, or as Landlord may be required or requested to do by any governmental authority or by the order or decree of any court or by any other proper authority.

9. ALTERATIONS.

A. Requirements. Tenant shall not make any replacement, alteration, improvement or addition to or removal from the Premises (collectively an "alteration") without the prior written consent of Landlord. In the event Tenant proposes to make any alteration, Tenant shall, prior to commencing such alteration, submit to Landlord for prior written approval: (i) detailed plans and specifications; (ii) sworn statements, including the names, addresses and copies of contracts for all contractors; (iii) all necessary permits evidencing compliance with all applicable governmental rules, regulations and requirements; (iv) certificates of insurance in form and amounts required by Landlord, naming Landlord and any other parties designated by Landlord as additional insureds; and (v) all other documents and information as Landlord may reasonably request in connection with such alteration. Tenant agrees to pay all out-of-pocket costs and expenses incurred by Landlord for review of all such items and supervision of the alteration. Neither approval of the plans and specifications nor supervision of the alteration by Landlord shall constitute a representation or warranty by Landlord as to the accuracy, adequacy, sufficiency or propriety of such plans and specifications or the quality of workmanship or the compliance of such alteration with applicable law. Tenant shall pay the entire cost of the alteration and, if the cost of the alteration, together with all related alterations, will exceed $100,000 and if requested by Landlord, shall deposit with Landlord prior to the commencement of the alteration, security for the payment and completion of the alteration in form and amount reasonably required by Landlord (not to exceed 50% of the estimated cost of the alteration). Notwithstanding the foregoing, no consent shall be necessary for any decorative or cosmetic alteration (or related alteration) that (i) costs less than $100,000 (provided such alteration is not part of related alterations which cost, in the aggregate, more than $100,000), (ii) does not require the issuance of a building permit, (iii) does not adversely affect the structural elements of the Building or the base Building mechanical, electrical or plumbing systems, the common areas of the

Building or the use by other tenants in the Building of their demised premises, (iv) does not affect the architectural aesthetics of the Building or the appearance of any part of the Building outside the Premises and (v) does not involve the introduction or disturbance of any Hazardous Materials (provided that even if Landlord's consent is not necessary for such an alteration, the following provisions of this Section 9A shall apply). Each alteration shall be performed in a good and workmanlike manner, in accordance with the plans and specifications approved by Landlord, and shall meet or exceed the standards for construction and quality of materials established by Landlord for the Building. In addition, each alteration shall be performed in compliance with all applicable governmental and insurance company laws, regulations and requirements. Each alteration shall be performed by union contractors if required by Landlord and in harmony with Landlord's employees, contractors and other tenants. Each alteration, whether temporary or permanent in character, made by Landlord or Tenant in or upon the Premises (excepting only Tenant's

furniture, equipment and trade fixtures) shall become Landlord's property and shall remain upon the Premises at the expiration or termination of this Lease without compensation to Tenant; provided, however, that Landlord shall have the right to require Tenant to remove such alteration at Tenant's sole cost and expense in accordance with the provisions of Section 15 of this Lease. Notwithstanding anything contained in this Section 9A to the contrary, if Landlord gives its consent or approval, pursuant to the provisions of this Section 9A, to allow Tenant to make any alterations in the Premises, Landlord agrees to notify Tenant in writing at the time of the giving of such consent or approval whether Landlord will require Tenant to remove such alterations at the termination or expiration of this Lease.

B. Liens. Upon completion of any alteration, Tenant shall promptly furnish
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Landlord with sworn owner's and contractors statements and full and final waivers of lien covering all labor and materials included in such alteration. Tenant shall not permit any mechanic's lien to be filed against the Building, or any part thereof, arising out of any alteration performed, or alleged to have been performed, by or on behalf of Tenant. If any such lien is filed, Tenant shall within 25 days thereafter have such lien released of record or deliver to Landlord a bond in form, amount, and issued by a surety satisfactory to Landlord, indemnifying Landlord against all costs and liabilities resulting from such lien and the foreclosure or attempted foreclosure thereof. If Tenant fails to have such lien so released or to deliver such bond to Landlord, Landlord, without investigating the validity of such lien, may pay or discharge the same; and Tenant shall reimburse Landlord upon demand for the amount so paid by Landlord, including Landlord's reasonable expenses and reasonable attorneys' fees.

10. INSURANCE.

A. Tenant's Insurance. Tenant, at its expense, shall maintain at all times
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extended coverage, vandalism, malicious mischief, sprinkler leakage, water damage and all risk coverage and demolition and debris removal, insuring the full replacement cost of all improvements, alterations or additions to the Premises made at Tenant's expense, and all other property owned or used by Tenant and located in the Premises; (b) commercial general liability insurance, including blanket contractual liability insurance, with respect to the Building and the Premises, with limits to be set by Landlord from time

to time but in any event not less than $3,000,000 each occurrence combined single limit for bodily injury, sickness or death or for damage to or destruction of property, including loss of use thereof; (c) workers' compensation and occupational disease insurance with Illinois statutory benefits and employers liability insurance with limits of not less than $3,000,000 each accident, each disease and aggregate for disease; and (d) insurance against such other risks and in such other amounts as Landlord may from time to time reasonably require. The form of all such policies and deductibles thereunder shall be subject to Landlord's prior approval, which approval shall not be unreasonably withheld, conditioned or delayed. All such policies shall be issued by insurers reasonably acceptable to Landlord and licensed to do business in Illinois. The insurance policies shall name Landlord, any mortgage lender their respective affiliates, subsidiaries, successors and assigns, the property manager and any other parties designated by Landlord as additional insureds. All policies shall require at least thirty (30) days' prior written notice to Landlord of termination or modification and shall be primary and not contributory. Tenant shall at least ten (10) days prior to the Commencement Date, and within ten (10) days prior to the expiration of each such policy, deliver to Landlord certificates evidencing the foregoing insurance or renewal thereof, as the case may be.

B. Landlord's Insurance. Landlord shall at all times during the Term carry
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a policy of insurance which insures the Building, including the Premises, against loss or damage by fire or other casualty (namely, the perils against which insurance is afforded by a fire insurance policy with "special cause of loss coverage") in an amount not less than the replacement cost of the Building (excluding foundations); provided, however, that Landlord shall not be responsible for, and shall not be obligated to insure against, any loss of or damage to any personal property of Tenant, or which Tenant may have in the Building or the Premises or any trade fixtures installed by or paid for by Tenant on the Premises or any additional improvements which Tenant may construct on the Premises, and Landlord shall not be liable for any loss or damage to such property, regardless of cause, including the negligence of Landlord and its employees, agents, contractors, customers and invitees. If any alterations or improvements made by Tenant pursuant to Section 9 hereof result in an increase of the premiums charged during the Term on the casualty insurance carried by Landlord on the Building, then the cost of such increase in insurance premiums shall be borne by Tenant, which shall reimburse Landlord for the same as additional rent after being billed therefor. Landlord shall also carry commercial general liability insurance with respect to the Building in amounts and with coverages deemed prudent by Landlord (or may self-insure against the liabilities covered by such insurance). Such policy shall be excess and non-contributory of Tenant's liability policies. The cost of all insurance maintained by Landlord shall be included in Expenses.

C. Mutual Waiver of Subrogation. Landlord and Tenant each agree that neither Landlord nor Tenant (nor their respective successors or assigns) will have any claim against the other for any loss, damage or injury to property which is covered by insurance carried by either party (or which would have been covered if it had carried the insurance required by this Lease), notwithstanding the negligence of either party in causing the loss. The waiver also applies to each party's directors, officers, employees, shareholders and agents. The waiver does not apply to claims caused by a party's wilful misconduct.

If despite a party's best efforts it cannot find an insurance company that will allow a waiver at reasonable commercial rates, then it shall give notice to the other party within 30 days after discovering such situation. The other party shall then have 30 days to find an insurance company that will allow the waiver. If the other party cannot find such an insurance company, then both parties shall be released from their obligation to obtain the waiver.

If an insurance company is found but it will allow the waiver only at rates greater than reasonable commercial rates, then the parties can agree to pay for the waiver under any agreement they can negotiate. If the parties cannot in good faith negotiate an agreement, then both parties shall be released from their obligation to obtain the waiver.

11. WAIVER AND INDEMNITY.

A. Waiver. Tenant releases Landlord, its property manager and their respective agents and employees from, and waives all claims for, damage or injury to person or property and loss of business sustained by Tenant and resulting from the Building or the Premises or any part thereof or any equipment therein becoming in disrepair, or resulting from any accident in or about the Building. This paragraph shall apply particularly, but not exclusively, to flooding, damage caused by Building equipment and apparatus, water, snow, frost, steam, excessive heat or cold, broken glass, sewage, gas, odors, excessive noise or vibration or the bursting or leaking of pipes, plumbing fixtures or sprinkler devices. Without limiting the generality of the foregoing, Tenant waives all claims and rights of recovery against Landlord, its property manager and their respective agents and employees for any loss or damage to any property of Tenant, which loss or damage is insured against, or required to be insured against, by Tenant pursuant to Section 10 above, whether or not such loss or damage is due to the fault or negligence of Landlord, its property manager or

their respective agents or employees, and regardless of the amount of insurance proceeds collected or collectible under any insurance policies in effect. Notwithstanding anything contained in this Section 11A to the contrary, Tenant shall not be deemed to release Landlord, its property manager or their respective agents or employees from, or waive claims for, damage or injury to person or property or loss of business sustained by Tenant to the extent resulting from the negligence or wilful misconduct of Landlord, its property manager or their respective agents or employees, except to the extent that such damage, injury or loss sustained by Tenant is insured against, or required to be insured against, by Tenant pursuant to Section 10 of this Lease (regardless of the amount of insurance proceeds collected or collectible under any insurance policies in effect).

B. Tenant's Indemnity. Tenant agrees to indemnify, defend and hold harmless Landlord, its property manager and their respective agents and employees, from and against any and all claims, demands, actions, liabilities, damages, costs and expenses (including attorneys' fees), for injuries to any persons and damage to or theft or misappropriation or loss of property occurring in or about the Building and arising from the use and occupancy of the Premises or from any activity, work, or thing done, permitted or suffered by Tenant in or about the Premises (including, without limitation, any alteration by Tenant) or from any breach or default on the part of Tenant in the performance of any covenant or agreement on the part of Tenant to be performed under this Lease or due to any other

act or omission of Tenant, its subtenants, assignees, invitees, employees, contractors and agents. If any such proceeding is filed against Landlord or any such indemnified party, Tenant agrees to defend Landlord or such party in such proceeding at Tenant's sole cost by legal counsel reasonably satisfactory to Landlord, if requested by Landlord. Notwithstanding anything contained in this Section 11B to the contrary, Tenant shall not be required to indemnify Landlord, its property manager or their respective agents and employees to the extent of any claim or matter which results from the negligence or wilful misconduct of the indemnified party, except to the extent that such claim or matter is insured against, or required to be insured against, by Tenant pursuant to Section 10 of this Lease (regardless of the amount of insurance proceeds collected or collectible under any insurance policies in effect).

C. Landlord's Indemnity. Subject to the provisions of Section 25M below, Landlord agrees to indemnify, defend and hold harmless Tenant and its agents and employees, from and against any and all claims, demands, actions, liabilities, damages, costs and expenses (including attorneys' fees), for injuries to any persons and damage to or theft or misappropriation or loss of tangible property occurring in or about the Building and arising from any breach or default on the part of Landlord in the performance of any covenant or agreement on the part of Landlord to be performed under this Lease or due to any other negligent act or omission or wilful misconduct of Landlord, its employees, contractors and agents. If any such proceeding is filed against Tenant or any such indemnified party, Landlord agrees to defend Tenant or such party in such proceeding at Landlord's sole cost by legal counsel reasonably satisfactory to Tenant, if requested by Tenant. Notwithstanding anything contained in this Section 11C to the contrary, Landlord shall not be required to indemnify Tenant or its agents and employees from or in respect of any claim or matter which results from the negligence or wilful misconduct of Tenant or its agents and employees.

12. FIRE AND CASUALTY. Upon a fire or other casualty affecting the Premises or the Building, Landlord, with reasonable diligence, shall restore the Premises or the Building, as applicable. Notwithstanding the foregoing, if 25% or more of the rentable area of the Premises or all or a substantial part of the Building is rendered untenantable by reason of fire or other casualty, Landlord may, at its option, either restore the Premises and the Building, or terminate this Lease effective as of the date of such fire or other casualty. Landlord agrees

to give Tenant written notice within 60 days after the occurrence of any such fire or other casualty designating whether Landlord elects to so restore or terminate this Lease. If Landlord elects to terminate this Lease, Rent shall be paid through and apportioned as of the date of such fire or other casualty. If Landlord elects to restore, Landlord's obligation to restore the Premises shall be limited to restoring those improvements in the Premises existing as of the date of such fire or other casualty which were made at Landlord's expense and shall exclude any furniture, equipment, fixtures, additions, alterations or improvements in or to the Premises which were made at Tenant's expense. If Landlord elects to restore, Rent shall abate for that part of the Premises which is untenantable (as defined in Section 5F) on a per diem basis from the date of such fire or other casualty until Landlord has substantially completed its repair and restoration work, provided that Tenant does not occupy such part of the Premises during said period.

Notwithstanding anything contained in this Section 12 to the contrary, within 60 days after the date of any fire or other casualty which renders all or a substantial part of the Premises or the Building untenantable, Landlord shall provide to Tenant in writing Landlord's good faith estimate of the time required by Landlord to restore the Premises ("Landlord's Restoration Estimate"). If Landlord's Restoration Estimate exceeds 270 days from the date of such fire or casualty, then Tenant shall have the right, exercisable by written notice to Landlord within 15 business days after delivery of Landlord's Restoration Estimate, to terminate this Lease as of the date of such fire or other casualty. Furthermore, if neither party elects to terminate this Lease as provided above and Landlord fails to substantially complete the restoration of the Premises within the time period set forth in Landlord's Restoration Estimate (subject to delays caused by or attributable to Tenant or its agents, employees or contractors or to events of the type described in Section 25I), as Tenant's sole and exclusive remedy for such delay in substantial completion of the restoration, Tenant shall have the right, exercisable by written notice to Landlord within 15 business days after the expiration of the time period set forth in Landlord's Restoration Estimate, to terminate this Lease as of the date of such fire or other casualty. Notwithstanding the foregoing, Tenant shall have no right to terminate this Lease if the fire or other casualty was caused, in whole or in part, by the negligence or intentional misconduct of Tenant or Tenant's agents, employees, contractors, invitees, subtenants or assigns.

13. CONDEMNATION. If the Premises or the Building is rendered unusable by Tenant for the normal conduct of its business in the Premises, by reason of a condemnation (or by a deed given in lieu thereof), then either party may terminate this Lease by giving written notice of termination to the other party within 30 days after such condemnation, in which event this Lease shall terminate effective as of the date which is the day immediately preceding the date of such condemnation. If this Lease so terminates, Rent shall be paid through and apportioned as of such termination date. If such condemnation does not render the Premises or the Building unusable, this Lease shall continue in effect and Landlord shall promptly restore the portion not condemned to the extent reasonably possible to the condition existing prior to the condemnation. In such event, however, Landlord shall not be required to expend an amount in excess of the proceeds received by Landlord from the condemning authority. Landlord reserves all rights to compensation for any condemnation. Tenant hereby assigns to Landlord any right Tenant may have to such compensation, and Tenant shall make no claim against Landlord or the condemning authority for compensation for termination of Tenant's leasehold interest under this Lease or interference with Tenant's business. Tenant's assignment of its interest in any condemnation award to Landlord is conditioned upon its legal right to prosecute a separate claim in the condemnation proceeding for any relocation award to which it may be entitled or for any furniture, trade fixtures or other fixtures which Tenant is entitled to remove at the termination of the Lease and which are subject to the taking, for the unamortized cost of any improvements paid for by Tenant and for any relocation or other business disruption loss Tenant incurs as a result of such taking. If Tenant's access to the Premises is permanently taken as a result of the condemnation, the Lease shall terminate upon the effective

date of the taking unless the parties agree otherwise.

14. ASSIGNMENT AND SUBLETTING.

A. Landlord's Consent. Tenant shall not, without the prior written consent of Landlord: (i) assign, convey, mortgage or otherwise transfer this Lease or any interest hereunder, or sublease the Premises, or any part thereof, whether voluntarily or by operation of law; or (ii) permit the use of the Premises by any person other than Tenant and its employees. As provided in Section 14B, Landlord shall not unreasonably withhold, condition or delay its consent to any assignment or sublease. Any such transfer, sublease or use described in the preceding sentence (a "Transfer") occurring without the prior written consent of Landlord shall be void and of no effect. Landlord's consent to any Transfer shall not constitute a waiver of Landlord's right to withhold its consent to any future Transfer. Landlord's consent to any Transfer or acceptance of rent from any party other than Tenant shall not release Tenant from any covenant or obligation under this Lease. Landlord may require as a condition to its consent to any assignment of this Lease that the assignee execute an instrument in which such assignee assumes the obligations of Tenant hereunder. For the purposes of this paragraph, the transfer (whether direct or indirect) of all or a majority of the capital stock in a corporate Tenant (other than the shares of the capital stock of a corporate Tenant whose stock is publicly traded) or the merger, consolidation or reorganization of such Tenant and the transfer of all or any general partnership interest in any partnership Tenant shall be considered a Transfer. If Tenant is a general or limited partnership (or is comprised of two or more persons or entities), the change or conversion of Tenant to (i) a limited liability company, (ii) a limited liability partnership or (iii) any other entity which possesses the characteristics of limited liability shall be prohibited unless the prior written consent of Landlord is obtained, which consent may be withheld in Landlord's sole discretion. Any such change or conversion without Landlord's consent shall not release the individuals or entities comprising Tenant from personal liability hereunder. Notwithstanding anything contained in this Section 14A to the contrary, provided Tenant is not then in Default under this Lease, Tenant shall have the right to assign this Lease or sublease the Premises, or any part thereof, to an "Affiliate" (as defined below) without the prior written consent of Landlord, subject to all of the other provisions of this Lease, specifically including, without limitation, the continuation of liability of Tenant under this Lease (and provided Tenant notifies Landlord of such assignment or sublease within 30 days after it occurs). Upon an assignment of this Lease to an Affiliate, the Affiliate shall assume the obligations of the lessee under this Lease from and after the effective date of such assignment pursuant to a written assumption agreement executed and delivered to Landlord within 30 days after the effective date of such assignment. "Affiliate" shall mean (i) any corporation or other entity controlling, controlled by or under the common control with Tenant, (ii) the surviving entity formed as a result of a merger or consolidation with Tenant or (iii) any person or entity that acquires substantially all of Tenant's assets as a going concern. The word "control", as used herein, shall mean the power to direct or cause the direction of the management and policies of the controlled entity through ownership of more than 50% of the voting securities in such controlled entity. Nothing contained in this Section 14A shall permit an assignment of this Lease or the subleasing of the Premises to any Affiliate that is disreputable, non-creditworthy or otherwise not in keeping with the nature or class of tenants in a Class A office building, as reasonably determined by Landlord. In addition, Tenant shall have the right to provide space in the Premises from time to time (i) to business entities or other organizations for the purpose of conducting educational

programs and/or meetings from classrooms within the Premises (provided (w)

Tenant shall not allow the use of more than three classrooms, in the aggregate, by such third parties at any time, (x) all such programs and/or meetings shall be a business use consistent with the uses and expectations of tenants in a Class A office building, (y) any school or other educational facility using such space shall not use such space for more than 90 consecutive days at one time, and (z) Tenant shall provide Landlord with at least two business days prior written notice before each such use), and (ii) to concessionaires or independent contractors who provide services directly related to Tenant's use (such as a bookstore or a food and beverage service [provided any such food and beverage service operates only between the hours of 6:00 p.m. and 11:00 p.m. on weekdays]) or serving Tenant's staff and students (but not to exceed 10% of the rentable area of the Premises, in the aggregate with all such concessionaires and contractors), and such use of the Premises shall not constitute a Transfer requiring Landlord's consent. Tenant shall remain liable for all acts or omissions of such users, concessionaires and contractors as if they were employees of Tenant.

B. Standards for Consent. If Tenant desires the consent of Landlord to a Transfer, Tenant shall submit to Landlord, at least 30 days prior to the proposed effective date of the Transfer, a written notice which includes such information as Landlord may require about the proposed Transfer and the transferee. Landlord shall not unreasonably withhold or condition its consent to any assignment or sublease. Landlord shall notify Tenant whether Landlord withholds or conditions its consent within 15 days after Tenant has submitted to Landlord the written notice and accompanying information described above. Landlord shall not be deemed to have unreasonably withheld its consent if, in the reasonable judgment of Landlord: (i) the transferee is of a character or engaged in a business which is not in keeping with the standards or criteria used by Landlord in leasing the Building; (ii) the financial condition of the transferee is such that it may not be able to perform its obligations in connection with this Lease; (iii) the purpose for which the transferee intends to use the Premises or portion thereof is in violation of the terms of this Lease or the lease of any other tenant in the Building; or (iv) any other reasonable bases. If Landlord consents to any Transfer, Tenant shall pay to Landlord 50% of all rent and other consideration received by Tenant in excess of the Rent paid by Tenant hereunder for the portion of the Premises so transferred (after deducting therefrom the amount of all reasonable brokerage commissions, cash allowances and tenant improvement costs actually paid by Tenant in connection with such Transfer, which amount shall be amortized on a straight-line basis over the lease term of the applicable Transfer). Such rent shall be paid as and when received by Tenant. In addition, Tenant shall pay to Landlord any attorneys' fees and expenses incurred by Landlord in connection with any proposed Transfer, whether or not Landlord consents to such Transfer.

15. SURRENDER. Upon termination of the Term or Tenant's right to possession of the Premises, Tenant shall return the Premises to Landlord in good order and condition, ordinary wear and damage by fire or other casualty excepted. If Landlord requires Tenant to remove any alterations pursuant to Section 9, then such removal shall be done in a good and workmanlike manner; and upon such removal Tenant shall restore the Premises to its condition prior to the installation of such alterations. If Tenant does not remove such alterations after request to do so by Landlord, Landlord may remove the same and restore the Premises; and Tenant shall pay the cost of such removal and

restoration to Landlord upon demand. Tenant shall also remove its furniture, equipment, trade fixtures and all other items of personal property from the Premises prior to the termination of the Term or Tenant's right to possession of the Premises. If Tenant does not remove such items, Tenant shall be conclusively presumed to have conveyed the same to Landlord without further payment or credit by Landlord to Tenant; or at Landlord's sole option such items shall be deemed abandoned, in which event Landlord may cause such items to be removed and disposed of at Tenant's expense, without notice to Tenant and without obligation to compensate Tenant.

16. DEFAULTS AND REMEDIES.

A. Default. The occurrence of any of the following shall constitute a default (a "Default") by Tenant under this Lease: (i) Tenant fails to pay any Rent when due and such default shall continue for five days after written notice to Tenant; (ii) Tenant fails to perform any other provision of this Lease and such failure is not cured within 30 days (or immediately if the failure involves a hazardous condition) after notice from Landlord (or if such failure not involving a hazardous condition will take longer than 30 days to cure, if Tenant fails to immediately commence curing such failure or thereafter fails to diligently pursue such cure to completion and in all events if Tenant fails to complete such cure within 90 days after such failure); (iii) the leasehold interest of Tenant is levied upon or attached under process of law; (iv) Tenant or any guarantor of this Lease dissolves; (v) Tenant abandons or vacates the Premises and ceases paying Rent; or (vi) any voluntary or involuntary proceedings are filed by or against Tenant or any guarantor of this Lease under any bankruptcy, insolvency or similar laws and, in the case of any involuntary proceedings, are not dismissed within 60 days after filing.

B. Right of Re-Entry. Upon the occurrence of a Default, Landlord may elect to terminate this Lease, or, without terminating this Lease, terminate Tenant's right to possession of the Premises. Upon any such termination, Tenant shall immediately surrender and vacate the Premises and deliver possession thereof to Landlord. Tenant grants to Landlord the right to enter and, using such force as may be allowed by law, repossess the Premises, expel Tenant and any others who may be occupying the Premises and remove any and all property therefrom, without being deemed in any manner guilty of trespass and without relinquishing Landlord's rights to Rent or any other right given to Landlord hereunder or by operation of law.

C. Reletting. If Landlord terminates Tenant's right to possession of the Premises without terminating this Lease, Landlord may relet the Premises or any part thereof. In such case, Landlord shall use reasonable efforts to relet the Premises on such terms as Landlord shall reasonably deem appropriate; provided, however, Landlord may first lease Landlord's other available space and shall not be required to accept any tenant offered by Tenant or to observe any instructions given by Tenant about such reletting. Tenant shall reimburse Landlord for the reasonable costs and expenses of reletting the Premises including, but not limited to, all brokerage, advertising, legal, alteration and other expenses incurred to secure a new tenant for the Premises. In addition, if the consideration collected by Landlord upon any such reletting, after payment of the expenses of reletting the Premises which have not been reimbursed by Tenant, is insufficient to pay monthly the full amount

of the Rent, Tenant shall pay to Landlord the amount of each monthly deficiency as it becomes due. If such consideration is greater than the amount necessary to pay the full amount of the Rent, the full amount of such excess shall be retained by Landlord and shall in no event be payable to Tenant.

D. Termination of Lease. If Landlord terminates this Lease, Landlord may recover from Tenant and Tenant shall pay to Landlord, on demand, as and for liquidated and final damages, an accelerated lump sum amount equal to the amount by which Landlord's reasonable estimate of the aggregate amount of Rent owing from the date of such termination through the Expiration Date plus Landlord's reasonable estimate of the aggregate reasonable expenses of reletting the Premises, exceeds Landlord's estimate of the fair rental value of the Premises for the same period (after deducting from such fair rental value the time needed to relet the Premises and the amount of concessions which would normally be given to a new tenant), both discounted to present value at the rate of 7% per

annum.

E. Other Remedies. Landlord may but shall not be obligated to perform any obligation of Tenant under this Lease; and, if Landlord so elects, all costs and expenses paid by Landlord in performing such obligation, together with interest at the Default Rate, shall be reimbursed by Tenant to Landlord on demand. Any and all remedies set forth in this Lease: (i) shall be in addition to any and all other remedies Landlord may have at law or in equity, (ii) shall be cumulative, and (iii) may be pursued successively or concurrently as Landlord may elect. The exercise of any remedy by Landlord shall not be deemed an election of remedies or preclude Landlord from exercising any other remedies in the future.

F. Bankruptcy. If Tenant becomes bankrupt, the bankruptcy trustee shall not have the right to assume or assign this Lease unless the trustee complies with all requirements of the United States Bankruptcy Code; and Landlord expressly reserves all of its rights, claims, and remedies thereunder.

G. Waiver of Trial by Jury. Landlord and Tenant waive trial by jury in the event of any action, proceeding or counterclaim brought by either Landlord or Tenant against the other in connection with this Lease.

H. Venue. If either Landlord or Tenant desires to bring an action against the other in connection with this Lease, such action shall be brought in the federal or state courts located in Chicago, Illinois. Landlord and Tenant consent to the jurisdiction of such courts and waive any right to have such action transferred from such courts on the grounds of improper venue or inconvenient forum.

I. Default by Landlord. Landlord's failure to perform or observe any of its material obligations under this Lease shall constitute a default by Landlord under this Lease only if such failure shall continue for a period of 30 days (or the additional time, if any, that is reasonably necessary to cure the failure) after Landlord receives written notice from Tenant specifying the default. The notice shall give in reasonable detail the nature and extent of the failure and shall

identify the Lease provision(s) containing the obligation(s). If Landlord shall default in the performance of any of its obligations under this Lease (after notice and opportunity to cure as provided herein), Tenant may pursue any remedies available to it under the law and this Lease.

17. HOLDING OVER. If Tenant retains possession of the Premises after the expiration or termination of the Term or Tenant's right to possession of the Premises, Tenant shall pay Rent during such holding over at 150% of the rate in effect immediately preceding such holding over computed on a monthly basis for each month or partial month that Tenant remains in possession. Tenant shall also pay, indemnify and defend Landlord from and against all claims and damages, consequential as well as direct, sustained by reason of Tenant's holding over (provided Tenant shall not be liable for consequential damages unless such holding over extends more than 30 days after the last to occur of (x) the expiration or termination of this Lease and (y) written notice from Landlord that holding over by Tenant may result in consequential damages). The provisions of this Section do not waive Landlord's right of re-entry or right to regain possession by actions at law or in equity or any other rights hereunder, and any receipt of payment by Landlord shall not be deemed a consent by Landlord to Tenant's remaining in possession or be construed as creating or renewing any lease or right of tenancy between Landlord and Tenant.

18. INTENTIONALLY DELETED.

19. [INTENTIONALLY DELETED]

20. ESTOPPEL CERTIFICATES. Tenant agrees that, from time to time upon not less than 10 business days' prior written request by Landlord, Tenant shall execute and deliver to Landlord a written certificate certifying: (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, a description of such modifications and that this Lease as modified is in full force and effect); (ii) the dates to which Rent has been paid; (iii) that Tenant is in possession of the Premises, if that is the case; (iv) that Landlord is not in default under this Lease, or, if Tenant believes Landlord is in default, the nature thereof in detail; (v) that Tenant has no off-sets or defenses to the performance of its obligations under this Lease (or if Tenant believes there are any off-sets or defenses, a full and complete explanation thereof); and (vi) such additional matters as may be requested by Landlord, it being agreed that such certificate may be relied upon by any prospective purchaser, mortgagee or other person having or acquiring an interest in the Building. If Tenant fails to execute and deliver any such certificate within 10 business days after request, and such failure continues for more than five days after a second written request from Landlord, then such failure shall constitute a Default hereunder (without the necessity of delivering any further notice as otherwise required pursuant to Section 16A).

21. SUBORDINATION. This Lease is and shall be expressly subject and subordinate at all times to (a) any present or future ground, underlying or operating lease of the Building, and all amendments, renewals and modifications to any such lease, and (b) the lien of any present or future mortgage or deed of trust encumbering fee title to the Building and/or the leasehold estate under any such lease. If any such mortgage or deed of trust be foreclosed, or if any such lease be terminated,

upon request of the mortgagee, beneficiary or lessor, as the case may be, Tenant will attorn to the purchaser at the foreclosure sale or to the lessor under such lease, as the case may be. The foregoing provisions are declared to be self-operative and no further instruments shall be required to effect such subordination and/or attornment; provided, however, that Tenant agrees upon request by any such mortgagee, beneficiary, lessor or purchaser at foreclosure, as the case may be, to execute such subordination and/or attornment instruments as may be required by such person to confirm such subordination and/or attornment on the form customarily used by such party. Notwithstanding the foregoing to the contrary, any such mortgagee, beneficiary or lessor may elect to give the rights and interests of Tenant under this Lease (excluding rights in and to insurance proceeds and condemnation awards) priority over the lien of its mortgage or deed of trust or the estate of its lease, as the case may be. In the event of such election and upon the mortgagee, beneficiary or lessor notifying Tenant of such election, the rights and interests of Tenant shall be deemed superior to and to have priority over the lien of said mortgage or deed of trust or the estate of such lease, as the case may be, whether this Lease is dated prior to or subsequent to the date of such mortgage, deed of trust or lease. In such event, Tenant shall execute and deliver whatever instruments may be required by such mortgagee, beneficiary or lessor to confirm such superiority on the form customarily used by such party. If Tenant fails to execute any instrument required to be executed by Tenant under this Section 21 within 10 business days after written request, and such failure continues for more than five days after a second written request from Landlord, then such failure shall constitute a Default hereunder (without the necessity of delivering any further notice as otherwise required pursuant to Section 16A). Notwithstanding anything in this Section 21 to the contrary, Landlord agrees to procure and deliver to Tenant prior to the Commencement Date a non-disturbance agreement from the present first mortgagee on the form attached hereto as Exhibit F. Landlord represents to Tenant that, as of the date of this Lease, National City Bank of Michigan-Illinois is the only mortgagee upon the Building. Furthermore, Tenant's agreement under this Section to subordinate this Lease to the interest of any

holder of a ground, underlying or operating lease or mortgage or deed of trust executed or delivered after the execution and delivery of this Lease is subject to and conditioned on Landlord causing such party to deliver to Tenant a non-disturbance and attornment agreement on such party's customary form whereby such party agrees that so long as Tenant is not in default under the terms of this Lease, Tenant's tenancy for the use and purposes herein described and all rights granted to Tenant herein will not be disturbed and will remain in full force and effect throughout the Term of this Lease and any extensions thereof.

22. QUIET ENJOYMENT. As long as no Default exists, Tenant shall peacefully and quietly have and enjoy the Premises for the Term, free from interference by Landlord, subject, however, to the provisions of this Lease. The loss or reduction of Tenant's light, air or view will not be deemed a disturbance of Tenant's occupancy of the Premises nor will it affect Tenant's obligations under this Lease or create any liability of Landlord to Tenant.

23. BROKER. Tenant represents to Landlord that Tenant has dealt only with the brokers set forth in Item 9 of the Schedule (the "Brokers") in connection with this Lease and that, insofar as Tenant knows, no other broker negotiated this Lease or is entitled to any commission in connection herewith. Tenant agrees to indemnify, defend and hold Landlord, its property manager and their

respective employees harmless from and against all claims, demands, actions, liabilities, damages, costs and expenses (including, attorneys' fees) arising from either (i) a claim for a fee or commission made by any broker, other than the Brokers, claiming to have acted by or on behalf of Tenant in connection with this Lease, or (ii) a claim of, or right to, lien under the statutes of Illinois relating to real estate broker liens with respect to any such broker retained by Tenant. Landlord represents to Tenant that Landlord has dealt only with the Brokers in connection with this Lease and that, insofar as Landlord knows, no other broker negotiated this Lease or is entitled to any commission in connection herewith. Landlord agrees to indemnify, defend and hold Tenant harmless from and against all claims, demands, actions, liabilities, damages, costs and expenses (including, attorneys' fees) arising from a claim for a fee or commission made by any broker, other than the Brokers, claiming to have acted by or on behalf of Landlord in connection with this Lease. Landlord agrees to pay the Brokers a commission in accordance with the separate agreement between Landlord and the Brokers described in Item 10 of the Schedule.

24. NOTICES. All notices and demands to be given by one party to the other party under this Lease shall be given in writing, mailed or delivered to Landlord or Tenant, as the case may be, at the address set forth below or at such other address as either party may hereafter designate. Notices shall be delivered by hand by a documented service or by United States certified or registered mail, postage prepaid, return receipt requested, or by a nationally recognized overnight air courier service.

If to Tenant:	The University of Phoenix, Inc. c/o Apollo Development Corp. 4615 East Elwood Street, Suite 160 Phoenix, Arizona 85040 Attention: Mr. William J. Swirtz, President
With copies (in cases of notices of default only) to:	Snell & Wilmer L.L.P. One Arizona Center Phoenix, Arizona 85004-2202 Attention: Jody Pokorski, Esq.
If to Landlord:	Windy Point of Schaumburg L.L.C. c/o Fifield Realty Corp. 20 North Wacker Drive Suite 3200

Chicago, Illinois 60606
Attention: President

With copies to: Citigroup Investments
190 South LaSalle Street
Suite 2740
Chicago, Illinois 60603
Attn: Vice President

Notices shall be considered to have been given upon actual receipt (or refusal to accept delivery).

25. MISCELLANEOUS.

A. Successors and Assigns. Subject to Section 14 of this Lease, each provision of this Lease shall extend to, bind and inure to the benefit of Landlord and Tenant and their respective legal representatives, successors and assigns; and all references herein to Landlord and Tenant shall be deemed to include all such parties.

B. Entire Agreement. This Lease, and the riders and exhibits, if any, attached hereto which are hereby made a part of this Lease, represent the complete agreement between Landlord and Tenant; and Landlord has made no representations or warranties except as expressly set forth in this Lease. No modification or amendment of or waiver under this Lease shall be binding upon Landlord or Tenant unless in writing signed by Landlord and Tenant.

C. Time of Essence. Time is of the essence of this Lease and each and all of its provisions.

D. Execution and Delivery. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of space or an option for lease, and it is not effective until execution and delivery by both Landlord and Tenant. Execution and delivery of this Lease by Tenant to Landlord shall constitute an irrevocable offer by Tenant to lease the Premises on the terms and conditions set forth herein, which offer may not be revoked for seven days after such delivery.

E. Severability. The invalidity or unenforceability of any provision of this Lease shall not affect or impair any other provisions.

F. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State in which the Premises are located.

G. Attorneys' Fees. The nonprevailing party shall pay the prevailing party all costs and expenses, including reasonable attorneys' fees, incurred by such prevailing party in successfully enforcing the nonprevailing party's obligations or successfully defending the prevailing party's rights under this Lease against the nonprevailing party. Each party hereto shall pay the costs and expenses, including reasonable attorneys' fees, incurred by the other party as a result of any litigation in which such first party causes such second party, without such second party's fault to become involved as a result of this Lease.

H. Joint and Several Liability. If Tenant is comprised of more than one party, each such party shall be jointly and severally liable for Tenant's obligations under this Lease.

I. Force Majeure. Landlord shall not be in default hereunder and
Tenant shall not be excused from performing any of its obligations hereunder if Landlord is prevented from performing

any of its obligations hereunder due to any accident, breakage, strike, shortage of materials, acts of God or other causes beyond Landlord's reasonable control. Tenant shall not be in default hereunder and Landlord shall not be excused from performing any of its obligations hereunder if Tenant is prevented from performing any of its obligations hereunder due to any accident, breakage, strike, shortage of materials, acts of God or other causes beyond Tenant's reasonable control (provided, however, no cause of any sort shall excuse Tenant from its obligations to pay Rent when due and to surrender the Premises upon the expiration of the Term as provided herein).

J. Captions. The headings and titles in this Lease are for convenience only and shall have no effect upon the construction or interpretation of this Lease.

K. No Waiver. No receipt of money by either party from the other after termination of this Lease or after the service of any notice or after the commencing of any suit or after final judgment for possession of the Premises shall renew, reinstate, continue or extend the Term or affect any such notice or suit. No waiver of any default of either party shall be implied from any omission by the other to take any action on account of such default if such default persists or be repeated, and no express waiver shall affect any default other than the default specified in the express waiver and then only for the time and to the extent therein stated.

L. No Recording. Tenant shall not record this Lease or a memorandum of this Lease in any official records.

M. Limitation of Liability. Any liability of Landlord under this Lease shall be limited solely to its equity interest in the Building, and in no event shall any personal liability be asserted against Landlord in connection with this Lease nor shall any recourse be had to any other property or assets of Landlord.

N. Counterparts. This Lease may be executed in multiple counterparts which, when taken together, shall be deemed to constitute a single instrument.

26. PARKING. The Windy Point of Schaumburg complex currently consists of two office towers (designated as "Phase I" [which is the Building] and "Phase II"), a Morton's restaurant, an undeveloped restaurant site and two hotels (collectively, the "Complex"). Serving the Complex there are a total of approximately 2,150 parking spaces as of the date of this Lease (including estimated spaces on the undeveloped restaurant site). Within the Complex there are, as of said date, approximately 830 parking spaces serving Phase I and approximately 970 parking spaces serving Phase II (or a total of approximately 1,800 spaces for Phases I and II combined). Of the Phases I and II parking spaces, as of said date, a total of 683 spaces are reserved either to existing tenants or are designated as Handicapped or 45-Minute Spots. As of the date of this Lease, Phase II is a fully-occupied, single tenant building to the East of the Building. Tenant may use for parking the surface parking areas serving the Complex, free of charge on a first come, first-served basis. Such use of the parking spaces shall be subject to rules and regulations promulgated from time to time by Landlord. Tenant acknowledges and agrees that Landlord or other owners may designate certain spaces or areas

in the Complex as "reserved," and Tenant agrees not to permit its employees, agents, guests and invitees to park in such spaces or areas (subject to the following limitation on Landlord's right to designate additional reserved parking spaces). Furthermore, Tenant agrees that during the hours 8:00 a.m. to 5:30 p.m. on weekdays, Tenant and its employees, agents, contractors and invitees shall not use more than 4.0 parking spaces per 1,000 rentable square feet of the Premises (i.e., initially, 113 parking spaces). Tenant's business operates primarily after normal business hours and requires parking capacity beyond normal office usage. Landlord acknowledges that, for Tenant to optimize its business operations at the Premises, Tenant would like to have available up to 380 parking spaces in the parking lots serving Phase I and Phase II of the Complex between the hours of 5:30 p.m. and 11:30 p.m. on weekdays and during normal business hours on weekends ("Tenant's Hours"). Tenant acknowledges that there are a total of approximately 1,117 unreserved parking spaces serving Phase I and Phase II as of the date of this Lease. Tenant further acknowledges that the use of such spaces will be on a first-come, first-served basis. Tenant further acknowledges that the current tenants and occupants of the Complex are not limited in the number of parking spaces that they may use during Tenant's Hours.

Landlord agrees that, to the extent within Landlord's control, Landlord will not (a) knowingly permit any of the parking lots serving the Complex to be used for off-site parking or by any parties other than owners, occupants and tenants of the Complex and their invitees, (b) after the date of this Lease, reserve so many additional parking spaces that thereafter less than 380 parking spaces in the lots serving the Complex are available for Tenant's use on a first-come, first-served basis during Tenant's Hours, and/or (c) restripe or reconfigure the parking lots so that, as a result of such reconfiguration or restriping, less than 380 parking spaces in the lots serving the Complex are available for Tenant's use on a first-come, first-served basis during Tenant's Hours. Landlord agrees that in entering into a lease with a new tenant for Phase I or Phase II, Landlord will not enter into such lease if Landlord reasonably believes, at the time of execution of such new lease, that as the result of the proposed business operations of such new tenant there will not be 380 parking spaces in the lots serving the Complex available for Tenant's use, on a first-come, first served basis, during Tenant's Hours. Furthermore, in deciding whether to consent to any proposed subletting or assignment of any lease in Phase I or Phase II, to the extent allowed by law and the applicable lease, Landlord will withhold its consent to such subletting or assignment if Landlord reasonably believes at the time of execution of such sublease or assignment that, as the result of the proposed business operations of such subtenant or assignee, there will not be 380 parking spaces in the lots serving the Complex available for Tenant's use, on a first-come, first served basis, during Tenant's Hours. Both parties covenant and agree that they will cooperate fully and reasonably with one another to develop viable plans and alternatives to satisfy Tenant's parking needs of up to 380 parking spaces during Tenant's Hours if unreserved parking serving the Complex proves to be inadequate on a first-come, first-served basis.

27. EXTENSION OPTION.

A. Extension Option. Tenant shall have an option (the "Extension Option") to extend the Term with respect to all (but not less than all) of the Premises demised under or pursuant to this

Lease as of the expiration date of the initial Term, for one additional term (the "Extension Term") of five years, upon the following terms and conditions:

(1) Tenant gives Landlord written notice of Tenant's election to exercise the Extension Option not later than nine months prior to the expiration date of the initial Term;

(2) Tenant submits current financial statements of Tenant to Landlord concurrently with Tenant's notice exercising the Extension Option (provided Tenant shall not be required to submit such financial statements concurrently with exercise of the Extension Option if Tenant's financial statements are readily available through public sources) and such financial statements are reasonably satisfactory to Landlord; and

(3) Tenant is not in Default under this Lease, either on the date Tenant exercises the Extension Option or on the expiration date of the initial Term, and this Lease is in full force and effect on the date on which Tenant exercises the Extension Option and on the proposed commencement date of the Extension Term.

B. Terms. If Tenant timely and properly exercises the Extension Option:
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(1) The Rent payable for the Extension Term shall be equal to the "market rate of rent" that Landlord reasonably anticipates will be in effect at the commencement of the Extension Term. "Market rate of rent" shall mean 95% of the rate of Base Rent (including component parts of such rate of Base Rent such as fixed and/or indexed rental adjustments and taking into account tenant concessions, if any, such as rent abatements and tenant improvement allowances), plus 100% of the rental adjustments for Taxes and Expenses for the Building, which landlords of comparable buildings in Schaumburg, Illinois are offering to third party tenants for office space comparable to the Premises (taking into account the lengths of the terms and the sizes and levels of improvement of the spaces demised under such leases to third party tenants). The Base Rent payable during the Extension Term shall be subject to adjustment during the Extension Term as provided in Landlord's written notice setting forth the market rate of rent. There shall be no abatement of Base Rent or Adjustment Rent for the Premises during the Extension Term, except as may be specifically provided in Landlord's written notice setting forth the market rate of rent.

(2) Upon Tenant's exercise of the Extension Option, Landlord shall provide to Tenant written notice of Landlord's determination of the "market rate of rent" within 30 days. Tenant shall have 20 days ("Tenant's Review Period") after receipt of Landlord's notice of the proposed "market rate of rent" within which to accept such proposed "market rate of rent" or to object thereto in writing. If Tenant so objects, Landlord and Tenant shall attempt to agree upon such "market rate of rent" in good faith. If Landlord and Tenant fail to reach agreement by the date that is 20 days following the expiration of Tenant's Review Period (the "Outside Agreement Date"), then each party's good faith determination of "market rate of

rent" shall be submitted by sealed bid to arbitration in accordance with the following procedure:

(a) Not later than 20 days following the Outside Agreement Date, Landlord and Tenant shall each appoint one independent arbitrator who shall by profession be a real estate appraiser (with the professional designation of M.A.I. or, if M.A.I. ceases to exist, a comparable designation from an equivalent professional appraiser organization) who shall have been active over the 10-year period ending on the date of such appointment in appraising commercial office properties in Rosemont, Illinois. The determination of the arbitrators shall be limited solely to the issue of whether Landlord's or Tenant's submitted "market rate of rent" for the Extension Term is the closest to the "market rate of rent" for the Extension Term as determined by the arbitrators, taking into account the elements listed in Section

27B(1).

(b) The two arbitrators so appointed shall within 10 days of the date of the appointment of the last appointed arbitrator agree upon and appoint a third arbitrator who shall be qualified under the same criteria set forth hereinabove for qualification of the initial two arbitrators. If the two arbitrators fail to agree upon and appoint a third arbitrator, both arbitrators shall be dismissed and Landlord and Tenant each shall promptly select and appoint one new arbitrator each possessing the qualifications above.

(c) The three arbitrators shall within 30 days of the appointment of to the third arbitrator reach a decision as to whether the parties shall use Landlord's or Tenant's submitted "market rate of rent" and shall notify Landlord and Tenant thereof in writing.

(d) The decision of the majority of the three arbitrators shall be binding upon Landlord and Tenant and judgment upon such decision may be entered into by any court having jurisdiction over Landlord and Tenant.

(e) The cost of arbitration shall be paid by Landlord if Tenant's submitted "market rate of rent" is selected and by Tenant if Landlord's submitted "market rate of rent" is selected.

(f) Notwithstanding the foregoing, if either Landlord or Tenant fails to appoint an arbitrator within 30 days after the Outside Agreement Date as provided above and such failure to appoint an arbitrator is not cured within 10 days after receipt by such failing party of written demand to do so by the other party (which other party shall have appointed its arbitrator prior to sending such written demand), then the arbitrator appointed by the party sending such demand, acting alone, shall reach a decision on the applicable "market rate of rent," notify Landlord and Tenant

in writing thereof, and such arbitrator's decision shall be binding on Landlord and Tenant.

(g) If for any reason whatsoever the applicable "market rate of rent" has been determine by the commencement date of the Extension Term, the average of (a) the "market rate of rent" (and terms of payment)as proposed by Landlord and (b) the be rent" (and terms of payment) as proposed by Tenant, shall be utilized as the rate of rent until such time as the final "market rate of rent" has been conclusively determined (at which time, (x) if Landlord's submitted "market rate of rent" is selected, Tenant shall promptly pay Landlord the excess amount due, if any, for the period during which the "average" market rate of base rent was utilized or (y) if Tenant's submitted "market rate of rent" is selected, Landlord shall credit against rent next coming due the excess amount paid by Tenant, if any, for the period during which the "average" market rate of rent was utilized.)

(3) Tenant shall have no further options to extend the Term of this Lease be yond the expiration date of the Extension Term.

(4) Landlord shall not be obligated to perform any leasehold improvement work in the Premises or give Tenant any allowance for any such work or any other purposes during or for the Extension Term, except as to any allowance which may be specifically provided in Landlord's written notice setting forth the market rate of rent.

(5) Except for the rate of Base Rent and except as otherwise provided herein, all of the terms and provisions of this Lease shall remain the same

and in full force and effect during the Extension Term.

C. Amendment. If Tenant exercises the Extension Option, Landlord and Tenant shall execute and deliver an amendment to this Lease reflecting the lease of the Premises by Landlord to Tenant for the Extension Term on the terms provided above, which amendment shall be executed and delivered within 30 days after the final determination of the market rate of rent for the Extension Term.

D. Termination. The Extension Option shall automatically terminate and become null and void upon the earlier to occur of (1) the expiration or termination of this Lease, (2) the termination of Tenant's right to possession of all or any part of the Premises, (3) the assignment of this Lease by Tenant, in whole or in part (other than to an Affiliate), (4) the sublease by Tenant of all or any part of the Premises (other than to an Affiliate), or (5) the failure of Tenant to timely or properly exercise the Extension Option.

28. EXCLUSIVITY.

A. Exclusive Use. As used in this Section, the "Exclusive Use" shall mean the operation of an adult educational facility (not including an educational facility for a tenant's or occupant's own employees or contractors).

B. Exclusivity. So long as Tenant is not in Default under this Lease and the primary use being made of the Premises is the Exclusive Use, and subject to applicable anti-trust and fair trade laws, statutes, rules and regulations, Landlord agrees that Landlord will not itself hereafter lease at any time during the Term any space in the Building to a tenant for the express permitted primary use and purpose of the Exclusive Use; provided, however, that Landlord shall not be obligated to expressly state in any lease that the tenant thereunder may not use its premises for the Exclusive Use. It shall not be a breach of the aforesaid covenant and Landlord shall have no liability to Tenant hereunder if:

(1) any tenant of the Building uses its premises for the Exclusive Use in violation of the express permitted use set forth in such tenant's lease;

(2) any tenant of the Building uses its premises for the Exclusive Use, but such use is incidental to and not the primary use permitted under such tenant's lease;

(3) any tenant of the Building under a lease in existence as of the date of this Lease (including, without limitation, Global Knowledge Network, Inc.) uses its premises for the Exclusive Use; or

(4) any tenant of the Building subleases its premises or transfers or assigns its lease (whether by voluntary transfer, bankruptcy or operation of law) to a tenant which uses its premises for the Exclusive Use; provided, however, that Landlord shall, if and to the extent permitted by law and the provisions of the applicable tenant's lease, withhold its consvvent to any such sublease, transfer or assignment, in which event Tenant shall indemnify, defend and hold Landlord harmless from and against all claims, actions, damages, liabilities, costs and expenses (including court costs and attorneys' fees) asserted against or sustained by Landlord by reason of such withholding of consent.

C. Enforcement. In the event of the occurrence of an event described in either clause (1) or (4) of subsection B above, Landlord shall use reasonable efforts (but shall not be obligated to institute any legal action) to cause the applicable tenant to cease such unpermitted use; provided, however, that if such unpermitted use continues for 90 days or more and Landlord has not instituted

any legal action to cause such tenant to cease such unpermitted use, then Tenant shall be authorized, at Tenant's expense and as Landlord's agent, to institute legal action to cause such tenant to cease such unpermitted use, in which event Tenant shall indemnify, defend and hold Landlord harmless from and against all claims, actions, damages, liabilities, costs and expenses (including court costs and attorneys' fees) asserted against or sustained by Landlord by reason of such legal action.

29. SIGNAGE. Tenant, at Tenant's expense, shall have the right during the Term to maintain a pylon sign at a location designated by Landlord north of the Building and visible from the Interstate 90 Tollway. The design of Tenant's pylon sign shall be in compliance with all applicable codes, ordinances, laws, regulations and statutes and the Declaration and further subject to Landlord's reasonable approval and supervision. The pylon shall not exceed 15 feet in height and shall have no more than two sign surfaces, each such surface not to exceed 100 square feet. The parties shall agree upon a vendor to prepare and install the sign, and Tenant shall arrange for said vendor to prepare a to scale rendering of the proposed sign for Landlord's approval. Once Landlord has approved the signage, Tenant shall be responsible for obtaining any signage permit or license required. Tenant shall pay the cost of such signage and installation. Tenant acknowledges that Landlord has made no representation, warranty or covenant that Tenant can obtain all approvals, permits and licenses for Tenant's desired sign (and the failure to obtain any such approval, permit or license shall not affect Tenant's other obligations under this Lease, shall not give rise to any abatement of Rent or other credit and shall not constitute a default by Landlord). It shall be a condition of Tenant's right to maintain such pylon sign that (a) Tenant is not in Default under this Lease and (b) this Lease is in full force and effect. It shall be a further condition of Tenant's right to maintain such pylon sign that Tenant is an occupant of at least 20,000 rentable square feet of space in the Building (not including occupancy of any subtenants or assignees other than Affiliates). Landlord shall install and maintain the pylon sign at Tenant's expense. Upon the expiration or termination of the Term or Tenant's right to retain such signage, Landlord, at Tenant's expense, may remove the pylon sign. The rights granted to Tenant in this Section 29 are personal to The University of Phoenix, Inc. and shall not inure for the benefit of any subtenant or assignee (other than an Affiliate).

30. TEMPORARY SPACE. Landlord grants a license to Tenant to use certain space on the second floor of the Building, consisting of approximately 1,029 rentable square feet (the "Temporary Space"), as shown on Exhibit E attached hereto, for Tenant to conduct business operations while Landlord performs the Work described in the Work Letter Agreement. Tenant's occupancy of the Temporary Space shall be upon all of the same terms and provisions as are contained in this Lease with respect to the Premises, except as follows:

(1) Tenant shall pay Base Rent for the Temporary Space in the amount of $1,444.89 per month. Furthermore, Tenant shall pay Adjustment Rent for the Temporary Space and Tenant's Proportionate Share therefore shall be 0.550%. Base Rent and Adjustment Rent for the Temporary Space shall be payable in the manner set forth in Section 2. Tenant shall pay for all electricity and building services used in the Temporary Space;

(2) Tenant's right to occupy the Temporary Space shall commence on November 26, 2001 and, subject to clause (5) below, shall expire on the first to occur of (i) substantial completion of the Work, (ii) March 31, 2002 (unless the current tenant of the Temporary Space agrees, in its sole and absolute discretion, to allow an

extension of the period of Tenant's occupancy), or (iii) the date that this Lease is terminated;

(3) Tenant shall accept the Temporary Space in its "as-is" physical condition, without any representation, credit or allowance from Landlord with respect to the condition or improvement thereof, provided, however, at Tenant's option, Landlord, at Landlord's expense, shall construct two offices within the Temporary Space. If Landlord constructs such offices and the succeeding tenant of such space desires the demolition of the offices, Tenant shall reimburse Landlord for the reasonable costs of such demolition;

(4) It shall be a condition of Tenant's right to occupy the Temporary Space that this Lease is in full force and effect and Tenant is not in Default under this Lease at any time while Tenant is occupying the Temporary Space; and

(5) The current tenant of the Temporary Space has the right to reclaim the Temporary Space effective as of the last day of any calendar month. If the current tenant reclaims the Temporary Space, Landlord shall have the right, upon not less than 20 days prior written notice to Tenant, to terminate Tenant's license of the Temporary Space. Tenant agrees to vacate the Temporary Space on or before the effective termination date of the license. Furthermore, if Tenant still requires the use of temporary space, Landlord shall arrange for Tenant to have available for its use two rooms at one of the hotels in the Complex and Landlord shall reimburse Tenant, monthly, for any room charges for such rooms in excess of the amount Tenant would otherwise have paid to Landlord for the Temporary Space pursuant to clause (1) above.

31. AUTHORITY. Landlord represents and warrants to Tenant that the individual executing this Lease on behalf of Landlord is authorized to do so. Upon written request from Tenant, Landlord will deliver to Tenant a copy of a resolution or other document evidencing such authority. Landlord has good and marketable fee simple title to the Building, including the Premises, with full right and authority to grant the estate demised herein and to execute and perform all of the terms and conditions of this Lease. Tenant represents and warrants to Landlord that the individual executing this Lease on behalf of Tenant is authorized to do so. Upon written request from Landlord, Tenant will deliver to Landlord a copy of a resolution or other document evidencing such authority.

[Signatures are on the following page]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

LANDLORD:	TENANT:
WINDY POINT OF SCHAUMBURG L.L.C., a Delaware limited liability company	THE APOLLO GROUP, INC., an Arizona corporation
By: FRC WINDY POINT L.L.C., an Illinois limited liability company, its managing member	By: /s/ [ILLEGIBLE]
By: /s/ Steven D. FiField	Title: President
Title: Managing Member	

(Landlord's Acknowledgment)

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

On this _____ day of _____, 2001, before me appeared _____, to me personally known, who being by me duly sworn, did say that he/she is the _____ of FRC WINDY POINT, L.L.C., an Illinois limited liability company ("Manager") and managing member of WINDY POINT OF SCHAUMBURG L.L.C., a Delaware limited liability company ("Owner"), the company that executed the within and foregoing instrument and that said instrument was signed and sealed in behalf of said Manager and Owner, and said _____ acknowledged said instrument to be the free act and deed of said Manager and Owner.

_____
NOTARY PUBLIC

(Tenant Corporate Acknowledgment)

STATE OF ARIZONA)
) SS.
COUNTY OF MARICOPA)

On this 16/th/ day of November, 2001, before me appeared Todd S. Nelson, to me personally known, who being by me duly sworn, did say that (he) (she) is the President of THE APOLLO GROUP, INC., an Arizona corporation, the corporation that executed the within and foregoing instrument and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and that the seal affixed is the corporate seal of said corporation and said President acknowledged said instrument to be the free act and deed of said corporation.

[LOGO] "OFFICIAL SEAL"
Erin M. Hugus
Notary Public-Arizona
Maricopa County
My Commission Expires 11/12/2004

/s/ Erin M. Hugus
NOTARY PUBLIC

EXHIBIT A

[FLOOR PLAN]

EXHIBIT 10.118

LEASE AGREEMENT WITH GLOBAL KNOWLEDGE NETWORK, INC.
FOR A PORTION OF WINDY POINT 1 BUILDING

WINDY POINT OF SCHAUMBURG

OFFICE LEASE

BETWEEN

WINDY POINT OF SCHAUMBURG L.L.C.
as Landlord

AND

GLOBAL KNOWLEDGE NETWORK, INC.
as Tenant

Dated: DECEMBER 9, 1999

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OFFICE LEASE

THIS LEASE is made as of December 9, 1999, between WINDY POINT OF SCHAUMBURG L.L.C., a Delaware limited liability company, having an address at c/o Fifield Realty Corp., 20 North Wacker Drive, Chicago, Illinois 60606 ("Landlord"), and GLOBAL KNOWLEDGE NETWORK, INC., a Delaware corporation, having an address at One Van De Graff Drive, Burlington, Massachusetts 01803 ("Tenant"), for space in the building at 1500 McConnor Parkway, in the office complex known as Windy Point of Schaumburg (such building, including the land upon which the building and related facilities are situated, being herein referred to as the "Building"). The following schedule (the "Schedule") sets forth certain basic terms of this Lease:

SCHEDULE

1. Premises: ..... A) Suite 500
B) Approximately 22,028 rentable square feet

Base Rent:

Year of Term	2. Annual Base Rent	3. Monthly Base Rent
1	$371,171.76	$30,930.98
2	382,306.92	31,858.91
3	393,776.16	32,814.68
4	405,589.44	33,799.12
5	417,757.08	34,813.09
6	430,289.88	35,857.49
7	443,198.52	36,933.21
8	456,494.52	38,041.21
9	470,189.28	39,182.44
10	484,295.04	40,357.92

4. Tenant's Proportionate Share:. 11.785%
5. Security Deposit:. ..... $100,000 Letter of Credit
6. Commencement Date:. ..... May 1, 2000
7. Expiration Date:. ..... April 30, 2010
8. Brokers:. ..... Fifield Realty Corp., Corporate Realty Advisors and CB Richard Ellis
9. Brokerage Agreement:. ..... Agreement dated November 17, 1999 between Landlord and Brokers.

1. DEMISE AND TERM. Landlord leases to Tenant and Tenant leases from Landlord the premises (the "Premises") described in Item 1 of the Schedule and shown on the

plan attached hereto as Exhibit A, subject to the covenants and conditions set forth in this Lease, for a term (the "Term") commencing on the date described in Item 6 of the Schedule (the "Commencement Date") and expiring on the date (the "Expiration Date") that immediately precedes the tenth anniversary of the Commencement Date, unless terminated earlier as otherwise provided in this Lease (or, if such anniversary of the Commencement Date is not the first day of a calendar month, the Expiration Date shall be the last day of the month in which the tenth anniversary of the Commencement Date occurs). Tenant may occupy the Premises for the conduct of business prior to the Commencement Date, provided such occupancy shall be upon all of the terms and conditions of this Lease other than the obligations to pay Base Rent and Adjustment Rent (as hereinafter defined) for such period prior to the Commencement Date. Tenant shall complete and furnish to Landlord, on or before occupancy of the Premises, the Suite Acceptance Agreement attached hereto as Exhibit D, which shall acknowledge the actual Commencement Date and Expiration Date.

2. RENT.

A. Definitions. For purposes of this Lease, the following terms shall have
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the following meanings:

(i) "Expenses" shall mean all expenses, costs and disbursements (other than Taxes) paid or incurred by Landlord in connection with the ownership, management, maintenance, operation, replacement and repair of the Building. Expenses shall not include: (a) costs of tenant alterations; (b) costs of capital improvements (except for costs of any capital improvements made or installed for the purpose of reducing Expenses or made or installed pursuant to governmental requirement or insurance requirement, which costs shall be amortized by Landlord in accordance with sound accounting and management principles); (c) interest and principal payments on mortgages (except interest on the cost of any capital improvements for which amortization may be included in the definition of Expenses) or any rental payments on any ground leases (except for rental payments which constitute reimbursement for Taxes and Expenses); (d) advertising expenses and leasing commissions; (e) any cost or expenditure for which Landlord is reimbursed, whether by insurance proceeds or otherwise, except through Adjustment Rent (hereinafter defined); (f) the cost of any kind of service furnished to any other tenant in the Building which Landlord does not generally make available to all tenants in the Building;(g) legal expenses of negotiating leases, (h) costs of special services rendered to individual tenants (including Tenant) for which a special charge is made, (i) costs of repairs directly resulting from the negligence or willful misconduct of Landlord, its agents or employees, (j) costs for which Landlord is reimbursed by other tenants of the Building other than through payment of tenants' shares of Expenses and Taxes,(k) fines or penalties incurred due to Landlord's violation of any law and (l) management fees substantially in excess of the management fees then generally charged by managers of comparable office buildings in the Chicago metropolitan area. Expenses shall be determined on a cash or accrual basis, as Landlord

may elect (provided Landlord shall not change such method of determining Expenses during the Term).

(ii) "Rent" shall mean Base Rent, Adjustment Rent and any other sums or charges due by Tenant hereunder.

(iii) "Taxes" shall mean all taxes, assessments and fees levied upon the Building, the property of Landlord located therein or the rents collected therefrom, by any governmental entity based upon the ownership, leasing, renting or operation of the Building, including all costs and

expenses of protesting any such taxes, assessments or fees. Taxes shall not include any net income, capital stock, succession, transfer, franchise, gift, estate or inheritance taxes; provided, however, if at any time during the Term, a tax or excise on income is levied or assessed by any governmental entity, in lieu of or as a substitute for, in whole or in part, real estate taxes or other ad valorem taxes, such tax shall
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constitute and be included in Taxes. For the purposes of determining Taxes for any given year, the amount to be included for such year (a) from special assessments payable in installments shall be the amount of the installments (and any interest) due and payable during such year, and (b) from all other Taxes shall at Landlord's election either be the amount accrued, assessed or otherwise imposed for such year or the amount due and payable in such year (provided Landlord shall not change such method of determining Taxes during the Term).

(iv) "Tenant's Proportionate Share" shall mean the percentage set forth in Item 4 of the Schedule which has been determined by dividing the rentable square feet in the Premises (i.e., the number of rentable square feet stated in Item 1B of the Schedule) by the rentable square feet in the Building (i.e., 186,921).

B. Components of Rent. Tenant agrees to pay the following amounts to
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Landlord at the office of the Building or at such other place as Landlord designates:

(i) Base rent ("Base Rent") to be paid in monthly installments in the amount set forth in Item 3 of the Schedule in advance on or before the first day of each month of the Term, except that Tenant shall pay the first month's Base Rent upon execution of this Lease.

(ii) Adjustment rent ("Adjustment Rent") in an amount equal to Tenant's Proportionate Share of (a) the Expenses for any calendar year and (b) the Taxes for any calendar year. Prior to each calendar year, Landlord shall estimate the amount of Adjustment Rent due for such year, and Tenant shall pay Landlord one-twelfth of such estimate on the first day of each month during such year. Such estimate may be revised by Landlord whenever it obtains information relevant to making such estimate more accurate. After the end of each calendar year, Landlord shall deliver to Tenant a report setting forth the actual Expenses and Taxes for such calendar year and a statement of the

amount of Adjustment Rent that Tenant has paid and is payable for such year. Within thirty days after receipt of such report, Tenant shall pay to Landlord the amount of Adjustment Rent due for such calendar year minus any payments of Adjustment Rent made by Tenant for such year. If Tenant's estimated payments of Adjustment Rent exceed the amount due Landlord for such calendar year, Landlord shall apply such excess as a credit against Tenant's other obligations under this Lease or promptly refund such excess to Tenant if the Term has already expired, provided Tenant is not then in Default hereunder, in either case without interest to Tenant.

C. Payment of Rent. The following provisions shall govern the payment of
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Rent: (i) if this Lease commences or ends on a day other than the first day or last day of a calendar year, respectively, the Rent for the year in which this Lease so begins or ends shall be prorated and the monthly installments shall be adjusted accordingly; (ii) all Rent shall be paid to Landlord without offset or deduction, and the covenant to pay Rent shall be independent of every other covenant in this Lease; (iii) if during all or any portion of any year the Building is not fully rented and occupied, Landlord may elect to make an appropriate adjustment of Expenses and/or Taxes for such year to determine the Expenses and/or Taxes that would have been paid or incurred by Landlord had the

Building been fully rented and occupied for the entire year and the amount so determined shall be deemed to have been the Expenses and/or Taxes for such year; (iv) any sum due from Tenant to Landlord which is not paid within five days after its due date shall bear interest from the date due until the date paid at the annual rate of 14% per annum, but in no event higher than the maximum rate permitted by law (the "Default Rate"); and, in addition, Tenant shall pay Landlord a late charge for any Rent payment which is paid more than five days after its due date equal to 5% of such payment; (v) if changes are made to this Lease or the Building changing the number of square feet contained in the Premises or in the Building, Landlord shall make an appropriate adjustment to Tenant's Proportionate Share; (vi) Tenant shall have the right, upon reasonable prior written notice to Landlord, to inspect Landlord's accounting records relative to Expenses and Taxes during normal business hours at any time within 60 days following the furnishing to Tenant of the annual statement of Adjustment Rent; and, unless Tenant shall take written exception to any item in any such statement within such 60-day period, such statement shall be considered as final and accepted by Tenant. Tenant must timely pay all Adjustment Rent billed by Landlord pending the outcome of its inspection or any audit of Landlord's accounting records. If Tenant makes such timely written exception, an audit as to the proper amount of Adjustment Rent for such period shall be performed by an independent certified public accounting firm selected by Landlord, but subject to Tenant's reasonable approval, which audit shall be final and conclusive. If the results of such audit reveal that Tenant has overpaid or underpaid Adjustment Rent for the applicable year, Landlord shall pay to Tenant such overpayment or Tenant shall pay to Landlord such underpayment, as applicable, within 30 days after the results of such audit are reported to the parties. Tenant agrees to pay the entire cost of such audit unless it is determined that Landlord's original determination of the Adjustment Rent for the year in issue was in error by more than 5%, in which case Landlord agrees to pay one-half of the cost of such audit; (vii) in the event of the termination of this Lease prior to the determination of any Adjustment Rent, Tenant's agreement to pay any such sums and

Landlord's obligation to refund any such sums (provided Tenant is not in default hereunder) shall survive the termination of this Lease; (viii) no adjustment to the Rent by virtue of the operation of the rent adjustment provisions in this Lease shall result in the payment by Tenant in any year of less than the Base Rent shown on the Schedule; (ix) Landlord may at any time change the fiscal year of the Building; (x) each amount owed to Landlord under this Lease for which the date of payment is not expressly fixed shall be due on the same date as the Rent listed on the statement showing such amount is due; and (xi) if Landlord fails to give Tenant an estimate of Adjustment Rent prior to the beginning of any calendar year, Tenant shall continue to pay Adjustment Rent at the rate for the previous calendar year until Landlord delivers such estimate.

3. USE. Tenant agrees that it shall occupy and use the Premises only as business offices and classrooms for corporate training and technical education of employees of Tenant's clients and for no other purposes (and in no event as an elementary or high school, college or university, vocational school, driving school or other such school). Tenant shall comply with all federal, state and municipal laws, ordinances and regulations and all covenants, conditions and restrictions of record applicable to Tenant's use or occupancy of the Premises. Without limiting the foregoing, Tenant shall not cause, nor permit, any hazardous or toxic substances to be brought upon, produced, stored, used, discharged or disposed of in, on or about the Premises without the prior written consent of Landlord and then only in compliance with all applicable environmental laws.

4. CONDITION OF PREMISES.

A. Initial Condition. Tenant's taking possession of the Premises shall be
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conclusive evidence that the Premises were in good order and satisfactory condition when Tenant took possession. No agreement of Landlord to alter,

remodel, decorate, clean or improve the Premises or the Building (or to provide Tenant with any credit or allowance for the same), and no representation regarding the condition of the Premises or the Building, have been made by or on behalf of Landlord or relied upon by Tenant, except as stated in the Work Letter Agreement attached hereto as Exhibit C.

B. Americans With Disabilities Act. The parties acknowledge that the
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Americans With Disabilities Act of 1990 (42 U.S.C. (S)12101 et seq.) and regulations and guidelines promulgated thereunder, as amended and supplemented from time to time (collectively referred to herein as the "ADA") establish requirements under Title III of the ADA ("Title III") pertaining to business operations, accessibility and barrier removal, and that such requirements may be unclear and may or may not apply to the Premises and the Building. The parties acknowledge and agree that Tenant has been provided an opportunity to inspect the Premises and the Building sufficient to determine whether or not the Premises and the Building in their condition as of the date hereof deviate in any manner from the ADA Accessibility Guidelines ("ADAAG") or any other requirements under the ADA pertaining to the accessibility of the Premises or the Building. Tenant further acknowledges and agrees that to the extent that Landlord prepares, reviews or approves any of plans or specifications relating to leasehold improvements in the Premises, such

action shall in no event be deemed any representation or warranty that the same comply with any requirements of the ADA. Notwithstanding anything to the contrary in this Lease, the parties hereby agree to allocate responsibility for Title III compliance as follows: (a) Tenant shall be responsible for all Title III compliance and costs in connection with the Premises, including structural work, if any, and including any leasehold improvements or other work to be performed in the Premises under or in connection with this Lease, and (b) Landlord shall perform, and Tenant shall be responsible for the cost of, any so-called Title III "path of travel" requirements triggered by any construction activities or alterations in the Premises. Landlord covenants and agrees that during the Term, Landlord shall cause the ground floor common areas of the Building, the entrances to the Building which provide public access to the Building, and the parking areas serving the Building, to comply with the requirements (as reasonably interpreted from time to time) of Title III. Tenant understands and agrees that the costs and expenses of such compliance shall be included in Expenses. Except as set forth above with respect to Landlord's Title III obligations, Tenant shall be solely responsible for all other requirements under the ADA relating to Tenant or any affiliates or persons or entities related to Tenant (collectively, "Affiliates"), operations of Tenant or Affiliates, or the Premises, including, without limitation, requirements under Title I of the ADA pertaining to Tenant's employees.

5. BUILDING SERVICES.

A. Basic Services. Landlord shall furnish the following services: (i)
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heating and air conditioning to provide a temperature condition required for comfortable occupancy of the Premises under normal business operations and consistent with the heating and air conditioning services provided in comparable office buildings in and around Schaumburg, Illinois. The heating and air conditioning for the Premises is provided through "heat pumps" which may be controlled by Tenant (i.e., Tenant controls the hours of operation and the temperature settings); (ii) water for drinking, and, subject to Landlord's approval, water at Tenant's expense for any private restrooms and office kitchen requested by Tenant; (iii) men's and women's restrooms at locations designated by Landlord and in common with other tenants of the Building; (iv) daily janitor service in the Premises and common areas of the Building, weekends and holidays excepted, including periodic outside window washing of the perimeter windows in the Premises (the current specifications for the janitor service to be provided by Landlord are attached as Exhibit F, provided Landlord reserves the right to alter such specifications from time to time in Landlord's reasonable

discretion);(v) passenger elevator service in common with Landlord and other tenants of the Building, 24 hours a day, 7 days a week; and (vi) freight elevator service (as opposed to routine passenger elevator service) daily between the hours of 7:00 a.m. and 6:00 p.m., weekends and holidays excepted. Tenant must notify Landlord before bringing freight or large items into the Building so Landlord can place pads on the walls of the elevator. If Landlord reasonably believes that Tenant's use of the freight elevator service is inconveniencing other tenants and occupants of the Building, upon five days notice to Tenant, Landlord may thereafter prohibit Tenant from using freight elevator service during one hour in the morning every day (such time to be designated by Landlord in its sole discretion from time to time). Furthermore, if Landlord reasonably believes that Tenant's use of the freight elevator service is still inconveniencing other tenants and occupants of the Building, upon five days notice to Tenant, Landlord may require that Tenant commence making its morning deliveries between 6:00 a.m. and 7:00 a.m. (and Tenant shall be responsible for the costs incurred by Landlord in having an engineer or security guard at the Building during such hours). Finally, if Landlord reasonably believes that Tenant's use of the freight elevator service is still inconveniencing other tenants and occupants of the Building, Tenant must arrange for partial deliveries on Sundays (taking up to four hours) so that all such inconvenience during business

days at the start of the week is eliminated (and Tenant shall be responsible for the costs incurred by Landlord in having an engineer or security guard at the Building during such time). At all times that deliveries are being made to the Premises, Tenant shall be responsible for causing the Premises to be accessible for the delivery (and Landlord's engineer or security guard shall not be expected to provide access to the Premises or to guard or protect Tenant's property in the Premises or the Building). In addition to the foregoing, at Tenant's election (and at Tenant's cost, as provided above), Tenant may commence making deliveries at 6:00 a.m. on business days and may make deliveries for up to four hours on Sundays. For purposes of this Section 5.A, "holidays" shall mean New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas, as well as, at Landlord's election, any other day that the majority of comparable office buildings in Schaumburg, Illinois treat as a public holiday.

B. Electricity. Electricity shall be distributed to the Premises by the
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electric utility company serving the Building (as designated by Landlord from time to time) and Landlord shall permit Landlord's wire and conduits, to the extent available, suitable and safely capable, to be used for such distribution. Tenant at its cost shall make all necessary arrangements with the electric utility company for metering and paying for electric current furnished to the Premises. All electricity used during the performance of janitor service, or the making of any alterations or repairs in the Premises, or the operation of any special air conditioning systems serving the Premises, shall be paid for by Tenant. The heat pumps providing heating and air conditioning services for the Premises draw upon the Building's electric supply (and the costs of such electricity consumed during the Building's standard hours of operation shall be included in Expenses).

C. Telephones. Tenant shall be responsible for arranging for its own
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telecommunications services at the Premises. All telegraph, telephone, and electric connections which Tenant may desire shall be first approved by Landlord in writing (which approval shall not be unreasonably withheld, conditioned or delayed), before the same are installed, and the location of all wires and the work in connection therewith shall be performed by contractors approved by Landlord and shall be subject to the direction of Landlord. Landlord reserves the right to designate and control the entity or entities providing telephone or other communication cable installation, repair and maintenance in the Building and to restrict and control access to telephone cabinets. If Landlord designates a particular vendor or vendors to provide telephone and data cable installation,

repair and maintenance for the Building, Tenant agrees to abide by and participate in such program. Tenant shall be responsible for and shall pay all costs incurred in connection with the installation of telephone cables and related wiring in the Premises, including, without limitation, any hook-up, access and maintenance fees related to the installation of such wires and cables in the Premises and the commencement of services therein, and the maintenance thereafter of such wire and cables; and there shall be included in Expenses for the Building all installation, hook-up or maintenance costs incurred by Landlord in connection with telephone cables and related wiring in the Building which are not allocable to any individual users of such service but are allocable to the Building generally. If Tenant fails to maintain all telephone cables and related wiring in the Premises and such failure affects or interferes with the operation or maintenance of any other telephone cables or related wiring in the Building, Landlord or any vendor hired by Landlord may enter into and upon the Premises forthwith and perform such repairs, restorations or alterations as Landlord deems necessary in order to eliminate any such interference (and Landlord may recover from Tenant all of Landlord's costs in connection therewith). Upon expiration of the Term hereof Tenant shall remove all telephone cables and related wiring installed by or for Tenant which Landlord requests Tenant to remove. Tenant

agrees that neither Landlord nor any of its agents or employees shall be liable to Tenant, or any of Tenant's employees, agents, customers or invitees or anyone claiming through, by or under Tenant, for any damages, injuries, losses, expenses, claims or causes of action because of any interruption, diminution, delay or discontinuance at any time for any reason in the furnishing of any telecommunications service to the Premises or the Building.

D. Additional Services. The standard hours of operation of the Building's heating and air conditioning systems are Monday through Friday, 8:00 a.m. to 6:00 p.m., Saturdays, 8:00 a.m. to 1:00 p.m., holidays excepted. If Tenant operates the heating and air conditioning systems serving the Premises beyond the foregoing standard hours of operation, then (i) Tenant shall pay to Landlord for such after-hours use of the heat pumps an amount equal to the product of (x) the number of hours each such heat pump is used (as indicated by the DDC program for the heat pump) multiplied by (y) the then-current hourly charge for operating each heat pump for heating or cooling, as the case may be (which charge shall include Landlord's electric costs, at the rates then charged by the Building's electricity provider, and a reasonable fee to Landlord for maintenance and repair of the heat pumps), and (ii) such operation will activate the Building's fan system, and Tenant shall pay Landlord for such after-hours operation of the Building's fan system at the rate of $16.00 per hour (subject to increase by 3% per year each year of the Term [i.e., such rate will be $16.48 for the second year of the Term, $16.97 for the third year of the Term, $17.48 for the fourth year of the Term, and so on]). Furthermore, if due to an unusual concentration of personnel or machinery in the Premises (compared to typical office use), or an unusually large number of heat pumps serving the Premises (compared to the number of heat pumps serving the other premises in the Building), the heat pumps serving the Premises consume a disproportionate amount of electricity, Tenant shall pay the costs and charges for such excess usage to Landlord. Tenant shall pay all such costs relating to after-hours or excessive use of the heating or air conditioning systems serving the Premises within 10 days after being billed therefor.

Landlord shall not be obligated to furnish any services other than those stated above in this Section 5. If Landlord elects to furnish services requested by Tenant in addition to those stated above, Tenant shall pay Landlord's then prevailing charges for such services. If Tenant shall fail to make any such payment, Landlord may, without notice to Tenant and in addition to all other remedies available to Landlord, discontinue any additional services. No discontinuance of any such additional service shall result in any liability of Landlord to Tenant or be considered as an eviction or a disturbance of Tenant's use of the Premises. In addition, if Tenant's concentration of personnel or

equipment adversely affects the temperature or humidity in the Premises or the Building, Landlord may install supplementary air conditioning units in the Premises; and Tenant shall pay for the cost of installation and maintenance thereof.

E. Failure or Delay in Furnishing Services. Tenant agrees that Landlord shall not be liable for damages for failure or delay in furnishing any service stated above if such failure or delay is caused, in whole or in part, by any one or more of the events stated in Section 25J below, nor shall any such failure or delay be considered to be an eviction or disturbance of Tenant's use of the Premises, or relieve Tenant from its obligation to pay any Rent when due, or from any

other obligations of Tenant under this Lease. Notwithstanding the foregoing, if as a result of an act or omission of Landlord or any employee of Landlord (as distinguished from an act or omission of Tenant or the occurrence of an event of force majeure [as defined in Section 25J hereof] or the occurrence of a fire or other casualty which is covered by Section 12 hereof), any service to the Premises as described above is not furnished to the Premises and if as a result thereof the Premises, or a "material part" (as defined below) of the Premises, is rendered untenantable or inaccessible for a period of five consecutive business days, and Tenant does not occupy the Premises, or such material part thereof which is rendered untenantable or inaccessible, during such 5-business day period, then as Tenant's sole remedy for such failure to furnish such service, Base Rent and Adjustment Rent payable for such portion of the Premises which Tenant does not so occupy shall abate for the period commencing on the expiration of said five business day period and expiring on the date such service is restored or Tenant is able to resume occupancy of the Premises or such material part thereof, as the case may be. (As used herein, the phrase "material part" shall mean an amount in excess of 20% of the Rentable Area of the Premises.)

6. RULES AND REGULATIONS. Tenant shall observe and comply and shall cause its subtenants, assignees, invitees, employees, contractors and agents to observe and comply, with the rules and regulations listed on Exhibit B attached hereto and with such reasonable modifications and additions thereto as Landlord may make from time to time. Landlord shall not be liable for failure of any person to obey such rules and regulations. Landlord shall not be obligated to enforce such rules and regulations against any person, and the failure of Landlord to enforce any such rules and regulations shall not constitute a waiver thereof or relieve Tenant from compliance therewith.

7. CERTAIN RIGHTS RESERVED TO LANDLORD. Landlord reserves the following rights, each of which Landlord may exercise without notice to Tenant (except as otherwise provided) and without liability to Tenant, and the exercise of any such rights shall not be deemed to constitute an eviction or disturbance of Tenant's use or possession of the Premises and shall not give rise to any claim for set-off or abatement of rent or any other claim: (a) to change the name or street address of the Building or the suite number of the Premises (provided that if such change is not required by any governmental or quasi-governmental entity [e.g., the U.S. Postal Service], Landlord shall reimburse Tenant for the cost of replacing stationery then in stock that is rendered obsolete due to such change [not to exceed $2,000]); (b) to install, affix and maintain any and all signs on the exterior or interior of the Building; (c) upon reasonable prior oral or telephonic notice to Tenant at the Premises (excluding emergencies, when no such notice shall be required) to make repairs, decorations, alterations, additions, or improvements, whether structural or otherwise, in and about the Building, and for such purposes to enter upon the Premises, temporarily close doors, corridors and other areas in the Building and interrupt or temporarily suspend services or use of common areas, and Tenant agrees to pay Landlord for overtime and similar expenses incurred if such work is done other than during ordinary business hours at Tenant's request; (d) to retain at all times, and to use in appropriate instances, keys to all doors within and into the Premises;

(e) to grant to any person or to reserve unto itself the

exclusive right to conduct any business or render any service in the Building; (f) upon reasonable prior oral or telephonic notice to Tenant at the Premises, to show or inspect the Premises at reasonable times and, if vacated or abandoned, to prepare the Premises for reoccupancy; (g) to install, use and maintain in and through the Premises, pipes, conduits, wires and ducts serving the Building, provided that such installation, use and maintenance does not unreasonably interfere with Tenant's use of the Premises; and (h) to take any other action which Landlord deems reasonable in connection with the operation, maintenance or preservation of the Building.

8. MAINTENANCE AND REPAIRS. Tenant, at its expense, shall maintain and keep the Premises in good order and repair at all times during the Term. In addition, Tenant shall reimburse Landlord for the cost of any repairs to the Building necessitated by the acts or omissions of Tenant, its subtenants, assignees, invitees, employees, contractors and agents, to the extent Landlord is not reimbursed for such costs under its insurance policies. Subject to the preceding sentence, Landlord shall perform any maintenance or make any repairs to the Building as Landlord shall desire or deem necessary for the safety, operation or preservation of the Building, or as Landlord may be required or requested to do by any governmental authority or by the order or decree of any court or by any other proper authority.

9. ALTERATIONS.

A. Requirements. Tenant shall not make any replacement, alteration, improvement or addition to or removal from the Premises (collectively an "alteration") without the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, no consent shall be necessary for any decorative or cosmetic alteration (or related alteration) that (i) costs less than $15,000 (provided such alteration is not part of related alterations which cost, in the aggregate, more than $15,000), (ii) does not require the issuance of a building permit and (iii) does not adversely affect the structural elements of the Building or the base Building mechanical, electrical or plumbing systems, the architectural aesthetics of the Building, the common areas of the Building or the use by other tenants in the Building of their demised premises (provided that even if Landlord's consent is not necessary for such an alteration, the following provisions of this Section 9A shall apply). In the event Tenant proposes to make any alteration, Tenant shall, prior to commencing such alteration, submit to Landlord for prior written approval: (i) detailed plans and specifications; (ii) sworn statements, including the names, addresses and copies of contracts for all contractors; (iii) all necessary permits evidencing compliance with all applicable governmental rules, regulations and requirements; (iv) certificates of insurance in form and amounts required by Landlord, naming Landlord and any other parties designated by Landlord as additional insureds; and (v) all other documents and information as Landlord may reasonably request in connection with such alteration. Tenant agrees to reimburse Landlord for Landlord's actual out-of-pocket costs and fees incurred in reviewing all such items and supervising the alteration. Neither approval of the plans and specifications nor supervision of the alteration by Landlord shall constitute a representation or warranty by Landlord as to the accuracy, adequacy, sufficiency or propriety of such plans and specifications or the quality of workmanship or the compliance of such alteration

with applicable law. Tenant shall pay the entire cost of the alteration and, if requested by Landlord, shall deposit with Landlord prior to the commencement of the alteration, security for the payment and completion of the alteration in

form and amount required by Landlord. Each alteration shall be performed in a good and workmanlike manner, in accordance with the plans and specifications approved by Landlord, and shall meet or exceed the standards for construction and quality of materials established by Landlord for the Building. In addition, each alteration shall be performed in compliance with all applicable governmental and insurance company laws, regulations and requirements. Each alteration shall be performed by union contractors if required by Landlord and in harmony with Landlord's employees, contractors and other tenants. Each alteration, whether temporary or permanent in character, made by Landlord or Tenant in or upon the Premises (excepting only Tenant's furniture, equipment and trade fixtures) shall become Landlord's property and shall remain upon the Premises at the expiration or termination of this Lease without compensation to Tenant; provided, however, that Landlord shall have the right to require Tenant to remove such alteration at Tenant's sole cost and expense in accordance with the provisions of Section 15 of this Lease.

B. Liens. Upon completion of any alteration, Tenant shall promptly furnish
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Landlord with sworn owner's and contractors statements and full and final waivers of lien covering all labor and materials included in such alteration. Tenant shall not permit any mechanic's lien to be filed against the Building, or any part thereof, arising out of any alteration performed, or alleged to have been performed, by or on behalf of Tenant. If any such lien is filed, Tenant shall within ten days thereafter have such lien released of record or deliver to Landlord a bond in form, amount, and issued by a surety satisfactory to Landlord, indemnifying Landlord against all costs and liabilities resulting from such lien and the foreclosure or attempted foreclosure thereof. If Tenant fails to have such lien so released or to deliver such bond to Landlord, Landlord, without investigating the validity of such lien, may pay or discharge the same; and Tenant shall reimburse Landlord upon demand for the amount so paid by Landlord, including Landlord's expenses and attorneys' fees.

10. INSURANCE.

A. Tenant's Insurance. Tenant, at its expense, shall maintain at all times
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during the Term the following insurance policies: (a) fire insurance, including extended coverage, vandalism, malicious mischief, sprinkler leakage, water damage and all risk coverage and demolition and debris removal, insuring the full replacement cost of all improvements, alterations or additions to the Premises made at Tenant's expense, and all other property owned or used by Tenant and located in the Premises; (b) commercial general liability insurance, including blanket contractual liability insurance, with respect to the Building and the Premises, with limits to be set by Landlord from time to time but in any event not less than $3,000,000 each occurrence combined single limit for bodily injury, sickness or death or for damage to or destruction of property, including loss of use thereof; (c) workers' compensation and occupational disease insurance with Illinois statutory benefits and employers liability insurance with limits of not less than $3,000,000 each accident, each disease and aggregate for disease; and

(d) insurance against such other risks and in such other amounts as Landlord may from time to time require. The form of all such policies and deductibles thereunder shall be subject to Landlord's prior approval. All such policies shall be issued by insurers acceptable to Landlord and licensed to do business in Illinois. The insurance policies shall name Landlord, any mortgage lender (currently Citigroup, Inc.), their respective affiliates, subsidiaries, successors and assigns, the property manager and any other parties designated by Landlord as additional insureds. All policies shall require at least thirty (30) days' prior written notice to Landlord of termination or modification and shall be primary and not contributory. Tenant shall at least ten (10) days prior to the Commencement Date, and within ten (10) days prior to the expiration of each such policy, deliver to Landlord certificates evidencing the foregoing insurance or renewal thereof, as the case may be.

B. Mutual Waiver of Subrogation. Landlord and Tenant each agree that neither Landlord nor Tenant (nor their respective successors or assigns) will have any claim against the other for any loss, damage or injury to property which is covered by insurance carried by either party (or, with respect to Tenant, which would have been covered if Tenant had carried the insurance required by this Lease), notwithstanding the negligence of either party in causing the loss. The waiver also applies to each party's directors, officers, employees, shareholders and agents. The waiver does not apply to claims caused by a party's wilful misconduct.

If despite a party's best efforts it cannot find an insurance company (in the case of Tenant, meeting the requirements of Section 10A) that will allow a waiver at reasonable commercial rates, then it shall give notice to the other party within 30 days after discovering such situation. The other party shall then have 30 days to find an insurance company that will allow the waiver. If the other party cannot find such an insurance company, then both parties shall be released from their obligation to obtain the waiver.

If an insurance company is found but it will allow the waiver only at rates greater than reasonable commercial rates, then the parties can agree to pay for the waiver under any agreement they can negotiate. If the parties cannot in good faith negotiate an agreement, then both parties shall be released from their obligation to obtain the waiver.

11. WAIVER AND INDEMNITY.

A. Waiver. Tenant releases Landlord, its property manager and their respective agents and employees from, and waives all claims for, damage or injury to person or property and loss of business sustained by Tenant and resulting from the Building or the Premises or any part thereof or any equipment therein becoming in disrepair, or resulting from any accident in or about the Building. This paragraph shall apply particularly, but not exclusively, to flooding, damage caused by Building equipment and apparatus, water, snow, frost, steam, excessive heat or cold, broken glass, sewage, gas, odors, excessive noise or vibration or the bursting or leaking of pipes, plumbing fixtures or sprinkler devices. Without limiting the generality of the foregoing, Tenant waives all claims and rights of recovery against Landlord, its property manager and their

respective agents and employees for any loss or damage to any property of Tenant, which loss or damage is insured against, or required to be insured against, by Tenant pursuant to Section 10 above, whether or not such loss or damage is due to the fault or negligence of Landlord, its property manager or their respective agents or employees, and regardless of the amount of insurance proceeds collected or collectible under any insurance policies in effect.

B. Tenant's Indemnity. Tenant agrees to indemnify, defend and hold harmless Landlord, its property manager and their respective agents and employees, from and against any and all claims, demands, actions, liabilities, damages, costs and expenses (including reasonable attorneys' fees), for injuries to any third parties and damage to or theft or misappropriation or loss of property of third parties occurring in or about the Building and arising from the use and occupancy of the Premises or from any activity, work, or thing done, permitted or suffered by Tenant in or about the Premises (including, without limitation, any alteration by Tenant) or from any breach or default on the part of Tenant in the performance of any covenant or agreement on the part of Tenant to be performed under this Lease or due to any other act or omission of Tenant, its subtenants, assignees, invitees, employees, contractors and agents. Without limiting the foregoing, Tenant shall indemnify, defend and hold Landlord harmless from any claims, liabilities, damages, costs and expenses arising out of the use or storage of hazardous or toxic materials in the Building by Tenant.

If any such proceeding is filed against Landlord or any such indemnified party, Tenant agrees to defend Landlord or such party in such proceeding at Tenant's sole cost by legal counsel reasonably satisfactory to Landlord, if requested by Landlord.

C. Landlord's Indemnity. Subject to the provisions of Section 25N below,
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Landlord agrees to indemnify, defend and hold harmless Tenant and its agents and employees, from and against any and all claims, demands, actions, liabilities, damages, costs and expenses (including reasonable attorneys' fees), for injuries to any third parties and damage to or theft or misappropriation or loss of property of third parties occurring in or about the Building and arising from any breach or default on the part of Landlord in the performance of any covenant or agreement on the part of Landlord to be performed under this Lease or due to any other negligent act or omission or wilful misconduct of Landlord, its employees, contractors and agents. If any such proceeding is filed against Tenant or any such indemnified party, Landlord agrees to defend Tenant or such party in such proceeding at Landlord's sole cost by legal counsel reasonably satisfactory to Tenant, if requested by Tenant. Notwithstanding anything contained in this Section 11C to the contrary, Landlord shall not be required to indemnify Tenant or its agents and employees from or in respect of any claim or matter which results from the negligence or wilful misconduct of Tenant or its agents and employees.

12. FIRE AND CASUALTY. Upon a fire or other casualty affecting the Building, Landlord, with reasonable diligence, shall restore the Building. Notwithstanding the foregoing, if all or a substantial part of the Premises or the Building is rendered untenantable by reason of fire or other casualty, Landlord may, at its option, either restore the Premises and the Building, or terminate this Lease effective as of the date of such fire or other casualty. Landlord agrees to give Tenant written notice within 60 days after the occurrence of any such fire or other casualty

designating whether Landlord elects to so restore or terminate this Lease. If Landlord elects to terminate this Lease, Rent shall be paid through and apportioned as of the date of such fire or other casualty. If Landlord elects to restore, Landlord's obligation to restore the Premises shall be limited to restoring those improvements in the Premises existing as of the date of such fire or other casualty which were made at Landlord's expense and shall exclude any furniture, equipment, fixtures, additions, alterations or improvements in or to the Premises which were made at Tenant's expense. If Landlord elects to restore, Rent shall abate for that part of the Premises which is untenantable on a per diem basis from the date of such fire or other casualty until Landlord has substantially completed its repair and restoration work, provided that Tenant does not occupy such part of the Premises during said period. Notwithstanding anything contained in this Section 12 to the contrary, within 60 days after the date of any fire or other casualty which renders all or a substantial part of the Premises or the Building untenantable, Landlord shall provide to Tenant in writing Landlord's good faith estimate of the time required by Landlord to restore the Premises. If Landlord's good faith estimate of the time required to restore the Premises exceeds 270 days from the date of such fire or casualty, then Tenant shall have the right, exercisable by written notice to Landlord within 15 days after delivery of Landlord's good faith estimate, to terminate this Lease as of the date of such fire or other casualty. Notwithstanding the foregoing, Tenant shall have no right to terminate this Lease if the fire or other casualty was caused, in whole or in part, by the negligence or intentional misconduct of Tenant or Tenant's agents, employees, contractors, invitees, subtenants or assigns.

13. CONDEMNATION. If the Premises or the Building is rendered untenantable by reason of a condemnation (or by a deed given in lieu thereof), then either party may terminate this Lease by giving written notice of termination to the other party within 30 days after such condemnation, in which event this Lease shall terminate effective as of the date which is the day immediately preceding

the date of such condemnation. If this Lease so terminates, Rent shall be paid through and apportioned as of such termination date. If such condemnation does not render the Premises or the Building untenantable, this Lease shall continue in effect and Landlord shall promptly restore the portion not condemned to the extent reasonably possible to the condition existing prior to the condemnation. In such event, however, Landlord shall not be required to expend an amount in excess of the proceeds received by Landlord from the condemning authority. Landlord reserves all rights to compensation for any condemnation. Tenant hereby assigns to Landlord any right Tenant may have to such compensation, and Tenant shall make no claim against Landlord or the condemning authority for compensation for termination of Tenant's leasehold interest under this Lease or interference with Tenant's business.

14. ASSIGNMENT AND SUBLETTING.

A. Landlord's Consent. Tenant shall not, without the prior written consent
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of Landlord (which consent, with respect to a proposed assignment or sublease, shall not be unreasonably withheld as provided in Section 14.B): (i) assign, convey, mortgage or otherwise transfer this Lease or any interest hereunder, or sublease the Premises, or any part thereof, whether voluntarily or by operation of law; or (ii) permit the use of the Premises by any person

other than Tenant and its employees. Any such transfer, sublease or use described in the preceding sentence (a "Transfer") occurring without the prior written consent of Landlord shall be void and of no effect. Landlord's consent to any Transfer shall not constitute a waiver of Landlord's right to withhold its consent to any future Transfer. Landlord's consent to any Transfer or acceptance of rent from any party other than Tenant shall not release Tenant from any covenant or obligation under this Lease. Landlord may require as a condition to its consent to any assignment of this Lease that the assignee execute an instrument in which such assignee assumes the obligations of Tenant hereunder. For the purposes of this paragraph, the transfer (whether direct or indirect) of all or a majority of the capital stock in a corporate Tenant (other than the shares of the capital stock of a corporate Tenant whose stock is publicly traded) or the merger, consolidation or reorganization of such Tenant and the transfer of all or any general partnership interest in any partnership Tenant shall be considered a Transfer. If Tenant is a general or limited partnership (or is comprised of two or more persons or entities), the change or conversion of Tenant to (i) a limited liability company, (ii) a limited liability partnership or (iii) any other entity which possesses the characteristics of limited liability shall be prohibited unless the prior written consent of Landlord is obtained, which consent may be withheld in Landlord's sole discretion. Any such change or conversion without Landlord's consent shall not release the individuals or entities comprising Tenant from personal liability hereunder. Notwithstanding anything contained in this Section 14A to the contrary, provided Tenant is not then Default under this Lease, Tenant shall have the right to assign this Lease or sublease the Premises, or any part thereof, to an "Affiliate" (as defined below) without the prior written consent of Landlord (and without Landlord having the right to receive any share of the excess consideration or to recapture the applicable part of the Premises, as otherwise provided in Sections 14.B and 14.C, respectively), but only upon at least 10 days prior written notice to Landlord and subject to all of the other provisions of this Lease, specifically including, without limitation, the continuation of liability of Tenant under this Lease. Upon an assignment of this Lease to an Affiliate, the Affiliate shall assume the obligations of the tenant under this Lease from and after the effective date of such assignment pursuant to a written assumption agreement executed and delivered to Landlord prior to the effective date of such assignment. "Affiliate" shall mean any corporation or other entity controlling, controlled by or under the common control with Tenant or the surviving entity formed as a result of a merger or consolidation with Tenant. The word "control", as used herein, shall mean the power to direct or cause the direction of the management and policies of the controlled entity through ownership of more than 50% of the voting securities in such controlled

entity. Nothing contained in this Section 14A shall permit an assignment of this Lease or the subleasing of the Premises to any Affiliate that is disreputable, non-creditworthy or otherwise not in keeping with the nature or class of tenants in the Building, as reasonably determined by Landlord. Notwithstanding anything contained in this Section 14A to the contrary, provided Tenant is not then Default under this Lease, Tenant shall have the right to assign this Lease or sublease the Premises, or any part thereof, to an "Affiliate" (as defined below) without the prior written consent of Landlord, but only upon at least 10 days prior written notice to Landlord and subject to all of the other provisions of this Lease, specifically including, without limitation, the continuation of liability of Tenant under this Lease. Upon an assignment of this Lease to an Affiliate, the Affiliate shall assume the obligations of the tenant under this

Lease from and after the effective date of such assignment pursuant to a written assumption agreement executed and delivered to Landlord prior to the effective date of such assignment. "Affiliate" shall mean any corporation or other entity controlling, controlled by or under the common control with Tenant or the surviving entity formed as a result of a merger or consolidation with Tenant. The word "control", as used herein, shall mean the power to direct or cause the direction of the management and policies of the controlled entity through ownership of more than 50% of the voting securities in such controlled entity. Nothing contained in this Section 14A shall permit an assignment of this Lease or the subleasing of the Premises to any Affiliate that is disreputable, non-creditworthy or otherwise not in keeping with the nature or class of tenants in the Building, as reasonably determined by Landlord.

B. Standards for Consent. If Tenant desires the consent of Landlord to a
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Transfer, Tenant shall submit to Landlord, at least 30 days prior to the proposed effective date of the Transfer, a written notice which includes such information as Landlord may require about the proposed Transfer and the transferee. If Landlord does not terminate this Lease, in whole or in part, pursuant to Section 14C, Landlord shall not unreasonably withhold its consent to any assignment or sublease. Landlord shall not be deemed to have unreasonably withheld its consent if, in the judgment of Landlord: (i) the transferee is of a character or engaged in a business which is not in keeping with the standards or criteria used by Landlord in leasing the Building; (ii) the financial condition of the transferee is such that it may not be able to perform its obligations in connection with this Lease; (iii) the purpose for which the transferee intends to use the Premises or portion thereof is in violation of the terms of this Lease or the lease of any other tenant in the Building; (iv) the transferee is a tenant of the Building (unless Landlord does not then itself have suitable space available for leasing to the proposed transferee); or (v) any other bases which Landlord reasonably deems appropriate. If Landlord consents to any Transfer, Tenant shall pay to Landlord one-half of all rent and other consideration received by Tenant in excess of the Rent paid by Tenant to Landlord hereunder for the portion of the Premises so transferred. Such rent shall be paid as and when received by Tenant. In addition, Tenant shall pay to Landlord any reasonable attorneys' fees and expenses incurred by Landlord in connection with any proposed Transfer, whether or not Landlord consents to such Transfer (which shall not exceed $500, provided the Transfer is a typical sublease or assignment transaction). If Landlord wrongfully withholds its consent to any Transfer, Tenant's sole and exclusive remedy therefor, shall be to seek specific performance of Landlord's obligation to consent to such Transfer.

C. Recapture. If Tenant proposes to (i) assign this Lease or sublet more
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than 33% of the Premises, (ii) sublet any part of the Premises for more than five years or (iii) extend or renew any existing sublease of any part of the Premises or sublet any part of the Premises that has previously been sublet such that the applicable part of the Premises will have been sublet (by one or more parties) for more than five years, then Landlord shall have the right to terminate this Lease as to that portion of the Premises covered by the Transfer. Landlord may exercise such right to terminate by giving notice to Tenant at any

time within 30 days after the date on which Tenant has furnished to Landlord all of the items required under Section 14B above. If Landlord exercises such right to terminate, Landlord shall be entitled to recover possession of, and Tenant

shall surrender such portion of, the Premises (with appropriate demising partitions erected at the expense of Tenant) on the later of (i) the effective date of the proposed Transfer, or (ii) 60 days after the date of Landlord's notice of termination. In the event Landlord exercises such right to terminate, Landlord shall have the right to enter into a lease with the proposed transferee without incurring any liability to Tenant on account thereof.

15. SURRENDER. Upon termination of the Term or Tenant's right to possession of the Premises, Tenant shall return the Premises to Landlord in good order and condition, ordinary wear and damage by fire or other casualty excepted. If Landlord requires Tenant to remove any alterations pursuant to Section 9, then such removal shall be done in a good and workmanlike manner; and upon such removal Tenant shall restore the Premises to its condition prior to the installation of such alterations. If Tenant does not remove such alterations after request to do so by Landlord, Landlord may remove the same and restore the Premises; and Tenant shall pay the reasonable cost of such removal and restoration to Landlord upon demand. Tenant shall also remove its furniture, equipment, trade fixtures and all other items of personal property from the Premises prior to the termination of the Term or Tenant's right to possession of the Premises. If Tenant does not remove such items, Tenant shall be conclusively presumed to have conveyed the same to Landlord without further payment or credit by Landlord to Tenant; or at Landlord's sole option such items shall be deemed abandoned, in which event Landlord may cause such items to be removed and disposed of at Tenant's expense, without notice to Tenant and without obligation to compensate Tenant.

16. DEFAULTS AND REMEDIES.

A. Default. The occurrence of any of the following shall constitute a
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default (a "Default") by Tenant under this Lease: (i) Tenant fails to pay any Rent when due (and, only with respect to the first two of such defaults within any 12 month period, such default shall continue for five days after written notice to Tenant); (ii) Tenant fails to perform any other provision of this Lease and such failure is not cured within 30 days (or immediately if the failure involves a hazardous condition) after notice from Landlord; (iii) the leasehold interest of Tenant is levied upon or attached under process of law; (iv) Tenant or any guarantor of this Lease dies or dissolves; or (v) any voluntary or involuntary proceedings are filed by or against Tenant or any guarantor of this Lease under any bankruptcy, insolvency or similar laws and, in the case of any involuntary proceedings, are not dismissed within 30 days after filing.

B. Right of Re-Entry. Upon the occurrence of a Default, Landlord may elect
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to terminate this Lease, or, without terminating this Lease, terminate Tenant's right to possession of the Premises. Upon any such termination, Tenant shall immediately surrender and vacate the Premises and deliver possession thereof to Landlord. Tenant grants to Landlord the right to enter and repossess the Premises and to expel Tenant and any others who may be occupying the Premises and to remove any and all property therefrom, without being deemed in any manner guilty of trespass and without relinquishing Landlord's rights to Rent or any other right given to Landlord hereunder or by operation of law.

C. Reletting. If Landlord terminates Tenant's right to possession of the

Premises without terminating this Lease, Landlord may relet the Premises or any part thereof. In such case, Landlord shall use reasonable efforts to relet the Premises on such terms as Landlord shall reasonably deem appropriate; provided, however, Landlord may first lease Landlord's other available space and shall not be required to accept any tenant offered by Tenant or to observe any instructions given by Tenant about such reletting. Tenant shall reimburse Landlord for the reasonable costs and expenses of reletting the Premises including, but not limited to, all brokerage, advertising, legal, alteration and other expenses incurred to secure a new tenant for the Premises. In addition, if the consideration collected by Landlord upon any such reletting, after payment of the expenses of reletting the Premises which have not been reimbursed by Tenant, is insufficient to pay monthly the full amount of the Rent, Tenant shall pay to Landlord the amount of each monthly deficiency as it becomes due. If such consideration is greater than the amount necessary to pay the full amount of the Rent, the full amount of such excess shall be retained by Landlord and shall in no event be payable to Tenant.

D. Termination of Lease. If Landlord terminates this Lease, Landlord may recover from Tenant and Tenant shall pay to Landlord, on demand, as and for liquidated and final damages, an accelerated lump sum amount equal to the amount by which Landlord's estimate of the aggregate amount of Rent owing from the date of such termination through the Expiration Date plus Landlord's estimate of the aggregate expenses of reletting the Premises, exceeds Landlord's estimate of the fair rental value of the Premises for the same period (after deducting from such fair rental value the time needed to relet the Premises and the amount of concessions which would normally be given to a new tenant), both discounted to present value at the rate of 5% per annum.

E. Other Remedies. Landlord may but shall not be obligated to perform any obligation of Tenant under this Lease; and, if Landlord so elects, all costs and expenses paid by Landlord in performing such obligation, together with interest at the Default Rate, shall be reimbursed by Tenant to Landlord on demand. Any and all remedies set forth in this Lease: (i) shall be in addition to any and all other remedies Landlord may have at law or in equity, (ii) shall be cumulative, and (iii) may be pursued successively or concurrently as Landlord may elect. The exercise of any remedy by Landlord shall not be deemed an election of remedies or preclude Landlord from exercising any other remedies in the future.

F. Bankruptcy. If Tenant becomes bankrupt, the bankruptcy trustee shall not have the right to assume or assign this Lease unless the trustee complies with all requirements of the United States Bankruptcy Code; and Landlord expressly reserves all of its rights, claims, and remedies thereunder.

G. Waiver of Trial by Jury. Landlord and Tenant waive trial by jury in the event of any action, proceeding or counterclaim brought by either Landlord or Tenant against the other in connection with this Lease.

H. Venue. If either Landlord or Tenant desires to bring an action against the other in connection with this Lease, such action shall be brought in the federal or state courts located in Chicago, Illinois. Landlord and Tenant consent to the jurisdiction of such courts and waive any right to have such action transferred from such courts on the grounds of improper venue or inconvenient forum.

17. HOLDING OVER. If Tenant retains possession of the Premises after the expiration or termination of the Term or Tenant's right to possession of the Premises, Tenant shall pay Rent during such holding over at double the rate in

effect immediately preceding such holding over computed on a monthly basis for each month or partial month that Tenant remains in possession (provided that except for a termination pursuant to Section 27, during the first 90 days of such holding over, the Rent shall instead be 150% of the rate in effect immediately preceding such holding over). Tenant shall also pay, indemnify and defend Landlord from and against all claims and damages, consequential as well as direct, sustained by reason of Tenant's holding over. The provisions of this Section do not waive Landlord's right of re-entry or right to regain possession by actions at law or in equity or any other rights hereunder, and any receipt of payment by Landlord shall not be deemed a consent by Landlord to Tenant's remaining in possession or be construed as creating or renewing any lease or right of tenancy between Landlord and Tenant.

18. SECURITY DEPOSIT.

A. Security Deposit. At the time of signing this Lease, Tenant shall deposit with Landlord an unconditional, irrevocable letter of credit in Landlord's favor in the amount set forth in Item 5 of the Schedule (the "LOC"), which LOC shall be freely assignable by Landlord, issued by a "Qualified Issuer" approved by Landlord, drawable in Chicago, Illinois and in the form of the letter of credit attached hereto as Exhibit G, which deposit is to be retained by Landlord as security for the faithful performance and observance by Tenant of the covenants, agreements and conditions of this Lease. The LOC and any proceeds drawn thereunder or any other cash or security deposited by Tenant with Landlord under this Lease are hereinafter collectively called the "Security Deposit." If and to the extent permitted by applicable law, (a) Tenant shall not be entitled to any interest on the Security Deposit, (b) Landlord shall not be obligated to hold the Security Deposit in trust or in a separate account, and (c) Landlord shall have the right to commingle the Security Deposit with its other funds. Landlord may use, apply or retain the whole or any part of the Security Deposit to the extent required for the payment of any Rent payable hereunder as to which Tenant is in Default or to the extent required for the reimbursement to Landlord of any sum which Landlord may expend or may be required to expend by reason of any Default. Upon notice by Landlord of Landlord's application of all or any portion of the Security Deposit as aforesaid, Tenant shall replenish the Security Deposit in full by promptly paying to Landlord in cash the amount so applied. If Tenant shall fully and faithfully comply with all of the covenants, agreements and conditions of this Lease, the Security Deposit (or balance thereof) shall be returned to Tenant after the date fixed as the expiration of the Term and surrender of the Premises to Landlord. If the Building is sold to a bona fide purchaser,

Landlord shall have the right to transfer the Security Deposit to such purchaser, by which transfer Landlord shall be released from all liability for the return thereof, and Tenant shall look solely to the new landlord for the return thereof. Landlord shall promptly respond to Tenant's request at the time of such transfer concerning the status of the Security Deposit.

B. Replacement Letter of Credit. Tenant shall deposit with Landlord not later than 60 days prior to the expiration date of the original LOC deposited by Tenant hereunder (and not later than 60 days prior to the expiration date of each replacement LOC deposited by Tenant hereunder), a replacement LOC in form, content and amount identical to the original LOC and issued by a "Qualified Issuer" approved by Landlord. If Tenant fails to timely deposit any such replacement LOC with Landlord and such failure continues for 10 days after written notice to Tenant (and which failure is not subject to any notice and cure period under Section 16), then Landlord may draw the entire proceeds of the LOC then on deposit with Landlord and the proceeds so drawn shall constitute and comprise part of the Security Deposit and may be held, transferred and applied by Landlord in accordance with the provisions of this Section 18.

C. Qualified Issuer. For purposes of this Lease, "Qualified Issuer" means

any commercial bank which, at the particular time its status as a Qualified Issuer is relevant hereunder, has total assets of at least U.S. $500 million and has an overall financial rating of "B" or better from the Lace Company (and the Lace Company has not given notice that such bank is on its "watch list" or that its rating is under reconsideration or reevaluation). If at any time after issuance of the LOC (or any replacement LOC), the issuing bank fails to be a Qualified Issuer or is not otherwise financially sound in Landlord's sole judgment, the LOC or replacement LOC, as the case may be, upon written notice from Landlord to Tenant, shall be immediately reissued by a Qualified Issuer approved by Landlord, which reissuance shall be in accordance with the provisions of this Lease.

19. [Intentionally Deleted).

20. ESTOPPEL CERTIFICATES. Tenant agrees that, from time to time upon not less than 15 days' prior request by Landlord, Tenant shall execute and deliver to Landlord a written certificate certifying: (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, a description of such modifications and that this Lease as modified is in full force and effect); (ii) the dates to which Rent has been paid; (iii) that Tenant is in possession of the Premises, if that is the case; (iv) that Landlord is not in default under this Lease, or, if Tenant believes Landlord is in default, the nature thereof in detail; (v) that Tenant has no off-sets or defenses to the performance of its obligations under this Lease (or if Tenant believes there are any off-sets or defenses, a full and complete explanation thereof); and (vi) such additional matters as may be requested by Landlord, it being agreed that such certificate may be relied upon by any prospective purchaser, mortgagee or other person having or acquiring an interest in the Building. If Tenant fails to execute and deliver any such certificate within 15 days after request, such failure shall constitute a Default hereunder (without the necessity for the delivery of any additional notice as otherwise required pursuant to Section 16).

21. SUBORDINATION. This Lease is and shall be expressly subject and subordinate at all times to (a) any present or future ground, underlying or operating lease of the Building, and all amendments, renewals and modifications to any such lease, and (b) the lien of any present or future mortgage or deed of trust encumbering fee title to the Building and/or the leasehold estate under any such lease. If any such mortgage or deed of trust be foreclosed, or if any such lease be terminated, upon request of the mortgagee, beneficiary or lessor, as the case may be, Tenant will attorn to the purchaser at the foreclosure sale or to the lessor under such lease, as the case may be. The foregoing provisions are declared to be self-operative and no further instruments shall be required to effect such subordination and/or attornment; provided, however, that Tenant agrees upon request by any such mortgagee, beneficiary, lessor or purchaser at foreclosure, as the case may be, to execute such subordination and/or attornment instruments as may be required by such person to confirm such subordination and/or attornment on the form customarily used by such party or, at such party's election, on the form attached hereto as Exhibit E. Notwithstanding the foregoing to the contrary, any such mortgagee, beneficiary or lessor may elect to give the rights and interests of Tenant under this Lease (excluding rights in and to insurance proceeds and condemnation awards) priority over the lien of its mortgage or deed of trust or the estate of its lease, as the case may be. In the event of such election and upon the mortgagee, beneficiary or lessor notifying Tenant of such election, the rights and interests of Tenant shall be deemed superior to and to have priority over the lien of said mortgage or deed of trust or the estate of such lease, as the case may be, whether this Lease is dated prior to or subsequent to the date of such mortgage, deed of trust or lease. In such event, Tenant shall execute and deliver whatever instruments may be required by such mortgagee, beneficiary or lessor to confirm such superiority on the form customarily used by such party. If Tenant fails to execute any instrument required to be executed by Tenant under this Section 21 within 15 days after request, Tenant irrevocably appoints Landlord as its attorney-in-fact, in Tenant's name, to execute such instrument. Notwithstanding

anything in this Section 21 to the contrary, Landlord agrees to use reasonable efforts to procure a non-disturbance agreement from any present and future first mortgagee or ground lessor of the Building on such mortgagee's or ground lessor's customary form. Tenant understands that Landlord shall not be responsible to expend any funds in order to procure such non-disturbance agreement and Tenant's obligations under this Lease shall not be conditioned upon Landlord's obtaining such non-disturbance agreement and Tenant's sole and exclusive remedy for Landlord's failure to use such efforts shall be a claim for actual damages directly caused as a result of such breach (excluding any indirect, consequential or punitive damages), which damages shall not exceed the amount of Rent payable under this Lease from and after the date of said Landlord's default, and in no event shall Tenant be entitled to terminate this Lease or to any abatement of Rent as a result of such breach.

22. QUIET ENJOYMENT. As long as no Default exists, Tenant shall peacefully and quietly have and enjoy the Premises for the Term, free from interference by Landlord, subject, however, to the provisions of this Lease. The loss or reduction of Tenant's light, air or view will not be deemed a disturbance of Tenant's occupancy of the Premises nor will it affect Tenant's obligations under this Lease or create any liability of Landlord to Tenant.

23. BROKER. Tenant represents to Landlord that Tenant has dealt only with the broker(s) set forth in Item 9 of the Schedule (the "Broker") in connection with this Lease and that, insofar as Tenant knows, no other broker negotiated this Lease or is entitled to any commission in connection herewith. Tenant agrees to indemnify, defend and hold Landlord, its property manager and their respective employees harmless from and against all claims, demands, actions, liabilities, damages, costs and expenses (including, attorneys' fees) arising from either (i) a claim for a fee or commission made by any broker, other than the Broker, claiming to have acted by or on behalf of Tenant in connection with this Lease, or (ii) a claim of, or right to, lien under the statutes of Illinois relating to real estate broker liens with respect to any such broker retained by Tenant. Landlord agrees to pay the Broker a commission in accordance with the separate agreement between Landlord and the Brokers described in Item 10 of the Schedule.

24. NOTICES. Except as otherwise expressly provided herein, all notices and demands to be given by one party to the other party under this Lease shall be given in writing, mailed or delivered to Landlord at the address set forth above and to Tenant at the following addresses:

Stacy Cannon, Esq.
Vice President and General Counsel
Global Knowledge Network, Inc.
One Van De Graff Drive
Burlington, MA 01803

With a copy to:

Mr. Rick Gregory
Global Knowledge Network, Inc.
One Van De Graff Drive
Burlington, MA 01803

or at such other address as either party may hereafter designate. Notices shall be delivered by hand or by United States certified or registered mail, postage prepaid, return receipt requested, or by a nationally recognized overnight air courier service. Notices shall be considered to have been given upon the earlier to occur of actual receipt, two business days after posting in the United States mail or the first business day after delivery to the courier service.

25. MISCELLANEOUS.

A. Successors and Assigns. Subject to Section 14 of this Lease, each provision of this Lease shall extend to, bind and inure to the benefit of Landlord and Tenant and their respective legal representatives, successors and assigns; and all references herein to Landlord and Tenant shall be deemed to include all such parties.

B. Entire Agreement. This Lease, and the riders and exhibits, if any, attached hereto which are hereby made a part of this Lease, represent the complete agreement between Landlord and Tenant; and Landlord has made no representations or warranties except as expressly set forth in this Lease. No modification or amendment of or waiver under this Lease shall be binding upon Landlord or Tenant unless in writing signed by Landlord and Tenant.

C. Time of Essence. Time is of the essence of this Lease and each and all of its provisions.

D. Execution and Delivery. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of space or an option for lease, and it is not effective until execution and delivery by both Landlord and Tenant. Execution and delivery of this Lease by Tenant to Landlord shall constitute an irrevocable offer by Tenant to lease the Premises on the terms and conditions set forth herein, which offer may not be revoked for 15 days after such delivery.

E. Severability. The invalidity or unenforceability of any provision of this Lease shall not affect or impair any other provisions.

F. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State in which the Premises are located.

G. Attorneys' Fees. Tenant shall pay to Landlord all costs and expenses, including reasonable attorneys fees, incurred by Landlord in connection with any action between Landlord and Tenant arising out of this Lease or incurred by Landlord as a result of any litigation to which Landlord becomes a party as a result of this Lease.

H. Delay in Possession. In no event shall Landlord be liable to Tenant if Landlord is unable to deliver possession of the Premises to Tenant on the Commencement Date for causes outside Landlord's reasonable control.

I. Joint and Several Liability. If Tenant is comprised of more than one party, each such party shall be jointly and severally liable for Tenant's obligations under this Lease.

J. Force Majeure. Landlord shall not be in default hereunder and Tenant shall not be excused from performing any of its obligations hereunder if Landlord is prevented from performing any of its obligations hereunder due to any accident, breakage, strike, shortage of materials, acts of God or other causes beyond Landlord's reasonable control.

K. Captions. The headings and titles in this Lease are for convenience only and shall have no effect upon the construction or interpretation of this Lease.

L. No Waiver. No receipt of money by Landlord from Tenant after termination of this Lease or after the service of any notice or after the commencing of any suit or after final judgment for possession of the Premises shall renew, reinstate, continue or extend the Term or affect any such notice or suit. No waiver of any default of Tenant shall be implied from any omission by Landlord to take any action on account of such default if such default persists or be repeated, and no express waiver shall affect any default other than the default specified in the express waiver and then only for the time and to the extent therein stated.

M. No Recording. Tenant shall not record this Lease or a memorandum of this Lease in any official records.

N. Limitation of Liability. Any liability of Landlord under this Lease shall be limited solely to its equity interest in the Building, and in no event shall any personal liability be asserted against Landlord in connection with this Lease nor shall any recourse be had to any other property or assets of Landlord.

26. PARKING. Landlord agrees to furnish to Tenant, at no additional charge, 88 unreserved, unassigned parking spaces in the Building's parking lot (which is four parking spaces per 1,000 rentable square feet of the Premises), for so long as this Lease is in full force and effect and Tenant is not in Default under this Lease. If the rentable area of the Premises is reduced below the amount stated in Item 1B of the Schedule for any reason, then the number of Tenant's parking spaces shall be reduced proportionately. Tenant shall not allow its employees or invitees to use more parking spaces than the number furnished to Tenant pursuant to this Section 26. If Tenant needs additional parking for its employees and invitees at the Premises, Tenant must make arrangements for such parking outside the Windy Point of Schaumburg project. Landlord may designate parking spaces in the parking lots as "reserved" and Tenant shall not allow its employees or invitees to use such reserved spaces. Tenant's use of all parking spaces is subject to all applicable codes, ordinances, laws, regulations and statutes and reasonable rules and regulations promulgated from time to time by Landlord, as well as the restrictions set forth in the recorded Declaration of Covenants, Conditions, Restrictions, Reciprocal Rights and Easements encumbering the project.

27. LANDLORD'S TERMINATION OPTION.

A. Termination Option. Landlord shall have an option (the "Termination Option") to terminate this Lease effective as of December 31, 2005 (the "Termination Date"). The Termination Option is granted subject to the following terms and conditions:

(i) Landlord gives Tenant written notice of Landlord's election to exercise the Termination Option not later than April 30, 2005; and

(ii) Landlord pays to Tenant, within 30 days after Tenant vacates the Premises (provided Tenant is not then in Default), a cash lease termination fee (the "Fee") in an

amount equal to the product of (x) $10.00 multiplied by (y) the rentable area of the Premises (in rentable square feet) as of the Termination Date.

B. Terms. If Landlord exercises the Termination Option (1) all Rent

payable under this Lease shall be paid through and apportioned as of the Termination Date, (2) neither party shall have any rights, estates, liabilities or obligations under this Lease for the period accruing after the Termination Date, except those which, by the provisions of this Lease, are intended to survive the expiration or termination of the Term of this Lease, and (3) Landlord and Tenant shall enter into a written agreement reflecting the termination of this Lease upon the terms provided for herein, which agreement shall be executed within 30 days after Landlord exercises the Termination Option.

28. RENEWAL OPTION.

A. Renewal Option. Tenant shall have an option (the "Renewal Option") to renew the Term with respect to all (but not less than all) of the Premises demised under or pursuant to this Lease as of the expiration date of the initial Term, for one additional term (the "Renewal Term") of five years, upon the following terms and conditions:

(i) Tenant gives Landlord written notice of Tenant's election to exercise the Renewal Option not later than nine months prior to the expiration date of the initial Term;

(ii) Tenant submits current financial statements of Tenant to Landlord concurrently with Tenant's notice exercising the Renewal Option and such financial statements are reasonably satisfactory to Landlord; and

(iii) Tenant is not in Default under this Lease, either on the date Tenant exercises the Renewal Option or on the expiration date of the initial Term, and this Lease is in full force and effect on the date on which Tenant exercises the Renewal Option and on the proposed commencement date of the Renewal Term.

B. Terms. If Tenant timely and properly exercises the Renewal Option:

(i) The Rent payable for the Renewal Term shall be equal to the "market rate of rent" that Landlord reasonably anticipates will be in effect at the commencement of the Renewal Term. Upon Tenant's written request given to Landlord not later than 11 months prior to the expiration date of the initial Term, Landlord shall give Tenant written notice setting forth the market rate of rent not later than 10 months prior to the expiration date of the initial Term (if Tenant fails to timely request such market rate in advance, then Landlord shall give Tenant written notice setting forth the market rate of rent prior to the commencement date of the Renewal Term). "Market rate of rent" shall mean the greater of (i) the then-escalated rate of Rent for the Premises as of the last year of the initial Term (the "Existing Rental Rate") and (ii) the prevailing market rental rate that a willing,

comparable property would accept, in an arm's length transaction, as of the commencement of the Renewal Term, for comparable premises, taking into account the annual rental rates per rentable square foot, the standard of measurement by which the rentable square footage is measured, the type of escalation clause, the extent of the tenant's liability under the lease, abatement provisions reflecting free rent and/or no rent during the period of construction or subsequent to the commencement date as to the space in question, the brokerage commission which would be payable by the landlord in similar transactions, the length of the lease term, improvement costs borne by the landlord, allowances and other concessions to the tenant, and the size and location of the premises being leased. The Base Rent payable during the Renewal Term shall be subject to adjustment during the Renewal Term as provided in Landlord's written notice setting forth the market rate

of rent (or, if the market rate of rent is the Existing Rental Rate, the Base Rent shall increase by 3% per annum during each year of the Renewal Term, commencing with the first day of the second year of the Renewal Term). There shall be no abatement of Base Rent or Adjustment Rent for the Premises during the Renewal Term, except as may be specifically provided in Landlord's written notice setting forth the market rate of rent.

(ii) Tenant shall have no further options to renew the Term of this Lease beyond the expiration date of the Renewal Term.

(iii) Landlord shall not be obligated to perform any leasehold improvement work in the Premises or give Tenant any allowance for any such work or any other purposes during or for the Renewal Term, except as to any allowance which may be specifically provided in Landlord's written notice setting forth the market rate of rent.

(iv) Except for the rate of Rent and except as otherwise provided herein, all of the terms and provisions of this Lease shall remain the same and in full force and effect during the Renewal Term.

C. Amendment. If Tenant exercises the Renewal Option, Landlord and Tenant shall execute and deliver an amendment to this Lease reflecting the lease of the Premises by Landlord to Tenant for the Renewal Term on the terms provided above, which amendment shall be executed and delivered within 30 days after Tenant exercises the Renewal Option.

D. Termination. The Renewal Option shall automatically terminate and become null and void upon the earlier to occur of (1) the expiration or termination of this Lease, (2) the termination of Tenant's right to possession of all or any part of the Premises, (3) the assignment of this Lease by Tenant, in whole or in part (other than to an Affiliate in accordance with Section 14.A), (4) the sublease by Tenant of all or any part of the Premises (other than to an Affiliate in accordance with Section 14.A), (5) the recapture by Landlord of all or any part of the Premises

pursuant to Section 14C hereof, or (6) the failure of Tenant to timely or properly exercise the Renewal Option.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

LANDLORD:	TENANT:
WINDY POINT OF SCHAUMBURG L.L.C., a Delaware limited liability company	GLOBAL KNOWLEDGE NETWORK, INC., a Delaware corporation
By: FRC WINDY POINT L.L.C., an Illinois limited liability company	By: /s/ Bruce J. Ryan
By: /s/ Steven D. Fifield	Title: Vice President & CFO
Title:_____	

(Landlord's Acknowledgment)

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

On this 10th day of January, 2000, before me appeared Steven D. Fifield, to me personally known, who being by me duly sworn, did say that he/she is the Managing Member of FRC WINDY POINT, L.L.C., an Illinois limited liability company ("Manager") and managing member of WINDY POINT OF SCHAUMBURG L.L.C., a Delaware limited liability company ("Owner"), the company that executed the within and foregoing instrument and that said instrument was signed and sealed in behalf of said Manager and Owner, and said Steven D. Fifield acknowledged said instrument to be the free act and deed of said Manager and Owner.

[SEAL]

/s/ Kathryn A. Hutcheson

NOTARY PUBLIC

(Tenant Corporate Acknowledgment)

STATE OF MASS)
) SS.
COUNTY OF MIDDLESEX)

On this 22 day of December, 1999, before me appeared Bruce J. Ryan, to me personally known, who being by me duly sworn, did say that (he) is the VP & CFO of GLOBAL KNOWLEDGE NETWORK, INC., a Delaware corporation, the corporation that executed the within and foregoing instrument and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and that the seal affixed is the corporate seal of said corporation and said Bruce J. Ryan acknowledged said instrument to be the free act and deed of said corporation.

/s/ Karen K. Gemmato

NOTARY PUBLIC

KAREN K. GEMMATO, Notary Public
My Commission Expires
June 18, 2005

EXHIBIT A

[FLOOR PLAN]

EXHIBIT 10.119

LEASE AGREEMENT WITH ZURICH AMERICAN INSURANCE COMPANY
FOR THE WINDY POINT II BUILDING

WINDY POINT OF SCHAUMBURG II

OFFICE LEASE
[Build-to-Suit]

BETWEEN

WINDY POINT OF SCHAUMBURG LLC
as Landlord

AND

ZURICH AMERICAN INSURANCE COMPANY
as Tenant

Dated: May 6, 2000

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OFFICE LEASE
[Build-to-Suit]

THIS LEASE is made as of May 6, 2000, between WINDY POINT OF SCHAUMBURG LLC, a Delaware limited liability company, having an address at c/o Fifield Realty Corp., 20 North Wacker Drive, Chicago, Illinois 60606 ("Landlord"), and ZURICH AMERICAN INSURANCE COMPANY, a New York corporation, having an address at 3910 Keswick Road, Baltimore, Maryland 21211, Attn: Zurich U.S. Real Estate ("Tenant"), for space in the 11-story office building to be built at 1600 McConnor Parkway and to be known as "Windy Point of Schaumburg II," located in the Windy Point of Schaumburg complex (such building, including the land upon which the building thereon is situated, being herein referred to as the "Building"). The following schedule (the "Schedule") sets forth certain basic terms of this Lease:

SCHEDULE

1. Premises ... At least 250,000 rentable square feet in the Building, as more particularly described in Section 1B.

2. Base Rent ..... To be determined as provided in Exhibit A attached hereto.

3. Tenant's Proportionate Share: ... To be determined as provided in Section 2A(iv)

4. Security Deposit:. ..... None

5. Commencement Date:. ..... September 1, 2001

6. Expiration Date:. ..... August 31, 2011

7. Brokers:. ..... Fifield Realty Corp. and Julien J. Studley, Inc.

1. DEMISE AND TERM.

A. Demise and Term. Landlord leases to Tenant and Tenant leases from Landlord the Premises (the "Premises") described in Section 1B, subject to the covenants and conditions set forth in this Lease (including the Work Letter Agreement attached hereto as Exhibit C [the "Work Letter Agreement"]), for a term (the "Term") commencing on the date (the "Commencement Date") which is the earlier to occur of (a) the date described in Item 5 of the Schedule, or (b) the date that Tenant takes occupancy of the Premises, and expiring on the date (the "Expiration Date") described in Item 6 of the Schedule, unless terminated earlier as otherwise provided in this Lease. The Commencement Date and the Expiration Date are each subject to deferment as is provided in Section 25H below. Tenant shall complete and furnish to Landlord, on or before occupancy of the Premises, the Suite Acceptance Agreement attached hereto as Exhibit D (the "Suite Acceptance Agreement"), which shall acknowledge the actual Commencement Date and the Expiration Date.

B. Determination of the Premises. The Premises shall consist of at least 250,000 rentable square feet, consisting of the floors designated by Tenant not later than August 1, 2000. Only one floor within the initial Premises may be less than an entire floor. The Premises may not consist of more than two contiguous portions (i.e., there may not be more than one interruption or "gap" in the contiguity of the Premises). By written notice to Landlord not later than August 1, 2000, Tenant may elect to (i) increase the Premises by whole or partial floors (so long as, after giving effect

to the increase, the Premises contains only one partial floor) up to the entire rentable area within the Building, or (ii) decrease the Premises by one floor (such floor to be designated by Tenant in its notice to Landlord and to be either the highest or lowest floor that is part of the Premises). If pursuant to the preceding sentences Tenant elects to lease a partial floor, such portion of the Premises on the floor shall be a single, contiguous space and both the portion of the Premises and the balance of the space on the floor shall have a configuration that allows, in Landlord's reasonable judgment, (i) Landlord to lease the spaces at the then prevailing market rate for the Building, (ii) full and direct access to public corridors and other common areas of the Building and (iii) full compliance with all applicable building codes. On any partial floor occupied by Tenant, Landlord, at its expense, shall install a Building standard multi-tenant elevator lobby and, if required, Building standard corridors. Furthermore, by written notice to Landlord not later than December 1, 2000, Tenant may elect to lease the entire rentable area within the Building. The rentable area of the Premises shall be determined by Landlord's architect in accordance with the standards set forth in Section 2A(v) prior to the delivery of the Premises to Tenant. The Suite Acceptance Agreement shall verify the rentable area of the Premises.

2. RENT.

A. Definitions. For purposes of this Lease, the following terms shall have the following meanings:

(i) "Expenses" shall mean all expenses, costs and disbursements (other than Taxes) paid or incurred by Landlord in connection with the ownership, management, maintenance, operation, replacement and repair of the Building. Expenses shall include the Building's share of expenses as part of the Windy Point of Schaumburg complex (the "Complex") pursuant to the Declaration (as hereinafter defined). Expenses shall not include: (a) costs incurred with respect to the installation of leasehold improvements for tenants in the Building or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for tenants of the Building (including architectural, space planning and engineering services); (b) costs of capital improvements (except for costs of any capital improvement (1) made or installed [or service agreement or lease entered into] for the purpose of reducing Expenses or improving the operating efficiency of any system within the Building or (2) made or installed pursuant to governmental requirement or insurance requirement not in effect as of the Commencement Date, which costs shall be amortized by Landlord on a straight-line basis over the useful life of the improvement in accordance with generally accepted accounting principles consistently applied [and provided that with respect to costs of the type described in clause (1), the amortized amount included in Expenses in any year shall not exceed the savings in Expenses that occur in such year as a result of the capital improvement]); (c) costs and expenses (including attorneys' fees and disbursements) incurred in connection with negotiations or disputes with past, present or prospective tenants of the Building; (d) costs incurred by Landlord for the repair of damage to the Building, to the extent that Landlord is reimbursed by insurance proceeds (or would have been reimbursed if Landlord had carried the insurance required pursuant to Section 10B) (provided

all costs that are not recovered under such insurance as a result of any commercially reasonable deductible amount may be included in Expenses); (e) expenses in connection with services or other benefits offered to other tenants in the Building, but not to Tenant; (f) costs of services (including management services) provided by Landlord affiliates to the extent that such costs exceed the cost of such services rendered by unaffiliated third parties on a competitive basis; (g) Landlord's general

corporate overhead and general administrative expenses; (h) advertising expenses, including those incurred in the future leasing of the Building; (i) acquisition or leasing costs of sculpture, paintings, or works of art; (j) interest, principal, points and fees on debts or amortization on any mortgage or mortgages or any other debt instrument encumbering the Building and legal fees and transaction costs incurred in obtaining such mortgages or debt instruments; (k) fines or penalties, and interest accrued thereon, incurred as a result of late payments by Landlord (provided Tenant has promptly paid all Rent due hereunder); (l) that portion of the wages and salaries, and payroll taxes and similar governmental charges with respect thereto, of Building management employees who do not devote substantially all of their time to management of the Building, which is in excess of a pro rata portion thereof based upon the time spent by such personnel in the management of the Building in relation to their total hours worked; (m) any ground lease rental (except as the same relates to the payment of Expenses or Taxes to the lessor); (n) depreciation, amortization and interest payments, except as provided herein and except on materials, tools, supplies and vendor-type equipment purchased by Landlord to enable Landlord to supply services Landlord might otherwise contract for with a third party where such depreciation, amortization and interest payments would otherwise have been included in the charge for such third party's services, all as determined in accordance with generally accepted accounting principles, consistently applied, and when depreciation or amortization is permitted, the item shall be amortized on a straight-line basis over its reasonably anticipated useful life (and provided that if Landlord includes any such depreciation of personal property in Expenses, Landlord may not also include the costs of replacement of such personal property to the extent of the depreciation taken by Landlord for such personal property); (o) brokerage or leasing commissions; (p) charitable or political contributions; (q) any bad debt loss, rent loss, or reserves for bad debt or rent loss or reserves for replacement of personal property; (r) any management fee in excess of five percent (5%) of the gross revenues for the Building; (s) Landlord's entertainment expenses and travel expenses, except for those travel expenses that are necessary, reasonable and incurred in connection with Landlord's operation of the Building; (t) expenses for which Landlord has received any reimbursement, to the extent of such reimbursement, regardless of whether such reimbursement is from one source or more than one source, including without limitation reimbursements from Tenant or another tenant (such as reimbursement for repairs) or pursuant to contractor's or other warranties or condemnation, but excluding matters paid as additional rent or rent adjustment or other tax or expense pass-through or escalation expressly provided in a tenant lease; (u) costs (including, without limitation, permit, license and inspection fees) incurred by Landlord in connection with the initial construction of the Building or any construction that Landlord is obligated to perform pursuant to the Work Letter Agreement, and the costs of correcting defects in such initial construction; (v)

attorneys' fees and disbursements and other expenses incurred in connection with the legal formation or continued legal existence of Landlord or the defense of Landlord's title to or interest in the Building; (w) costs of installing, operating, maintaining and manning any speciality facility, such as an observatory, broadcasting facility, athletic or recreational club, child or daycare facility or other facility operated with the intent of producing a profit or as a marketing inducement (excluding the Cafeteria [as hereinafter defined], the Generator [as hereinafter defined], parking areas, automatic teller machines, the management office and other facilities provided solely to aid tenants and their invitees or strictly related to the operation of the Building for office uses); (x) costs of leasing items, facilities or equipment that, if purchased, would be a capital improvement (except to the extent it is a capital improvement whose costs may be included in Expenses pursuant to clause (b) above); (y) costs (whether classified as capital items or expenses under generally accepted

accounting principles) incurred by Landlord to comply with or correct any violations of any governmental laws, rules or regulations (other than environmental laws, rules or regulations) existing as of the Commencement Date, including, without limitation, the ADA (as hereinafter defined), unless such non-compliance is due to any act or omission of Tenant (e.g., in the design of the Premises); (z) costs incurred by Landlord in excess of $10,000 in the aggregate, annually, in connection with (i) complying with environmental laws, rules and regulations existing as of the Commencement Date (unless such noncompliance is due to any act or omission of Tenant) or (ii) the removal, abatement, containment or remediation of asbestos or asbestos-containing-materials from the Building (unless located in the Building due to any act or omission of Tenant); (aa) costs of any work or service performed for any facility other than the Building, other than the Building's share of certain expenses for the Complex as provided in the Declaration; (bb) costs of the initial cleaning and rubbish removal from the Building to be performed prior to substantial completion of the base Building; (cc) costs of initial landscaping of the Building or the Complex; (dd) impact fees or subsidies imposed or incurred in connection with governmental or regulatory approval of the Building or construction of the Building; or (ee) costs of utility tap-on fees for the base Building. Expenses shall be determined on an accrual basis. Landlord shall not be permitted to "double recover" any Expenses (i.e., recover more than 100% of Expenses) from the tenants of the Building (except as provided in the immediately following sentence). Expenses shall not include any expenses paid by any tenant of the Building directly to third parties (unless such tenant's rent has been reduced on account of the tenant's express assumption of an obligation that would otherwise have been borne by Landlord), or as to which Landlord is otherwise reimbursed by any third party, another tenant (except through the payment of a share of Expenses and Taxes under such tenant's lease), or by insurance proceeds.

(ii) "Rent" shall mean Base Rent, Adjustment Rent and any other sums or charges due by Tenant hereunder.

(iii) "Taxes" shall mean all taxes, assessments and fees levied upon the Building, the property of Landlord located therein or the rents collected therefrom, by any governmental entity based upon the ownership, leasing, renting or operation of the Building,

including all reasonable costs and expenses of protesting any such taxes, assessments or fees. Taxes shall not include any net income, capital stock, succession, transfer, mortgage, excess profit, franchise, gift, estate or inheritance taxes; provided, however, if at any time during the Term, a tax or excise on income is levied or assessed by any governmental entity, in lieu of or as a substitute for, in whole or in part, real estate taxes or other ad valorem taxes, such tax shall constitute and be included in Taxes. For the purposes of determining Taxes for any given year, the amount to be included for such year shall be the amount due and payable in such year. At the written request of tenants leasing 50% or more of the rentable area of the Building, Landlord shall contest in accordance with applicable law any real property tax assessment applicable to the Building (provided such request is made at least 30 days prior to the deadline for making such protest). All assessments which are not specifically charged to Tenant because of actions by Tenant, which can be paid by Landlord in installments, shall be paid by Landlord in the maximum number of installments permitted by law and not included as Taxes except in the year in which the assessment installment is due and payable (and any interest accruing on such amounts shall be included in Taxes).

(iv) "Tenant's Proportionate Share" at any time during the Term shall mean the percentage obtained by dividing the number of rentable square feet in the Premises at such time by the number of rentable square feet in the Building.

(v) "rentable" shall mean the area of the applicable space determined in accordance with the Standard Method for measuring Floor Area in Office Buildings, ANSI 765.1-1996, as promulgated by the Building Owners and Managers Association (BOMA) International. Notwithstanding the foregoing, the floor area of the Cafeteria (as hereinafter defined) shall be considered part of the Building's common area rather than rentable area.

(vi) "Lease Year" shall mean each 12-month period during the Term commencing on the Commencement Date or an anniversary of the Commencement Date.

(vii) "Controllable Expenses" shall mean only those items of Expenses where the cost or expense thereof shall be within the reasonable ability of Landlord to control (specifically excluded from Controllable Expenses, without limitation, are the costs and expenses of electricity, fuels, insurance snow removal and the wages of union employees [and the costs and expenses of independent contractors who employ union employees]).

B Components of Rent. Tenant agrees to pay the following amounts to Landlord at the office of the Building or at such other place in the United States as Landlord designates:

(i) Base rent ("Base Rent") to be paid in monthly installments in the amounts determined as set forth on Exhibit A, in advance on or before the first day of each month of the Term without demand.

(ii) Adjustment rent ("Adjustment Rent") in an amount equal to Tenant's Proportionate Share of (a) the Expenses for any calendar year and (b) the Taxes for any calendar year. Prior to each calendar year, or as soon thereafter as reasonably possible (but not later than May 1 of the calendar year in question), Landlord shall estimate the amount of Adjustment Rent due for such year, and Tenant shall pay Landlord one-twelfth of such estimate on the first day of each month during such year. Such estimate may be revised by Landlord whenever it obtains information relevant to making such estimate more accurate (but not more than once in any calendar year). After the end of each calendar year, Landlord shall deliver to Tenant a report setting forth the actual Expenses and Taxes for such calendar year and a statement of the amount of Adjustment Rent that Tenant has paid and is payable for such year (Landlord shall deliver such report for each calendar year by May 1 of the following year). Within thirty days after receipt of such report, Tenant shall pay to Landlord the amount of Adjustment Rent due for such calendar year minus any payments of Adjustment Rent made by Tenant for such year. If Tenant's estimated payments of Adjustment Rent exceed the amount due Landlord for such calendar year, Landlord shall apply such excess as a credit against Tenant's other obligations under this Lease or promptly refund such excess to Tenant if the Term has already expired, provided Tenant is not then in default hereunder, in either case without interest to Tenant.

C. Payment of Rent. The following provisions shall govern the payment of Rent: (i) if this Lease commences or ends on a day other than the first day or last day of a calendar year, respectively, the Rent for the year in which this Lease so begins or ends shall be prorated and the monthly installments shall be adjusted accordingly; (ii) all Rent shall be paid to Landlord without offset or deduction (unless otherwise expressly permitted under this Lease), and the covenant to pay Rent shall be independent of every other covenant in this Lease; (iii) if during all or any portion of any year at least 95% of the rentable area of the Building is not rented and occupied, Landlord shall make an appropriate adjustment of Expenses and/or Taxes for such year to determine the Expenses and/or Taxes that would have been paid or incurred by Landlord had the rentable area of the Building been 100% rented and occupied for the entire year and the

amount so determined shall be deemed to have been the Expenses and/or Taxes for such year; (iv) any sum due from Tenant to Landlord which is not paid within five business days after the date due shall bear interest from the date due until the date paid at the annual rate equal to the "Prime" or "Base" rate then most recently announced by Bank One (Chicago) plus 4% (subject to change as such rate changes), but in no event higher than the maximum rate permitted by law (the "Default Rate"); and, in addition, if the payment of Rent is delinquent two times during a 12-month period, Tenant shall pay Landlord a late charge for any Rent payment which is paid more than five business days after its due date equal to 3% of such payment; (v) if changes are made to this Lease or the Building changing the number of square feet contained in the Premises or in the Building, Landlord shall make an appropriate adjustment to Tenant's Proportionate Share (provided all rentable areas shall be determined in accordance with the measurement standards noted in Section 2A(v)); (vi) Tenant (or its designated agent) shall have the right, upon reasonable prior written notice to Landlord, to inspect Landlord's books and records relative to Expenses and Taxes during normal business hours at any time within 120 days following the furnishing to Tenant of the annual statement of Adjustment Rent; and, unless Tenant shall take

written exception to any item in any such statement within such 120-day period, such statement shall be considered as final and accepted by Tenant (except as provided below in this clause (vi) with respect to retroactive adjustments). Tenant must timely pay all Adjustment Rent billed by Landlord pending the outcome of its inspection or any audit of Landlord's books and records. If Tenant makes such timely written exception, an audit as to the proper amount of Adjustment Rent for such period shall be performed by a reputable certified public accounting firm selected by Tenant, but subject to Landlord's reasonable approval. After the auditor has reached a preliminary determination, each party shall have 30 days to review the auditor's preliminary findings and comment thereon (and, if applicable, advocate a change in such determination). Thereafter the auditor shall notify the parties of its final determination, which determination shall be final and conclusive. If the results of such audit reveal that Tenant has overpaid or underpaid Adjustment Rent for the applicable year, Landlord shall pay to Tenant such overpayment or Tenant shall pay to Landlord such underpayment, as applicable, within 30 days after the results of such audit are reported to the parties. If the results of an audit for a particular year reveal that retroactive adjustments of Taxes may be appropriate for a prior year (i.e., if Landlord receives a refund for Taxes paid by Tenant in a prior year), then the auditor may examine the particular component of Taxes for the prior year to determine the appropriate adjustment. Tenant agrees to pay the entire cost of such audit unless it is determined that Landlord's original determination of the Adjustment Rent for the year in issue was in error by more than 3%, in which case Landlord agrees to pay the cost of such audit; (vii) in the event of the termination of this Lease prior to the determination of any Adjustment Rent, Tenant's agreement to pay any such sums and Landlord's obligation to refund any such sums (provided Tenant is not in default hereunder) shall survive the termination of this Lease; (viii) no adjustment to the Rent by virtue of the operation of the rent adjustment provisions in this Lease shall result in the payment by Tenant in any year of less than the Base Rent shown on the Schedule; (ix) Landlord may at any time change the fiscal year of the Building (provided Landlord shall not do so more than twice during the Term or with the intention of increasing amounts payable by the tenants of the Building); (x) each amount owed to Landlord under this Lease for which the date of payment is not expressly fixed shall be due on the same date as the Rent listed on the statement showing such amount is due; and (xi) if Landlord fails to give Tenant an estimate of Adjustment Rent prior to the beginning of any calendar year, Tenant shall continue to pay Adjustment Rent at the rate for the previous calendar year until Landlord delivers such estimate, at which time Tenant shall pay retroactively the increased amount for all previous months of such calendar year.

D. Caps on Expenses and Taxes. Notwithstanding any provision in this Lease to the contrary, solely for purposes of calculating Adjustment Rent due

hereunder:

(i) Taxes per rentable square foot of the Premises for the calendar year 2001 shall not exceed $1.63, and

(ii) Taxes per rentable square foot of the Premises for the calendar year 2002 shall not exceed the sum of (x) $3.17 plus (y) if the Taxes per rentable square foot of the Premises for the calendar year 2001 were less than $1.63, the amount of such difference.

Commencing with the fourth Lease Year (or the third Lease Year if, as of the commencement of the third Lease Year, Tenant has then leased all rentable areas within the Building), solely for purposes of calculating Adjustment Rent due hereunder, Controllable Expenses for any Lease Year shall not exceed an amount equal to the product of the total actual Controllable Expenses for the preceding Lease Year multiplied by 1.04. Such limitations on Taxes and Controllable Expenses shall apply only to Taxes and Controllable Expenses, as the case may be, and not to other items of Adjustment Rent and shall not limit or otherwise affect Tenant's obligations regarding the payment of any component of Rent other than the Taxes and Controllable Expenses component of Adjustment Rent.

3. USE. Tenant agrees that it shall occupy and use the Premises only as non-governmental business offices and for no other purposes. Tenant shall, at its sole cost and expense, comply with all federal, state and municipal laws, ordinances, rules and regulations and all covenants, conditions and restrictions of record applicable to Tenant's use or Tenant's occupancy of the Premises. Subject to the provisions of this Lease, Tenant shall have access to the Premises 24 hours a day, seven days a week. Tenant may operate an emergency generator (the "Generator") within the first floor of the Premises to provide back-up power to Tenant's computer room. Notwithstanding the foregoing, at Tenant's election, Landlord shall locate the Generator at a mutually agreeable location outside the Building, with appropriate fencing to preserve the aesthetic appeal of the Complex, if approved by all governmental authorities (Tenant acknowledges that Landlord has not represented or warranted that such approval is likely). Tenant shall operate such Generator in compliance with all applicable laws, codes, ordinances and statutes, as well as all manufacturers' recommendations and insurance requirements. Landlord shall install the Generator as part of the Base Building Work described in Paragraph 1 of the Work Letter Agreement. Landlord and Tenant shall cooperate in good faith to determine the design and specifications for the Generator. Tenant shall be responsible for all costs of operating, maintaining and insuring the Generator. Landlord shall pay the cost of purchasing and installing the Generator and the costs of improving and equipping the Cafeteria (as hereinafter defined), provided such costs relating to the Generator and the Cafeteria do not exceed, in the aggregate, $380,000 (and if the costs exceed such amount, Tenant shall be responsible for the excess [subject to payment from the Allowance]).

4. CONDITION OF PREMISES.

A. Initial Condition. Tenant's taking possession of the Premises shall be conclusive evidence that the Premises were in good order and satisfactory condition when Tenant took possession, subject to (i) minor finish-out or "punchlist" items and (ii) latent defects specified in a written notice given by Tenant to Landlord during the first 12 months of the Term (or, with respect to an item covered under a contractor's or manufacturer's warranty beyond the first 12 months of the Term, during the period covered by such warranty, not to exceed the first 24 months of the Term [Tenant acknowledges that Landlord shall not be obligated to seek extended warranties]) (failure of Tenant to timely notify Landlord of any such latent defects shall be deemed a waiver and acceptance by Tenant of said latent defects). No agreement of Landlord to alter, remodel, decorate, clean or improve the Premises or the Building (or to provide Tenant with any credit or allowance for the same), and no representation regarding the condition of the Premises or the Building, have been

made by or on behalf of Landlord or relied upon by Tenant, except as stated in this Lease and the Work Letter Agreement attached hereto as Exhibit C.

B. Americans With Disabilities Act. The parties acknowledge that the Americans With Disabilities Act of 1990 (42 U.S.C. (S) 12101 et seq.) and regulations and guidelines promulgated thereunder, as amended and supplemented from time to time (collectively referred to herein as the "ADA"), establish requirements under Title III of the ADA ("Title III") pertaining to business operations, accessibility and barrier removal. Tenant acknowledges and agrees that to the extent that Landlord prepares, reviews or approves any of plans or specifications relating to leasehold improvements in the Premises, such action shall in no event be deemed any representation or warranty that the same comply with any requirements of the ADA. Notwithstanding anything to the contrary in this Lease, the parties hereby agree to allocate responsibility for Title III compliance as follows: (a) Landlord shall be responsible, at its sole expense, for causing the base building restrooms and elevator lobbies within the Premises to comply with the requirements of the ADAAG in effect as of the Commencement Date and any other requirements under the ADA in effect as of the Commencement Date; (b) Landlord shall be responsible for any non-compliance by the Premises with the requirements of the ADAAG in effect as of the Commencement Date and any other requirements under the ADA in effect as of the Commencement Date, if (and only if) the Construction Documents were in compliance and Landlord's performance of the Work (as defined in the Work Letter Agreement) was not in compliance; (c) Landlord shall perform, at its sole expense, any so-called Title III "path of travel" requirements triggered by the Work (as described in the Work Letter Agreement) and Landlord shall perform, at Tenant's expense, any "path of travel" requirements triggered by Tenant's performance of any construction activities or alterations in the Premises after the Commencement Date; (d) Landlord shall be responsible for causing the base building restrooms and elevator lobbies within the Premises and the common areas of the Building to comply with the requirements of the ADAAG and the ADA as they may be changed or modified after the Commencement Date, provided Landlord may include the expenses of such compliance in Expenses (if and to the extent allowed pursuant to Section 2A(i)(b)); (e) Landlord shall be responsible for causing the structural elements within the Premises to comply with the requirements of the ADAAG and the ADA as they may be changed or modified after the date of substantial completion of the Work for the initial Premises, to the extent such requirements apply generally to business offices and not to Tenant's particular use, and Landlord may include the expenses of such compliance in Expenses (if and to the extent allowed pursuant to Section 2A(i)(b)); and (f) except as provided above, Tenant shall be responsible for all Title III compliance and costs in connection with the Premises, including structural work, if any, and including any leasehold improvements or other work to be performed in the Premises under or in connection with this Lease. Except as set forth above with respect to Landlord's Title III obligations, Tenant shall be solely responsible for all other requirements under the ADA relating to Tenant or any affiliates or persons or entities related to Tenant, operations of Tenant or its affiliates, or the Premises, including, without limitation, requirements under Title I of the ADA pertaining to Tenant's employees.

5. BUILDING SERVICES.

A. Basic Services. Landlord shall furnish the following services: (i) heating and air conditioning to provide a temperature condition required for comfortable occupancy of the Premises under normal business operations, and meeting the specifications attached hereto as Exhibit E (assuming customary commercial business operations and densities of personnel and heat-generating

equipment not exceeding the assumed density and capacity set forth in Schedule 1 of the Work Letter Agreement), weekdays during the continuous 11-hour period designated by Tenant (which period must include the period from 8:00 A.M. to 6:00 P.M.), and Saturdays from 8:00 A.M. to 1:00 P.M., holidays excepted; (ii) water for drinking, and water for any private restrooms and office kitchen requested by Tenant; (iii) men's and women's restrooms with tempered running water at locations designated by Landlord and in common with other tenants of the Building; (iv) daily janitor service in the Premises and common areas of the Building, weekends and holidays excepted, including periodic outside window washing of the perimeter windows in the Premises (the current specifications for such janitor service are attached hereto as Exhibit F [and are subject to change from time to time in Landlord's reasonable discretion, provided such specifications are commensurate with those of Class A office buildings in Schaumburg, Illinois]); (v) elevator service in common with Landlord and other tenants of the Building, 24 hours a day, 7 days a week (including a "swing" elevator for moving freight, provided the moving of freight within the Building is subject to reasonable scheduling by Landlord); (vi) snow and ice removal from the sidewalks at the entrances to the Building within a reasonable period after it has stopped accumulating; (vii) vermin control, if necessary; and (viii) a card reader system for access to the floors of the Building and after-hours access to the Building entrances (not later than the Commencement Date Landlord shall provide a reasonable number of access cards to Tenant for its employees and the costs thereof shall be included in Expenses [additional or replacement access cards will be provided at Tenant's expense]); at least four surveillance cameras monitoring access points to the Building as well as cameras monitoring any parking deck serving the Building; a security desk in the lobby of the Building manned, at a minimum, during the hours of 7:00 A.M. to 11:00 P.M., weekends and holidays excepted. For purposes of this Section 5.A, "holidays" shall mean New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas, as well as, at Landlord's election, any other day that the majority of Class A office buildings in Schaumburg, Illinois treat as a public holiday.

B. Electricity. Electricity shall be distributed to the Premises by the electric utility company serving the Building (as reasonably designated by Landlord from time to time) and Landlord shall permit Landlord's wire and conduits, to the extent available, suitable and safely capable, to be used for such distribution. Tenant at its cost shall make all necessary arrangements with the electric utility company for metering and paying for electric current furnished to the Premises. All electricity used during the performance of janitor service, or the making of any alterations or repairs in the Premises, or the operation of any special air conditioning systems serving the Premises, shall be paid for by Tenant.

C. Telephones. Tenant shall be responsible for arranging for its own telecommunications services at the Premises. All telegraph, telephone, and electric connections which Tenant may desire shall be first approved by Landlord in writing (which approval shall not be unreasonably withheld), before the same are installed, and the location of all wires and the work in connection therewith shall be performed by contractors approved by Landlord (which approval shall not be unreasonably withheld, conditioned or delayed) and shall be subject to the direction of Landlord. Tenant shall be responsible for and shall pay all costs incurred in connection with the installation of telephone cables and related wiring in the Premises, including, without limitation, any hook-up, access and maintenance fees related to the installation of such wires and cables in the Premises and the commencement of services therein, and the maintenance thereafter of such wire and cables; and there shall be included in Expenses for the Building all installation, hook-up or maintenance costs incurred by Landlord in connection with telephone cables and related wiring in the Building which are not allocable to any individual users of such service but are allocable to the Building generally. If Tenant fails to maintain all telephone cables and related wiring in the Premises, such failure adversely affects or interferes with the

operation or maintenance of any other telephone cables or related wiring in the Building and such failure continues for more than 24 hours after written notice from Landlord to Tenant at the Premises, Landlord or any vendor hired by Landlord may enter into and upon the Premises forthwith and perform such repairs, restorations or alterations as Landlord reasonably deems necessary in order to eliminate any such interference (and Landlord may recover from Tenant all of Landlord's reasonable costs in connection therewith). Upon expiration of the Term hereof Tenant shall remove all telephone cables and related wiring installed by or for Tenant which Landlord requests Tenant to remove (provided Tenant shall not be required to remove cables and wiring contained within the Premises). Tenant agrees that neither Landlord nor any of its agents or employees shall be liable to Tenant, or any of Tenant's employees, agents, customers or invitees or anyone claiming through, by or under Tenant, for any damages, injuries, losses, expenses, claims or causes of action because of any interruption, diminution, delay or discontinuance at any time for any reason in the furnishing of any telecommunications service to the Premises or the Building. The foregoing waiver shall not excuse Landlord from liability arising from Landlord's negligence or wilful misconduct (subject to Section 10C).

D. Additional Services. Landlord shall not be obligated to furnish any services other than those stated above. If Landlord elects to furnish services requested by Tenant in addition to those stated above (including services at times other than those stated above), Tenant shall pay Landlord's then-prevailing, reasonable charges for such services. If Tenant shall fail to make any such payment, Landlord may, without notice to Tenant and in addition to all other remedies available to Landlord, discontinue any additional services. No discontinuance of any such additional service shall result in any liability of Landlord to Tenant or be considered as an eviction or a disturbance of Tenant's use of the Premises. In addition, if Tenant's concentration of personnel or equipment adversely affects the temperature or humidity in the Premises or the Building and such condition continues for more than 20 days after written notice from Landlord, Landlord may install supplementary air conditioning units in the Premises; and Tenant shall pay for the reasonable cost of installation, operation and maintenance thereof. Landlord will allow Tenant to use the Building's excess chilled water (i.e., chilled water not used for the base Building air conditioning facilities), if

any, for the operation of package air conditioning units in the Premises. Such package units shall be installed and maintained by Tenant at its sole expense. Landlord, as part of the Work, will install a flow meter to measure Tenant's consumption of chilled water in the operation of Tenant's separate air conditioning units and Tenant shall pay for such chilled water, at Landlord's actual cost (as reasonably determined by Landlord), within 30 days after being billed therefor.

E. Failure or Delay in Furnishing Services. Tenant agrees that Landlord shall not be liable for damages for failure or delay in furnishing any service stated above if such failure or delay is caused, in whole or in part, by any one or more of the events stated in Section 25J below, nor shall any such failure or delay be considered to be an eviction or disturbance of Tenant's use of the Premises, or relieve Tenant from its obligation to pay any Rent when due, or from any other obligations of Tenant under this Lease. Notwithstanding the foregoing, if as a result of a negligent act or omission of Landlord or any employee of Landlord (as distinguished from an act or omission of Tenant or the occurrence of an event of force majeure [as defined in Section 25J hereof] or the occurrence of a fire or other casualty which is covered by Section 12 hereof), any service to the Premises as described above is not furnished to the Premises and if as a result thereof the Premises, or a "material part" (as defined below) of the Premises, is rendered untenantable or inaccessible for a period of five business days in any ten-day period, and Tenant does not occupy the Premises, or such material part thereof which is rendered untenantable or inaccessible, during such period, then as Tenant's sole remedy for such failure

to furnish such service, Base Rent and Adjustment Rent payable for such portion of the Premises which Tenant does not so occupy shall abate for the period commencing as of the beginning of such period and expiring on the date such service is restored or Tenant is able to resume occupancy of the Premises or such material part thereof, as the case may be. (As used herein, the phrase "material part" shall mean an amount in excess of 5% of the rentable area of the Premises.)

6. RULES AND REGULATIONS. Tenant shall observe and comply and shall cause its subtenants, assignees, invitees, employees, contractors and agents to observe and comply, with the rules and regulations listed on Exhibit B attached hereto and with such reasonable modifications and additions thereto as Landlord may make from time to time. Landlord shall not be liable for failure of any person to obey such rules and regulations. Landlord shall use reasonable efforts to enforce such rules and regulations against other tenants, provided the failure or inability of Landlord to enforce any such rules and regulations shall not constitute a waiver thereof or relieve Tenant from compliance therewith. Landlord shall not unreasonably discriminate against Tenant in the enforcement of the rules and regulations.

7. CERTAIN RIGHTS RESERVED TO LANDLORD. Landlord reserves the following rights, each of which Landlord may exercise without notice to Tenant (except as otherwise provided) and without liability to Tenant, and the exercise of any such rights shall not be deemed to constitute an eviction or disturbance of Tenant's use or possession of the Premises and shall not give rise to any claim for set-off or abatement of rent or any other claim: (a) subject to Section 34, upon not less than 120 days' prior written notice, to change the name or street address of the Building or the suite number of any part of the Premises; (b) subject to Section 34, to install, affix and maintain

any and all signs on the exterior or interior of the Building; (c) to make repairs, decorations, alterations, additions, or improvements, whether structural or otherwise, in and about the Building, and for such purposes, upon not less than 24 hours' written notice to Tenant (excluding emergencies, when no such notice shall be required), to enter upon the Premises, temporarily close doors, corridors and other areas in the Building and interrupt or temporarily suspend services or use of common areas, provided, however, Landlord shall use reasonable efforts to schedule such work for Tenant's convenience and if such repairs, decorations, alterations, additions or improvements are for the sole benefit of a party other than Tenant, and such work will adversely impact Tenant's operations within the Premises, at the request of Tenant, Landlord shall conduct such repairs, decorations, alterations, additions or improvements at hours other than normal business hours with the cost associated with such after-hours work borne by Landlord or the party benefitting from such work; (d) to retain at all times, and to use in appropriate instances, upon not less than 24 hours' oral or telephonic notice to Tenant at the Premises (excluding emergencies, when no such notice shall be required), keys to all doors within and into the Premises; (e) to grant to any person or to reserve unto itself the exclusive right to conduct any business or render any service in the Building (other than the financial services offered by the companies of the Zurich Financial Services Group [the foregoing should not be construed to be the grant of an exclusive right in favor of Tenant to render such services in the Building]); (f) to show or inspect the Premises at reasonable times (but, with respect to prospective tenants, only during the last year of the Term [taking into account Tenant's exercise of the Contraction Option or the Termination Option (as hereinafter defined)] or when the Premises are vacated or abandoned); (g) to install, use and maintain in and through the Premises (behind walls, over ceilings or under floors), pipes, conduits, wires and ducts serving the Building, provided that such installation, use and maintenance does not unreasonably interfere with Tenant's use or enjoyment of the Premises; and (h) to take any other reasonable action in connection with the operation, maintenance or preservation of the Building.

8. MAINTENANCE AND REPAIRS. Landlord shall maintain in good order and

repair the structural elements, roof, exterior walls and windows and public common areas of the Building, and the base Building plumbing, heating, ventilating and air conditioning systems. Subject to Tenant's obligations pursuant to this Section 8, Landlord shall also perform any maintenance or make any repairs to the Building as Landlord may reasonably deem necessary for the safety, operation or preservation of the Building, or as Landlord may be required or requested to do by any governmental authority or by the order or decree of any court or by any other proper authority. The costs and expenses of Landlord's maintenance and repairs shall be included in Expenses, except to the extent prohibited pursuant to Section 2A(i). Tenant, at its expense, shall maintain and keep the Premises (excluding the structural components) in good order and repair at all times during the Term. In addition, subject to Section 10C, Tenant shall reimburse Landlord for the cost of any repairs to the Building necessitated by the acts or omissions of Tenant, its subtenants, assignees, invitees, employees, contractors and agents.

9. ALTERATIONS.

A. Requirements. Tenant shall not make any replacement, alteration, improvement or addition to or removal from the Premises (collectively an "alteration") without the prior written consent of Landlord. Notwithstanding the foregoing, no consent shall be necessary for a Cosmetic Alteration. A "Cosmetic Alteration" means any decorative or cosmetic alteration that (i) together with all other related alterations performed by Tenant does not cost more than $250,000, in the aggregate, (ii) does not require the issuance of a building permit and (iii) does not adversely affect the structural elements of the Building or the base Building mechanical, electrical or plumbing systems, the architectural aesthetics of the Building, the common areas of the Building or the use by other tenants in the Building of their demised premises (provided that even if Landlord's consent is not necessary for such a Cosmetic Alteration, Tenant shall notify Landlord in advance prior to performing the Cosmetic Alteration). In the event Tenant proposes to make any alteration, Tenant shall, prior to commencing such alteration, submit to Landlord for prior written approval: (i) detailed plans and specifications (other than a Cosmetic Alteration); (ii) sworn statements (of the type customarily delivered by tenants in Illinois with respect to leasehold improvement work performed by tenants), including the names, addresses and, with respect to alterations costing more than $25,000, in the aggregate, copies of contracts for all contractors; (iii) all necessary permits evidencing compliance with all applicable governmental rules, regulations and requirements (other than a Cosmetic Alteration); (iv) certificates of insurance in form and amounts required by Landlord, adding Landlord and any other parties reasonably designated by Landlord with an interest in the Building (such as the Building Manager and any mortgagees) as additional insureds; and (v) all other documents and information as Landlord may reasonably request in connection with such alteration. Tenant agrees to pay Landlord's reasonable and customary out-of-pocket costs and expenses incurred in connection with review of all such items and Landlord's standard hourly charges for supervision of the alteration (excluding alterations not requiring Landlord's consent as provided above). Neither approval of the plans and specifications nor supervision of the alteration by Landlord shall constitute a representation or warranty by Landlord as to the accuracy, adequacy, sufficiency or propriety of such plans and specifications or the quality of workmanship or the compliance of such alteration with applicable law. Tenant shall pay the entire cost of the alteration and, if requested by Landlord and if the cost of the alteration might exceed $250,000, shall deposit with Landlord prior to the commencement of the alteration, security for the payment and completion of the alteration in form and amount required by Landlord (provided such security shall not be required if Zurich American Insurance Company or any Affiliate [as hereinafter defined] is the Tenant). Each alteration shall be performed in a good and workmanlike manner, in accordance with the plans and specifications approved by Landlord, and shall meet or exceed the standards for construction and quality of materials established by Landlord for the Building. In addition, each alteration shall be performed in compliance with all applicable

governmental and insurance company laws, regulations and requirements. Each alteration shall be performed in harmony with Landlord's employees, contractors and other tenants. Each alteration, whether temporary or permanent in character, made by Landlord or Tenant in or upon the Premises (excepting only Tenant's furniture, equipment and trade fixtures) shall become Landlord's property and shall remain upon the Premises at the expiration or termination of this Lease without compensation to Tenant; provided, however, that Landlord shall have the right

to require Tenant to remove such alteration at Tenant's sole cost and expense in accordance with the provisions of Section 15 of this Lease. Notwithstanding anything contained in this Section 9A to the contrary, if Landlord gives its consent or approval, pursuant to the provisions of this Section 9A, to allow Tenant to make any alterations in the Premises, Landlord agrees to notify Tenant in writing at the time of the giving of such consent or approval whether Landlord will reserve the right to require Tenant to remove such alterations at the termination or expiration of this Lease (notwithstanding the foregoing, Tenant shall be obligated to remove raised computer flooring and supplemental HVAC equipment, even if Landlord fails to notify Tenant of such obligation at the time Landlord consents to such an alteration). Tenant shall be required to close any floor openings created for Tenant, excluding floor openings for internal stairways. The provisions of this Section 9A do not apply to the "Work" to be performed by Landlord in accordance with Exhibit C.

B. Liens. Upon completion of any alteration, Tenant shall promptly furnish Landlord with sworn owner's and contractor's statements and full and final waivers of lien covering all labor and materials included in such alteration. Tenant shall not permit any mechanic's lien to be filed against the Building, or any part thereof, arising out of any alteration performed, or alleged to have been performed, by or on behalf of Tenant. If any such lien is filed, Tenant shall within twenty days thereafter have such lien released of record or deliver to Landlord a bond in form, amount, and issued by a surety satisfactory to Landlord, indemnifying Landlord against all costs and liabilities resulting from such lien and the foreclosure or attempted foreclosure thereof. If Tenant fails to have such lien so released or to deliver such bond to Landlord, Landlord, without investigating the validity of such lien, may pay or discharge the same; and Tenant shall reimburse Landlord upon demand for the amount so paid by Landlord, including Landlord's expenses and reasonable attorneys' fees.

C. Union Labor. Tenant hereby agrees that it will employ, and will cause its subtenants and assignees to employ, only contractors and subcontractors subject to collective bargaining agreements with unions affiliated with the AFL-CIO Building Trades Department (or any successor organization) to perform alterations at the Premises.

10. INSURANCE.

A. Tenant's Insurance. Tenant, at its expense, shall maintain at all times during the Term the following insurance policies: (a) fire insurance, including extended coverage, vandalism, malicious mischief, sprinkler leakage, water damage and all risk coverage and demolition and debris removal, insuring the full replacement cost of all improvements, alterations or additions to the Premises made at Tenant's expense, and all other property owned or used by Tenant and located in the Premises; (b) commercial general liability insurance, including blanket contractual liability insurance, with respect to the Building and the Premises, with limits to be reasonably set by Landlord from time to time (not in excess of the amounts then generally required by landlords of Class A office buildings in Schaumburg, Illinois) but in any event not less than $3,000,000 each occurrence combined single limit for bodily injury, sickness or death or for damage to or destruction of property, including loss of use

thereof; (c) workers' compensation and occupational disease insurance with Illinois statutory benefits and employers liability insurance with limits of not less than $3,000,000

each accident, each disease and aggregate for disease; and (d) insurance against such other risks and in such other amounts (not in excess of the amounts then generally required by landlords of Class A office buildings in Schaumburg, Illinois) as Landlord may from time to time reasonably require. The form of all such policies and deductibles thereunder shall be subject to Landlord's prior approval (which shall not be unreasonably withheld, conditioned or delayed). All such policies shall be issued by insurers reasonably acceptable to Landlord (at a minimum rated not less than A-VIII in Best's Insurance Guide) and licensed to do business in Illinois. In addition, the commercial general liability policy shall add Landlord, its property manager, any mortgage lender (currently The Travelers Insurance Company), their respective successors and assigns, and any other parties reasonably designated by Landlord with an interest in the Building as additional insureds. All policies shall require at least thirty (30) days' prior written notice to Landlord of termination or material reduction in coverage and shall be primary and not contributory. Tenant shall at least ten (10) days prior to the Commencement Date, and within ten (10) days prior to the expiration of each such policy, deliver to Landlord certificates evidencing the foregoing insurance or renewal thereof, as the case may be.

B. Landlord's Insurance. Landlord shall at all times during the Term carry a policy of insurance which insures the Building, including the Premises (and including the improvements paid for with Landlord's Contribution [as defined in the Work Letter Agreement]), against loss or damage by fire or other casualty (namely, the perils against which insurance is afforded by a fire insurance policy with "special cause of loss coverage) in an amount not less than 90% of the replacement cost of the Building (excluding foundations); provided, however, that Landlord shall not be responsible for, and shall not be obligated to insure against, any loss of or damage to any personal property of Tenant, or which Tenant may have in the Building or the Premises or any trade fixtures installed by or paid for by Tenant on the Premises or any additional improvements which Tenant may construct on the Premises. If any alterations or improvements made by Tenant pursuant to Section 9 hereof result in an increase of the premiums charged during the Term on the casualty insurance carried by Landlord on the Building, then the cost of such increase in insurance premiums shall be borne by Tenant, which shall reimburse Landlord for the same as additional rent after being billed therefor. Landlord shall also carry commercial general liability insurance with respect to the Building in amounts and with coverages as is reasonably prudent (or may self-insure against the liabilities covered by such insurance). Such policy shall be excess and non-contributory of Tenant's liability policies. All insurance policies carried by Landlord shall be issued by insurers rated, at a minimum, not less than A-VIII in Best's Insurance Guide. The cost of all insurance maintained by Landlord shall be included in Expenses.

C. Mutual Waiver of Subrogation. Landlord and Tenant each agree that neither Landlord nor Tenant (nor their respective successors or assigns) will have any claim against the other for any loss, damage or injury to property which is covered by insurance carried by either party (or which would have been covered if the respective party had carried the insurance required by this Lease), notwithstanding the negligence of either party in causing the loss. Each party agrees to obtain an agreement from its insurer permitting the foregoing waiver if the policy does not expressly permit a waiver of subrogation.

11. WAIVER AND INDEMNITY.

A. Tenant's Waiver. Tenant releases Landlord, its property manager and their respective agents and employees from, and waives all claims for, damage or injury to person or property and loss of business sustained by Tenant and resulting from the Building or the Premises or any part thereof or any equipment therein becoming in disrepair, or resulting from any accident in or about the Building or the Complex. This paragraph shall apply particularly, but not exclusively, to flooding, damage caused by Building equipment and apparatus, water, snow, frost, steam, excessive heat or cold, broken glass, sewage, gas, odors, excessive noise or vibration or the bursting or leaking of pipes, plumbing fixtures or sprinkler devices. Without limiting the generality of the foregoing, Tenant waives all claims and rights of recovery against Landlord, its property manager and their respective agents and employees for any loss or damage to any property of Tenant, which loss or damage is insured against, or required to be insured against, by Tenant pursuant to Section 10 above, whether or not such loss or damage is due to the fault or negligence of Landlord, its property manager or their respective agents or employees, and regardless of the amount of insurance proceeds collected or collectible under any insurance policies in effect. The foregoing release and waivers do not apply to claims caused by Landlord's wilful misconduct.

B. Tenant's Indemnity. Tenant agrees to indemnify, defend and hold harmless Landlord, its property manager and their respective agents and employees, from and against any and all claims, demands, actions, liabilities, damages, costs and expenses (including reasonable attorneys' fees), for injuries to any third parties and damage to or theft or misappropriation or loss of property of third parties occurring in or about the Building and arising from any breach or default on the part of Tenant in the performance of any covenant or agreement on the part of Tenant to be performed under this Lease or due to any other act or omission of Tenant, its subtenants, assignees, invitees, employees, contractors and agents. Without limiting the foregoing, Tenant shall indemnify, defend and hold Landlord harmless from any claims, liabilities, damages, costs and expenses arising out of the use or storage of hazardous or toxic materials in the Building by Tenant. If any such proceeding is filed against Landlord or any such indemnified party, Tenant agrees to defend Landlord or such party in such proceeding at Tenant's sole cost, if requested by Landlord. Notwithstanding anything contained in this Section 11B to the contrary, Tenant shall not be required to indemnify Landlord, its property manager or their respective agents and employees from or in respect of any claim or matter which results from the negligence or wilful misconduct of Landlord, its property manager or their respective agents and employees, except to the extent that such claim or matter is insured against, or required to be insured against, by Tenant pursuant to Section 10 of this Lease (regardless of the amount of insurance proceeds collected or collectible under any insurance policies in effect).

C. Landlord's Waiver. Landlord releases Tenant and waives all claims and rights of recovery against Tenant and its agents and employees for any damage or injury to person or property or loss of business sustained by Landlord, which damage, injury or loss is insured against, or required to be insured against, by Landlord pursuant to Section 10 above, whether or not such loss or damage is due to the fault or negligence of Tenant or its agents or employees, and regardless of

the amount of insurance proceeds collected or collectible under any insurance policies in effect. The foregoing release and waiver do not apply to a claim caused by Tenant's wilful misconduct.

D. Landlord's Indemnity. Landlord agrees to indemnify, defend and hold harmless Tenant and its agents and employees, from and against any and all

claims, demands, actions, liabilities, damages, costs and expenses (including reasonable attorneys' fees), for injuries to any third parties and damage to or theft or misappropriation or loss of property of third parties occurring in or about the Building and arising from any breach or default on the part of Landlord in the performance of any covenant or agreement on the part of Landlord to be performed under this Lease or due to any other act or omission of Landlord or its employees, contractors and agents. Without limiting the foregoing, Landlord shall indemnify, defend and hold Tenant harmless from any claims, liabilities, damages, costs and expenses arising out of the use or storage of hazardous or toxic materials in the Building by Landlord. If any such proceeding is filed against Tenant or any such indemnified party, Landlord agrees to defend Tenant or such party in such proceeding at Landlord's sole cost, if requested by Tenant. Notwithstanding anything contained in this Section 11D to the contrary, Landlord shall not be required to indemnify Tenant or its agents and employees from or in respect of any claim or matter which results from the negligence or wilful misconduct of Tenant or its agents and employees, except to the extent that such claim or matter is insured against, or required to be insured against, by Landlord pursuant to Section 10 of this Lease (regardless of the amount of insurance proceeds collected or collectible under any insurance policies in effect).

12. FIRE AND CASUALTY. Upon a fire or other casualty affecting the Building, Landlord, with commercially reasonable diligence and promptness, shall restore the Building. Notwithstanding the foregoing, if (i) all or a substantial part of the Premises or the Building is rendered untenantable by reason of fire or other casualty or (ii) a fire or casualty occurs during the last 12 months of the Term (taking into account any Extension Option [as hereinafter defined] that has been exercised prior to date of the fire or casualty), Landlord may, at its option, either restore the Premises and the Building, or terminate this Lease effective as of the date of such fire or other casualty. Landlord agrees to give Tenant written notice within 60 days after the occurrence of any such fire or other casualty designating whether Landlord elects to so restore or terminate this Lease. If Landlord elects to terminate this Lease, Rent shall be paid through and apportioned as of the date of such fire or other casualty. If Landlord elects to restore, Landlord's obligation to restore the Premises shall be limited to restoring those improvements in the Premises existing as of the date of such fire or other casualty which were made at Landlord's expense and shall exclude any furniture, equipment, fixtures, additions, alterations or improvements in or to the Premises which were made at Tenant's expense. Provided Landlord has carried the property insurance required to be carried by Landlord pursuant to Section 10B, Landlord shall not be obligated to restore the Premises if Landlord does not receive insurance proceeds in an amount sufficient to pay all of the costs of such restoration (in which case if Landlord elects not to restore, this Lease shall terminate as of the date of the fire or casualty). If Landlord elects to restore, Rent shall abate for that part of the Premises which is untenantable on a per diem basis from the date of such fire or other casualty until Landlord has substantially completed its repair and restoration work and obtained a certificate of occupancy relating to its work (if required), provided that Tenant does not occupy such part of the Premises

during said period. Notwithstanding anything contained in this Section 12 to the contrary, within 60 days after the date of any fire or other casualty which renders all or a substantial part of the Premises or the Building untenantable, Landlord shall provide to Tenant in writing Landlord's good faith estimate of the time required by Landlord to restore the Premises. If Landlord's good faith estimate of the time required to restore the Premises exceeds 270 days from the date of such fire or casualty, then Tenant shall have the right, exercisable by written notice to Landlord within 15 days after delivery of Landlord's good faith estimate, to terminate this Lease as of the date of such fire or other casualty. Notwithstanding the foregoing, Tenant shall have no right to terminate this Lease if the fire or other casualty was caused, in whole or in part, by the negligence or intentional misconduct of Tenant or Tenant's agents, employees, contractors, invitees, subtenants or assigns.

13. CONDEMNATION. If the Premises or the Building is rendered untenantable by reason of a condemnation (or by a deed given in lieu thereof), then either party may terminate this Lease by giving written notice of termination to the other party within 30 days after such condemnation, in which event this Lease shall terminate effective as of the date which is the day immediately preceding the date of such condemnation. If this Lease so terminates, Rent shall be paid through and apportioned as of such termination date. If such condemnation does not render the Premises or the Building untenantable, this Lease shall continue in effect and Landlord shall promptly restore the portion not condemned to the condition existing prior to the condemnation. In such event, however, Landlord shall not be required to expend an amount in excess of the proceeds received by Landlord from the condemning authority (in which case if Landlord elects not to restore, this Lease shall terminate as of the date of the condemnation). Landlord reserves all rights to compensation for any condemnation. Tenant hereby assigns to Landlord any right Tenant may have to such compensation, and Tenant shall make no claim against Landlord or the condemning authority for compensation for termination of Tenant's leasehold interest under this Lease or interference with Tenant's business, provided, however, Tenant may pursue a separate claim against the condemning authority for Tenant's moving costs and the book value of any leasehold improvements to the Premises paid for by Tenant so long as such claim will not adversely affect or diminish any award or compensation otherwise recoverable by Landlord.

14. ASSIGNMENT AND SUBLETTING.

A. Landlord's Consent. Tenant shall not, without the prior written consent of Landlord (which consent, with respect to a proposed assignment or subletting, shall not be unreasonably withheld or conditioned as provided in Section 14B): (i) assign, convey, mortgage or otherwise transfer this Lease or any interest hereunder, or sublease the Premises, or any part thereof, whether voluntarily or by operation of law; or (ii) permit the use of the Premises by any person other than Tenant and its employees. Any such transfer, sublease or use described in the preceding sentence (a "Transfer") occurring without the prior written consent of Landlord shall be void and of no effect. Landlord's consent to any Transfer shall not constitute a waiver of Landlord's right to withhold its consent to any future Transfer. Landlord's consent to any Transfer or acceptance of rent from any party other than Tenant shall not release Tenant from any covenant or obligation under this Lease. Landlord may require as a condition to its consent to any assignment of this Lease that the assignee

execute an instrument in which such assignee assumes the obligations of Tenant hereunder. In no case may Tenant assign this Lease to more than one person or entity (provided the foregoing limitation shall not limit an assignment to a single partnership or joint venture). For the purposes of this paragraph, the transfer (whether direct or indirect) of all or a majority of the capital stock in a corporate Tenant (other than the shares of the capital stock of a corporate Tenant whose stock is publicly traded or the sale of stock in an "initial public offering") or the merger, consolidation or reorganization of such Tenant and the transfer of all or any general partnership interest in any partnership Tenant shall be considered a Transfer if, after the conclusion of such transaction, Tenant has a net worth of less than $100 million. If Tenant is a general or limited partnership (or is comprised of two or more persons or entities), the change or conversion of Tenant to (i) a limited liability company, (ii) a limited liability partnership or (iii) any other entity which possesses the characteristics of limited liability shall be prohibited unless the prior written consent of Landlord is obtained, which consent may be withheld in Landlord's sole discretion. Any such change or conversion without Landlord's consent shall not release the individuals or entities comprising Tenant from personal liability hereunder. Notwithstanding anything contained in this Section 14A to the contrary, provided Tenant is not then in Default under this Lease, Tenant shall have the right to assign this Lease or sublease the Premises, or any part thereof, to an "Affiliate" (as defined below) without the prior written

consent of Landlord, but only upon prior written notice to Landlord and subject to all of the other provisions of this Lease, specifically including, without limitation, the continuation of liability of Tenant under this Lease. Upon an assignment of this Lease to an Affiliate, the Affiliate shall assume the obligations of the tenant under this Lease from and after the effective date of such assignment pursuant to a written assumption agreement executed and delivered to Landlord promptly after the effective date of such assignment. "Affiliate" shall mean any corporation or other entity controlling, controlled by or under the common control with Tenant or the surviving entity formed as a result of a merger or consolidation with Tenant. The word "control," as used herein, shall mean the power to direct or cause the direction of the management and policies of the controlled entity (i) through ownership of more than 50% of the voting securities in such controlled entity or (ii) by virtue of voting trusts or other contractual arrangements. Nothing contained in this Section 14A shall permit an assignment of this Lease or the subleasing of the Premises to any Affiliate that is disreputable, non-creditworthy or otherwise not in keeping with the nature or class of tenants in a Class A office building. Landlord hereby acknowledges that, as of the date of Landlord's execution of this Lease, Zurich Kemper Life Insurance Company is an Affiliate of Tenant that is also, for purposes of this Section 14A, reputable, creditworthy and in keeping with the nature and class of tenants in a Class A office building.

B. Standards for Consent. If Tenant desires the consent of Landlord to a Transfer, Tenant shall submit to Landlord, at least 20 days prior to the proposed effective date of the Transfer, a written notice which includes such information as Landlord may reasonably require about the proposed Transfer and the transferee. If Landlord does not exercise its recapture right pursuant to Section 14C, Landlord shall not unreasonably withhold its consent to any assignment or sublease. Landlord shall not be deemed to have unreasonably withheld its consent if, in the judgment of Landlord: (i) the transferee is of a character or engaged in a business which is not in keeping with the standards or criteria used by Landlord in leasing the Building; (ii) the financial condition of the

transferee is such that it is reasonably likely that it will not be able to perform its obligations in connection with this Lease; (iii) the purpose for which the transferee intends to use the Premises or portion thereof or the identity of the transferee is in violation of the terms of this Lease or the lease of any other tenant in the Building; (iv) the transferee is a tenant of or negotiating for space in the Building and Landlord has comparable space in the Building available to lease to such party; or (v) any other basis that Landlord reasonably deems appropriate. If Landlord consents to any Transfer (other than a Transfer to an Affiliate), Tenant shall pay to Landlord one-half of all rent and other consideration received by Tenant in excess of the Rent paid by Tenant hereunder for the portion of the Premises so transferred (after deducting therefrom the amount of all reasonable brokerage commissions, advertising expenses, rent abatements, space planning fees, legal fees, cash allowances and tenant improvement costs actually paid or incurred by Tenant in connection with such Transfer). Such rent shall be paid as and when received by Tenant. In addition, Tenant shall pay to Landlord any reasonable attorneys' fees and reasonable and customary expenses incurred by Landlord in connection with any proposed Transfer, whether or not Landlord consents to such Transfer (such legal fees shall not exceed $1,000 for a typical transaction using customary forms). If Landlord wrongfully withholds its consent to any Transfer, Tenant's sole and exclusive remedy therefor shall be to seek specific performance of Landlord's obligation to consent to such Transfer.

C. Recapture. Landlord shall have the right to terminate this Lease as to that portion of the Premises covered by an assignment (other than an assignment to an Affiliate). Landlord may exercise such right to terminate by giving notice to Tenant at any time within 20 days after the date on which Tenant has furnished to Landlord all of the items required under Section 14B

above. If Landlord exercises such right to terminate, Landlord shall be entitled to recover possession of the entire Premises on the later of (i) the effective date of the proposed assignment, or (ii) 60 days after the date of Landlord's notice of termination. In the event Landlord exercises such right to terminate, Landlord shall have the right to enter into a lease with the proposed assignee without incurring any liability to Tenant on account thereof. To avoid Landlord having the right to recapture after Tenant has exerted time and expense marketing the Premises, Tenant may notify Landlord in advance of Tenant's desire to assign this Lease. Such notice shall specify the desired effective date (which shall not be less than 60 days after the delivery of Tenant's notice). Landlord shall have the right to terminate this Lease as to the entire Premises on the terms set forth above in this Section 14C by giving notice to Tenant within 20 days after receipt of Tenant's notice. If Tenant so notifies Landlord in advance of a desired assignment and Landlord declines to exercise its recapture right, Landlord may not terminate this Lease on account of any proposed assignment by Tenant within the 180 day period after the giving of Tenant's initial notice. The foregoing shall not limit or impair Tenant's obligation to obtain Landlord' consent to any such assignment.

15. SURRENDER. Upon termination of the Term or Tenant's right to possession of the Premises, Tenant shall return the Premises to Landlord in good order and condition, ordinary wear and damage by fire or other casualty excepted. If Landlord requires Tenant to remove any alterations pursuant to Section 9, then such removal shall be done in a good and workmanlike manner; and upon such removal Tenant shall restore the Premises to its condition prior to the installation of such alterations. With respect to the initial "Work" described in Exhibit C, Tenant shall only be required to remove raised computer flooring, supplemental HVAC equipment, cables and wiring [excluding

cables and wiring within the Premises] and items specified by Landlord in writing when it approves the Construction Documents. Tenant shall be required to close any floor openings created for Tenant, excluding floor openings for internal stairways. Tenant may not remove the generator described in Section 3, which shall remain Landlord's property. If Tenant does not remove such alterations after request to do so by Landlord, Landlord may remove the same and restore the Premises; and Tenant shall pay the cost of such removal and restoration to Landlord upon demand. Tenant shall also remove its furniture, equipment, trade fixtures and all other items of personal property from the Premises prior to the termination of the Term or Tenant's right to possession of the Premises. If Tenant does not remove such items, Tenant shall be conclusively presumed to have conveyed the same to Landlord without further payment or credit by Landlord to Tenant; or at Landlord's sole option such items shall be deemed abandoned, in which event Landlord may cause such items to be removed and disposed of at Tenant's expense, without notice to Tenant and without obligation to compensate Tenant.

16. DEFAULTS AND REMEDIES.

A. Tenant's Default. The occurrence of any of the following shall constitute a default (a "Default") by Tenant under this Lease: (i) Tenant fails to pay any Rent when due (and, only with respect to the first two of such defaults within any 12-month period, such default shall continue for five business days after written notice to Tenant); (ii) Tenant fails to perform any other provision of this Lease and such failure is not cured within 30 days (or immediately if the failure involves a hazardous condition) after written notice from Landlord; (iii) the leasehold interest of Tenant is levied upon or attached under process of law; (iv) Tenant or any guarantor of this Lease dies or dissolves; or (v) any voluntary or involuntary proceedings are filed by or against Tenant or any guarantor of this Lease under any bankruptcy, insolvency or similar laws and, in the case of any involuntary proceedings, are not dismissed within 30 days after filing.

B. Right of Re-Entry. Upon the occurrence of a Default, Landlord may

elect to terminate this Lease, or, without terminating this Lease, terminate Tenant's right to possession of the Premises. Upon any such termination, Tenant shall immediately surrender and vacate the Premises and deliver possession thereof to Landlord. Tenant grants to Landlord the right to lawfully enter and repossess the Premises and to lawfully expel Tenant and any others who may be occupying the Premises and to lawfully remove any and all property therefrom, without being deemed in any manner guilty of trespass and without relinquishing Landlord's rights to Rent or any other right given to Landlord hereunder or by operation of law.

C. Reletting. If Landlord terminates Tenant's right to possession of the Premises without terminating this Lease, Landlord may relet the Premises or any part thereof. In such case, Landlord shall use reasonable efforts to relet the Premises on such terms as Landlord shall reasonably deem appropriate; provided, however, Landlord may first lease Landlord's other available space and shall not be required to accept any tenant offered by Tenant or to observe any instructions given by Tenant about such reletting. Tenant shall reimburse Landlord for the reasonable costs and expenses of reletting the Premises including, but not limited to, all brokerage, advertising, legal, alteration, redecorating, repair and other reasonable and customary expenses incurred to secure a new tenant

for the Premises. In addition, if the consideration collected by Landlord upon any such reletting, after payment of the expenses of reletting the Premises which have not been reimbursed by Tenant, is insufficient to pay monthly the full amount of the Rent, Tenant shall pay to Landlord the amount of each monthly deficiency as it becomes due. If such consideration is greater than the amount necessary to pay the full amount of the Rent, the full amount of such excess shall be retained by Landlord and shall in no event be payable to Tenant.

D. Termination of Lease. If Landlord terminates this Lease, Landlord may recover from Tenant and Tenant shall pay to Landlord, on demand, as and for final damages, an accelerated lump sum amount equal to the amount by which the aggregate amount of Rent owing from the date of such termination through the Expiration Date plus the reasonably estimated expenses of reletting the Premises, exceeds the fair rental value of the Premises for the same period (after deducting from such fair rental value the reasonably estimated time needed to relet the Premises and the amount of concessions which would normally be given to a new tenant), both discounted to present value at the rate of 7% per annum.

E. Other Remedies. Landlord may but shall not be obligated to perform any obligation of Tenant under this Lease; and, if Landlord so elects, all costs and expenses paid by Landlord in performing such obligation, together with interest at the Default Rate, shall be reimbursed by Tenant to Landlord on demand. Any and all remedies set forth in this Lease: (i) shall be in addition to any and all other remedies Landlord may have at law or in equity, (ii) shall be cumulative, and (iii) may be pursued successively or concurrently as Landlord may elect. The exercise of any remedy by Landlord shall not be deemed an election of remedies or preclude Landlord from exercising any other remedies in the future.

F. Bankruptcy. If Tenant becomes bankrupt, the bankruptcy trustee shall not have the right to assume or assign this Lease unless the trustee complies with all requirements of the United States Bankruptcy Code; and Landlord expressly reserves all of its rights, claims, and remedies thereunder.

G. Waiver of Trial by Jury. Landlord and Tenant waive trial by jury

in the event of any action, proceeding or counterclaim brought by either Landlord or Tenant against the other in connection with this Lease.

H. Venue. If either Landlord or Tenant desires to bring an action against the other in connection with this Lease, such action shall be brought in the federal or state courts located in Chicago, Illinois. Landlord and Tenant consent to the jurisdiction of such courts and waive any right to have such action transferred from such courts on the grounds of improper venue or inconvenient forum.

I. Default by Landlord. If Landlord shall fail to observe or perform any of the covenants or provisions of this Lease to be observed or performed by Landlord, and such failure shall continue for a period of 30 days after written notice thereof from Tenant to Landlord, then Landlord shall be in default of this Lease; provided, however, if the nature of Landlord's failure is such that more than

30 days are reasonably required for its cure, then Landlord shall not be deemed to be in default if Landlord shall diligently commence such cure within said 30-day period and thereafter diligently prosecute such cure to completion. Except as otherwise expressly stated to the contrary in this Lease, in the event of a default of this Lease by Landlord that continues beyond the foregoing notice and cure period, Tenant shall have the right to pursue any of its remedies which may be available at law or in equity.

J. Tenant's Limited Right of Self-Help and Limited Right of Set-Off.

(1) If Landlord fails to make any repair to the Premises or to the major systems serving the Premises that Landlord is required to make pursuant to the provisions of this Lease, and such failure continues for a period of 15 days after Landlord receives written notice thereof from Tenant (it being understood and agreed that such 15-day period may be extended if it is not reasonably possible for Landlord to complete such repair within such 15-day period and Landlord commences and diligently pursues the performance of such repair within such 15-day period and completes the same within a reasonable period of time) and, as a result of such failure, any portion of the Premises which (i) consists of at least 10,000 rentable square feet or (ii) provides material services necessary for the operation of Tenant's business, is rendered untenantable, then at any time after the end of such 15-day period (as the same may be extended as provided above) and prior to the time that Landlord commences the repair work to cure such failure, Tenant shall be entitled to make such repair that Landlord has failed to make. Tenant shall undertake to make such repair that Landlord has failed to make in the most cost-efficient manner practicable.

(2) If Tenant exercises its right to make any such repair, and Tenant is not otherwise in breach or default under this Lease, then Landlord shall reimburse Tenant for the actual, reasonable, necessary cost of such repair within 30 days after Landlord receives a written request for such reimbursement accompanied by invoices, paid receipts and full and final waivers of lien evidencing the lien-free performance of such work at the cost specified in such invoices.

(3) If Tenant exercises its right to make any such repair as provided above and Landlord fails to reimburse Tenant for the actual, reasonable, necessary costs of such repair within the 30-day period described above, and Tenant is not otherwise in breach or default under this Lease, then Tenant shall have the right to deduct from Base

Rent thereafter first becoming due under this Lease the amount which Tenant is entitled to receive as reimbursement (not to exceed in any month an amount determined by Landlord). The exercise of such right of set-off by Tenant shall be communicated in writing to Landlord and its mortgagee(s) and/or ground lessor(s) not later than five days after the exercise of such right.

17. HOLDING OVER. If Tenant retains possession of the Premises after the expiration or termination of the Term or Tenant's right to possession of the Premises, Tenant shall pay Rent during such holding over at 150% of the rate in effect immediately preceding such holding over

computed on a monthly basis for each month or partial month that Tenant remains in possession. If such holding over exceeds 60 days, Tenant shall also pay, indemnify and defend Landlord from and against all claims and damages, consequential as well as direct, sustained by reason of Tenant's holding over. The provisions of this Section do not waive Landlord's right of re-entry or right to regain possession by actions at law or in equity or any other rights hereunder, and any receipt of payment by Landlord shall not be deemed a consent by Landlord to Tenant's remaining in possession or be construed as creating or renewing any lease or right of tenancy between Landlord and Tenant.

18. INTENTIONALLY DELETED.

19. INTENTIONALLY DELETED.

20. ESTOPPEL CERTIFICATES. Tenant agrees that, from time to time upon not less than 15 days' prior written request by Landlord, Tenant shall execute and deliver to Landlord a written certificate certifying: (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, a description of such modifications and that this Lease as modified is in full force and effect); (ii) the dates to which Rent has been paid; (iii) that Tenant is in possession of the Premises, if that is the case; (iv) that Landlord is not in default under this Lease, or, if Tenant believes Landlord is in default, the nature thereof in detail; (v) that Tenant has no off-sets or defenses to the performance of its obligations under this Lease (or if Tenant believes there are any off-sets or defenses, a full and complete explanation thereof); (vi) that the Premises have been completed in accordance with the terms and provisions of this Lease or the Work Letter and Tenant has accepted the Premises and the condition thereof and of all improvements thereto and has no claims against Landlord or any other party with respect thereto (if such is the case); and (vii) such additional matters as may be reasonably requested by Landlord, it being agreed that such certificate may be relied upon by any prospective purchaser, mortgagee or other person having or acquiring an interest in the Building. If Tenant fails to execute and deliver any such certificate within 15 days after request and such failure continues for five days after written notice, such failure shall, at Landlord's option, constitute a Default hereunder (without the necessity for Landlord to deliver any additional notice as otherwise provided in Section 16A).

21. SUBORDINATION. This Lease is and shall be expressly subject and subordinate at all times to (a) any present or future ground, underlying or operating lease of the Building, and all amendments, renewals and modifications to any such lease, and (b) the lien of any present or future mortgage or deed of trust encumbering fee title to the Building and/or the leasehold estate under any such lease. If any such mortgage or deed of trust be foreclosed, or if any such lease be terminated, upon request of the mortgagee, beneficiary or lessor, as the case may be, Tenant will attorn to the purchaser at the foreclosure sale or to the lessor under such lease, as the case may be. The foregoing provisions are declared to be self-operative and no further instruments shall be reasonably required to effect such subordination and/or attornment; provided, however, that Tenant agrees upon request by any such mortgagee, beneficiary, lessor or purchaser at foreclosure, as the case may be, to execute such subordination

and/or attornment instruments as may be reasonably required by such person to confirm such subordination and/or attornment on the form customarily used by such party (provided such form does not increase Tenant's obligations or adversely affect Tenant's rights hereunder).

Notwithstanding the foregoing to the contrary, any such mortgagee, beneficiary or lessor may elect to give the rights and interests of Tenant under this Lease (excluding rights in and to insurance proceeds and condemnation awards) priority over the lien of its mortgage or deed of trust or the estate of its lease, as the case may be. In the event of such election and upon the mortgagee, beneficiary or lessor notifying Tenant of such election, the rights and interests of Tenant shall be deemed superior to and to have priority over the lien of said mortgage or deed of trust or the estate of such lease, as the case may be, whether this Lease is dated prior to or subsequent to the date of such mortgage, deed of trust or lease. In such event, Tenant shall execute and deliver whatever instruments may be reasonably required by such mortgagee, beneficiary or lessor to confirm such superiority on the form customarily used by such party (provided such form does not increase Tenant's obligations or adversely affect Tenant's rights hereunder). If Tenant fails to execute any instrument required to be executed by Tenant under this Section 21 within 10 days after request and such failure continues for five days after written notice, such failure shall, at Landlord's option, constitute a Default hereunder (without the necessity for Landlord to deliver any additional notice as otherwise provided in Section 16A). Notwithstanding anything in this Section 21 to the contrary, Landlord shall procure a non-disturbance agreement from any present holder of a ground, underlying or operating lease or mortgage or deed of trust on the form attached hereto as Exhibit G. Furthermore, Tenant's agreement under this Section to subordinate this Lease to the interest of any holder of a ground, underlying or operating lease or mortgage or deed of trust executed or delivered after the execution and delivery of this Lease is subject to and conditioned on Landlord causing such party to deliver to Tenant a non-disturbance and attornment agreement on such party's customary form.

22. QUIET ENJOYMENT. As long as no Default exists, Tenant shall peacefully and quietly have and enjoy the Premises for the Term, free from interference by Landlord, subject, however, to the provisions of this Lease. The loss or reduction of Tenant's light, air or view will not be deemed a disturbance of Tenant's occupancy of the Premises nor will it affect Tenant's obligations under this Lease or create any liability of Landlord to Tenant.

23. BROKER. Tenant represents to Landlord that Tenant has dealt only with the brokers set forth in Item 7 of the Schedule (collectively, the "Brokers") in connection with this Lease and that, insofar as Tenant knows, no other broker negotiated this Lease or is entitled to any commission in connection herewith. Tenant agrees to indemnify, defend and hold Landlord, its property manager and their respective employees harmless from and against all claims, demands, actions, liabilities, damages, costs and expenses (including reasonable attorneys' fees) arising from either (i) a claim for a fee or commission made by any broker, other than the Brokers, claiming to have acted by or on behalf of Tenant in connection with this Lease, or (ii) a claim of, or right to, lien under the statutes of Illinois relating to real estate broker liens with respect to any such broker retained by Tenant. Landlord agrees to pay the Brokers a commission in accordance with the separate agreement between Landlord and the Brokers. Landlord represents to Tenant that Landlord has dealt only with the Brokers in connection with this Lease and that, insofar as Landlord knows, no other broker negotiated this Lease or is entitled to any commission in connection herewith. Landlord agrees to indemnify, defend and hold Tenant harmless from and against all claims, demands, actions, liabilities, damages, costs and expenses (including, reasonable attorneys' fees) arising from a claim

for a fee or commission made by any broker, other than the Brokers, claiming to have acted by or on behalf of Landlord in connection with this Lease.

24. NOTICES. All notices and demands to be given by one party to the other party under this Lease shall be given in writing (except as otherwise expressly provided herein), mailed or delivered to Landlord or Tenant, as the case may be, at the following addresses:

If to Landlord: Windy Point of Schaumburg LLC
c/o Fifield Realty Corp.
20 North Wacker Drive
Chicago, Illinois 60606
Attn: President

with copies to: Citigroup Investments
190 South LaSalle Street
Suite 2740
Chicago, Illinois 60603
Attn: Vice President

and

Schwartz, Cooper, Greenberger & Krauss, Chtd.
180 North LaSalle Street
Suite 2700
Chicago, Illinois 60601
Attn: Daniel J. Kopp

If to Tenant: Zurich American Insurance Company
3910 Keswick Road
Baltimore, Maryland 21211
Attn: Zurich U.S. Real Estate

or at such other address(es) as either party may hereafter designate. Notices shall be delivered by hand or by United States certified or registered mail, postage prepaid, return receipt requested, or by a nationally recognized overnight air courier service. Notices shall be considered to have been given upon the earlier to occur of actual receipt, three business days after posting in the United States mail or the first business day after delivery to the courier service.

25. MISCELLANEOUS.

A. Successors and Assigns. Subject to Section 14 of this Lease, each provision of this Lease shall extend to, bind and inure to the benefit of Landlord and Tenant and their respective legal representatives, successors and permitted assigns; and all references herein to Landlord and Tenant shall be deemed to include all such parties.

B. Entire Agreement. This Lease, and the riders and exhibits, if any, attached hereto which are hereby made a part of this Lease, represent the complete agreement between Landlord and Tenant; and Landlord has made no representations or warranties except as expressly set forth in this Lease. No modification or amendment of or waiver under this Lease shall be binding upon Landlord or Tenant unless in writing signed by Landlord and Tenant.

C. Time of Essence. Time is of the essence of this Lease and each and all of its provisions, including all exhibits.

D. Execution and Delivery. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of space or an option for lease, and it is not effective until execution and delivery by both Landlord and Tenant.

E. Severability. The invalidity or unenforceability of any provision of this Lease shall not affect or impair any other provisions.

F. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State in which the Premises are located.

G. Attorneys' Fees. The nonprevailing party shall pay the prevailing party all costs and expenses, including reasonable attorneys' fees, incurred by such prevailing party in successfully enforcing the nonprevailing party's obligations or successfully defending the prevailing party's rights under this Lease against the nonprevailing party. Each party hereto shall pay the costs and expenses, including reasonable attorneys' fees, incurred by the other party as a result of any litigation in which such first party causes such second party, without such second party's fault to become involved as a result of this Lease.

H. Delay in Possession; Contingencies. If Landlord fails to commence or complete the construction of the Building or the Work within the schedules set forth herein or is otherwise delayed in delivery of possession of the Premises, notwithstanding anything in this Lease or the Work Letter Agreement to the contrary, the following provisions shall govern:

(i) If (a) Landlord has not commenced the excavation of the site of the Building in preparation for the construction of the Building, (b) Landlord has not obtained a foundation permit from the Village of Schaumburg for the construction of the foundation of the Building or (c) Landlord has not obtained a loan commitment for the mortgage financing of the costs of the construction of the Building or otherwise made arrangements for the payment of the costs of the construction of the Building (such as the agreement of the one or more of the members of Landlord to fund such construction [provided the foregoing shall not be deemed to be an agreement, covenant, representation or warranty that one or more of the members of Landlord will fund such construction]), by October 1, 2000, for any reason other than (a) Tenant Delays or (b) due to force majeure (not exceeding 20 days of force majeure, in the aggregate), then by written notice given not later than October 10, 2000,

Tenant may elect to terminate this Lease, in which case neither party shall have any further obligations or liabilities under this Lease.

(ii) If the base Building is not sufficiently completed to allow "material stocking" (as hereinafter described) by August 1, 2001, for any reason other than (a) Tenant Delays or (b) due to force majeure (not exceeding 20 days of force majeure, in the aggregate), then by written notice given not later than August 10, 2001, Tenant may elect to terminate this Lease, in which case neither party shall have any further obligations or liabilities under this Lease. The base Building shall be considered sufficiently completed to allow material stocking when (a) exterior wall systems and glazing are substantially completed, except at material hoist and man hoist bays, and (b) floors are broom clean and in a condition to allow for tenant construction materials, such as drywall, studs, VAV boxes, light fixtures, to be stored and ready for installation.

(iii) If Landlord is unable to deliver possession of the Premises to Tenant by the date stated in Item 5 of the Schedule with the Work substantially completed, the date stated in Item 5 of the Schedule shall be deferred until Landlord can deliver possession to Tenant with the Work substantially completed and the date stated in item 6 of the Schedule shall be deferred for an equal number of days. Notwithstanding the foregoing, the foregoing dates shall not be deferred if delivery of possession of the Premises with the Work substantially completed is delayed by a Tenant Delay (as defined in the Work Letter Agreement).

(iv) If Landlord has not delivered possession of the Premises to Tenant with the Work substantially completed by the date stated in Item 5 of the Schedule for any reason other than (a) Tenant Delays or (b) due to force majeure (as described in Section 25J) (not exceeding 20 days of force majeure, in the aggregate), Tenant shall be entitled to abatement of Base Rent and Adjustment Rent first coming due under this Lease in an amount equal to the product of (i) the daily amount of Base Rent and Adjustment Rent in effect during the first month of the Term for the Premises multiplied by (ii) the number of days in the period commencing on the date stated in Item 5 of the Schedule and expiring on the date immediately preceding the date Landlord delivers possession of the Premises to Tenant with the Work substantially completed (excluding Tenant Delays and delays due to force majeure [not exceeding 20 days of force majeure, in the aggregate]).

(v) If Landlord has not delivered possession of the Premises to Tenant with the Work substantially completed by November 1, 2001, for any reason other than (a) Tenant Delays or (b) due to force majeure (as described in Section 25J) (not exceeding 20 days of force majeure, in the aggregate), Tenant shall be entitled to abatement of Base Rent and Adjustment Rent first coming due under this Lease in an amount equal to the product of (i) twice the daily amount of Base Rent and Adjustment Rent in effect during the first month of the Term for the Premises multiplied by (ii) the number of days in the period commencing on November 1, 2001, and expiring on the date immediately preceding the date Landlord delivers possession of the Premises to Tenant with the Work substantially completed

(excluding Tenant Delays and delays due to force majeure [not exceeding 20 days of force majeure, in the aggregate]).

The foregoing termination rights, deferral of the Term and abatement rights shall be Tenant's sole and exclusive remedies upon a failure or delay in the construction of the Building or the Work or delivery of possession.

If Landlord has been unable to satisfy itself that it will obtain all approvals, permits, easements or other property rights (such as the right to park automobiles on the right of way owned by Northern Illinois Gas Company depicted on Exhibit H) necessary for Landlord to be able to deliver possession of the Premises to Tenant by the date stated in Item 5 of the Schedule in compliance with all of the requirements of this Lease, for any reason other than Landlord's failure to obtain mortgage financing or another source of funds to finance the construction of the Building, then Landlord shall provide Tenant with written notice not later than July 1, 2000 (which notice shall specify the approvals, permits, easements or property rights that Landlord has been unable to obtain). During the period between the delivery of Landlord's notice and August 15, 2000, Tenant may, in cooperation with Landlord, seek to obtain in Landlord's name the specified approvals, easements, permits or property rights (provided that Tenant acknowledges and agrees that Landlord shall not be obligated to incur greater costs or expenses, to grant greater concessions, rights or encumbrances or to otherwise provide greater or different consideration, than Landlord initially intended to incur, grant or provide in obtaining such specified approvals, permits, easements or property rights). If,

despite Tenant's assistance, by August 15, 2000, Landlord has not obtained the specified approvals, permits, easements or property rights to satisfy itself that it will be able to deliver possession of the Premises to Tenant by the date stated in Item 5 of the Schedule in compliance with all of the requirements of this Lease, then Landlord shall have the right to terminate this Lease by written notice given not later than August 25, 2000, in which case neither party shall have any further obligations or liabilities under this Lease.

I. Joint and Several Liability. If Tenant is comprised of more than one party, each such party shall be jointly and severally liable for Tenant's obligations under this Lease.

J. Force Majeure. Landlord shall not be in default hereunder and Tenant shall not be excused from performing any of its obligations hereunder if Landlord is prevented from performing any of its obligations hereunder due to any accident, breakage, strike, shortage of materials (unless such materials can be obtained from other suppliers at a reasonable and competitive price, under reasonable and customary terms and within a reasonable and customary period of time), acts of God or other causes beyond Landlord's reasonable control. The foregoing shall not extend the time periods set forth in Section 25H except as expressly set forth therein.

K. Captions. The headings and titles in this Lease are for convenience only and shall have no effect upon the construction or interpretation of this Lease.

L. No Waiver. No receipt of money by Landlord from Tenant after termination of this Lease or after the service of any notice or after the commencing of any suit or after final judgment

for possession of the Premises shall renew, reinstate, continue or extend the Term or affect any such notice or suit. No waiver of any default of Landlord or Tenant shall be implied from any omission by Tenant or Landlord to take any action on account of such default if such default persists or be repeated, and no express waiver shall affect any default other than the default specified in the express waiver and then only for the time and to the extent therein stated.

M. No Recording. Tenant shall not record this Lease or a memorandum of this Lease in any official records.

N. Limitation of Liability. Any liability of Landlord under this Lease shall be limited solely to its equity interest in the Building, and in no event shall any personal liability be asserted against Landlord in connection with this Lease nor shall any recourse be had to any other property or assets of Landlord. The obligations of Tenant under this Lease do not constitute personal obligations of the individual officers and employees of Tenant.

O. Counterparts; Telecopied Signatures. This Lease may be executed in counterparts which, when taken together, shall be deemed to be a single instrument. Signatures of the parties may be delivered by telecopier and such delivery shall have the same effect as if originally executed documents were exchanged in person.

26. PARKING.

A. Parking Areas. Attached hereto as Exhibit H is a site plan

showing the planned parking areas serving the Complex. For so long as this Lease is in full force and effect and Tenant is not in Default hereunder, Tenant may use the available non-reserved parking spaces in such parking lots serving the Complex free of charge, on a first come, first-served basis with the other tenants and occupants of the Complex and their guests and invitees. Tenant's use of all parking spaces is subject to all applicable codes, ordinances, laws, regulations and statutes and reasonable rules and regulations promulgated from time to time by Landlord, as well as the terms set forth in the recorded Declaration of Covenants, Conditions, Restrictions, Reciprocal Rights and Easements encompassing the Complex (as amended from time to time, the "Declaration"). Furthermore, if any governmental authority, agency or department requires the use of any parking areas serving the Complex, Tenant shall no longer have the right to use such areas and Landlord shall have no liability to Tenant (nor shall Rent abate or be reduced) on account of such reduction in available parking areas (provided Landlord shall, within a reasonable period after such areas are no longer available, cause the parking areas serving the Complex to have a number of parking spaces equal to at least 90% of the parking spaces depicted on Exhibit H). Landlord may designate certain parking areas as "reserved" and Tenant shall not allow its employees or invitees to use such reserved spaces (provided that Landlord shall not designate more than five additional reserved parking spaces for other specific tenants in the parking lots adjacent to the Phase I Building [i.e., in addition to the parking spaces that are already designated as "reserved"] or more than ten reserved parking spaces for other specific tenants in the parking lots or parking deck, if any, adjacent to the Building [to be increased to 20 reserved parking spaces at any time the Premises consists of less than 225,000 rentable square feet]). Tenant shall cooperate with Landlord in any reasonable system Landlord may establish or participate

in to monitor parking in the Complex, including, without limitation, a system requiring parkers to display special decals or passes. Tenant further acknowledges that the owners of parking areas serving the Complex may reconfigure, relocate or restripe the parking areas and that, from time to time, parking areas may be closed for construction activities or maintenance or repairs. Landlord shall promptly complete all construction activities, maintenance and repairs undertaken by Landlord upon parking areas owned by Landlord.

B. Initial Parking Deck. In addition to the base Building work described in the Work Letter Agreement, Landlord shall construct a parking deck serving the Building with at least 250 spaces for Tenant's exclusive use. The "Tenant's Special Parking Spaces" shall mean the 250 parking spaces in such parking deck reserved for Tenant's exclusive use. If the parking deck constructed by Landlord contains more than 250 spaces, the excess spaces shall not be deemed to be Tenant's Special Parking Spaces.

C. Construction of Additional Parking Areas. Landlord agrees that if Tenant notifies Landlord in writing prior to the first anniversary of the Commencement Date that Tenant desires additional parking spaces (and the number thereof), then Landlord shall design an addition to the existing parking deck to make exclusively available to Tenant the approximate number of spaces desired by Tenant (also taking into account any spaces lost due to the addition). It shall be a condition of Landlord's obligation to construct such addition to the existing parking deck that Landlord is able to obtain all required approvals and permits from the Village of Schaumburg. The design of the addition to the existing parking deck shall be determined by Landlord in its sole discretion and shall take into consideration the requirements and recommendations of the Village of Schaumburg. Within 60 days after Tenant has notified Landlord of Tenant's desire for additional parking spaces, and provided the Village of Schaumburg has approved Landlord's design, Landlord shall notify Tenant of Landlord's reasonable estimate of the costs of constructing the addition to the existing parking deck . Tenant shall approve or disapprove such estimate in

writing within 30 days after receipt of Landlord's notice. If Tenant disapproves such estimate (or fails to approve such estimate in writing within the 30-day period), Landlord shall not be obligated to build the addition to the existing parking deck (and Tenant shall reimburse Landlord for the actual, reasonable, out-of-pocket costs and fees incurred by Landlord to third parties in designing such addition to the existing parking deck and seeking approvals and permits from the Village of Schaumburg [provided such costs and fees shall not exceed $10,000 unless Landlord has obtained Tenant's prior written consent to Landlord's incurrence of such excess costs and fees]). If Tenant approves the cost estimate within the 30-day period, Landlord shall, with reasonable diligence, construct the addition to the existing parking deck. Tenant shall be responsible for the costs of such addition to the existing parking deck by the payment of the Parking Deck Rent described below. The costs of such addition shall be deemed to include, without limitation, all hard costs, soft costs, architectural, engineering and consulting fees and charges, permit and inspection fees, finance charges and fees (such as points, commitment fees and lender's legal fees) and, during the period commencing on the date funds are first disbursed for the construction of the addition and expiring on the date the Parking Deck Rent commences (as provided below), interest that has accrued during such period under any construction loan that funds a portion of the costs and, with respect to funds paid during such period by Landlord rather than a lender, interest on such funds at a rate equal to the actual interest rate charged Landlord

by a construction lender who has disbursed any funds in connection with the construction of the addition. "Parking Deck Rent" shall be rent payable monthly, at the same time and in the same manner as Base Rent, commencing on the first day of the month following the date Landlord makes the spaces in the addition to the existing parking deck available to Tenant for parking (regardless of whether Base Rent is then payable). The amount of the Parking Deck Rent shall be calculated after each disbursement of funds by Landlord in connection with the construction of the addition to the existing parking deck, using a "debt constant" of 10.5% for each disbursement as of the date of the disbursement (provided that if a disbursement is after the Commencement Date and thus the amortization of the costs is over less than 10 years, then the debt constant shall be increased to a percentage determined by using the same imputed interest rate as if the amortization were over 10 years). An example of the calculation of the amount of the Parking Deck Rent is attached hereto as Exhibit I. The parking spaces made available to Tenant due to the construction of the addition to the existing parking deck are also considered "Tenant's Special Parking Spaces." Landlord and Tenant shall enter into amendments to this Lease to reflect (i) the construction of the addition to the existing parking deck, promptly after Tenant approves Landlord's cost estimate, and (ii) the final amount of the Parking Deck Rent, promptly after such amount is known. If Tenant approves a cost estimate and thus directs Landlord to construct an addition to the existing parking deck, Landlord may, in its sole discretion, construct an addition containing more parking spaces than the number desired by Tenant. If Landlord constructs additional spaces, then (x) the marginal cost of such additional spaces shall be borne exclusively by Landlord and (y) such additional spaces shall not be included in Tenant's Special Parking Spaces.

D. Reserved Parking Spaces. Landlord shall furnish to Tenant a number of reserved parking spaces equal to the number of Tenant's Special Parking Spaces for so long as this Lease is in full force and effect and Tenant is not in Default under this Lease. The locations of the reserved parking spaces shall be designated by Landlord and shall be subject to change from time to time (provided all of Tenant's Special Parking Spaces shall be in the parking deck). Landlord shall mark Tenant's reserved parking spaces in a reasonable manner to indicate to third parties that such spaces are reserved for use by Tenant and Landlord shall use reasonable and customary efforts to prevent unauthorized use of Tenant's reserved parking spaces, but Landlord shall have no responsibility for or liability in the event of any unauthorized use of said reserved parking spaces.

27. EXPANSION OPTION.

A. Expansion Space and Expansion Date. For purposes of this Section 27, the "Expansion Space" shall mean a whole floor of the Building designated by Landlord contiguous to the Premises. Landlord shall notify Tenant ("Landlord's Expansion Notice") of the location of the Expansion Space and the date it will be available for Tenant to lease (the "Expansion Date"), which Expansion Date must be within the 15-month period commencing on the fifth anniversary of the Commencement Date, at least 12 months prior to the Expansion Date. If Tenant has leased so much of the Building that a whole floor does not remain unleased by Tenant, this Section 27 shall be null and void.

B. Expansion Option. Tenant shall have the option (the "Expansion Option") to lease all (but not less than all) of the Expansion Space effective as of the Expansion Date, upon the following terms and conditions:

(i) Tenant gives Landlord a written notice of Tenant's election to exercise the Expansion Option, which notice is given not later than nine months prior to the Expansion Date;

(ii) Tenant gives Landlord, concurrently with Tenant's exercise of the Expansion Option, current financial statements of Tenant (which may be consolidated so long as Landlord can reasonably derive specific financial information about Tenant) evidencing to Landlord's reasonable satisfaction a net worth in excess of $100 Million Dollars; and

(iii) This Lease is in full force and effect and Tenant is not in Default under this Lease, either on the date Tenant exercises the Expansion Option or on the Expansion Date.

C. Term. If Tenant timely and properly exercises the Expansion Option, the lease term for the Expansion Space shall commence effective as of the Expansion Date and shall be coterminous with the Term for the initial Premises. In no event shall Landlord be liable to Tenant if Landlord is unable to deliver possession of the Expansion Space on the specified date for causes outside Landlord's reasonable control. If Landlord is unable to deliver possession of the Expansion Space to Tenant by the specified Expansion Date, then the Expansion Date shall be deferred until Landlord can deliver possession of the Expansion Space to Tenant (excluding Tenant Delays). If Tenant does not timely or properly exercise the Expansion Option, Landlord may at any time thereafter lease the Expansion Space to any third party on such terms and conditions as are acceptable to Landlord, without any further rights of Tenant to lease such space (subject to the Right of First Refusal [as hereinafter defined]).

D. Base Rent. If Tenant exercises the Expansion Option, effective as of the Expansion Date, Tenant shall pay Base Rent for the Expansion Space in accordance with this Lease. The annual rate of Base Rent for the Expansion Space shall equal the product of the number of rentable square feet in the Expansion Space multiplied by the annual rate of Base Rent per square foot of rentable area payable from time to time under this Lease for the initial Premises as determined pursuant to Exhibit A.

E. Adjustment Rent. If Tenant exercises the Expansion Option, Tenant shall pay Adjustment Rent for the Expansion Space in accordance with Section 2. Effective as of the Expansion Date, Tenant's Proportionate Share shall be increased by an amount equal to the quotient of (x) the total rentable area of

the Expansion Space divided by (y) the rentable area of the Building.

F. No Rent Abatement. There shall be no abatement of Base Rent or Adjustment Rent for the Expansion Space.

G. Tenant Improvements. If Tenant exercises the Expansion Option, Landlord shall provide Tenant with a tenant improvement allowance in the amount equal to the product of:

(i) $40.00 per rentable square foot of the Expansion Space multiplied by

(ii) the quotient of (x) the number of full calendar months remaining in the scheduled Term as of the Expansion Date divided by (y) 120.

Notwithstanding the foregoing, if the Expansion Space has previously been improved for another tenant or occupant, the tenant improvement allowance for the Expansion Space shall instead be equal to $15.00 per rentable square foot of the Expansion Space. Any such tenant improvement allowance shall be used only for improvements to the Expansion Space and the balance of the Premises (provided up to $10.00 per rentable square foot of the Expansion Space may be used as a credit against Rent coming due) and Landlord and Tenant agree to execute a Work Letter Agreement with respect to such improvements in a form substantially similar to the form attached hereto as Exhibit C. Tenant agrees that for the Expansion Space, it must deliver Construction Documents in a form approved by Landlord (which approval shall not be unreasonably withheld) for the improvements desired by Tenant in such Expansion Space at least four months in advance of the Expansion Date. Any delay in delivery of the Construction Documents shall constitute a Tenant Delay.

H. Application of Other Provisions. Except as set forth in this Section 27, all of the terms and provisions of this Lease shall apply with respect to the lease by Landlord to Tenant of the Expansion Space.

I. Amendment. If Tenant exercises the Expansion Option, Landlord and Tenant shall execute and deliver an amendment to this Lease reflecting the lease by Landlord to Tenant of the Expansion Space on the terms herein provided, which amendment shall be executed and delivered within 30 days after Tenant exercises the Expansion Option.

J. Termination. The Expansion Option shall automatically terminate and become null and void upon the earlier to occur of (1) the expiration or termination of this Lease, (2) the termination of Tenant's right to possession of all of the Premises, (3) the assignment of this Lease by Tenant (other than to an Affiliate), (4) the sublease by Tenant (other than to an Affiliate) of all or more than 40% of the rentable area of the Premises, in the aggregate with all other space then sublet (other than to an Affiliate), (5) the failure by Tenant to timely and properly exercise the Expansion Option, or (6) Tenant's exercise of the Contraction Option.

28. RIGHT OF FIRST REFUSAL.

A. ROFR Space. For purposes of this Lease, the "ROFR Space" shall mean all rentable areas in the Building not leased by Tenant.

B. Right of First Refusal. With respect to any lease which Landlord

hereafter intends to enter into with a third-party tenant for all or any portion of the ROFR Space and which has a lease

term commencing at any time prior to the date that is two years prior to the Expiration Date (taking into account exercised Extension Options [as hereinafter defined]) (but excluding any new or renewal lease with any then existing tenant of all or any portion of the ROFR Space, whether pursuant to an option or right in such tenant's lease or pursuant to new negotiations between Landlord and such tenant, and excluding any lease expansion with any then existing tenant of any portion of the ROFR space pursuant to an option or right then existing in such tenant's lease), Landlord shall give Tenant written notice of such intent ("Landlord's ROFR Notice") prior to Landlord entering into such lease. Landlord's Notice shall specify (i) the location and rentable area of the portion of the ROFR Space which Landlord intends to lease (which is henceforth referred to as the "Actual ROFR Space"), (ii) the commencement date and expiration date of the lease term for the Actual ROFR Space, (iii) the rate of rent and other economic terms for the Actual ROFR Space, (iv) how much time Landlord anticipates will be required to improve the Actual ROFR Space and (v) all options and other material business terms of the proposed lease. Tenant shall thereupon have a right (a "Right of First Refusal") to lease all, but not less than all, of the Actual ROFR Space, subject to the following terms and conditions:

(1) Tenant gives Landlord a written notice of its election to exercise the Right of First Refusal within seven business days after Landlord gives Tenant Landlord's ROFR Notice;

(2) Tenant gives Landlord, concurrently with Tenant's exercise of the Right of First Refusal, current financial statements of Tenant (which may be consolidated so long as Landlord can reasonably derive specific financial information about Tenant) evidencing to Landlord's reasonable satisfaction a net worth in excess of $100 million; and

(3) Tenant is not in Default under this Lease, either on the date Tenant exercises the Right of First Refusal or on the proposed commencement date of the lease term for the Actual ROFR Space, and this Lease is in full force and effect both on the date Tenant exercises the Right of First Refusal and on the proposed commencement date of the lease term for the Actual ROFR Space.

If Tenant does not timely or properly exercise a Right of First Refusal, Landlord may at any time thereafter lease the Actual ROFR Space to the third-party tenant, without any further rights of Tenant to lease such space unless and until (x) six months has elapsed and Landlord has not entered into a lease with such third-party tenant or (y) such third-party tenant has vacated the Actual ROFR Space and it is available for leasing.

C. Terms. If Tenant exercises a Right of First Refusal, the following terms and provisions shall apply:

(1) Landlord shall lease the Actual ROFR Space to Tenant for a lease term commencing on the availability date specified in Landlord's ROFR Notice and expiring on the Expiration Date of the Term (or, if different, at Tenant's option, on the expiration date specified in Landlord's ROFR Notice). In no event shall Landlord be liable to Tenant if

Landlord is unable to deliver possession of the Actual ROFR Space on

the availability date specified in Landlord's ROFR Notice for causes outside Landlord's reasonable control (including, without limitation, the failure of any existing tenant in such Actual ROFR Space to timely vacate its premises [provided Landlord shall use commercially reasonable, customary efforts to cause such tenant to vacate its premises]). If Landlord is unable to deliver possession of the Actual ROFR Space to Tenant by the specified availability date, then the commencement date of the lease term of the Actual ROFR Space shall be deferred until Landlord can deliver possession of the Actual ROFR Space to Tenant (excluding Tenant Delays).

(2) The annual rate of Base Rent for the Actual ROFR Space shall be equal to the amount stated in Landlord's ROFR Notice. Tenant shall pay Adjustment Rent for the Actual ROFR Space in accordance with the terms of Landlord's ROFR Notice.

(3) Tenant shall not be entitled to any rental abatement for an Actual ROFR Space except as provided in Landlord's ROFR Notice (to be prorated as provided in clause (4) below, if applicable).

(4) Tenant shall accept each Actual ROFR Space in an "as-is", "where-is" physical condition, without any agreement, representation, credit or allowance from Landlord with respect to the improvement or condition thereof, except that Landlord shall provide Tenant with a tenant improvement allowance (and other economic concessions) equal to the amount stated in Landlord's ROFR Notice, provided that if the expiration date stated in Landlord's ROFR Notice is different than the Expiration Date, and Tenant has elected that the lease term of the Actual ROFR Space will expire on the Expiration Date, then such tenant improvement allowance (and other economic concessions) stated in Landlord's ROFR Notice will be prorated to reflect such difference (e.g., if the lease term stated in Landlord's ROFR Notice is longer than Tenant's scheduled lease term of the Actual ROFR Space, the tenant improvement allowance stated in Landlord's ROFR Notice shall be decreased proportionately based upon the number of months in the lease term stated in Landlord's ROFR Notice and the number of months in the scheduled lease term). Any such tenant improvement allowance shall be used only for improvements to the Actual ROFR Space and the balance of the Premises (provided up to $10.00 per rentable square foot of the Actual ROFR Space may be used as a credit against Rent coming due) and Landlord and Tenant agree to execute a Work Letter Agreement with respect to such improvements in a form similar to the form attached hereto as Exhibit C.

(5) Tenant's lease of the Actual ROFR Space shall be upon the terms set forth in Landlord's ROFR Notice, except as otherwise provided herein.

(6) All of the terms and provisions of this Lease shall apply with respect to the lease of an Actual ROFR Space, except as the same may be inconsistent with the provisions of this Section 28.

D. Amendment. If Tenant exercises a Right of First Refusal, Landlord and Tenant shall execute and deliver an amendment to this Lease reflecting the lease of the Actual ROFR Space by Landlord to Tenant on the terms herein provided, which amendment shall be executed within 30 days after Tenant exercises the Right of First Refusal.

E. Termination. Each Right of First Refusal shall automatically terminate and become null and void upon the earlier to occur of (1) the expiration or termination of this Lease, (2) the termination by Landlord of Tenant's right to possession of all of the Premises, (3) the assignment of this

Lease by Tenant (other than to an Affiliate), (4) the sublease by Tenant (other than to an Affiliate) of all or more than 40% of the rentable area of the Premises, in the aggregate with all other space then sublet (other than to an Affiliate), (5) the failure of Tenant to timely or properly exercise the Right of First Refusal, or (6) Tenant's exercise of the Contraction Option.

29. EXTENSION OPTIONS.

A. First Extension Option. Tenant shall have an option (the "First Extension Option") to renew the Term with respect to all (but not less than all) of the Premises demised under or pursuant to this Lease as of the expiration date of the initial Term, for one additional term (the "First Extension Term") of five years, upon the following terms and conditions:

(1) Tenant gives Landlord written notice of Tenant's election to exercise the First Extension Option not later than 12 months prior to the expiration date of the initial Term;

(2) Tenant gives Landlord, concurrently with Tenant's exercise of the First Extension Option, current financial statements of Tenant (which may be consolidated so long as Landlord can reasonably derive specific financial information about Tenant) evidencing to Landlord's reasonable satisfaction a net worth in excess of $500 Million Dollars; and

(3) Tenant is not in Default under this Lease, either on the date Tenant exercises the First Extension Option or on the expiration date of the initial Term, and this Lease is in full force and effect on the date on which Tenant exercises the First Extension Option and on the proposed commencement date of the First Extension Term.

B. Second Extension Option. Tenant shall have an option (the "Second Extension Option") to renew the Term with respect to all (but not less than all) of the Premises demised under or pursuant to this Lease as of the expiration date of the First Extension Term, for one additional term (the "Second Extension Term") of five years, upon the following terms and conditions:

(1) Tenant gives Landlord written notice of Tenant's election to exercise the Second Extension Option not later than 12 months prior to the expiration date of the First Extension Term;

(2) Tenant gives Landlord, concurrently with Tenant's exercise of the Second Extension Option, current financial statements of Tenant (which may be consolidated so long

as Landlord can reasonably derive specific financial information about Tenant) evidencing to Landlord's reasonable satisfaction a net worth in excess of $500 Million Dollars; and

(3) Tenant is not in Default under this Lease, either on the date Tenant exercises the Second Extension Option or on the expiration date of the First Extension Term, and this Lease is in full force and effect on the date on which Tenant exercises the Second Extension Option and on the proposed commencement date of the Second Extension Term.

C. Terms. If Tenant timely and properly exercises the First Extension Option or the Second Extension Option (each an "Extension Option"):

(1) The Rent payable for the First Extension Term or the

Second Extension Term (each, an "Extension Term"), as applicable, shall be equal to the "market rate of rent" that will be in effect at the commencement of the Extension Term. "Market rate of rent" shall mean 95% of the total rate of rent, including component parts of such rate of rent such as base rent, fixed and/or indexed rental adjustments and all rental adjustments for Taxes and Expenses for the Building, taking into account Landlord contributions, if any, to Taxes and Expenses for the Building, and tenant concessions, if any, such as rent abatements and tenant improvement allowances, which landlords of comparable office buildings in Schaumburg, Illinois are offering to third party tenants for office space comparable to the Premises (taking into account the lengths of the terms and the sizes and levels of improvement of the spaces demised under such leases to third party tenants). The Base Rent payable during the Extension Term shall be subject to adjustment during the Extension Term as provided in the market rate of rent. There shall be no abatement of Base Rent or Adjustment Rent for the Premises during the Extension Term, except as may be specifically included in the market rate of rent or unless Landlord and Tenant otherwise agree.

Upon Tenant's exercise of an Extension Option, Landlord shall provide Tenant with written notice of Landlord's determination of the "market rate of rent." Such notice shall be given not later than the last to occur of (i) 30 days after Tenant exercises the Extension Option or (ii) 12 months prior to the Commencement Date of the Extension Term. Tenant shall have 20 days ("Tenant's Review Period") after receipt of Landlord's notice of the proposed "market rate of rent" within which to accept such proposed "market rate of rent" or to object thereto in writing. If Tenant so objects, Landlord and Tenant shall attempt to agree upon such "market rate of rent" using their best good faith efforts. If Landlord and Tenant fail to reach agreement by the date that is 20 days following the expiration of Tenant's Review Period (the "Outside Agreement Date"), then each party's good faith determination of "market rate of rent" for the Extension Term shall be submitted by sealed bid to arbitration in accordance with the following procedure:

(i) Not later than 20 days following the Outside Agreement Date, Landlord and Tenant shall each appoint one independent arbitrator who shall by profession be a real estate appraiser (with the professional designation of M.A.I. or, if M.A.I. ceases to exist, a comparable designation from an equivalent professional appraiser organization) or office

leasing broker who shall have been active over the 10-year period ending on the date of such appointment in appraising or leasing of commercial properties in the Chicago metropolitan area. The two arbitrators so appointed shall within 10 days of the date of the appointment of the last appointed arbitrator agree upon and appoint a third arbitrator who shall be qualified under the same criteria set forth hereinabove for qualification of the initial two arbitrators. If the two arbitrators fail to agree upon and appoint a third arbitrator, both arbitrators shall be dismissed and Landlord and Tenant each shall promptly select and appoint one new arbitrator each possessing the qualifications above.

(ii) The determination of the arbitrators shall be limited solely to the issue of whether Landlord's or Tenant's submitted "market rate of rent" for the Extension Term is the closest to the "market rate of rent" as determined by the arbitrators, taking into account all relevant elements, including, without limitation, the elements listed above. The three arbitrators shall within 30 days of the appointment of the third arbitrator reach a decision as to whether the parties shall use Landlord's or Tenant's submitted "market rate of rent" and shall notify Landlord and Tenant thereof in writing.

(iii) The decision of the majority of the three arbitrators shall be binding upon Landlord and Tenant and judgment upon such decision may be entered into by any court having jurisdiction over Landlord and Tenant.

(iv) The cost of arbitration shall be paid by Landlord if Tenant's submitted "market rate of rent" is selected and by Tenant if Landlord's submitted "market rate of rent" is selected.

(v) Notwithstanding the foregoing, if either Landlord or Tenant fails to appoint an arbitrator within 30 days after the Outside Agreement Date as provided above and such failure to appoint an arbitrator is not cured within 10 days after receipt by such failing party of written demand to do so by the other party (which other party shall have appointed its arbitrator prior to sending such written demand), then the arbitrator appointed by the party sending such demand, acting alone, shall reach a decision on the applicable "market rate of rent," notify Landlord and Tenant in writing thereof, and such arbitrator's decision shall be binding on Landlord and Tenant.

(vi) If for any reason whatsoever the applicable "market rate of rent" has not been determined by the commencement of the Extension Term, the average of (a) the "market rate of rent" (and terms of payment) as proposed by Landlord and (b) the "market rate of rent" (and terms of payment) as proposed by Tenant, shall be utilized as the rate of rent until such time as the final "market rate of rent" has been conclusively determined (at which time, (x) if Landlord's submitted "market rate of rent" is selected, Tenant shall promptly pay Landlord the excess amount due, if any, for the period during which the "average" market rate of base rent was utilized or (y) if Tenant's submitted "market rate of rent" is selected, Landlord shall credit against rent next coming due the excess amount paid by Tenant, if any, for the period during which the "average" market rate of rent was utilized).

(2) Tenant shall have no further options to extend the Term of this Lease beyond the expiration date of the Second Extension Term.

(3) Landlord shall not be obligated to perform any leasehold improvement work in the Premises or give Tenant any allowance for any such work or any other purposes during or for an Extension Term, except as to any allowance which may be specifically included in the determination of the market rate of rent.

(4) Except for the rate of Rent and except as otherwise provided herein, all of the terms and provisions of this Lease shall remain the same and in full force and effect during each Extension Term.

D. Amendment. If Tenant exercises an Extension Option, Landlord and Tenant shall execute and deliver an amendment to this Lease reflecting the lease of the Premises by Landlord to Tenant for the Extension Term on the terms provided above, which amendment shall be executed and delivered promptly after Tenant exercises the Extension Option.

E. Termination. Each Extension Option shall automatically terminate and become null and void upon the earlier to occur of (1) the expiration or termination of this Lease, (2) the termination of Tenant's right to possession of all of the Premises, (3) the assignment of this Lease by Tenant (other than to an Affiliate), (4) the sublease by Tenant (other than to an Affiliate) of all or more than 40% of the rentable area of the Premises, in the aggregate with all

other space then sublet (other than to an Affiliate), or (5) the failure of Tenant to timely or properly exercise the Extension Option.

30. CONTRACTION OPTION.

A. Contraction Option. Tenant shall have one option (the "Contraction Option") to terminate this Lease with respect to one contiguous portion of the Premises (the "Contraction Space") to be designated by Tenant (not to exceed (i) 25% of the rentable area of the Premises, if the Premises is greater than 250,000 rentable square feet or (ii) 20% of the rentable area of the Premises, if the Premises is equal to or less than 250,000 rentable square feet) (not including any ROSO Space [as hereinafter defined]), but which portion must be in increments of whole floors (except for the highest or lowest floor, if the portion of the Premises on such floor does not consist of the whole floor) and must start with either the highest or lowest whole floors then leased by Tenant. If Tenant exercises the Contraction Option, this Lease shall terminate, pro tanto, with respect to the Contraction Space effective as of the last day of the fifth Lease Year (the "Contraction Date").

B. Exercise of Contraction Option. The Contraction Option is granted subject to satisfaction of the following terms and conditions:

(i) Tenant gives Landlord a written notice of Tenant's election to exercise the Contraction Option, which notice shall (a) designate the actual Contraction Space and (b) be given not later than one year prior to the Contraction Date;

(ii) Tenant is not in Default under this Lease either on the date Tenant exercises the Contraction Option or on the Contraction Date;

(iii) Tenant pays to Landlord a cash lease termination fee (the "Contraction Fee") in an amount equal to the sum of:

(I) three multiplied by the monthly Base Rent and Adjustment Rent otherwise scheduled to be due and payable for the Contraction Space during the month in which the fifth anniversary of the Commencement Date occurs, plus

(II) the unamortized amount as of the Contraction Date of the sum of the following costs relating to the Contraction Space:

(1) all brokerage commissions paid or incurred by Landlord, plus

(2) all rent abatements, cash allowances and other economic concessions (not including the costs of constructing the base Building or the costs of the Generator or the Cafeteria) provided by Landlord to Tenant, plus

(3) the costs of all tenant improvement work (and all architectural fees associated therewith) paid or incurred by Landlord,

which costs shall be amortized, with interest at 9.5% per annum, on a straight-line basis over the initial Term of this Lease. If the Contraction Space is part of a larger space that was leased at the same time, then the "costs relating to the Contraction

Space" shall mean the pro rata share of such total costs based upon the ratio that the rentable area of the Contraction Space bears to the rentable area of the total larger space.

One-half of the Contraction Fee shall be due and payable not later than three months prior to the Contraction Date and the balance of the Contraction Fee shall be due and payable on or before the Contraction Date.

C. Terms. If Tenant exercises the Contraction Option:

(i) This Lease shall terminate pro tanto with respect to the Contraction Space effective as of the Contraction Date and Rent for the Contraction Space shall be paid through and apportioned as of the Contraction Date;

(ii) Tenant shall surrender and vacate the Contraction Space and deliver possession thereof to Landlord on or before the Contraction Date in the condition required under Section 15;

(iii) Neither Landlord nor Tenant shall have any rights, estates, liabilities or obligations under this Lease with respect to the Contraction Space for the period first accruing after the Contraction Date, except those which, pursuant to this Lease, are expressly intended to survive the expiration or termination of this Lease; and

(iv) This Lease shall continue in full force and effect with respect to the entire remaining portion of the Premises (other than the Contraction Space) for the balance of the Term. Effective as of the day immediately following the Contraction Date, the Base Rent and Adjustment Rent payable under this Lease shall be reduced by the amount of Base Rent and Adjustment Rent which would otherwise have been payable under this Lease for the Contraction Space (Parking Deck Rent attributable to the construction or addition to the parking deck, as described in Section 26C, and additional rent attributable to the Additional Allowance described in the Work Letter Agreement shall not be reduced on account of Tenant's exercise of the Contraction Option).

D. Amendment. If Tenant exercises the Contraction Option, Landlord and Tenant shall enter into an amendment to this Lease reflecting the termination of this Lease, pro tanto, with respect to the Contraction Space, upon the terms set forth herein, which amendment shall be executed and delivered promptly after Tenant exercises the Contraction Option.

E. Termination. The Contraction Option shall automatically terminate and become null and void upon the earlier to occur of (1) the termination of Tenant's right to possession of all of the Premises, (2) the assignment of this Lease by Tenant (other than to an Affiliate), (3) the failure of Tenant to timely or properly exercise the Contraction Option, or (4) if, within two years of the Contraction Date, Tenant has exercised a Right of First Refusal or the Right of Second Opportunity (as hereinafter defined).

31. TERMINATION OPTION.

A. Termination Option. Tenant shall have an option (the "Termination Option") to terminate this Lease with respect to the entire Premises effective as of the last day of the seventh Lease Year (the "Termination Date"). The Termination Option is granted subject to the following terms and conditions:

(1) Tenant gives Landlord written notice of Tenant's election to exercise the Termination Option not later than 18 months prior to the Termination Date;

(2) Tenant is not in Default under this Lease, either on the date that Tenant exercises the Termination Option on the Termination Date; and

(3) Tenant pays to Landlord a cash lease termination fee (the "Termination Fee") in an amount equal to the sum of:

(i) the product of $28.75 multiplied by the rentable area of the initial Premises, plus

(ii) the unamortized amount as of the Termination Date of the sum of the following costs relating to all space leased by Tenant other than the initial Premises (e.g., the Expansion Space, the ROFR Space and the ROSO Space):

(a) all brokerage commissions paid or incurred by Landlord, plus

(b) all rent abatements, cash allowances and other economic concessions (not including the costs of constructing the base Building or the costs of the Generator or the Cafeteria) provided by Landlord to Tenant, plus

(c) the costs of all tenant improvement work (and all architectural fees associated therewith) paid or incurred by Landlord,

which costs shall be amortized, with interest at 9.5% per annum, on a straight-line basis over the initial lease term of such space, plus

(iii) the unamortized amount as of the Termination Date of all costs to be borne by Tenant as Parking Deck Rent pursuant to Section 26C relating to the construction of the parking deck or the addition to an existing parking deck, which costs shall be amortized, with interest at 9.5% per annum, on a straight-line basis over the period commencing on the date such costs are disbursed and expiring on the scheduled Expiration Date (absent the exercise of the Termination Option), plus

(iv) the entire unpaid principal balance of the Additional Allowance and all accrued and unpaid interest thereon.

One-half of the Termination Fee shall be due and payable not later than three months prior to the Termination Date and the balance of the Termination Fee shall be payable on or before the Termination Date.

B. Terms. If Tenant timely and properly exercises the Termination Option: (1) all Rent payable under this Lease for the portion of the Premises so terminated shall be paid through and apportioned as of the Termination Date (in addition to payment of the Termination Fee), (2) neither party shall have any rights, estates, liabilities or obligations under this Lease for the period accruing after the Termination Date, except those which, by the provisions of

this Lease, are intended to survive the expiration or termination of the Term of this Lease, and (3) Landlord and Tenant shall

promptly enter into a written agreement reflecting the termination of this Lease upon the terms provided for herein.

C. Termination. The Termination Option shall automatically terminate and become null and void upon the earlier to occur of (1) the termination of Tenant's right to possession of all of the Premises or (2) the failure of Tenant to timely or properly exercise the Termination Option.

32. RIGHT OF SECOND OPPORTUNITY IN ADJACENT BUILDING.

A. ROSO Space. For purposes of this Lease, the "ROSO Space" shall mean the entire sixth floor and seventh floor of the building located at 1500 McConnor Parkway, Schaumburg, Illinois (the "Phase I Building"). The rights set forth in this Section 32 shall be null and void if at any time (and at all times thereafter) the record owner of the Building is different than the record owner of the Phase I Building. Tenant acknowledges that there may be a change in such record ownership at any time.

B. Right of Second Opportunity. Subject to any rights in favor of any tenant in the Phase I Building (or its successors or assigns), and excluding any lease to Ariba, Inc. or any affiliate thereof, with respect to the first lease which Landlord hereafter intends to enter into with a third-party tenant for either (i) all or any portion of the ROSO Space, or (ii) all or any portion of the ROSO Space plus any other space in the Phase I Building (for purposes hereof, any such other space shall be deemed to be part of the ROSO Space), and which has a lease term commencing at any time prior to the date that is two years prior to the Expiration Date (taking into account exercised Extension Options [as hereinafter defined]) (but excluding any new or renewal lease with any then existing tenant of all or any portion of the ROSO Space, whether pursuant to an option or right in such tenant's lease or pursuant to new negotiations between Landlord and such tenant, and excluding any lease expansion with any then existing tenant of any portion of the ROSO space pursuant to an option or right then existing in such tenant's lease), Landlord shall give Tenant written notice of such intent ("Landlord's ROSO Notice") prior to Landlord entering into such lease. Landlord's ROSO Notice shall specify (i) the location and rentable area of the portion of the ROSO Space which Landlord desires to lease (which is henceforth referred to as the "Actual ROSO Space"), (ii) the proposed commencement date of the lease term for the Actual ROSO Space, (iii) the annual rate of base rent per square foot of rentable area which Landlord desires to charge for the Actual ROSO Space, (iv) the amount of all rent adjustments which Landlord desires to charge for the Actual ROSO Space, including, without limitation, fixed and/or indexed rent adjustments and rent adjustments for Expenses and Taxes for the Phase I Building, and (v) the tenant concessions (e.g., rent abatements and tenant improvement allowances), if any, which Landlord would be willing to provide to lease the Actual ROSO Space. Items (iii) through (v) in the preceding sentence shall be quoted by Landlord in Landlord's Notice for a hypothetical lease having a lease term which would expire on the Expiration Date of the Term. Tenant shall thereupon have the right (a "Right of Second Opportunity") to lease all, but not less than all, of the Actual ROSO Space, subject to the following terms and conditions:

(1) Tenant gives Landlord a written notice of its election to exercise the Right of Second Opportunity within five business days after Landlord gives Tenant Landlord's ROSO Notice;

(2) Tenant gives Landlord, concurrently with Tenant's exercise of the Right of Second Opportunity, current financial statements of Tenant (which may be consolidated so long as Landlord can reasonably derive specific financial information about Tenant) evidencing to Landlord's reasonable satisfaction a net worth in excess of $100 Million Dollars;

(3) Tenant is not in Default under this Lease, either on the date Tenant exercises the Right of First Opportunity or on the proposed commencement date of the lease term for the Actual ROSO Space, and this Lease is in full force and effect both on the date Tenant exercises the Right of First Opportunity and on the proposed commencement date of the lease term for the Actual ROSO Space; and

(4) No tenant in the Phase I Building has exercised its right or option upon the Actual ROSO Space.

If Tenant does not timely or properly exercise the Right of Second Opportunity, Landlord may at any time thereafter lease the Actual ROSO Space to any third-party tenant on such terms and provisions as Landlord may elect (provided the economic terms of such lease to such third-party tenant shall not be less than 95% of the economic terms offered to Tenant) , without any further rights of Tenant to lease such space.

C. Terms. If Tenant exercises the Right of Second Opportunity, the following terms and provisions shall apply:

(1) Landlord shall lease the Actual ROSO Space to Tenant for a lease term commencing on the availability date specified in Landlord's ROSO Notice and expiring on the Expiration Date of the Term. In no event shall Landlord be liable to Tenant if Landlord is unable to deliver possession of the Actual ROSO Space on the availability date specified in Landlord's ROSO Notice for causes outside Landlord's reasonable control (including, without limitation, the failure of any existing tenant in such Actual ROSO Space to timely vacate its premises [provided Landlord shall use commercially reasonable, customary efforts to cause such tenant to vacate its premises]). If Landlord is unable to deliver possession of the Actual ROSO Space to Tenant by the specified availability date, then the commencement date of the lease term of the Actual ROSO Space shall be deferred until Landlord can deliver possession of the Actual ROSO Space to Tenant.

(2) The Base Rent and Rent Adjustment payable for the Actual ROSO Space shall be as set forth in Landlord's ROSO Notice.

(3) Tenant shall not be entitled to any rental abatement for the Actual ROSO Space, except as otherwise set forth in Landlord's ROSO Notice (to be prorated as provided in clause (4) below, if applicable).

(4) Tenant shall accept the Actual ROSO Space in an "as-is", "where-is" condition, without any agreement, representation, credit or allowance from Landlord with respect to the improvement or condition thereof, except that Landlord shall provide Tenant with a tenant improvement allowance (and other economic concessions) equal to the amount stated in Landlord's ROSO Notice, provided that if the expiration date stated in Landlord's ROSO Notice is different than the Expiration Date, then such tenant improvement allowance (and other economic concessions) stated in Landlord's ROSO Notice will be prorated to reflect such difference (e.g., if the lease term stated in Landlord's ROSO Notice is longer than Tenant's scheduled lease term of the Actual ROSO Space, the tenant improvement allowance stated in Landlord's ROSO Notice shall be decreased proportionately based upon the number of months in the lease term stated in Landlord's ROSO Notice and the number of months in the scheduled lease term). Any such tenant improvement allowance shall be used only for improvements to the Actual ROSO Space and

the balance of the Premises (provided up to $10.00 per rentable square foot of the Actual ROSO Space may be used as a credit against Rent coming due) and Landlord and Tenant agree to execute a Work Letter Agreement with respect to such improvements in a form similar to the form attached hereto as Exhibit C.

(5) All of the terms and provisions of this Lease shall apply with respect to the Actual ROSO Space, except as the same may be inconsistent with the provisions of this Section 32.

D. Amendment or New Lease. If Tenant exercises the Right of Second Opportunity, Landlord and Tenant shall promptly execute and deliver an amendment to this Lease (or, at Landlord's option, a new, separate lease, similar to this Lease in all material respects but (i) conformed to the Phase I Building (including containing the standard provisions then contained in leases at the Phase I Building regarding tenants' parking rights [such as limiting the parking rights of the occupants of the Actual ROSO Space to 4.0 per 1,000 rentable square feet of area of the Actual ROSO Space]), (ii) designating as the "Premises" only the Actual ROSO Space and (iii) not containing Sections 26 through 38 of this Lease) reflecting the lease of the Actual ROSO Space by Landlord to Tenant on the terms herein provided.

E. Termination. The Right of Second Opportunity shall automatically terminate and become null and void upon the earlier to occur of (1) the expiration or termination of this Lease, (2) the termination by Landlord of Tenant's right to possession of all of the Premises, (3) the assignment of this Lease by Tenant (other than to an Affiliate), (4) the sublease by Tenant of more than 40% of the Premises (other than to an Affiliate), (5) the failure of Tenant to timely or properly exercise the Right of Second Opportunity, (6) Tenant's exercise of the Contraction Option or (7) the separation of the record ownership of the Building and the Phase I Building.

33. RIGHTS OF REFUSAL TO PURCHASE BUILDING. Before Landlord makes or accepts an offer set forth in a letter of intent to sell the Building to a third party, Landlord shall offer to sell the Building to Tenant on such terms. If Tenant does not accept such offer from Landlord within ten business days after its submission, Landlord may thereafter sell the Building to any third party on terms acceptable to Landlord (which shall be similar to those contained in the offer submitted to Tenant, provided that the net purchase price to be paid by such third party [after taking into account all credits, prorations and concessions] is not less than 95% of the purchase price set forth in the offer submitted to Tenant and the non-economic terms offered to such third party are not more favorable in any material respect than those set forth in the offer submitted to Tenant). If the offer set forth in the letter of intent is to sell the Building with other property (such as, without limitation, the Phase I Building), then the foregoing provisions shall apply, provided (1) Tenant's right to purchase the Building shall be subject and subordinate to the prior right of TCI Great Lakes, Inc., its successors and assigns ("TCI"), to purchase the Building, (2) if TCI does not exercise its right to purchase the Building, Landlord's offer to Tenant shall include both the Building and such other property (and Tenant will not have the option of buying only the Building or only the other property), and (3) Tenant shall instead have seven business days to accept such offer.

34. SIGNAGE. Landlord shall provide building standard signage identifying Tenant in the lobby of the Building and in the elevator lobby on each floor occupied by Tenant and shall designate Tenant in the building directory. Landlord hereby grants to Tenant the exclusive right during the Term of this Lease, subject to the terms and conditions of this Section 34, to have signage on the exterior parapet of the Building. Upon Tenant's written request (including a detailed depiction of the desired graphics), Landlord shall install, at Tenant's expense, signage on the exterior parapet of the Building.

Landlord shall also install one monument sign in front of the Building exclusively identifying Tenant. If Landlord installs additional monument signs to be shared among tenants, Tenant shall be entitled to the most prominent signage. The design of all signage designating Tenant shall be subject to Landlord's reasonable approval and shall be in accordance with Tenant's corporate standards. Furthermore, Tenant's right to have such exterior parapet signage and monument signage is conditioned upon Tenant obtaining all required governmental approvals and such signage complying with the Declaration. Landlord acknowledges and agrees that Tenant may seek to install the maximum allowable parapet signage at the Building. Tenant's right to have such signage on the Building and any monuments is further conditioned upon Tenant and/or any Affiliate of Tenant occupying and conducting business from at least 50% of the rentable area in the Building. Landlord shall maintain all such signage. Upon the expiration or termination of the Term, Landlord, shall remove Tenant's signs designating Tenant. Nothing in this Lease confers or grants to Landlord any right to use or interest in the name "Zurich" (except as provided in this Section 34) or Tenant's logo or trademarks. The costs of designing, fabricating, installing, maintaining and removing the lobby signage, the parapet signage and the exclusive monument signage designating Tenant described herein shall be borne by Tenant and paid to Landlord within 30 days after being billed therefore (or paid from the Allowance). Landlord shall be responsible for the costs for designing, fabricating, installing, maintaining and removing the building standard signage in the elevator lobbies and any signage on a shared monument sign.

35. ENVIRONMENTAL PROTECTION.

A. Landlord's Environmental Protection. Tenant, on behalf of itself, its agents, employees, subtenants, assigns, contractors and subcontractors, shall not cause or permit to occur (excluding acts of Landlord, other tenants of the Building and their respective agents, employees and contractors or anyone else not under the direct control of Tenant):

(i) any violation of any federal, state or local law, ordinance or regulation related to environmental conditions in or about the Building, including, but not limited to, improvements or alterations made to the Premises at any time by Tenant, its agents or contractors, or

(ii) the use, generation, release, manufacture, refining, production, processing, storage or disposal of any "Hazardous Substances" (as hereinafter defined) in or about the Building, or the transportation to or from the Building of any Hazardous Substances (save and except reasonable quantities of normal office products such as cleaners, solvents, toners, all of which shall be stored and used by Tenant, at its expense, in compliance with all applicable laws).

Tenant, on behalf of itself, its agents, employees, subtenants, assigns, contractors and subcontractors, at its expense, shall comply with each federal, state and local law, ordinance and regulation related to environmental conditions in or about the Premises or Tenant's use of the Premises, including, without limitation, all reporting requirements and the performance of any cleanups required by any governmental authorities. Tenant shall indemnify, defend and hold harmless Landlord and its employees from and against all fines imposed by governmental entities and reasonable clean-up and response costs (including reasonable attorneys' and consultants' fees) asserted against or sustained by any such person or entity and arising out of or in any way connected with a breach of this Section 32 by Tenant, which obligations shall survive the expiration or termination of this Lease.

B. Tenant's Environmental Protection. Landlord, on behalf of itself, its agents, employees, contractors and subcontractors, shall not cause or permit to occur (excluding acts of Tenant, other tenants of the Building and their

respective agents, employees and contractors or anyone else not under the direct control of Landlord):

(i) any violation of any federal, state or local law, ordinance or regulation related to environmental conditions in or about the Building, including, but not limited to, improvements or alterations made to the Building at any time by Landlord, its agents or contractors, or

(ii) the use, generation, release, manufacture, refining, production, processing, storage or disposal of any Hazardous Substances in or about the Building, or the transportation to or from the Building of any Hazardous Substances (save and except reasonable quantities of normal cleaning and janitorial products, sanitary sewage and solid wastes, all of which shall be stored, disposed and used by Landlord in compliance with all applicable laws).

Landlord, on behalf of itself, its agents, employees, contractors and subcontractors, shall comply with each federal, state and local law, ordinance and regulation related to environmental conditions in or about the Building, including, without limitation, all reporting requirements and the performance of any cleanups required by any governmental authorities. Landlord shall indemnify, defend and hold harmless Tenant and its employees from and against all fines imposed by governmental entities and reasonable clean-up and response costs (including reasonable attorneys' and consultant's fees) asserted against or sustained by any such person or entity and arising out of or in any way connected with a breach of this Section 35 by Landlord, which obligations shall survive the expiration or termination of this Lease.

C. Hazardous Substances. As used in this Section 32, "Hazardous Substances" shall include, without limitation, flammables, explosives, radioactive materials, asbestos containing materials (ACMs), polychlorinated biphenyls (PCBs), chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, petroleum and petroleum products, chlorofluorocarbons (CFCs), medical wastes and substances declared to be hazardous or toxic under any federal, state or local law, ordinance or regulation.

36. ROOFTOP COMMUNICATIONS EQUIPMENT. Prior to the Commencement Date, Tenant shall designate a contiguous portion of the roof (not to exceed 75% of the available area of the roof) as "Tenant's Reserved Rooftop Space." Landlord shall not allow any other tenant or occupant to use Tenant's Reserved Rooftop Space without Tenant's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed). Tenant acknowledges that Landlord may locate equipment serving the Building (including other rentable areas) in Tenant's Reserved Rooftop Space. Tenant may locate and install satellite dishes and antennas on Tenant's Reserved Rooftop Space to serve Tenant's business operations at the Premises, provided that (a) the installation and maintenance of such equipment is in conformity with all applicable zoning provisions, (b) such equipment does not affect the structural integrity of the Building or penetrate the roof membrane and (c) Landlord first approves the size of and specifications for such equipment (which approval shall not be unreasonably withheld, conditioned or delayed), and provided further that the location, installation, operation and maintenance of such equipment shall (i) be subject to and completed in accordance with the terms and conditions of Section 9 of this Lease and with any and all applicable governmental laws, codes, rules, regulations and ordinances in effect from time to time; (ii) in no manner unreasonably interfere with the use of any other communications equipment installed on the roof (Tenant acknowledges that Tenant's right to install such satellite dish or antenna is non-exclusive); and (iii) be designed to make the equipment as aesthetically pleasing as possible so that it does not negatively impact the architectural appeal of the Building. Landlord may from time to time require Tenant to relocate equipment on the roof at Landlord's sole cost and expense. Tenant shall not be obligated to pay any rent for such use of the roof.

Tenant must remove all such equipment and restore the Building upon the expiration or termination of the Term. Tenant may not take any action with respect to its use of any space on the Building's rooftop that will violate or diminish any warranty or guarantee of the roof.

37. CAFETERIA. Landlord shall operate or cause to be operated a cafeteria on the first floor of the Building (the "Cafeteria"), consisting of at least 6,000 square feet, which shall serve

breakfast and lunch, Monday through Friday (excluding holidays [as defined in Section 5A]). As provided in Section 3, Landlord shall pay the cost of purchasing and installing the Generator and the costs of improving and equipping the Cafeteria, provided such costs relating to the Generator and the Cafeteria do not exceed, in the aggregate, $380,000 (and if the costs exceed such amount, Tenant shall be responsible for the excess [subject to payment from the Allowance]). All fixtures, furniture and equipment used in the operation and maintenance of the Cafeteria shall be deemed to be the property of Landlord. All commercially reasonable costs and expenses incurred by Landlord in managing, operating and maintaining the Cafeteria shall be included in Expenses. Landlord shall select an independent contractor or tenant to manage, operate and maintain the Cafeteria, subject to Tenant's reasonable approval thereto. If, after the initial opening of the Cafeteria, the operator or tenant of the Cafeteria breaches its operating agreement or such operating agreement expires or terminates, Landlord shall, within 50 days thereafter, install a subsequent operator to resume the operations of the Cafeteria (or such longer period as may be necessary if Landlord, despite reasonable diligence, is unable to locate or install such successor). Landlord shall keep Tenant reasonably apprised of Landlord's progress in locating such successor. So long as Landlord is operating the Cafeteria, Tenant agrees not to operate a food service facility in the Premises for its employees (other than coffee makers and microwave ovens). At Tenant's request, Landlord shall cause the operator or tenant of the cafeteria to cooperate with Tenant in establishing and following a program whereby Tenant subsidizes certain costs for food and beverages to be charged by such operator or tenant to Tenant's employees.

38. STORAGE SPACE.

A. Storage Space. In addition to the Premises, Tenant hereby leases certain storage space (the "Storage Space") consisting of approximately 10,000 square feet located in the penthouse of the Building. Landlord will provide vinyl flooring, lighting, heat and ventilation and freight elevator service to the Storage Space (and no other services), and only in the quantities, qualities and capacities typically provided for storage spaces in office buildings in the Chicago metropolitan area.

B. Storage Space Rent. In addition to all Rent required under the Lease for the Premises, Tenant shall pay to Landlord as rent for the Storage Space (the "Storage Space Rent") the amount set forth in Exhibit A. Monthly payments of the Storage Space Rent shall be payable at the same time and in the same manner as monthly installments of Base Rent. The Storage Space Rent for an Extension Term, if applicable, shall be equal to the rental rate Landlord is generally charging other tenants in the Building for storage space similar in size and location to the Storage Space. Tenant shall not be obligated to pay Adjustment Rent for the Storage Space.

C. Use. Tenant shall use the Storage Space only for storage of normal office equipment and supplies and business records. Tenant shall keep the Storage Space in a neat and orderly condition.

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IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

LANDLORD:	TENANT:
WINDY POINT OF SCHAUMBURG, a Delaware limited liability company	ZURICH AMERICAN INSURANCE COMPANY, a New York corporation
By: FRC WINDY POINT L.L.C., an Illinois limited liability company, its managing member	By: /s/ Robert D. Windsor
By: /s/ Steven D. FiField	Title: Vice President and Secretary
Title: Managing Member	

EXHIBIT A

DETERMINATION OF BASE RENT

The Base Rent for the initial Premises during the initial Term shall equal the product of (i) the rentable area of the initial Premises, in square feet, multiplied by the Rental Rate then in effect. The "Rental Rate" is set forth in the following schedules based upon whether Tenant has elected to lease the entire Building in accordance with Section 1B.

If Tenant leases the entire Building in accordance with Section 1B:

Lease Year	Annual Rental Rate
1	$16.97
2	17.48
3	18.00
4	18.54
5	19.10
6	19.67
7	20.26
8	20.87
9	21.50
10	22.14

If Tenant does not lease the entire Building in accordance with Section 1B:

Lease Year	Annual Rental Rate
1	$17.05
2	17.56
3	18.09
4	18.63
5	19.19
6	19.77
7	20.36

8	20.97
9	21.60
10	22.25

The Storage Space Rent for the Storage Space shall equal the product of (i) the area of the Storage Space, in square feet, multiplied by (ii) the "Storage Space Rental Rate" set forth below:

Lease Year	Annual Storage Space Rental Rate
1	$5.00
2	5.15
3	5.30
4	5.46
5	5.63
6	5.80
7	5.97
8	6.15
9	6.33
10	6.52

The Base Rent for any ROFR Space or ROSO Space, or for the Premises during an Extension Term, shall be determined as set forth in the Lease with respect to such space or portion of the Term.

EXHIBIT 10.120

THIRD AMENDMENT TO OFFICE LEASE WITH
ZURICH AMERICAN INSURANCE COMPANY

THIRD AMENDMENT TO OFFICE LEASE

THIS THIRD AMENDMENT TO OFFICE LEASE (this "Amendment") is made as of this 25th day of January, 2001, by and between WINDY POINT OF SCHAUMBURG L.L.C., a Delaware limited liability company ("Landlord"), and ZURICH AMERICAN INSURANCE COMPANY, a New York corporation ("Tenant").

RECITALS:

A. Landlord and Tenant entered into a certain Office Lease (the "Original Lease") dated as of May 6, 2000, whereby Landlord leased to Tenant certain premises (the "Initial Premises") in that certain 11-story office building to be built at 1600 McConnor Parkway, Schaumburg, Illinois (the "Building").

B. Landlord and Tenant entered into a First Amendment to Office Lease (the "First Amendment") dated as of July 14, 2000, whereby Landlord and Tenant agreed to amend the Original Lease to reflect a change in the site plan for the parking areas serving the Windy Point of Schaumburg complex and to reflect Landlord's agreement to provide a rent credit to Tenant in exchange for a corresponding reduction of the commission due Tenant's broker.

C. Landlord and Tenant entered into a Second Amendment to Office Lease (the "Second Amendment") dated as of August 4, 2000, whereby Landlord and Tenant agreed to further amend the Original Lease to acknowledge the location and rentable area of the initial leased premises, among other things. The Original Lease, as amended by the First Amendment and the Second Amendment, is hereinafter referred to as the "Lease."

D. Landlord and Tenant desire to further amend the Lease to reflect Tenant's lease of the entire Building and to reflect certain additional parking rights for Tenant.

NOW, THEREFORE, for good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. DEFINITIONS. Each capitalized term used in this Amendment shall have the same meaning as is ascribed to such capitalized term in the Lease, unless otherwise provided for herein.

2. ADDITIONAL SPACE. Landlord leases to Tenant and Tenant leases from Landlord those certain premises (the "Additional Space") consisting of the 11th floor of the Building and containing approximately 28,973 rentable square feet. The Additional Space is leased to Tenant subject to all of the same terms and provisions as are contained in the Lease with respect to the Initial Premises. Henceforth, the term "Premises" as used and defined in the Lease, as amended hereby, shall be deemed to mean and refer to the Initial Premises and the Additional Space (i.e., all rentable space within the Building). Landlord and Tenant acknowledge that the Premises contains 300,034 rentable square feet. Such area has been determined by Landlord's architect in accordance with the standards set forth in Section 2A(v) of the Original Lease.

3. BASE RENT. For purposes of calculating the rate of Base Rent, Tenant

shall be deemed to have leased the entire Building in accordance with Section 1B. Landlord and Tenant acknowledge that the Base Rent for the Premises during the initial Term shall equal the following amounts:

Lease Year	Annual Rental Rate for Rentable Square Foot	Annual Base Rent	Monthly Installments
1	$ 16.97	$ 5,091,576.96	$ 424,298.08
2	17.48	5,244,594.36	437,049.53
3	18.00	5,400,612.00	450,051.00
4	18.54	5,562,630.36	463,552.53
5	19.10	5,730,649.44	477,554.12
6	19.67	5,901,668.76	491,805.73
7	20.26	6,078,688.80	506,557.40
8	20.87	6,261,709.56	521,809.13
9	21.50	6,450,731.04	537,560.92
10	22.14	6,642,752.76	553,562.73

4. TENANT'S PROPORTIONATE SHARE. Landlord and Tenant acknowledge that Tenant's Proportionate Share is 100%.

5. DELETIONS. Sections 27 and 28 of the Original Lease are hereby deleted and of no further force or effect.

6. PARKING.

A. The site plan attached hereto as Exhibit A shows the current proposed configuration of the parking areas serving the Windy Point of Schaumburg complex and such site plan attached hereto as Exhibit A is hereby substituted for the site plan attached to the Original Lease as Exhibit H (as previously amended).

B. Tenant acknowledges that if Tenant desires an addition to the parking deck in accordance with Section 26C of the Original Lease, such addition may not exceed one level (in addition to the other requirements set forth in Section 26C).

C. In addition to Tenant's Special Parking Spaces (i.e., 250 parking spaces in the parking deck), Landlord shall furnish to Tenant 345 parking spaces reserved for Tenant's exclusive use in the surface parking lots serving the Windy Point of Schaumburg complex at the locations shown on Exhibit A attached hereto ("Tenant's Surface Parking Spaces"). Tenant's use of Tenant's Surface Parking Spaces shall be subject to the terms and conditions of Section 26D of the Original Lease. Landlord shall mark the Tenant's Surface Parking Spaces in a reasonable manner to indicate to third parties that such spaces are reserved for

use by Tenant, and Landlord shall use reasonable and customary efforts to prevent unauthorized use of Tenant's Surface Parking Spaces, but Landlord shall have no responsibility for or liability in the event of any unauthorized use of Tenant's Surface Parking Spaces. Tenant shall use reasonable and customary efforts to prevent its employees, agents or contractors from using, the non-reserved parking spaces serving the Windy Point of Schaumburg complex unless all of Tenant's Special Parking Spaces and Tenant's Surface Parking Spaces are then occupied by Tenant, its employees, agents and contractors. If the rentable area of the Premises is reduced for any reason (including, without limitation, Tenant's exercise of the Contraction Option), the number of Tenant's Surface Parking Spaces (but not Tenant's Special Parking Spaces) shall be reduced proportionally. Furthermore, as provided in Section 26A of the Original Lease, if any governmental authority, agency or department requires the use of any parking areas serving the Windy Point of Schaumburg complex (including areas containing Tenant's reserved parking spaces), Tenant shall no longer have the right to use such areas and Landlord shall have no liability to Tenant (nor shall Rent abate or be reduced) on account of such reduction in available parking areas (provided Landlord shall, within a reasonable period after such areas are no longer available, cause the parking areas serving the Windy Point of Schaumburg complex to have a number of parking spaces equal to at least 90% of the parking spaces depicted on Exhibit A attached hereto).

D. Landlord acknowledges that Tenant has expressed an interest in acquiring the right to park automobiles on the site immediately north of the Windy Point of Schaumburg complex (the "NiGas Site"). During the first year of the Term, Landlord shall cooperate with Tenant in attempting to acquire such right from the owner of the NiGas Site. Neither Landlord nor Tenant shall be obligated to proceed with any such acquisition unless and until Landlord and Tenant mutually agree, in writing, upon the configuration and other terms of such right (provided Tenant acknowledges that it is the parties' intention that all costs associated with such acquisition and the construction of any improvements will be borne by Tenant, in a manner mutually agreeable to the parties).

7. BASE BUILDING IMPROVEMENTS.

A. Landlord agrees to construct the Building so that the size of the Building (exterior and each floor plate) is consistent with the plans and specifications listed on Exhibit B attached hereto (subject to changes to the size of the Building approved by Tenant in writing, in advance [which approval shall not be unreasonably withheld, conditioned or delayed]).

B. At Tenant's request, Landlord has agreed to incorporate the additional base building improvements generally described on Exhibit C attached hereto. Tenant acknowledges that the foregoing changes and additions to the base building improvements will increase the costs thereof as shown on Exhibit C (collectively, the "Increased Base Building Costs") and may result in Tenant

Delays with respect to those items where, under "Construction Delays," Exhibit C states "TBD" or "None Yet." The Increased Base Building Costs shall be paid by Tenant as follows:

first, the credit shown on Exhibit C shall be applied against the Increased Base Building Costs until such credit is exhausted;

second, upon Tenant's written request, any portion of the Allowance that is not allocable to the Work (as such capitalized terms are defined in the Work Letter Agreement) may be used to pay for the Increased Base Building Costs; and

third, Tenant shall pay to Landlord any unpaid Increased Base Building Costs for any item described on Exhibit C within 30 days after Landlord provides Tenant with a copy of the general contractor's invoice (or draw request) for such item.

Any Tenant Delays shall have the effect set forth in Paragraph 7 of the Work Letter Agreement. Any additional changes to the base building work desired by Tenant beyond those described on Exhibit C shall continue to be governed by Paragraph 8 of the Work Letter Agreement.

8. BROKER. Tenant represents that except for Fifield Realty Corp. and Julien J. Studley, Inc. (collectively, the "Brokers"), Tenant has not dealt with any real estate broker, salesperson or finder in connection with this Amendment, and no such person initiated or participated in the negotiation of this Amendment. Tenant agrees to indemnify, defend and hold Landlord, its property manager and their respective employees harmless from and against all claims, demands, actions, liabilities, damages, costs and expenses (including reasonable attorneys' fees) arising from either (i) a claim for a fee or commission made by any broker, other than the Broker, claiming to have acted by or on behalf of Tenant in connection with this Amendment, or (ii) a claim of, or right to, lien under the statutes of Illinois relating to real estate broker liens with respect to any such broker retained by Tenant. Landlord agrees to pay the Brokers a commission in accordance with the agreement between Landlord and the Brokers (as amended by the First Amendment). Landlord represents to Tenant that Landlord has dealt only with the Brokers in connection with this Amendment and that, insofar as Landlord knows, no other broker negotiated this Amendment or is entitled to any commission in connection herewith. Landlord agrees to indemnify, defend and hold Tenant harmless from and against all claims, demands, actions, liabilities, damages, costs and expenses (including reasonable attorneys' fees) arising from a claim for a fee or commission made by any broker, other than the Brokers, claiming to have acted by or on behalf of Landlord in connection with this Amendment.

9. BINDING EFFECT. The Lease, as amended hereby, shall continue in full force and effect, subject to the terms and provisions thereof and hereof. In the event of any conflict between the terms of the Lease and the terms of this Amendment, the terms of this Amendment shall control. This Amendment shall be binding upon and inure to the benefit of Landlord, Tenant and their respective successors and permitted assigns.

10. LIMITATION OF LIABILITY. Any liability of Landlord under the Lease, as amended hereby, shall be limited solely to its equity interest in the Building, and in no event shall any personal liability be asserted against Landlord in connection with the Lease, as amended hereby, nor shall any recourse be had to any other property or assets of Landlord. The obligations of Tenant under the Lease, as amended hereby, do not constitute personal obligations of the individual officers and employees of Tenant.

IN WITNESS WHEREOF, this Amendment is executed as of the day and year aforesaid.

LANDLORD:	TENANT:
WINDY POINT OF SCHAUMBURG L.L.C., a Delaware limited liability company	ZURICH AMERICAN INSURANCE COMPANY, a New York corporation
By: FRC WINDY POINT L.L.C., an Illinois limited liability company, its managing member	By: /s/ Robert Windsor
	Title: Vice President

By: /s/ Steven D. FiField

Title: Managing Member

MORTGAGEE'S CONSENT

The undersigned hereby consents to the foregoing Amendment, provided that the undersigned reserves all rights granted to the undersigned under the loan documents to review additional changes to the scope of work for the Building.

NATIONAL CITY BANK OF MICHIGAN-ILLINOIS

By: /s/ [ILLEGIBLE]

Title: Senior Vice President

EXHIBIT A

REVISED PARKING PLAN (SHOWING RESERVED SURFACE PARKING SPACES)

[SITE PLAN APPEARS HERE]

EXHIBIT 10.121

AGREEMENT FOR PURCHASE AND SALE OF THE ARTHUR ANDERSEN BUILDING

AGREEMENT FOR THE PURCHASE AND SALE OF PROPERTY

THIS AGREEMENT FOR THE PURCHASE AND SALE OF PROPERTY (the "Agreement"), is made and entered into as of the 11/th/ day of January, 2002, by and between SARASOTA HASKELL, LLC, a Florida limited liability company (hereinafter referred to as "Seller") and WELLS CAPITAL, INC., a Georgia corporation (hereinafter referred to as "Purchaser").

W I T N E S S E T H:

WHEREAS, Seller desires to sell and Purchaser desires to purchase the Property (as hereinafter defined) subject to the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the premises, the mutual agreements contained herein, the sum of Ten and No/100 Dollars ($10.00) in hand paid by Purchaser to Seller at and before the sealing and delivery of these presents and for other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby expressly acknowledged by the parties hereto, the parties hereto do hereby covenant and agree as follows:

1. Purchase and Sale of Property. Subject to and in accordance with the terms and provisions of this Agreement, Seller hereby agrees to sell to Purchaser and Purchaser hereby agrees to purchase from Seller, the Property, which term "Property" shall mean and include the following:

(a) all that tract or parcel of land located at 101 Arthur Andersen Parkway in the City of Sarasota, Sarasota County, Florida, and being more particularly described on Exhibit "A" attached hereto and by this reference made a part hereof (hereinafter referred to as the "Land"); and

(b) all rights, privileges, and easements appurtenant to the Land, including all water rights, mineral rights, development rights, air rights, reversions, or other appurtenances to said Land, if any, and all right, title, and interest of Seller, if any, in and to any land lying in the bed of any street, road, alley, or right-of-way, open or proposed, adjacent to or abutting the Land; and

(c) all buildings, structures, and improvements situated on the Land, including, without limitation, that certain office building, all parking areas and other amenities located on the Land, and all apparatus, elevators, built-in appliances, equipment, pumps, machinery, plumbing, heating, air conditioning, and electrical and other fixtures located on the Land (all of which are together hereinafter referred to as the "Improvements"); and

(d) all personal property now owned or hereafter acquired by Seller and located on, or used in connection with, the Land and Improvements, including, without limitation, the items set forth and described on Exhibit "B" attached hereto and by this reference made a part hereof, and all other equipment, supplies, tools, furniture, furnishings, office

equipment, fittings, appliances, shades, wall-to-wall carpet, draperies, screens and screening, art, awnings, plants, shrubbery, landscaping, lawn care and building maintenance equipment, vending machines and other furnishings or items of personal property owned by Seller and used in connection with the operation of the Land and Improvements (all of which are together hereinafter referred to as the "Personal Property"); and

(a) all of Seller's right, title, and interest, as landlord or lessor, in and to the Lease (as hereinafter defined); and

(b) all of Seller's right, title, and interest in and to the plans and specifications with respect to the Improvements and any guarantees, trademarks, rights of copyright, warranties, or other rights related to the ownership of or use and operation of the Land, Personal Property, or Improvements, all governmental licenses and permits, and all intangibles associated with the Land, Personal Property, and Improvements.

1. Earnest Money. Within ten (10) business days after the full execution of this Agreement, Purchaser shall deliver to Chicago Title Insurance Company ("Escrow Agent"), whose offices are at 200 West Forsyth, Suite 1000, Jacksonville, Florida 32202, Attn: Mr. Perry C. Craver, telephone (904) 358-2117, either by Purchaser's check, payable to Escrow Agent, or by wire transfer of federal funds to Escrow Agent's account, the sum of Two Hundred Fifty Thousand and No/100 Dollars ($250,000.00) (the "Earnest Money"), which Earnest Money shall be held and disbursed by Escrow Agent pursuant to a written Escrow Agreement, a copy of which is attached hereto as Exhibit "C" and by this reference made a part hereof. The Earnest Money shall be paid by Escrow Agent to Seller at Closing and shall be applied as a credit to the Purchase Price (as hereinafter defined). All interest and other income from time to time earned on the Earnest Money shall be deemed a part of the Earnest Money for all purposes of this Agreement.

2. Purchase Price. Subject to adjustment and credits as otherwise specified in this Agreement, the purchase price (the "Purchase Price") to be paid by Purchaser to Seller for the Property shall be Twenty-One Million Four Hundred Thousand and No/00 Dollars ($21,400,000.00). The Purchase Price shall be paid by Purchaser to Seller at the Closing (as hereinafter defined) by wire transfer of good federal funds to an account designated in writing by Seller, less the amount of Earnest Money and subject to prorations, adjustments, and credits as otherwise specified in this Agreement.

3. Purchaser's Inspection and Review Rights. Commencing on the effective date of this Agreement and subject to the rights of the Tenant (as hereinafter defined), upon giving reasonable advance notice to Seller's property manager, Purchaser and its agents, engineers, or representatives, with Seller's reasonable, good faith cooperation, shall have the privilege of going upon the Property as needed to inspect, examine, test, and survey the Property at all reasonable times and from time to time. Such privilege shall include the right to make borings and other tests to obtain information necessary to determine surface and subsurface conditions, provided that such activities do not materially interfere with the rights of the Tenant or the ongoing operation of the Property. Purchaser shall maintain at all times during its entry upon the Property, commercial

general liability insurance with limits of not less than One Million and No/100 Dollars ($1,000,000.00) per occurrence, combined single limit. Such policy of insurance shall name Seller as an additional insured and such policy shall be

primary with respect to the activities of Purchaser and its agents, engineers or representatives at the Property, whether or not Seller holds other policies of insurance. If requested by Seller, a certificate issued by the insurance carrier of such policy shall be delivered to Seller prior to entry upon the Property by Purchaser or its agents, engineers or representatives. Purchaser hereby agrees to hold Seller harmless from any liens, claims, liabilities, and damages incurred through the exercise of such privilege (but excluding any liability arising out of the existing environmental condition of the Property or the presence of toxic or hazardous substances thereon and excluding any claims arising out of a release of existing or in-place hazardous or toxic substances on or under the Property), and Purchaser further agrees to repair any damage to the Property caused by the exercise of such privilege (excluding any damage arising out of a release of existing or in-place hazardous or toxic substances on or under the Property). The obligations of Purchaser under the preceding sentence shall survive the Closing or any termination of this Agreement.

Seller has heretofore provided to Purchaser true and complete copies of the Lease, and the reports, documents and instruments described on Exhibit "D" attached hereto and by reference made a part hereof. Within two (2) business days after the effective date of this Agreement, Seller shall deliver to Purchaser true and complete copies of the reports, documents and instruments relating to the Property of the nature described on Exhibit "E" attached hereto and by reference made a part hereof. In addition to the foregoing, at all reasonable times prior to the Closing, Seller shall make available to Purchaser, or Purchaser's agents and representatives, at Seller's office or the office of the property manager in either Sarasota Florida, or Jacksonville, Florida, and for copying at Purchaser's expense, all other books, records, and files relating to the ownership and operation of the Property in the possession or control of Seller or Seller's managing agent. Seller further agrees to in good faith assist and cooperate with Purchaser in coming to a thorough understanding of the books, records, and files relating to the Property.

5. Special Condition to Closing. Purchaser shall have until and through the date for Closing (the "Inspection Period") to make investigations, examinations, inspections, market studies, feasibility studies, lease reviews, and tests relating to the Property and the operation thereof in order to determine, in Purchaser's sole opinion and discretion, the suitability of the Property for acquisition by Purchaser. Purchaser shall have the right to terminate this Agreement at any time prior to the expiration of the Inspection Period by giving written notice to Seller of such election to terminate. In the event Purchaser so elects to terminate this Agreement, Escrow Agent shall pay to Seller from the Earnest Money the sum of Twenty-Five Dollars ($25.00) and the balance of the Earnest Money shall be refunded by Escrow Agent to Purchaser, whereupon, except as expressly provided to the contrary in this Agreement, no party hereto shall have any other or further rights or obligations under this Agreement. Seller acknowledges that the sum of $25.00 is good and adequate consideration for the termination rights granted to Purchaser hereunder.

6. General Conditions Precedent to Purchaser's Obligations Regarding the Closing. In addition to the conditions to Purchaser's obligations set forth in Paragraph 5 above, the obligations

and liabilities of Purchaser hereunder shall in all respects be conditioned upon the satisfaction of each of the following conditions prior to or simultaneously with the Closing, any of which may be waived by written notice from Purchaser to Seller:

(a) Seller has complied with and otherwise performed each of the material covenants and obligations of Seller set forth in this

Agreement.

(b) All representations and warranties of Seller as set forth in this Agreement shall be in all respects true and correct in all material respects as of the date made and as of Closing (and as if made without limitation as to Seller's knowledge).

(c) There has been no adverse change to the title to the Property which has not been cured and the Title Company (as hereinafter defined) is prepared to issue to Purchaser upon the Closing a fee simple owner's title insurance policy on the Land and Improvements pursuant to the Title Commitment (and Endorsements).

(d) The Tenant shall not be in material default (without regard to the expiration of any applicable cure period provided in the Lease with Tenant) under the terms of the Lease as of the date of Closing.

(e) Seller shall obtain and deliver to Purchaser a fully completed estoppel certificate with respect to the Lease substantially in the form attached hereto as Exhibit "F" and by this reference made a part hereof (herein referred to as the "Tenant Estoppel Certificate"), duly executed by the Tenant thereunder. The Tenant Estoppel Certificate shall be executed as of a date not more than fifteen (15) days prior to Closing.

(f) Seller shall obtain and deliver to Purchaser a fully completed estoppel certificate executed by Sarasota Commerce Center Association, Inc. substantially in the form attached hereto as Exhibit "G" and by this reference made a part hereof (herein referred to as the "Association Estoppel Certificate"). The Association Estoppel Certificate shall be executed as of a date not more than fifteen (15) days prior to Closing.

(g) Seller shall obtain and deliver to Purchaser a fully completed estoppel certificate executed by Arthur Andersen LLP substantially in the form attached hereto as Exhibit "H" and by this reference made a part hereof (herein referred to as the "Andersen Estoppel Certificate"). The Andersen Estoppel Certificate shall be executed as of a date not more than fifteen (15) days prior to Closing.

In the event Purchaser shall terminate this Agreement as a result of the non-satisfaction of any of the foregoing conditions, Purchaser shall be entitled to an immediate return of the Earnest Money from Escrow Agent.

7. Title to the Property. Good and marketable fee simple record title to the Land and Improvements shall be conveyed by Seller to Purchaser by Special Warranty Deed, free and clear of

all liens, easements, restrictions, and encumbrances whatsoever, excepting only the matters set forth on Exhibit "I" attached hereto and by this reference made a part hereof (hereinafter referred to as the "Permitted Exceptions"). Seller covenants and agrees that Seller, at its sole cost and expense, shall, within five (5) days after the effective date of this Agreement, cause Chicago Title Insurance Company (herein referred to as "Title Company") to deliver to Purchaser its commitment (herein referred to as the "Title Commitment") to issue to Purchaser upon the recording of the Special Warranty Deed conveying title to the Land and Improvements from Seller to Purchaser, the payment of the Purchase Price, and the payment to the Title Company of the policy premium therefor, an

ALTA owner's policy of title insurance, in the amount of the Purchase Price, insuring good and marketable fee simple record title to the Land and Improvements to be in Purchaser. The Title Commitment shall not contain any exception for mechanic's or materialmen's liens or any exception for unpaid taxes other than and exception for taxes for years subsequent to 2001 not yet due or payable. Such Title Commitment shall not contain any exception for rights of parties in possession other than an exception for the rights of the Tenant (as hereinafter defined), as tenant only, under the Lease. The Title Commitment shall not contain an exception for the state of facts which would be disclosed by a survey of the Property or an "area and boundaries" exception, and in lieu thereof, the Title Commitment shall contain an exception only for the matters shown on the as-built survey to be provided by Seller to Purchaser in accordance with Paragraph 9(e) hereof. The Title Commitment shall also contain such other special endorsements available to be issued in Florida as Purchaser shall reasonably require (the "Endorsements"). Seller shall also cause to be delivered to Purchaser together with such Title Commitment, legible copies of all documents and instruments referred to therein. Purchaser, upon receipt of the Title Commitment and the copies of the documents and instruments referred to therein, shall then have until the date of Closing during which to examine same after which Purchaser shall notify Seller of any defects or objections affecting the record marketability of the title to the Property, other than the Permitted Exceptions. If Purchaser fails to give such notice of defects or objections as to any matters disclosed by such Title Commitment, such matters shall be deemed to be additional Permitted Exceptions. Seller shall then have until the earlier of the date of Closing or three (3) days after receipt of such notice of title defects or objections from Purchaser to advise Purchaser in writing which of such title defects or objections Seller does not intend to satisfy or cure; provided, however, Seller hereby agrees that Seller shall satisfy or cure any such defects or objections consisting of taxes, mortgages, deeds of trust, mechanic's or materialmen's liens created by or arising under Seller, or other such monetary encumbrances created by or arising under Seller, and Seller agrees that Seller shall obtain a dismissal with prejudice of the proceedings described on Exhibit "J" attached hereto and by reference made a part hereof. In the event
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Seller fails to give such written advice to Purchaser within such three (3) day period, Seller shall be deemed to have declined to satisfy or cure all such defects or objections set forth in Purchaser's notice. Seller shall have until Closing to satisfy or cure all such defects and objections which Seller agreed to satisfy or cure as provided above. In the event Seller fails or refuses to cure any defects and objections which are required herein to be satisfied or cured by Seller prior to the Closing, then, at the option of Purchaser, (i) Purchaser may terminate this Agreement by written notice to Seller and Escrow Agent, in which event the Earnest Money shall be immediately refunded to Purchaser, and Purchaser and Seller shall have no further rights, obligations or liabilities hereunder, except for the obligations of the parties which are herein expressly stated to survive the termination of this

Agreement, (ii) if any such defect or objection is one that Seller agreed to satisfy or cure as provided above, the same shall be paid or satisfied out of the Seller's closing proceeds, (iii) Purchaser may accept title to the Property subject to such defects and objections, or (iv) any combination of items (ii) and (iii).

8. Representations and Warranties of Seller. Seller hereby makes the
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following representations and warranties to Purchaser, each of which shall be deemed material:

(a) Lease. Attached hereto as Exhibit "K" and by this reference
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made a part hereof is a description of the only lease in effect relating to the Property and all modifications and amendments to such lease (such lease, as modified and amended, being herein collectively referred to as the "Lease"). Seller has delivered to Purchaser a

complete and accurate copy of the Lease. Seller is the "landlord" under the Lease and owns unencumbered legal and beneficial title to the Lease and the rents and other income thereunder, subject only to an existing mortgage and assignment instruments in favor of SouthTrust Bank, National Association, which shall be paid and cancelled at the time of the Closing. The tenant identified in the Lease is hereinafter referred to as the "Tenant".

(b) Lease - Assignment. To the Seller's knowledge, the Tenant has not assigned its interest in the Lease or sublet any portion of the premises leased to the Tenant under its Lease.

(c) Lease - Default. (i) Seller has not received any written notice of termination or default under the Lease, (ii) to the Seller's knowledge, there are no existing or uncured defaults by Seller, by any predecessor landlord, or by Tenant under the Lease, (iii) Tenant has not asserted in writing any defense, set-off, or counterclaim with respect to its tenancy or its obligation to pay rent, additional rent, or other charges pursuant to its Lease, and (iv) to the Seller's knowledge, Tenant is not using its premises in violation of any restrictive covenant applicable to the Property.

(d) Lease - Rents and Special Consideration. The Tenant: (i) has not prepaid rent for more than the current month under the Tenant's Lease, (ii) is not entitled to receive any rent concession (not already taken) in connection with its tenancy under its Lease, (iii) is not entitled to any special work (not yet performed) or consideration (not yet given) in connection with its tenancy, and (iv) does not have any deed, option, or other evidence of any right or interest in or to the Property, except for such Tenant's tenancy as evidenced by the express terms of the Tenant's Lease. As of the date hereof, the amount of the "Capital Reserve" funds held by Seller under Section 3.5(b) of the Lease is $82,137.00. To the Seller's knowledge, all "Reserve Contribution" amounts heretofore paid by Tenant to Seller have been drawn upon or used by Seller solely to pay qualifying capital expenses as provided in Section 3.5(b) of the Lease.

(e) Lease - Commissions. No rental, lease, or other commissions with respect to the Lease is payable to Seller, to any partner of Seller, any party affiliated with or related

to Seller or any partner of Seller or to any third party whatsoever. All commissions payable under, relating to, or as a result of the Lease have been cashed-out and paid and satisfied in full by Seller, and no further commissions shall be due or payable as a result of the Lease or as a result of the exercise by the Tenant thereunder of any right or option in the Lease to extend the term of such Lease or to expand the space leased thereunder.

(f) Lease - Acceptance of Premises. Seller has not received written notice from the Tenant that Tenant's premises are not in full compliance with the terms and provisions of such Tenant's Lease or are not satisfactory for such Tenant's purposes. Tenant has not indicated to Seller in writing its request or its intent to terminate its Lease prior to the expiration of the term of such Lease or to reduce the size of the premises leased by such Tenant.

(g) Service Contracts. Attached hereto as Exhibit "L" and by

this reference made a part hereof is a complete and accurate list and description of all of the service contracts, management agreements, or other agreements (other than the Lease) which are in effect and which relate to the operation, management, or maintenance of the Property (said agreements being herein collectively referred to as the "Service Contracts"). Seller has provided Purchaser with complete and accurate copies of all Service Contracts. To the Seller's knowledge, all such Service Contracts are in full force and effect in accordance with their respective provisions, all payments required to be made by Seller or the "Owner" thereunder have been paid in full, and there is no default, or claim of default, or any event which the passage of time or notice, or both, would constitute a default on the part of any party to any of such Service Contracts. All Service Contracts are assignable by Seller to Purchaser and no Service Contract prohibits such assignment or provides for any right, claim, or cause of action against Purchaser or the Property upon such assignment. Seller has cancelled or will cancel, effective as of the Closing, any agreement in the nature of a management agreement or service contract between Seller and any partner of Seller or any party affiliated with or related to Seller or any partner of Seller.

(h) Warranties and Guaranties. All of the warranties and guaranties of contractors, vendors, manufacturers and other parties which are known by Seller to be in effect and to relate to the Property and which are in the possession and control of Seller will be made available to Purchaser for review and copying at the Property or at Seller's Jacksonville, Florida office at all times prior to Closing.

(i) No Other Agreements. Other than the Lease, the Service Contracts, and the Permitted Exceptions, there are no leases, service contracts, management agreements, or other agreements or instruments in force and effect, oral or written, that grant to any person whomsoever or any entity whatsoever any right, title, interest or benefit in or to all or any part of the Property, any rights to acquire all or any part of the Property or any rights relating to the use, operation, management, maintenance, or repair of all or any part of the Property.

(j) No Litigation. Except as disclosed on Exhibit "J" attached hereto and by this reference made a part hereof, there are no actions, suits, or proceedings pending, or to the Seller's knowledge threatened by any organization, person, individual, or governmental agency against Seller with respect to the Property or against the Property. Seller also has no knowledge of any pending or threatened application for changes in the zoning applicable to the Property or any portion thereof.

(k) Condemnation. No condemnation or other taking by eminent domain of the Property or any portion thereof has been instituted and, to the Seller's knowledge, there are no pending or threatened condemnation or eminent domain proceedings (or proceedings in the nature or in lieu thereof) affecting the Property or any portion thereof or its use.

(l) Proceedings Affecting Access. There are no pending or, to the Seller's knowledge, threatened proceedings that could have the effect of impairing or restricting access between the Property and adjacent public roads.

(m) Certificates. There are presently in effect permanent

certificates of occupancy, licenses, and permits as may be required for the Property, and to the Seller's knowledge, the present use and occupation of the Property is in compliance and conformity with the certificates of occupancy and all licenses and permits. Within two (2) business days after the effective date of this Agreement, Seller shall provide Purchaser with complete and accurate copies of all such Certificates of Occupancy, licenses and permits which are currently required and known by Seller to relate to the Property and which are in the possession or control of Seller. There are no outstanding written notices or requests of any municipal department, insurance company or board of fire underwriters (or organization exercising functions similar thereto), or mortgagee directed to Seller and requesting the performance of any work or alteration in respect to the Property which has not been complied with.

(n) Compliance With Governmental Requirements. To the Seller's knowledge, there are no violations of law, municipal or county ordinances, or other legal requirements with respect to the Property, and the Improvements thereon comply with all applicable legal requirements with respect to the use, occupancy, and construction thereof, including the Americans with Disabilities Act.

(o) Survey. Seller has heretofore delivered to Purchaser the most current "as-built" survey of the Land and Improvements in the possession or control of Seller.

(p) Initial Utility Charges. All installation and connection charges for utilities serving the Property have been paid in full.

(q) No Liens. All contractors, subcontractors, and other persons or entities furnishing work, labor, materials, or supplies by or at the instance of Seller for the Property

have been paid in full and, other than routine ongoing charges pursuant to the Service Contracts, there are no claims against the Property or Seller in connection therewith.

(r) No Liens Upon Building Service Equipment. None of the fixtures, equipment, apparatus, fittings, machinery, appliances, furniture, furnishings, and articles of personal property attached or appurtenant to, or used in connection with the occupation or operation of, all or any part of the Property are leased by Seller from third parties, and all of same which are owned by Seller, including the Personal Property, are free of any and all liens, encumbrances, charges, or adverse interests, except for the security interest granted to SouthTrust Bank, National Association, which security interest shall be terminated at the time of the Closing.

(s) Employees. There are no employment, collective bargaining, or similar agreements or arrangements between Seller and any of its employees or others which will be binding on Purchaser or any of Purchaser's successors in title.

(t) Bankruptcy. Seller is solvent and has not made a general assignment for the benefit of creditors nor been adjudicated a bankrupt or insolvent, nor has a receiver, liquidator, or trustee for any of

Seller's properties (including the Property) been appointed or a petition filed by or against Seller for bankruptcy, reorganization, or arrangement pursuant to the Federal Bankruptcy Act or any similar Federal or state statute, or any proceeding instituted for the dissolution or liquidation of Seller.

(u) Authorization. Seller is a duly organized and validly existing limited liability company under the laws of the State of Florida. This Agreement has been duly authorized and executed on behalf of Seller, all necessary action on the part of Seller to authorize the transactions herein contemplated has been taken, and no further action is necessary for such purpose, and this Agreement constitutes the valid and binding agreement of Seller, enforceable in accordance with its terms, subject to bankruptcy, insolvency and similar laws affecting generally the enforcement of creditor's rights. Neither the execution and delivery of this Agreement nor the consummation of the transaction contemplated hereby will (i) be in violation of Seller's Articles of Organization or Operating Agreement, (ii) conflict with or result in the breach or violation of any law, regulation, writ, injunction or decree of any court or governmental instrumentality applicable to Seller, or (iii) constitute a breach of any evidence of indebtedness or agreement of which Seller is a party or by which Seller is bound.

(v) Seller Not a Foreign Person. Seller is not a "foreign person" which would subject Purchaser to the withholding tax provisions of Section 1445 of the Internal Revenue Code of 1986, as amended.

As used herein, the term "Seller's knowledge" shall mean the actual present knowledge of David C. Stubbs and Christopher S. Park, without investigation or the need to conduct investigation. At Closing, Seller shall represent and warrant to Purchaser that all such representations and warranties

of Seller in this Agreement remain true and correct in all material respects as of the date of the Closing, except for any changes in any such representations or warranties that occur and are disclosed by Seller to Purchaser expressly and in writing at any time and from time to time prior to Closing upon their occurrence, which disclosures shall thereafter be updated by Seller to the date of Closing. Each and all of the express representations, warranties and covenants made and given by Seller to Purchaser in this Paragraph 8 shall survive the execution and delivery of the Special Warranty Deed by Seller to Purchaser for a period of one (1) year after the Closing whereupon they shall expire, except to the extent that with respect to any particular alleged breach, Purchaser gives Seller written notice prior to the expiration of said one (1) year period of such alleged breach and files an action against Seller with respect thereto within ninety (90) days after the giving of such notice. If there is any material change in any representations or warranties and Seller does not cure or correct such changes prior to Closing, then Purchaser may, at Purchaser's option, (i) close and consummate the transaction contemplated by this Agreement, except that after such closing and consummation Purchaser shall have the right to seek actual monetary damages from Seller not to exceed $500,000.00 for any such changes knowingly and intentionally caused by Seller or any such representations or warranties knowingly and intentionally breached by Seller, or (ii) terminate this Agreement by written notice to Seller, whereupon the Earnest Money shall be immediately returned to Purchaser, and thereafter the parties hereto shall have no further rights or obligations hereunder, except only (1) for such rights or obligations that, by the express terms hereof, survive any termination of this Agreement and (2) that Purchaser shall have the right to seek actual monetary damages from Seller for any changes in such representations and warranties knowingly and intentionally caused by Seller or any such representations and warranties knowingly and intentionally breached by Seller, subject to the limitation set forth in Paragraph 16 hereof.

Except as otherwise expressly provided in this Agreement or in any documents to be executed and delivered by Seller to Purchaser at the Closing, Seller has not made, and Purchaser has not relied on, any representation or warranty, express or implied, regarding the Property, whether made by Seller, on Seller's behalf or otherwise. Purchaser acknowledges (i) that Purchaser has entered into this Agreement with the intention of making and relying upon its own investigation or that of Purchaser's own consultants and representatives with respect to the physical, environmental, and economic condition of the Property and (ii) that Purchaser is not relying upon any statements, representations or warranties of any kind, other than those specifically set forth in this Agreement or in any document to be executed and delivered by Seller to Purchaser at the Closing, made (or purported to be made) by Seller or anyone acting or claiming to act on Seller's behalf. Purchaser shall be provided the right and opportunity to inspect the Property and, subject to the terms and conditions of this Agreement, shall purchase the Property in its "as is" condition, "with all faults".

9. Seller's Additional Covenants. Seller does hereby further covenant and agree as follows:

(a) Operation of Property. Seller hereby covenants that, from the date of this Agreement up to and including the date of Closing, Seller shall: (i) not negotiate with any third party respecting the sale of the Property or any interest therein, (ii) not modify, amend,

or terminate the Lease or enter into any new lease, contract, or other agreement respecting the Property, unless Seller obtains the prior written consent to same from Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed, (iii) not waive any rights of Seller under the Lease or any Service Contract, unless Seller obtains the prior written consent to same from Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed, (iv) not grant or otherwise create or consent to the creation of any easement, restriction, liean, assessment, or encumbrance respecting the Property, unless Seller obtains the prior written consent to same from Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed, and (v) cause the Property to be operated, maintained, and repaired in the same manner as the Property is currently being operated, maintained, and repaired.

(b) Removal of Personal Property. Seller shall neither transfer nor remove any Personal Property or fixtures from the Property after the date of this Agreement except for the purposes of replacement thereof, in which case such replacements shall be promptly installed and shall be comparable in quality to the items being replaced.

(c) Preservation of Lease. Seller shall, from and after the date of this Agreement to the date of Closing, use its best efforts to perform and discharge all of the duties and obligations and shall otherwise comply with every covenant and agreement of the landlord under the Lease, at Seller's expense, in the manner and within the time limits required thereunder. Furthermore, Seller shall, for the same period of time, use diligent and good faith efforts to cause the Tenant under the Lease to perform all of its duties and obligations and otherwise comply with each and every one of its covenants and agreements under such Lease and shall take such actions as are reasonably necessary to enforce the terms and provisions of such Lease. Seller hereby agrees that from and after full execution of this Agreement, Seller shall not draw on or use any "Capital Reserve" funds

paid by Tenant to Seller under Section 3.5 of the Lease unless Seller obtains an acknowledgment from Tenant that Seller is authorized under Section 3.5(b) of the Lease to draw on or use such "Capital Reserve" funds for qualifying capital expenditures under Section 3.5(b) of the Lease.

(d) Insurance. From and after the date of this Agreement to the date and time of Closing, Seller shall, at its expense, continue to maintain the same all-risk fire and extended coverage insurance covering the Property which is currently in force and effect.

(e) As-Built Survey. Seller agrees to obtain at Seller's cost and deliver to Purchaser prior to December 21, 2001, an as-built survey of the Land and Improvements prepared for and certified to Wells Capital, Inc., Wells Operating Partnership, L.P., Bank of America, N.A. and the Title Company by a registered land surveyor approved by Purchaser, which approval shall not be unreasonably withheld. Purchaser hereby approves George F. Young, Inc. as the surveyor. The as-built survey shall comply with the minimum standard detail requirements for urban surveys as adopted in 1999 by the American Land Title Association and American Congress on Surveying and Mapping shall be dated not earlier

than one (1) month prior to Closing, and shall include a certification from the surveyor in the form attached hereto as Exhibit "N" and by reference made a part hereof.

(a) Estoppel Certificates. Seller agrees to use reasonable and diligent efforts in good faith to obtain and deliver to Purchaser the Tenant Estoppel Certificate, the Association Estoppel Certificate and the Andersen Estoppel Certificate duly executed by the applicable signatories thereof and certifying as to the matters set forth in the forms of such estoppel certificates attached to this Agreement.

10. Closing. Provided that all of the conditions set forth in this Agreement are theretofore fully satisfied or performed, it being fully understood and agreed, however, that Purchaser may waive expressly and in writing, at or prior to Closing, any conditions that are unsatisfied or unperformed at such time, the consummation of the sale by Seller and purchase by Purchaser of the Property (herein referred to as the "Closing") shall be held on or before January 15, 2002, at an office in Jacksonville, Florida at the office of Seller's attorney, and at such specific time and date as shall be designated by Purchaser in a written notice to Seller not less than three (3) business days prior to Closing. In the event Purchaser fails to give such Notice of the time, date and place of Closing, the Closing shall occur at 1:30 p.m. on the last date for such Closing as provided above, at the Jacksonville, Florida office of the Seller's attorney.

11. Seller's Closing Documents. For and in consideration of, and as a condition precedent to Purchaser's delivery to Seller of the Purchase Price described in Paragraph 3 hereof, Seller shall obtain or execute, at Seller's expense, and deliver to Purchaser at Closing the following documents (all of which shall be duly executed, acknowledged, and notarized where required and shall survive the Closing):

(a) Special Warranty Deed. A Special Warranty Deed conveying to Purchaser marketable fee simple title to the Land and Improvements,

together with all rights, members, easements, and appurtenances thereof, subject only to the Permitted Exceptions. The legal description set forth in the Special Warranty Deed shall be identical to Exhibit "A" attached hereto. In the event the as-built survey of the Land and Improvements obtained by Seller as provided in Paragraph 9(e) hereof shall differ from the legal description set forth on Exhibit "A" hereto, Seller shall execute and deliver to Purchaser a quitclaim deed containing a legal description based upon such as-built survey;

(b) Bill of Sale. A Bill of Sale conveying to Purchaser marketable title to the Personal Property in the form and substance of Exhibit "O" attached hereto and by this reference made a part hereof;

(c) Blanket Transfer. A Blanket Transfer and Assignment in the form and substance of Exhibit "P" attached hereto and by this reference made a part hereof;

(d) Assignment and Assumption of Lease. An Assignment and Assumption of Lease in the form and substance of Exhibit "Q" attached hereto and by this reference made a

part hereof, assigning to Purchaser all of Seller's right, title, and interest in and to the Leases and the rents thereunder;

(e) Seller's Certificate. A certificate evidencing the reaffirmation of the truth and accuracy of Seller's representations, warranties, and agreements set forth in Paragraphs 8 and 19 hereof;

(f) Seller's Affidavit. A customary Seller's Affidavit in the form of Exhibit "R" attached hereto and by this reference made a part hereof;

(g) FIRPTA Certificate. A FIRPTA Affidavit in the form and substance of Exhibit "S" attached hereto and by this reference made a part hereof;

(h) Surveys and Plans. Such surveys, site plans, plans and specifications, and other matters relating to the Property as are described in subparagraph (a) of the Blanket Transfer and Assignment and are in the possession or control of Seller;

(i) Certificates of Occupancy. Original or Seller certified copies of Certificates of Occupancy for all space within the Improvements, to the extent same are in the possession or control of Seller;

(j) Lease. The original executed counterpart(s) of the Lease in the possession or control of Seller;

(k) Service Contracts. An original executed counterpart of each Service Contract;

(l) Estoppel Certificates. The Tenant Estoppel Certificate, Association Estoppel Certificate and Andersen Estoppel Certificate referred to in Paragraphs 6(e), 6(f) and 6(g) hereof, if and to the extent obtained by Seller and if not previously delivered to Purchaser;

(m) Operating Expense Statements. Statements, certified to be complete and accurate by Seller, of operating expenses and other financial and expense information required in order to compute any escalations of and adjustments in rent, additional rent, operating expenses, and other charges under the Lease;

(n) Limited Liability Company Resolution. A copy of a resolution adopted by the requisite majority in interest of the Members of Seller, certified by an appropriate officer or manager of Seller to be in force and unmodified as of the date and time of Closing, authorizing the execution and delivery of documents required hereunder, and designating and guaranteeing the signatures of the officers or managers of Seller who are to execute and deliver all such documents on behalf of Seller in a form satisfactory to the Title Company;

(o) Keys and Records. All of the keys or access cards to any doors or locks on the Property and the original tenant files and other books and records relating to the Property in Seller's possession or control;

(p) Tenant Notice. Notice from Seller and Purchaser to the Tenant of the sale of the Property to Purchaser in such form as Purchaser shall reasonably approve;

(q) Settlement Statement. A settlement statement setting forth the amounts paid by or on behalf of and/or credited to each of Purchaser and Seller pursuant to this Agreement; and

(r) Other Documents. Such other documents as shall be reasonably required by Purchaser's counsel or the Title Company.

12. Purchaser's Closing Documents. Purchaser shall obtain or execute, at Purchaser's expense, and deliver to Seller at Closing the following documents, all of which shall be duly executed and acknowledged where required and shall survive the Closing:

(a) Blanket Transfer. A Blanket Transfer and Assignment in the form and substance of Exhibit "P" attached hereto;

(b) Assignment and Assumption of Lease. The Assignment and Assumption of Lease in the form and substance of Exhibit "Q" attached

hereto;

(c) Tenant Notice. Notice from Seller and Purchaser to the Tenant of the sale of the Property to Purchaser;

(d) Settlement Statement. A settlement statement setting forth the amounts paid by or on behalf of and/or credited to each of Purchaser and Seller pursuant to this Agreement;

(e) Other Documents. Such other documents as shall be reasonably required by Seller's counsel.

13. Closing Costs. Seller shall pay the cost of the Title Commitment, including the cost of the examination of title to the Property made in connection therewith, the premium for the owner's policy of title insurance issued pursuant thereto (except for any additional cost attributable to the Endorsements), the cost of the as-built survey obtained by Seller as provided in Paragraph 9(e) hereof, the cost of any documentary, transfer or sales tax imposed by the State of Florida or the City or County of Sarasota upon the conveyance of the Property pursuant hereto, the attorneys' fees of Seller, and all other costs and expenses incurred by Seller in closing and consummating the purchase and sale of the Property pursuant hereto. Purchaser shall pay the recording fees on the Special Warranty Deed (and quitclaim deed if required pursuant to Paragraph 11[a] hereof) of the Property from Seller to Purchaser to be recorded in connection with this

transaction, the additional cost of the Title Policy attributable to the Endorsements, the attorneys' fees of Purchaser, and all other costs and expenses incurred by Purchaser in closing and consummating the purchase and sale of the Property pursuant hereto. All other expenses relating to this transaction shall be allocated in the manner customary in Sarasota, Florida.

14. Prorations. The following items shall be prorated and/or credited between Seller and Purchaser as of Midnight preceding the date of Closing:

(a) Rents. Rents, additional rents, operating costs, and other income of the Property (other than security deposits) collected by Seller from the Tenant for the month of Closing. Purchaser shall also receive a credit against the Purchase Price payable by Purchaser to Seller at Closing for any rents or other sums prepaid by the Tenant for any period following the month of Closing, or otherwise. Purchaser shall receive a credit against the Purchase Price payable by Purchaser to Seller at Closing for the entire amount of the "Capital Reserve" paid by the Tenant under the Lease and not theretofore applied to any capital expenses as authorized by Section 3.5(b) of the Lease and Paragraph 9(c) hereof. Seller hereby acknowledges that Purchaser shall not be legally responsible to Seller for the collection of any uncollected rent or other income under the Lease that is past due or otherwise due and payable as of the date of Closing. Purchaser agrees that if (i) Tenant is in arrears on the date of Closing in the payment of rent or other charges under such Tenant's Lease, and (ii) upon Purchaser's receipt of any rental or other payment from the Tenant, such Tenant is, or after application of a portion of such payment will be, current under such Lease in the payment of all accrued rental and other charges that become due and payable on the date of Closing or thereafter and in the payment of any other obligations of the Tenant to Purchaser, then Purchaser shall refund to Seller, out of and to the

extent of the portion of such payment remaining after Purchaser deducts therefrom any and all sums due and owing it from the Tenant from and after the date of Closing, an amount up to the full amount of any arrearage existing on the date of Closing.

(b) Property Taxes. Ad valorem taxes are paid by the Tenant under the Lease and accordingly shall not be prorated between Seller and Purchaser.

(c) Utility Charges. Except for utilities which are the direct responsibility of the Tenant to the applicable public or private utilities supplier, (i) Seller shall pay all utility bills received prior to Closing and shall be responsible for utilities furnished to the Property prior to Closing, and (ii) Purchaser shall be responsible for the payment of all bills for utilities furnished to the Property subsequent to the Closing. Seller and Purchaser hereby agree to prorate as of midnight preceding the date of Closing and pay their respective shares of all utility bills received subsequent to Closing (if they include a service period prior to the date of Closing and are not the responsibility of the Tenant to the applicable public or private utility supplier), which agreement shall survive Closing. Seller shall be entitled to all deposits presently in effect with the utility providers.

(d) Service Contracts. Charges under the Service Contracts shall be prorated as of Midnight preceding the date of Closing.

(e) Other Tenant Charges. Where the Lease contains Tenant obligations for taxes, common area expenses, operating expenses or additional charges of any nature, and where Seller shall have collected on an estimated basis any portion thereof in excess of amounts owed by Seller for such items for the period prior to the date of Closing, then there shall be an adjustment and credit given to Purchaser on the date of Closing for such excess amounts collected. Purchaser shall apply all such excess amounts to the charges owed by Purchaser for such items for the period after the date of Closing, and if required by the Lease, shall rebate or credit Tenant with any remainder. If it is determined subsequent to the Closing that the amount collected during Seller's ownership period exceeded expenses incurred during the same period by more than the amount previously credited to Purchaser at Closing, then Seller shall promptly pay to Purchaser the deficiency. If it is determined subsequent to Closing that the amount collected during Seller's ownership period exceeded expenses incurred during the same period by less than the amount previously credited to Purchaser at Closing, then Purchaser shall promptly pay to Seller the overpayment.

The obligations of the parties under this Paragraph 14 shall survive the Closing. Notwithstanding anything contained in this Agreement to the contrary, if the Closing occurs on the last day of a month, the foregoing items shall be prorated and/or credited between Seller and Purchaser as of Midnight of the date of Closing (instead of Midnight preceding the date of Closing), and in such case (i) the Purchase Price shall be reduced by $5,000.00, and (ii) appropriate changes shall be made in the assumption and indemnity provisions of the Blanket Transfer and Assignment and the Assignment and Assumption of Lease to the end that Seller shall be responsible thereunder for the period through the date of Closing, and Purchaser shall be responsible thereunder for the period after the date of Closing.

15. Purchaser's Default. In the event of default by Purchaser under

the terms of this Agreement, Seller's sole and exclusive remedy shall be to terminate this Agreement, receive the Earnest Money from Escrow Agent as liquidated damages, and receive copies of the "Third Party Reports" from Purchaser, and thereafter the parties hereto shall have no further rights or obligations hereunder whatsoever. It is hereby agreed that Seller's damages will be difficult to ascertain and that the Earnest Money constitutes a reasonable liquidation thereof and is intended not as a penalty, but as fully liquidated damages. Seller agrees that in the event of a default by Purchaser, it shall not initiate any proceeding to recover damages from Purchaser, but shall limit its recovery to the receipt and retention of the Earnest Money and copies of the Third Party Reports. The limitations on Purchaser's liability under this Paragraph 15 shall be inapplicable to the liability of Purchaser for payments, if any, due by Purchaser to Seller under Paragraph 4 hereof. For purposes hereof, the term "Third Party Reports" shall mean the reports, studies, surveys and other information furnished to Purchaser by third parties (excluding Purchaser's attorneys) in connection with the inspection of the Property. The delivery of the Third Party Reports by Purchaser shall be without warranty or representation whatsoever, express or implied, including any warranty as to accuracy or completeness or otherwise.

16. Seller's Default. In the event of default by Seller under the terms of this Agreement, except as otherwise specifically set forth herein, at Purchaser's option: (i) Purchaser shall be entitled to an immediate refund of all but $25.00 of the Earnest Money and to pursue against Seller an action for a specific performance, or (ii) Purchaser may terminate this Agreement by written notice to Seller, whereupon the Earnest Money shall be immediately returned by Escrow Agent to Purchaser, and Seller shall further reimburse to Purchaser the documented out-of-pocket costs and expenses incurred by Purchaser in connection with the proposed acquisition of the Property by Purchaser, not to exceed $50,000.00; provided, however, if Seller knowingly and intentionally breaches any covenant to be performed by Seller under this Agreement or knowingly and intentionally causes any representation or warranty to be untrue or knowingly and intentionally does anything to make impossible or defeat the remedy of specific performance, Purchaser shall be further entitled to seek actual damages from Seller up to a maximum of $500,000.00.

17. Condemnation. If, prior to the Closing, all or any part of the Property is subjected to a bona fide threat of condemnation by a body having the power of eminent domain or is taken by eminent domain or condemnation (or sale in lieu thereof), or if Seller has received notice that any condemnation action or proceeding with respect to the Property is contemplated by a body having the power of eminent domain, Seller shall give Purchaser immediate written notice of such threatened or contemplated condemnation or of such taking or sale, and Purchaser may by written notice to Seller given within fifteen (15) days of the receipt of such notice from Seller, elect to cancel this Agreement. If Purchaser chooses to cancel this Agreement in accordance with this Paragraph 17, then the Earnest Money shall be returned immediately to Purchaser by Escrow Agent and the rights, duties, obligations, and liabilities of the parties hereunder shall immediately terminate and be of no further force and effect, except for the obligations of the parties which are herein expressly stated to survive the termination of this Agreement. If Purchaser does not elect to cancel this Agreement in accordance herewith, this Agreement shall remain in full force and effect and the sale of the Property contemplated by this Agreement, less any interest taken by eminent domain or condemnation, or sale in lieu thereof, shall be effected with no further adjustment and without reduction of the Purchase Price, and at the Closing, Seller shall assign, transfer, and set over to Purchaser 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. At such time as all or a part of the Property is subjected to a bona fide threat of condemnation and Purchaser shall not have elected to terminate this Agreement as hereinabove provided, Purchaser shall be permitted to participate in the proceedings as if Purchaser were a party to the action. Seller shall not settle or agree to any

award or payment pursuant to condemnation, eminent domain, or sale in lieu thereof without obtaining Purchaser's prior written consent thereto in each case.

18. Damage or Destruction. If any of the Improvements shall be destroyed or damaged prior to the Closing, and if either the estimated cost of repair or replacement exceeds Two Hundred Fifty Thousand Dollars ($250,000.00) or the damage is such that the Lease is terminated or terminable at the option of the Tenant (unless the termination option is waived in writing), Purchaser may, by written notice given to Seller within twenty (20) days after receipt of written notice from Seller of such damage or destruction, elect to terminate this Agreement, in which event

the Earnest Money shall immediately be returned by Escrow Agent to Purchaser and the rights, duties, obligations, and liabilities of all parties hereunder shall immediately terminate and be of no further force or effect, except for the obligations of the parties which are herein expressly stated to survive the termination of this Agreement. If Purchaser does not elect to terminate this Agreement pursuant to this Paragraph 18, or has no right to terminate this Agreement (because the damage or destruction does not exceed $250,000.00 and would not give rise to a right by Tenant to terminate its Lease), and the sale of the Property is consummated, Purchaser shall be entitled to receive all insurance proceeds paid or payable to Seller by reason of such destruction or damage under the insurance required to be maintained by Seller pursuant to Paragraph 9(d) hereof (less amounts of insurance theretofore received and applied by Seller to costs actually incurred for restoration). Seller shall not settle or release any damage or destruction claims without obtaining Purchaser's prior written consent in each case. All said insurance proceeds received by Seller by the date of Closing shall be paid by Seller to Purchaser at Closing, together with the lesser of (i) that amount necessary to cover any difference between the amount of such proceeds and the estimated cost of repair or replacement, or (ii) the amount of the deductible under Seller's all-risk property damage insurance policy. In addition, at Closing, Seller shall pay over to Purchaser, and assign to Purchaser, all proceeds of any rent loss insurance for the period of time commencing on the date of Closing. If the amount of said casualty or rent loss insurance proceeds is not settled by the date of Closing, Seller shall execute at Closing all proofs of loss, assignments of claim, and other similar instruments in order that Purchaser receive all of Seller's right, title, and interest in and under said insurance proceeds.

19. Hazardous Substances. To the Seller's knowledge, and based solely on the Existing Environmental Reports (as hereinafter defined) as to matters occurring before the Seller came into ownership of the Property, (i) no "hazardous substances", as that term is defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. (s) 9601, et seq., the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. (s) 6901, et seq., and the rules and regulations promulgated pursuant to these acts, any so-called "super-fund" or "super-lien" laws or any applicable state or local laws, nor any other pollutants, toxic materials, or contaminants have been or shall prior to Closing be discharged, disbursed, released, stored, treated, generated, disposed of, or allowed to escape on the Property, (ii) no asbestos or asbestos containing materials have been installed, used, incorporated into, or disposed of on the Property, (iii) no polychlorinated biphenyls are located on or in the Property, in the form of electrical transformers, fluorescent light fixtures with ballasts, cooling oils, or any other device or form, (iv) no underground storage tanks are located on the Property or were located on the Property and subsequently removed or filled, (v) no investigation, administrative order, consent order and agreement, litigation, or settlement with respect to hazardous substances is proposed, threatened, anticipated or in existence with respect to the Property, and (vi) the Property has not previously been used as a landfill, cemetery, or as a dump for garbage or refuse. As used herein, the term "Existing Environmental Reports"

shall mean the reports and studies listed on Exhibit "T" attached hereto and by
reference incorporated herein. Seller represents to Purchaser that the Existing Environmental Reports constitute all of the environmental reports and studies relating to the Land and Improvements obtained by Seller or any affiliate of Seller or otherwise in the possession or control of Seller. The representations and warranties set forth in this Paragraph 19

shall expressly survive the execution and delivery of the Special Warranty Deed conveying the Land and Improvements from Seller to Purchaser for a period of one (1) year after Closing whereupon they shall expire, except to the extent that with respect to any particular alleged breach, Purchaser gives Seller written notice prior to the expiration of said one (1) year period of such alleged breach and files an action against Seller with respect thereto within ninety (90) days after the giving of such notice.

20. Assignment. This Agreement and Purchaser's rights, duties, and obligations hereunder may not be delegated, transferred, or assigned by Purchaser without the prior written consent of Seller, and any assignee or transferee proposed by Purchaser shall expressly assume all of Purchaser's duties, liabilities and obligations under this Agreement by written instrument delivered to Seller. Notwithstanding the foregoing to the contrary, this Agreement, and Purchaser's rights and duties hereunder, may be freely assigned and transferred to any entity under common control with Purchaser or controlled by Purchaser or to Wells Operating Partnership, L.P., a Delaware limited partnership, or to any partnership having Purchaser or Wells Operating Partnership, L.P. as a direct or indirect general partner. For purposes of this Paragraph 20, the term "control" shall mean a twenty percent (20%) ownership in the applicable entity.

21. Broker's Commission. Upon the Closing, and only in the event of Closing, Seller shall pay to each of Tri-Star Properties, Inc. ("Tri-Star") and CB Richard Ellis, Inc. ("CB") a real estate sales commission in the amount of $80,500.00 as full and complete compensation for the services provided by Tri-Star and CB in connection with the purchase and sale of the Property. Tri-Star and CB each hereby agree that it shall accept the foregoing commission amount ($80,500.00) in full and complete satisfaction of the commission payable to it in connection with the purchase and sale of the Property and that in the event the purchase and sale of the Property is not closed and consummated for any reason whatsoever, then no commission shall have been earned and none shall be payable. Seller shall and does hereby indemnify and hold harmless Purchaser from and against any claim, whether or not meritorious, for any real estate sales commission, finder's fees, or like compensation in connection with the sale contemplated hereby and arising out of any act or agreement of Seller, including any claims asserted by Tri-Star and CB. Likewise, Purchaser shall and does hereby indemnify and hold harmless Seller from and against any claim, whether or not meritorious, for any real estate sales commission, finder's fees, or like compensation in connection with the sale contemplated hereby and arising out of any act or agreement of Purchaser, except any such claims asserted by Tri-Star and CB. This Paragraph 21 shall survive the Closing or any termination of this Agreement.

22. Notices. Wherever any notice or other communication is required or permitted hereunder, such notice or other communication shall be in writing and shall be delivered by overnight courier, by hand, facsimile transmission or sent by U.S. registered or certified mail, return receipt requested, postage prepaid, to the addresses set out below or at such other addresses as are specified by written notice delivered in accordance herewith:

PURCHASER:	Wells Capital, Inc. 6200 The Corners Parkway, Suite 250 Norcross, Georgia 30092 Attn: Joseph H. Pangburn Facsimile: 770-200-8199
with a copy to:	Troutman Sanders LLP Bank of America Plaza, Suite 5200 600 Peachtree Street, N.E. Atlanta, Georgia 30308-2216 Attn: Mr. John W. Griffin Facsimile: 404-962-6577
SELLER:	Sarasota Haskell, LLC 111 Riverside Avenue Jacksonville, Florida 32202 Attn: Christopher S. Park, President Facsimile: 904-791-4699
with a copy to:	Gartner, Brock and Simon 1660 Prudential Drive, Suite 203 Jacksonville, Florida 32207 Attn: Winfield A. Gartner, Esq. Facsimile: 904-399-1113

Any notice or other communication (i) mailed as hereinabove provided shall be deemed effectively given or received on the third (3rd) business day following the postmark date of such notice or other communication, (ii) sent by overnight courier or by hand shall be deemed effectively given or received on the date of delivery, and (iii) sent by facsimile transmission shall be deemed effectively given or received on the first business day after the day of transmission of such notice and confirmation of such transmission.

23. Possession. Possession of the Property shall be granted by Seller to Purchaser on the date of Closing, subject only to the Lease and the Permitted Exceptions.

24. Time Periods. If the time period by which any right, option, or election provided under this Agreement must be exercised, or by which any act required hereunder must be performed, or by which the Closing must be held, expires on a Saturday, Sunday, or holiday, then such time period shall be automatically extended through the close of business on the next regularly scheduled business day.

25. Access to Records Following Closing. Purchaser agrees that for a period of two (2) years following the Closing, Seller shall have the right during regular business hours, on five (5) days' written notice to Purchaser, to examine and review at Purchaser's Norcross, Georgia office,

the books and records relating to the ownership and operation of the Property which were delivered by Seller to Purchaser at the Closing. Likewise, Seller agrees that for a period of two (2) years following the Closing, Purchaser shall have the right during regular business hours, on five (5) days' written notice to Seller, to examine and review at Seller's Jacksonville, Florida office, all books, records, and files, if any, retained by Seller relating to the ownership and operation of the Property prior to the Closing. The obligations of the parties under this Paragraph 25 shall survive the Closing.

26. Intentionally Omitted.

27. Severability. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules, and regulations. If any provision of this Agreement, or the application thereof to any person or circumstance, shall, for any reason and to any extent be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby but rather shall be enforced to the greatest extent permitted by law.

28. Authorization. Purchaser represents to Seller that this Agreement has been duly authorized and executed on behalf of Purchaser and constitutes the valid and binding agreement of Purchaser, enforceable in accordance with its terms, and all necessary action on the part of Purchaser to authorize the transactions herein contemplated has been taken, and no further action is necessary for such purpose.

29. General Provisions. No failure of either party to exercise any power given hereunder or to insist upon strict compliance with any obligation specified herein, and no custom or practice at variance with the terms hereof, shall constitute a waiver of either party's right to demand exact compliance with the terms hereof. This Agreement contains the entire agreement of the parties hereto, and no representations, inducements, promises, or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect. Any amendment to this Agreement shall not be binding upon the parties hereto unless such amendment is in writing and executed by all parties hereto. The provisions of this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, legal representatives, successors, and assigns. Time is of the essence of this Agreement. This Agreement may be executed in multiple counterparts, each of which shall constitute an original, but all of which taken together shall constitute one and the same agreement. The headings inserted at the beginning of each paragraph are for convenience only, and do not add to or subtract from the meaning of the contents of each paragraph. This Agreement shall be construed and interpreted under the laws of the State of Florida. Except as otherwise provided herein, all rights, powers, and privileges conferred hereunder upon the parties shall be cumulative but not restrictive to those given by law. All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender shall include all genders, and all references herein to the singular shall include the plural and vice versa.

30. Radon Gas. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are

exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon testing may be obtained from public health units. Florida Statute 404.036(8).

31. Effective Date. The "effective date" of this Agreement shall be deemed to be the date this Agreement is fully executed by both Purchaser and Seller and a fully executed original counterpart of this Agreement has been received by both Purchaser and Seller.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and their respective seals to be affixed hereunto as of the day, month and year first above written.

"SELLER":

SARASOTA HASKELL, LLC, a
Florida limited liability company

By: Haskell Development, Inc., a Florida corporation, its Manager

By: /s/ Christopher S. Park

Name: Christopher S. Park

Its: President

(CORPORATE SEAL)

"PURCHASER":

WELLS CAPITAL, INC., a
Georgia corporation

By: /s/ Douglas P. Williams

Name: Douglas P. Williams

Its: Senior Vice President

(CORPORATE SEAL)

[Signatures continued on following page]

[Signatures continued from previous page]

The undersigned Tri-Star and CB join in this Agreement for the purpose of confirming their agreement to the terms of Paragraph 21 hereof.

"TRI-STAR ":

TRI-STAR PROPERTIES, INC.

By: /s/ Douglas J. Hannah

Name: Douglas J. Hannah

Title: President

"CB":

CB RICHARD ELLIS, INC.

By: _____

Name: _____

Title: _____

[Signatures continued from previous page]

The undersigned Tri-Star and CB join in this Agreement for the purpose of confirming their agreement to the terms of Paragraph 21 hereof.

"TRI-STAR ":

TRI-STAR PROPERTIES, INC.

By: _____

Name: _____

Title: _____

"CB":

CB RICHARD ELLIS, INC.

By: /s/ Michael B. Harrell

Name: Michael B. Harrell

Title: SR. Vice Pres.

Schedule of Exhibits

Exhibit "A"	-	Description of Land
Exhibit "B"	-	Description of Personal Property
Exhibit "C"	-	Form of Escrow Agreement
Exhibit "D"	-	Documents Delivered to Purchaser Prior to Effective Date
Exhibit "E"	-	Documentation to be Provided to Purchaser within Two (2) Business Days After the Effective Date
Exhibit "F"	-	Tenant Estoppel Certificate Form
Exhibit "G"	-	Association Estoppel Certificate Form
Exhibit "H"	-	Andersen Estoppel Certificate Form
Exhibit "I"	-	Permitted Exceptions
Exhibit "J"	-	Litigation Matters
Exhibit "K"	-	Description of Lease
Exhibit "L"	-	List of Service Contracts

Exhibit "M" - Intentionally Omitted

Exhibit "N" - Form of Surveyor's Certificate

Exhibit "O" - Bill of Sale Form

Exhibit "P" - Blanket Transfer and Assignment Form

Exhibit "Q" - Assignment and Assumption of Lease Form

Exhibit "R" - Seller's Affidavit Form

Exhibit "S" - FIRPTA Affidavit Form

Exhibit "T" - List of Existing Environmental Reports

EXHIBIT "A"

DESCRIPTION OF LAND

Commitment Number 220102644

Exhibit "A"

Parcel 1:

Lot 4, SARASOTA COMMERCE CENTER SUBDIVISION, recorded in Plat Book 34, Page 17, Public Records of Sarasota County, Florida.

LESS: A portion of said Lot 4, described as follows:

Commence at the Northeast corner of said Lot 4; thence, leaving said corner and along the North boundary line of said Lot 4, South 88(degrees) 31(feet) 43(inches) West, 300.48 feet to the Point of Beginning; said point lying on the arc of a curve to the right, whose center bears South 65(degrees) 50(feet) 20(inches) West, 536.01 feet; thence, in a Southerly direction, along the arc of said curve having a radius of 536.01 feet and central angle of 22(degrees) 57(feet) 44(inches), 214.82 feet; thence, along a non-radial line to the last curve, North 83(degrees) 15(feet) 17(inches) West, 236.48 feet to its intersection with the arc of a curve to the left, whose center bears South 89(degrees) 49(feet) 48(inches) West, 491.00 feet; thence, in a Northerly direction, along the arc of said curve, having a radius of 491.00 feet and a central angle of 01(degrees) 16(feet) 41(inches), 10.95 feet to a point of compound curvature of a curve to the left; thence, in a Northwesterly direction, along the arc of said curve, having a radius of 260.00 feet and a central angle of 27(degrees) 20(feet) 56(inches), 124.11 feet to a point of compound curvature of a curve to the left; thence, in a Northwesterly direction, along the arc of said curve, having a radius of 142.00 feet and a central angle of 01(degrees) 08(feet)36(inches), 2.83 feet; thence, along a non-radial line to the last curve, North 45(degrees) 18(feet) 51(inches) East, 62.22 feet; thence North 88(degrees) 31(feet) 43(inches) East, 177.44 feet to the Point of Beginning.

TOGETHER WITH:

A portion of Lots 30 and 31 Palmer Farms First Unit, recorded in Plat Book 2, page 216, Public Records of Sarasota County, Florida, described as follows: Begin at the Northeast corner of Lot 4, Sarasota Commerce Center Subdivision, recorded in Plat Book 34, page 17, Public Records of Sarasota County, Florida, said point also lying on the West boundary line of a 52(feet) wide drainage canal, said line also being the East line of the aforementioned Lot 31; thence, leaving said Northeast corner, and along the North line of said Lot 4, South

88(degrees) 31(feet) 43(inches) West, 300.48 feet to a point lying on the arc of a curve to the left, whose center bears South 65(degrees) 50(feet) 20(inches) West, 536.01 feet; thence, in a Northwesterly direction, along the arc of said curve, having a radius of 536.01 feet and a central angle of 08(degrees) 31(feet) 08(inches), 79.70 feet; thence, along a non-tangent line to the last curve, North 00(degrees) 18(feet) 51(inches) West, 58.05 feet; thence South 89(degrees) 41(feet) 09(inches) East, 339.23 feet to its intersection with the aforementioned East line of said Lot 31 thence, along said East line, South 00 18(feet) 51(inches) West, 116.50 feet to the Point of Beginning.

Parcel 2:

Non-Exclusive ingress and egress and utility easements for the benefit of Parcel 1 over, under and across the land as described in that certain Declaration of Easements filed November 12, 1998 and recorded in Official Records Instrument Number 1998150909, of the Public Records of Sarasota County, Florida.

Parcel 3:

A perpetual, non-exclusive easement for the benefit of Parcel 1 as set forth in Easement between BSRT Commerce Center, LLC, Sarasota Haskell LLC, Arthur Andersen LLP, PFL Life Insurance Company, and SouthTrust Bank, National Association, dated August 4, 1999, recorded as Instrument No. 2000006764, of the Public Records of Sarasota County, Florida.

EXHIBIT 10.122

LEASE AGREEMENT FOR THE ARTHUR ANDERSEN BUILDING

REAL ESTATE LEASE

BETWEEN

ARTHUR ANDERSEN LLP,
and Illinois limited liability partnership

as Tenant

AND

HASKELL SARASOTA, INC.
a Florida corporation

as Landlord

THIS LEASE is made as of this 11/th/ day of November, 1998, between Haskell Sarasota, Inc., a Florida corporation, having an address at 111 Riverside Avenue, Jacksonville, Florida 32202 ("Landlord"), and Arthur Andersen LLP, an Illinois limited liability partnership and having an address at 225 North Michigan Avenue, Chicago, Illinois 60602 ("Tenant"), for the construction and use of a building to be known as The Arthur Andersen Building (the "Building"), which shall be located on the parcel of land located in the County of Sarasota, Florida, described in Exhibit A attached hereto and made a part
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hereof (the "Land"). The Building and the Land and all rights appurtenant thereto are referred to collectively herein as the "Premises."

WHEREAS, Tenant, as the owner of record of the Land as of the date hereof, desires to have the Building constructed on the Land by Landlord and Landlord desires to construct the Building;

WHEREAS, Tenant and Landlord have entered into that certain Ground Lease dated the date hereof, which Ground Lease grants Landlord the authority to construct the Building in accordance with the terms and conditions set forth in this Lease and the Workletter attached hereto;

WHEREAS, upon the completion of the Building, Landlord desires to purchase and Tenant desires to sell to Landlord the Premises under the terms and conditions set forth in the Ground Lease; and

WHEREAS, this Lease sets forth the terms and conditions of Landlord's construction of the Building and certain rights and obligations between the parties prior to and subsequent to the sale of the Premises to Landlord.

NOW, THEREFORE, in consideration of the mutual promises set forth herein and other good and valuable consideration, the parties hereby agree as follows:

SECTION 1
DEFINITIONS

1.1 Defined Terms. For purposes of this Lease, the following terms shall have the following meanings:

"Environmental Laws" shall mean all Legal Requirements relating to Hazardous Substances or the removal thereof.

"Expenses" shall mean all expenses, costs and disbursements (other than Taxes) paid or incurred by Landlord in connection with the ownership, management, maintenance, operation, replacement and repair of the Premises, including, without limitation, all expenses, costs and disbursements paid or incurred by Landlord for steam, water, fuel,

heating, air cooling, elevator maintenance, painting, management fees and expenses, supplies, sundries, sales or use taxes on supplies or services, cost of wages and salaries of all persons engaged in the operation, maintenance and repair of the Premises and all benefits including social security taxes, unemployment insurance taxes, cost for providing coverage for disability benefits, cost of any pensions, hospitalization, welfare or retirement plans or any other cost or expense which Landlord incurs to provide benefits for employees engaged in the operation, maintenance and repair of the Premises, the charges of any independent contractor who, pursuant to an agreement with Landlord or its representatives, does any work in connection with the operation, maintenance or repair of the Premises, accounting expenses, and other legal fees and disbursements incurred by Landlord in connection with the Building and any other expenses or charges, whether or not specifically mentioned herein, which in accordance with generally accepted accounting principles and generally accepted management principles would be considered an expense of maintaining, operating or repairing the Premises. Expenses shall not include the following:

(a) the cost of any item which under generally accepted accounting principles is a capital expense (including lease payments for rental equipment which would constitute a capital expense if purchased rather than leased) which relates to the Building structure, the Building's roof and the Building's electrical, heating, ventilating, air conditioning, plumbing, elevator, fire and safety systems and other mechanical systems (the "Building Systems") or improvement of any Building finishes; provided, however, this subparagraph shall not apply to costs incurred at the request of Tenant where the item requested is not a Landlord obligation under this Lease. Additionally, Expenses shall not include any single capital cost incurred in connection with the Building's management office which is in excess of five thousand dollars ($5,000) unless the same is approved by Tenant;

(b) interest on debt or principal amortization payments or any other payments on any mortgage and rental or any other payments under any ground lease or other underlying lease;

(c) any cost or expense to the extent to which Landlord is paid or reimbursed and/or is entitled to payment or reimbursement from any person (other than as a payment for Expenses), including but not necessarily limited to, (1) work or service performed for Tenant at Tenant's cost and (2) the cost of any item for which Landlord is (or is entitled to be) paid or reimbursed by insurance, warranties, service contracts, condemnation proceeds or otherwise;

(d) management fees in excess of 3% of the aggregate gross amount of (1) Base Rent and (2) the Expenses for the Building;

(e) rents or imputed rents for a management office in the Building unless Tenant specifically requests the presence of the management office in the Building;

(f) depreciation expenses on any fixed assets other than capital maintenance equipment costs;

(g) taxes, operating costs or the cost of any work or services performed for any facility other than the Building;

(h) salaries and bonuses of officers and executives of Landlord (other than persons who are employed at the Building primarily in connection with the management and/or operation of the Building);

(i) the cost of initial cleaning of, and rubbish removal from, the Building to be performed prior to the Rent Commencement Date to the extent that such costs are incurred as part of Landlord's Work, as defined herein and in Exhibit B attached hereto;

(j) Landlord's general home office overhead except as it relates specifically to the actual management of the Building;

(k) the cost of the initial landscaping of the Building to the extent that such costs are incurred as part of Landlord's Work, as defined herein and in Exhibit B attached hereto;

(l) the cost of the initial stock of tools and equipment for operation, repair and maintenance of the Building, which shall be included in the cost of the Building, to the extent that such costs are incurred as part of Landlord's Work, as defined herein and in Exhibit B attached hereto;

(m) any cost included in Expenses representing an amount paid to a person, firm, corporation or other entity related to Landlord which is in excess of the amount which would have been paid on an arm's length basis in absence of such relationship;

(n) any late fees, fines or penalties incurred by Landlord unless caused by Tenant's failure to timely pay for the item;

(o) the cost of correcting initial latent defects in the design, construction or equipment of the Building or any latent defect in the Building discovered during the initial five (5) years of this Lease; and

(p) Landlord's capital stock, transfer, succession, income estate, gift or inheritance taxes.

Expenses shall be determined based on generally accepted accounting principles and generally accepted management principles, consistently applied.

"Hazardous Substances" shall mean those substances included within the definitions of any one or more of the terms "hazardous substances," "hazardous materials," "toxic substances," and "hazardous waste," in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. ss. 9601 et seq., (as amended) and any other similar term in any other similar federal, state or local law, statute, ordinance or regulation in effect from time to time during the Term or any extension thereof and applicable to the Premises.

"Landlord's Work" shall have the meaning set forth in the Workletter, as hereinafter defined, attached hereto and made a part hereof.

"Lease" shall mean this Lease and all amendments, modifications, supplements and replacements thereto.

"Legal Requirements" shall mean all laws, statutes, ordinances (including building codes and zoning regulations and ordinances), orders, rules, regulations, directives and requirements of, and the provisions of all licenses, permits (special or otherwise), approvals and certificates issued by, all federal, state, county and city governments, departments, bureaus, boards, agencies, offices, commissions and other subdivisions thereof, or of any official thereof, or of any other governmental, public or quasi-public authority, whether now or hereafter in force, and all requirements, obligations and conditions of all instruments of record, in each case to the extent applicable to the Premises or any part thereof or the sidewalks, curbs or areas adjacent or appurtenant thereto.

"Manager" shall mean the manager of the Building or any successor, assign or replacement thereof as manager of the Building, which Manager may be an affiliate of Landlord or a third party manager.

"Rent" shall mean Base Rent, Adjustment Rent and any other sums or charges due by Tenant hereunder.

"Superior Lease" shall mean any ground or underlying lease of any portion of the Premises, now or hereafter existing, and all amendments, renewals and modifications to any such lease.

"Superior Lessor" shall mean any lessor under a Superior Lease, and any successors and/or assigns thereof.

"Superior Mortgage" shall mean any mortgage or trust deed now or hereafter encumbering fee title to any portion of the Premises and/or the leasehold estate under any Superior Lease, and all amendments, renewals, modifications and replacements thereof.

"Superior Mortgagee" shall mean any mortgagee or beneficiary under a Superior Mortgage, and any successors and/or assigns thereof.

"Taxes" shall mean all taxes, assessments and fees, including impact fees, levied upon the Premises, the property of Landlord located therein or the rents collected therefrom, by any governmental entity based upon the ownership of the Premises including all real estate taxes, business and occupation taxes, sales taxes, occupational license taxes and similar charges. Taxes shall not include any net income, capital stock, succession, transfer, franchise, gift, estate or inheritance taxes. For the purpose of determining Taxes for any given year, the amount to be included for such year (a) from special assessments payable in installments shall be the amount of the installments (and any interest) due and payable during such year, and (b) from all other Taxes shall be the amount due and payable in such year.

"Workletter" shall mean that certain workletter attached as Exhibit B hereto, setting forth the agreement of the parties regarding Landlord's

Work.

SECTION 2
DEMISE AND TERM

2.1 Demise.

(a) Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises.

(b) Landlord's lease of the Premises to Tenant and Tenant's lease of the Premises from Landlord shall be subject to all of the terms, covenants and conditions set forth in this Lease.

2.2 Term. The Premises shall be leased for a term (the "Term") commencing on the date of this Lease set forth above (the "Effective Date") and expiring on the last day of the tenth (10th) Lease Year (the "Expiration Date"), unless terminated earlier as otherwise provided in this Lease. For purposes hereof, "Lease Year" shall mean each twelve month period commencing with the first day of the calendar month immediately following the Rent Commencement Date (as defined in Section 5.1 herein).

SECTION 3
RENT

3.1 Components of Rent. Tenant agrees to pay the following amounts set forth in subsections (a) and (b) below to Landlord at the office of Landlord as set forth in Section 26 of this Lease or at such other place as Landlord designates from time to time:

(a)(i) Annual base rent ("Base Rent") shall be paid monthly in equal installments in advance on or before the first day of each month of the Term, without demand.

(ii) The parties agree that the Base Rent shall be the following. For purposes hereof, Year 1 shall commence on the Rent Commencement Date:

Year 1:	$1,814,330.00
Years 2&3:	$1,988,454.00
Years 4&5:	$2,067,992.00
Years 6&7:	$2,150,712.00
Years 8&9:	$2,236,740.00
Year 10:	$2,326,210.00

(b) Adjustment rent ("Adjustment Rent") in an amount equal to the Expenses for any calendar year. Prior to the Rent Commencement Date, and for each calendar year thereafter, prior to such calendar year, or as soon as reasonably possible, Landlord shall estimate and notify Tenant of the amount of Adjustment Rent due for such year, and Tenant shall pay Landlord one-twelfth of such estimate on the first day of each month during such year. Such estimate may be revised by Landlord whenever it obtains information relevant to making such estimate more accurate but not more than twice in any calendar year. After the end of each calendar year, Landlord shall deliver to Tenant a report setting forth the actual Expenses and Taxes for such calendar year and a statement of the amount of Adjustment Rent that Tenant has paid and is payable for such year (the "Expense Reconciliation Report"). Landlord shall cause the Expense Reconciliation Report to be delivered to Tenant within ninety (90) days after the end of the applicable calendar year. Within thirty (30) days after receipt of such report, Tenant shall pay to Landlord the amount of Adjustment Rent due for such calendar year minus any payments of Adjustment Rent made by Tenant for such year (an "Expense Deficiency Payment"). In the event that Landlord fails to deliver an Expense Reconciliation Report within the calendar year following the

year for which the Expense Reconciliation Report is to be given, Landlord shall thereafter be precluded from recovering any Expense Deficiency Payment from Tenant for the subject year. If Tenant's estimated payments of Adjustment Rent exceed the amount due Landlord for such calendar year and Tenant requests the Expense Reconciliation Report within ninety (90) days after the expiration of the calendar year following the year for which such Report is to be given, Landlord shall apply such excess as a credit against Tenant's other

obligations under this Lease or promptly refund such excess to Tenant if the Term has already expired.

3.2 Commencement of Tenant's Obligation to Pay Rent. Tenant's obligation to pay Base Rent and Adjustment Rent hereunder with respect to the Premises shall commence on the Rent Commencement Date.

3.3 Payment of Rent. The following provisions shall govern the payment of Rent: (a) if this Lease commences or ends on a day other than the first day or last day of a calendar year or calendar month, respectively, Rent for the year or month in which this Lease so begins or ends shall be prorated and the monthly installments shall be adjusted accordingly; (b) all Rent shall be paid to Landlord without offset, abatement, counterclaim or deduction, except as provided for in this Lease, and the covenant to pay Rent shall be independent of every other covenant in this Lease; (c) any sum due from Tenant to Landlord which is not paid when due shall bear interest from the date due until the date paid at the annual rate of four percentage (4%) points, annualized, above the rate then most recently announced by Bank of America as its prime rate, from time to time in effect, but in no event higher than the maximum rate permitted by law (the "Default Rate"); and, in addition, Tenant shall pay Landlord a late charge equal to five percent (5%) of such payment for any Rent payment which is paid more than five (5) days after notice thereof from Landlord that such payment is overdue (a "Late Charge Notice") (provided, however, that such notice requirement is hereby waived by Tenant from and after such time as (i) a Bankruptcy Event shall have occurred with respect to Tenant or any other event shall have occurred which prohibits or restricts Landlord's right to send a Late Charge Notice to Tenant or (ii) Landlord shall have previously sent two (2) or more Late Charge Notices to Tenant at any time during the Term of this Lease, whereupon such late charge shall be automatically due if a Rent payment is paid more than five (5) days after its due date); (d) [intentionally deleted]; (e) Tenant shall have the right to inspect and/or audit Landlord's accounting records relative to Expenses during normal business hours at any time within one (1) year following the furnishing to Tenant of the annual Expense Reconciliation Report; and, unless Tenant shall take written exception to any item in any such report within such one (1) year period, such report shall be considered as final and accepted by Tenant; (f) in the event that Tenant shall, pursuant to an inspection or audit performed under the foregoing clause (e), discover any error in Landlord's accounting records relative to Expenses and Taxes which resulted in an overpayment of Adjustment Rent by Tenant, Tenant shall be entitled to a credit against the next payment(s) of Rent becoming due hereunder in the amount of such overcharge to Tenant and, if the amount of such overcharge exceeds three percent (3%) of the total amount of Adjustment Rent paid by Tenant for the applicable period to which such overcharge relates, Tenant shall be entitled to reimbursement from Landlord for the reasonable costs and expenses incurred by Tenant in connection with such inspection or audit (or, if such audit is performed directly by Tenant, the reasonable and customary costs and expenses otherwise chargeable by Tenant in connection therewith if such audit had been performed for a third party), which amount shall be paid by Landlord to Tenant within fifteen (15) days after notice thereof to Landlord and delivery to Landlord of invoices or other reasonable documentation verifying the amount of such

reimbursement, provided, however, that such amount shall not exceed five thousand dollars ($5,000) during any calendar year; (g) in the event of the termination of this Lease prior to the determination of any Adjustment Rent, Tenant's agreement to pay any such sums and Landlord's obligation to refund any such sums (provided Tenant is not in default hereunder) shall survive the termination of this Lease; (h) Landlord may at any time change the fiscal year of the Building; (i) each amount owed to Landlord under this Lease for which the date of payment is not expressly fixed shall be due on the same date as the Rent listed on the statement showing such amount is due; and (j) if Landlord fails to give Tenant an estimate of Adjustment Rent prior to the beginning of any calendar year, Tenant shall continue to pay Adjustment Rent at the rate for the previous calendar year until Landlord delivers such estimate, at which time Tenant shall pay retroactively the increased amount for all previous months of such calendar year.

3.4 Payment of Taxes. Tenant shall be responsible for the timely payment of all Taxes accruing on the Premises on and after the Rent Commencement Date. Tenant shall provide Landlord evidence of the payment of Taxes by February 15 of each year, subject to adjustment where the delinquency date is changed by applicable governmental authority, within fifteen (15) days prior to the date they become delinquent. If Tenant fails to pay Taxes when required hereunder, Landlord may pay them on Tenant's behalf and charge Tenant interest at the Default Rate until repaid, unless such failure resulted from Landlord's delay in delivering the tax bill(s) to Tenant.

(a) Any Taxes relating to a fiscal period of any taxing authority falling partially within and partially outside the Term of this Lease, shall be apportioned and adjusted between the Landlord and the Tenant.

(b) With the Landlord's consent and cooperation, the Tenant may defer payment of a Tax so long as the validity or the amount thereof is contested by the Tenant with diligence and in good faith. Provided, however, that the Tenant shall furnish to the Landlord a bond in an amount and on terms satisfactory to the Landlord and shall pay the Tax in sufficient time to prevent delivery of a tax deed, or immediately if a foreclosure action is filed. Such contest shall be at the Tenant's sole cost and expense. The Tenant covenants to indemnify and save harmless the Landlord from any costs or expenses incurred by the Landlord as a result of such contest.

3.5 Capital Reserve Account. (a) Tenant shall pay to Landlord, for each calendar year following the Rent Commencement Date during the Term but not during any Renewal Term hereunder, thirty nine thousand four hundred and twenty six dollars ($39,426) (the "Reserve Contribution"). Tenant shall pay an additional twenty-five cents ($.25) for each square foot of 24 Hour Area (as defined below) beyond those shown on Exhibit C hereto. Tenant shall pay one-twelfth of the Reserve Contribution on the first day of each month during such year. In no event shall Tenant be obligated to pay more than the Reserve Contribution set forth above.

(b) Landlord shall use the Reserve Contribution funds and any interest earned thereon and maintain a segregated capital reserve account ("Capital Reserve") to pay the cost of any item which under generally accepted accounting principles is a capital expense, including lease payments for rental equipment which would constitute a capital expense if purchased rather than leased, and which relates to the maintenance, repair or replacement of the Building structure, the Building's roof or the Building Systems. The Capital Reserve funds may not be used for any costs incurred at the request of Tenant where the item requested is not a Landlord obligation under this Lease. Subject to the foregoing, Landlord may draw on the Capital Reserve at its sole discretion, provided Landlord notifies Tenant within five (5) business days of any such

draw. If Landlord's Capital Reserve expenditures exceed in any Lease Year the Tenant's Reserve Contribution for such year, Landlord may use funds in the Capital Reserve to reimburse itself for Capital Reserve deficiencies in prior years or accumulate such funds in subsequent years to pay costs permitted under this Section 3.5. Landlord shall furnish to Tenant an annual statement accounting for the funds in the Capital Reserve and any contributions or expenditures related thereto. Upon the termination or expiration of this Lease and provided Landlord is not in default hereunder, Landlord shall be entitled to all outstanding amounts in the Capital Reserve as of the date of such termination or expiration. If such termination results from Landlord's default, Tenant shall be entitled to all outstanding amounts in the Capital Reserve.

SECTION 4
COMPLETION OF THE PREMISES

4.1 Condition of the Premises Upon Delivery to Tenant. Landlord, at Landlord's sole cost and expense, shall cause Landlord's Work to be substantially complete on or before October 1, 1999 (the "Target Completion Date"). "Substantially complete" shall mean the improvements which make up Landlord's Work can be used for their intended purposes as evidenced by a certificate of substantial completion provided by the project architect and a certificate of occupancy has been issued for the Premises, except for minor details of construction, decoration or adjustment, commonly referred to as "Punch List Items," which do not interfere with Tenant's occupancy of the Premises for its intended uses. The date Landlord's Work is substantially complete is referred to as the "Substantial Completion Date;"; provided, however, the Substantial Completion Date shall not occur prior to the closing of Landlord's purchase of the Premises from Tenant. The certificate of occupancy described above may be a temporary certificate of occupancy as defined in Section 9(b) of the Workletter. Tenant's remedies for Landlord's failure to achieve the Target Completion Date shall not arise to the extent the delay is attributable to the fault of any Tenant Delays (as defined in the Workletter).

4.2 Possession. Landlord, at its sole cost and expense, shall cause the Building and Premises to be constructed and completed in accordance with the Workletter and shall deliver possession of the Premises to Tenant on a "turnkey" basis by the Target Completion Date.

4.3 Milestone Dates. Landlord shall use its commercially reasonable best efforts to attain Substantial Completion of the Premises by the Target Completion Date. Landlord and Tenant agree that the following are "Milestones" and the dates of such Milestones are referred to collectively as the "Milestone Dates" or individually, a "Milestone Date":

(a) Landlord must give the Contractor "Notice to Proceed" with the Landlord's Work within twenty four (24) hours of the parties' execution of this Lease, and

(b) Landlord or the Contractor must substantially complete the erection of exterior wall tiltup panels of the Building by the date which is 105 days from the date of this Lease, and

(c) Landlord or the Contractor must substantially complete the roof of the Building by the date which is 195 days from the date of this Lease, and

(d) Landlord or the Contractor must substantially complete the windows of the Building by the date which is 270 days from the date of this Lease, and

(e) Landlord or the Contractor must attain Substantial Completion of the Premises by the Target Completion Date.

4.4 Failure to Achieve Milestone. If Landlord has not completed a Milestone by the Milestone Date, then Tenant shall give Landlord notice of Landlord's failure to meet a Milestone Date. Upon Landlord's receipt of Tenant's notice, Landlord shall have sixty (60) days (the "Milestone Review Period") to demonstrate to Tenant that despite Landlord's failure to meet a Milestone Date, Landlord shall be able to achieve Substantial Completion as defined in the Workletter attached hereto by a date not later than one hundred twenty (120) days after the Target Completion Date (the "Outside Date"). If Landlord demonstrates during the Milestone Review Period through the signed affidavit of a third party construction manager, or other reasonable means, that notwithstanding past or current delays Landlord can achieve Substantial Completion by the Outside Date, then the Lease shall remain in full force and effect and Landlord and Tenant shall continue to work toward Substantial Completion. If Landlord is unable to demonstrate to Tenant that Landlord can achieve Substantial Completion by the Outside Date, Tenant may, within fifteen (15) days after the expiration of the Milestone Review Period (the "Termination Period") exercise the remedies set forth in Section 4.6 below.

Failure of Tenant to terminate the Lease during the Termination Period or failure of Tenant to provide Tenant Improvement Plans (as defined in the Workletter) by December 21, 1998, shall waive Tenant's right to exercise its Section 4.6 remedies on account of Landlord's failure to fulfill the relevant Milestone Date.

4.5 Other Defaults. In addition to the failure to achieve a Milestone set forth in Section 4.4, the following events shall constitute defaults by Landlord permitting Tenant to exercise the remedies set forth in Section 4.6:

(a) Landlord, despite having given the Contractor notice to proceed, has not materially commenced construction within thirty (30) days from the execution of this Lease;

(b) Landlord ceases construction for ninety (90) consecutive days after the commencement of construction for causes other than force majeure causes defined in Section 31.9 herein; or

(c) Landlord commits an event of default under the Superior Mortgage and such default is not cured within the lesser of (i) the cure period set forth in the Superior Mortgage and (ii) thirty (30) days.

4.6 Tenant Remedies. If an event occurs which entitles Tenant to the remedies set forth in this Section, Tenant shall give Landlord a notice (the "Termination Notice"). If, prior to delivery of the Termination Notice, Landlord has not purchased the Premises in accordance with the terms and conditions of the Ground Lease, delivery of the Termination Notice shall obligate Landlord to purchase the Premises in accordance with Paragraph 33 of the Ground Lease.

Upon delivery of the Termination Notice, (i) Landlord shall purchase the Premises, and (ii) Tenant may immediately register the stock of Landlord (the "Shares") in Tenant's name, such Shares being pledged to Tenant hereunder and under that certain Pledge Agreement executed in connection herewith. The Shares shall be free and clear of any liens, encumbrances or other pledges for security purposes other than the lien granted to Tenant as provided in Section 4.7 below. By exercising its rights under this Section 4.6, (A) Tenant shall be bound by any mortgages and other encumbrances on the Land, provided Tenant had previously approved such mortgages or encumbrances in writing, and (B) Tenant shall have released the Shareholders of Landlord (the "Shareholders") from any future obligations arising out of this Lease. Landlord and Tenant shall remain liable for all claims, damages or other liability of Landlord arising under this Lease prior to the date of the Termination Notice. The Shareholders shall execute this

Agreement for the purpose of binding them with respect to the covenants contained in Sections 4.6 and 4.7.

4.7 Security Interest in Shares. To secure their obligations hereunder, the Shareholders, upon the execution of this Lease, hereby grant to Tenant a first security interest in the Shares which shall be primary and not subordinate to any other security interests therein. Tenant shall release such security interest only upon the Substantial Completion of the Premises, the purchase of the Premises in accordance with Paragraph 33 of the Ground Lease and the delivery of the Premises to Tenant as set forth in Section 4 herein. The Shareholders agree that

they shall not pledge, mortgage or otherwise transfer the Shares to any party other than to Tenant until Tenant releases its security interest in the Shares. Violation of this covenant shall be a default under this Lease for which Tenant may immediately seek remedies without the giving of notice or an opportunity to cure.

4.8 Failure to Complete by Target Completion Date. If Landlord fails for any reason other than a delay caused by Tenant to achieve Substantial Completion of the Premises by the Target Completion Date, Landlord shall reimburse Tenant, on a monthly basis, from the Target Completion Date until the earlier of (a) the date of Substantial Completion or (b) the date of the Termination Notice set forth in Section 4.6, for (i) the holdover rents Tenant may be required to pay to Tenant's current landlord at Pen West Office Park in Sarasota (the "Current Premises") (or a landlord of any substitute premises if Tenant is required to leave the Current Premises), if such holdover rate for the Current Premises or rental in any substitute premises exceeds the rents now being paid in the Current Premises; provided, however, Landlord shall not be obligated to reimburse Tenant for the first fifteen (15) days of holdover rent and provided further that Landlord's liability shall not exceed One Hundred and Fifty Thousand Dollars ($150,000) per month, (ii) the costs Tenant reasonably incurs to move to any temporary substitute premises and all reasonable expenses which are incurred by Tenant in connection with such move, and (iii) any other costs Tenant reasonably incurs directly arising out of Landlord's failure to achieve Substantial Completion by the Target Completion Date.

4.9 Ground Lease Termination. If the Ground Lease is terminated as a result of Landlord's default thereunder, this Lease shall terminate automatically as of the termination of the Ground Lease.

4.10 Early Completion and Delivery. The Tenant Improvement Allowance shall be reduced by Seventeen Thousand Five Hundred Dollars ($17,500) per week for each "Accelerated Floor" delivered to Tenant, from the delivery of the floor until the Target Completion Date. An "Accelerated Floor" shall mean each entire floor in the Building that Landlord delivers to Tenant prior to the Target Completion Date (i) in a condition whereby the improvements comprising Landlord's Work on such floor can be used for their intended purposes (as evidenced by a certificate of substantial completion delivered to Tenant by the project architect) or (ii) in a condition whereby the Tenant's Work can be commenced therein and where Tenant does, in fact, commence Tenant's Work on such floor. Upon completion of Tenant's Work on a floor, Tenant may occupy such floor for the uses allowed herein once a certificate of occupancy is obtained for such floor. In no event shall the Tenant Improvement Allowance be reduced more than One Hundred Fifty Thousand Dollars ($150,000) in the aggregate for early delivery of the Building's floors. Landlord shall furnish Tenant with notice that Landlord will deliver a certificate from its architect at least forty-eight (48) hours prior to the delivery of the certificate.

SECTION 5
RENT COMMENCEMENT DATE

5.1 Rent Commencement Date. Notwithstanding the Effective Date of this Lease (and subject to the provisions of Section 4 hereof and any rent abatement or offset rights of Tenant explicitly provided for herein, if applicable), Tenant's obligation hereunder to pay Rent in respect of the Premises shall commence on the date which is thirty (30) days after the Substantial Completion Date (the "Rent Commencement Date").

SECTION 6
USE

6.1 Use of the Premises. Tenant agrees that it shall occupy and use the Premises for general office purposes and all uses customarily or incidentally related thereto. Landlord and Tenant acknowledge that the areas of the Premises designated on Exhibit C hereto (the "24 Hour Areas") shall be used for round-the-clock operations; Tenant shall notify Landlord if Tenant wishes to expand the 24 Hour Areas beyond those shown on Exhibit C hereto.

SECTION 7
COMPLIANCE WITH LAWS

7.1 Tenant's Obligations. From and after the Substantial Completion Date, Tenant shall comply with all federal, state and municipal laws, ordinances and regulations and all covenants, conditions and restrictions of record applicable to Tenant's use or occupancy of the Premises. Without limiting the foregoing, Tenant shall not cause, nor permit, any Hazardous Substances to be brought upon, produced, stored, used, discharged or disposed of in, on or about the Premises without the prior written consent of Landlord (other than the storage and/or use of such Hazardous Substances in de minimis amounts which may be present in standard office supplies used in the normal course of Tenant's business) and then, in any such case, only in compliance with all applicable Environmental Laws. Without limiting the generality of the foregoing, Tenant shall not use, occupy or permit the Premises or any part thereof to be used in any manner, or permit anything to be brought into or kept therein, which would (a) violate the provisions of any Superior Lease or Superior Mortgage, (b) interfere with or impair the Building Systems and equipment or the proper cleaning, rubbish removal, heating, ventilating, air conditioning or other services of the Building or the Premises, or (c) violate any Legal Requirement.

7.2 Permits. If any governmental license or permit, other than a Certificate of Occupancy shall be required for the proper and lawful occupancy of the Premises and if failure to secure such license or permit would in any way adversely affect Landlord or the Premises, then Tenant, at its sole expense, shall procure and deliver a copy of such license or permit to Landlord

and thereafter maintain such license or permit. Tenant shall at all times comply with the provisions of each such license and permit.

7.3 Landlord's Obligations. During the Term, Landlord shall, at its sole cost and expense, comply with all Legal Requirements (including, without limitation, the Americans With Disabilities Act ("ADA")) that may require structural or nonstructural modifications to be performed to the Premises,

including, but not limited to, modifications to air quality or power generation in the Building; provided, however, that Tenant shall, at its sole cost and expense, be responsible for compliance with all Legal Requirements in completing the Tenant's Work (as defined in the Workletter) or where such Legal Requirements specifically apply solely by reason of the Tenant's particular use of the Premises or the installation by Tenant of any alterations to the Premises. Landlord hereby represents and warrants that, as of the Substantial Completion Date, the Premises shall fully comply with all existing Legal Requirements.

7.4 Environmental Laws. Landlord represents and warrants that, to the best of its knowledge solely based on the Report of Regulatory Review dated December 1996, Report of Phase I Environmental Site Assessment dated December 1996 and Report of Limited Phase II Environmental Site Assessment dated February 1997, prepared by Law Engineering and Environmental Services, Inc. (the "Reports"), and the representations and warranties of Tenant contained in that certain Ground Lease between Tenant and Landlord dated the date hereof, the Premises have not been used for the production, release or disposal of hazardous or toxic wastes or materials as defined by any federal, state or local law, ordinances or regulation relating to environmental conditions, including but not limited to, soil and groundwater conditions, and that Landlord has not generated, stored, handled or otherwise dealt with a hazardous or toxic waste, substance or material. Tenant acknowledges that it is aware of the environmental status, as described in the Reports, of the property being sold by Tenant to Landlord pursuant to the terms and conditions of the Ground Lease discussed immediately above, as well as the issues, to the extent described in the Reports, regarding the Loral property. Landlord shall at its sole cost and expense comply, and take all necessary actions to cause the Premises to comply, with all applicable federal, state and local requirements relating to the protection of public health, safety and welfare, and with all applicable Environmental Laws relating to the Premises. Landlord is responsible for, and agrees to hold harmless, indemnify and defend Tenant from any and all claims, costs and liabilities related to the presence of toxic or hazardous substances in or on the Premises or the Building caused by Landlord. Tenant shall comply, and take all necessary actions to cause its operations on the Premises to comply, with all applicable federal, state and local requirements relating to the protection of public health, safety and welfare, and with all applicable Environmental Laws relating to the Premises, and shall indemnify Landlord from any and all costs, claims and liabilities related to the presence of toxic or hazardous substances in or on the Premises or Building caused by Tenant, except as may be provided in the Ground Lease.

SECTION 8
CONDITION OF PREMISES

8.1 Satisfactory Condition. Tenant's acceptance of the Premises on the Substantial Completion Date shall be conclusive evidence that the Premises were in good order and satisfactory condition when Tenant took possession, subject to Punch List Items for Landlord's Work not yet completed and latent defects not discoverable from a visual inspection.

SECTION 9
BUILDING SERVICES

9.1 Basic Services. (a) Landlord shall furnish the following services: (i) heating, ventilating and air conditioning to provide a temperature condition and humidity control required for comfortable occupancy of the Building as follows:

The external design conditions will be based on ASHRAE recommendations for Sarasota, Florida: 92F dry bulb and 77F wet bulb for summer; 43F dry bulb

for winter. The interior design conditions will be based on 75F dry bulb and 50% relative humidity for cooling operation and 70F for heating operation. (Relative humidity is not controlled). Office average loads will be based on: 2.0 watts/SF for lighting; 6.0 watts/SF for power; 90 SF/person of net office space at 250 Btuh sensible and 200Btuh latent per person, 20 cfm of outside air per person. Office envelope elements: R20 roof insulation with light color membrane; R13 wall insulation with a medium color finish. Glass at the exterior wall will have a minimum shading coefficient of 0.17, except doors;

(ii) water for drinking, and water for any private restrooms or office kitchen requested by Tenant; and (iii) passenger elevator service (in common with Landlord and other tenants of the Building, if any), twenty-four (24) hours a day, seven (7) days a week. Landlord shall allow Tenant access to the Premises twenty-four (24) hours a day, seven (7) days a week.

(b) In the event that Landlord fails to perform as required under Subsection 9.1(a) hereof, Landlord shall have fifteen (15) days after notice from Tenant to commence performing such obligations. If Landlord shall fail to commence to perform such obligations within such fifteen (15) day period, Tenant may, upon notice to Landlord, perform such obligations of Landlord. In the event Tenant performs such obligations, Landlord shall reimburse Tenant for Tenant's reasonable costs thereof ("Tenant's Maintenance Costs") within thirty (30) days after Tenant delivers to Landlord invoices for Tenant's Maintenance Costs or such other supporting documentation as may be reasonably requested by Landlord. In the event Landlord fails to so reimburse Tenant, Tenant may set off the amount of unreimbursed Tenant's Maintenance Costs and interest thereon at the Default Rate from the next due payment(s) of Rent becoming due hereunder; provided, however, no offset amount may exceed fifteen percent (15%)

of the total Rent due Landlord in any single month. If, because of the foregoing limit, Tenant cannot offset the entire amount of such judgment plus the interest thereon prior to the expiration of the Term, the fifteen percent (15%) cap shall not apply and Tenant shall deduct monthly from Rent an amount which shall amortize the judgment and interest accruing thereon over the balance of the Term.

9.2 Electricity. The Building shall be separately metered for electrical
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use. Electricity shall be provided by the electric utility company serving the Building; and Landlord shall permit Landlord's wire and conduits, to the extent available, suitable and safely capable, to be used for such distribution. Any additional feeders, risers or other equipment necessary to supply Tenant's electrical requirements, upon written request of Tenant, will be installed by Landlord, as part of Landlord's Work, at the sole expense of Tenant. Tenant covenants and agrees that at all times its connected load shall never exceed the capacity of the then existing risers or wiring installations allocable to the Premises. In no event shall Tenant install any fixtures, equipment or machines the use of which, if used in addition to facilities existing at the time of such installation, would result in an overload of the electrical circuits servicing the Building. All electricity used during the performance of janitor service, or the making of any alterations or repairs in the Building or the operation of any special air conditioning systems serving the Premises shall be billed to and paid for by Tenant. Notwithstanding anything to the contrary set forth in Section 9.2 or elsewhere in this Lease, Landlord and Tenant hereby acknowledge that legislative/regulatory changes have been proposed and may be enacted or promulgated during the Term which will affect the utility industry and may provide Landlord and Tenant with opportunities to reduce charges for electric service through direct access to sources of power other than the current electric utility. In the event Tenant desires to purchase power directly from these alternative sources during the Term, Tenant shall have the right and option to do so, and Landlord will use reasonable efforts to assist Tenant in connection therewith, provided that such direct purchase shall not result in capital costs to be incurred by Landlord. In general, Tenant shall pay for any

electricity, gas, water, sewer, heat, cable service or other utility or telecommunication service used in the Premises.

9.3 Telecommunications. Tenant shall arrange for telecommunications service directly with one or more of the companies providing such services and shall be solely responsible for paying for such service. In no event does Landlord make any representation or warranty with respect to telecommunications service in the Building, and Landlord shall have no liability with respect thereto. Landlord shall not charge any fees to any telecommunications services company chosen by Tenant for access to or service in the Building.

9.4 Additional Services. Landlord shall not be obligated to furnish any services other than those stated above. If Landlord elects to furnish services requested by Tenant in addition to those stated above (including services at times other than those stated above), Tenant shall pay one hundred percent (100%) of Landlord's actual cost to furnish such services. If Tenant shall fail to make any such payment, Landlord may, without notice to Tenant and in addition to all other remedies available to Landlord, discontinue any additional services. No

discontinuation of any such additional service shall result in any liability of Landlord to Tenant or be considered as an eviction or a disturbance of Tenant's use of the Premises.

9.5 Tenant Approval Rights. With respect to all maintenance contracts to be entered into by Landlord for the Premises, Landlord shall obtain three (3) bids, unless waived in writing by Tenant, for each such contract from contractors or assembly approved by Tenant and shall select the service provider who, in the opinion of the Manager, best combines the highest level of service with the lowest price.

9.6 Failure or Delay in Furnishing Services.

(a) Landlord reserves the right to interrupt, reduce, curtail or suspend the services furnished by Landlord when necessity therefor arises by reason of required maintenance, accident, labor dispute, riot, insurrection, emergency, mechanical breakdown, acts of God, or when required by any Legal Requirement, or for any other cause beyond the reasonable control of Landlord. In non-emergency situations, Landlord shall furnish Tenant with twenty-four (24) hour prior notice of any reduction in services. Tenant agrees that Landlord shall not be liable for damages for failure or delay in furnishing any service stated above if such failure or delay is caused, in whole or in part, by any one or more of the events stated in the foregoing sentence or other force majeure event described in subsection 31.9 below, nor shall any such failure or delay be considered to be an eviction or disturbance of Tenant's use of the Premises, or relieve Tenant from its obligation to pay any Rent when due or from any other obligations of Tenant under this Lease.

(b) Notwithstanding the provisions contained in Subsection (a) above, or elsewhere in this Lease, in the event that Building services are interrupted rendering all or any portion of the Building untenantable and Tenant actually ceases operations of its business in the affected portion of the Building as a result thereof, then (i) if such condition continues for a period of more than five (5) consecutive business days, Tenant shall be entitled to an abatement of Rent until the earlier of the date on which (x) such services are restored in a manner fit for Tenant's use of the Premises, and (ii) if such services are interrupted for more than ninety (90) days for the entire Building, Tenant shall have the absolute right to terminate this Lease, unless such interruption is the result of casualty, in which case Section 15.2 below shall control.

9.7 Tenant's Services. Tenant shall contract and be responsible for all janitorial, window washing and landscaping services provided for the Premises. Tenant shall also contact and be responsible for the security system and security staff for the Building. Tenant may, at its discretion, install a guard booth, security gates, landscape barriers or other security devices, the design of which shall be subject to Landlord's reasonable approval. Any failure of these services shall not apply to Section 9.6 above, it being expressly recognized that Landlord shall have no liability in connection with services for which Tenant is solely responsible.

9.8 Parking. Tenant shall have the right to designate parking spaces in any parking facilities serving the Building for special use vehicles, Tenant guests or other organizational needs at Tenant's discretion.

SECTION 10
CERTAIN RIGHTS RESERVED TO LANDLORD

10.1 Landlord Rights. Landlord reserves the following rights: (a) to make repairs, decorations, alterations, additions, or improvements, whether structural or otherwise, in and about the Premises, and for such purposes to enter upon the Premises, temporarily close doors, corridors and other areas in the Building provided reasonable access to the Building is maintained; (b) to retain at all times, and to use in appropriate instances, keys to all doors within and into the Premises; and (c) to show or inspect the Premises at reasonable times, provided Landlord, its agents or representatives shall provide Tenant with not less than twenty-four (24) hour advance written notice in each instance prior to its entry upon the Premises, except in cases of emergency. In cases of emergency, Landlord shall use its best efforts to notify Tenant prior to entering upon the Premises. Tenant shall have the right to accompany Landlord, its agents or representatives upon any such entry upon the Premises. Landlord's right to enter shall include the right to show the Premises to prospective tenants in the last year of the Lease, and, if vacated or abandoned, to prepare the Premises for reoccupancy. Notwithstanding the foregoing, and subject to the other provisions of this Lease, Landlord in connection with any action taken pursuant to this Subsection 10.1, shall not materially interfere with Tenant's use and enjoyment of the Premises. All Landlord employees or agents entering into the Premises, except in an emergency, shall conduct themselves in accordance with any of Tenant's rules of conduct, provided Landlord has been given notice of such rules, and Tenant's security system.

SECTION 11
MAINTENANCE AND REPAIRS

11.1 Tenant. Tenant, at its expense, shall maintain and keep the interior of the Building in good order and repair at all times during the Term following the Substantial Completion Date and perform the Tenant services set out in Section 9.7. In the event of a default by Tenant of its obligations under the foregoing sentence, Landlord shall, at Landlord's option, perform any maintenance or make any repairs to the Building as Landlord shall deem necessary or desirable. Landlord shall also (a) perform any maintenance or make any repairs to the portions of the Premises other than the Building as Landlord shall desire for the safety, operation or preservation of the Premises, and (b) perform any maintenance or make any repairs to the Premises as Landlord (x) shall deem necessary for the safety, operation or preservation of the Premises or (y) may be required or requested to do by the County of Sarasota or by the order or decree of any court or by any other proper authority. Tenant shall reimburse Landlord for any such maintenance or repairs of the Premises pursuant to this Section 11.1. All repairs,

restorations and replacements performed by Tenant or at Tenant's direction shall be in conformity with the provisions of this Lease and shall be of a quality and class at least equal to the original work or installations or, if higher, the then standards for the Premises established by Landlord and, in either case, shall be done in a good and workmanlike manner. If Tenant, after written notice from Landlord, fails to meet its obligations under this subsection, Landlord may complete such obligations in a manner consistent with a first-class office building in metropolitan Sarasota and Tenant shall reimburse Landlord for the cost of completing same upon receipt of an invoice from Landlord for the work or repairs, plus interest from the date of payment by Landlord until payment by Tenant, at the Default Rate.

11.2 Landlord. Landlord shall maintain and repair the Building's exterior walls, the public areas of the Premises including parking lots and parking lot lighting, the Building's structure, foundation and roof, the Building's systems, including HVAC systems, electrical systems including the emergency generator for the Building, plumbing, fire protection system and elevators and all other mechanical systems, in a manner required to keep the Building and Premises in accordance with all federal, state and local requirements and shall make all necessary maintenance and structural repairs to the Building to keep the Building in the condition of a first-class office building in the metropolitan area of Sarasota, normal wear and tear excepted. If Landlord, after written notice from Tenant, fails to meet its obligations under this subsection, Tenant may complete such obligations as provided for in Section 9.1(b) above.

SECTION 12
ALTERATIONS

12.1 Requirements. (a) Tenant shall not make any replacement, alteration, improvement or addition to or removal from the Premises (collectively an "alteration") without the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed. Landlord shall respond to Tenant's requests for approval for alterations from time to time within a reasonable period of time (taking into consideration, among other factors, the complexity and scale of the proposed alterations) and, if Landlord withholds consent to any proposed alterations, Landlord shall provide a written response to Tenant setting forth the reasons therefor. Notwithstanding anything contained to the contrary herein, Tenant shall, without Landlord's consent, have the right to make improvements or minor decorations within the Premises, employing contractors selected by Tenant, provided such improvements or decorations are in keeping with the standards of Tenant's existing Premises and do not affect the structure of the Building or any Building systems for which Landlord has maintenance responsibility. In the event Tenant proposes to make any alteration requiring Landlord's consent hereunder, Tenant shall, prior to commencing such alteration, submit to Landlord for prior written consent: (i) detailed plans and specifications; (ii) the names, addresses and copies of contracts for all contractors; (iii) all necessary permits evidencing compliance with all applicable governmental rules, regulations and requirements; (iv) certificates of insurance in form and amounts reasonably required by Landlord (including, without limitation, workers' compensation

insurance and additional personal injury and property damage insurance over and above the insurance required to be carried by Tenant pursuant to Subsection 13.1 hereof) naming Landlord, its managing agent, and any other parties designated by Landlord as additional insureds; and (v) all other documents and information as Landlord may reasonably request in connection with such alteration.

(b) Neither approval of the plans and specifications nor supervision of the alteration by Landlord shall constitute a representation or warranty by Landlord as to the accuracy, adequacy, sufficiency or propriety of such plans and specifications or the quality of workmanship or the compliance of such alteration with applicable law. Landlord may, as a condition of its approval, require Tenant to remove any non-standard office fixtures or equipment at the expiration of the Term. Tenant shall repair, at its sole cost and expense, any damage caused by the removal of such non-standard office fixtures or equipment. The provisions of subsection (e) below shall apply to all non-standard office fixtures and equipment.

(c) Tenant shall pay the entire cost of the alteration.

(d) Each alteration shall be performed in a good and workmanlike manner, in accordance with the plans and specifications approved by Landlord, and shall meet or exceed the standards for construction and quality of materials established by Landlord for the Building. In addition, each alteration shall be performed in compliance with all applicable Legal Requirements and shall be performed at such times and in such manner as Landlord may from time to time reasonably direct. Each alteration shall be compatible with Building systems.

(e) Each alteration, whether temporary or permanent in character, made by Landlord or Tenant in or upon the Premises (excepting only Tenant's furniture, equipment and trade fixtures) shall become Landlord's property and shall remain upon the Premises at the expiration or termination of this Lease without compensation to Tenant. If Tenant installs any alteration without Landlord's consent, or if a permitted condition of such consent was removal, Landlord may, without waiving any other rights or remedies hereunder against Tenant for such breach of the lease, also designate the removal of such alterations at Tenant's expense.

(f) Upon completion of the work, other than decorations, Tenant shall deliver to Landlord two complete sets of construction documents and plans (one set being printed on Mylar) and all certificates indicating final approval thereof from all governmental and insurance authorities having or asserting jurisdiction from which approvals may be required.

12.2 Selection of Contractors and Subcontractors. Tenant's selection of a general contractor and any subcontractors to construct any alterations and any replacement thereof from time to time, shall be subject to the reasonable consent of Landlord, which consent shall not be unreasonably withheld or delayed.

12.3 Liens. Upon completion of any alteration, Tenant shall promptly furnish Landlord with sworn owner's and contractors' statements and full and final waivers of lien covering all labor and materials included in such alteration if requested by Landlord. Tenant shall not permit any mechanic's lien to be filed against the Premises, or any part thereof, arising out of any alteration performed, or alleged to have been performed, by or on behalf of Tenant. If any such lien is filed, Tenant shall within thirty (30) days thereafter have such lien released of record or deliver to Landlord a bond in form, amount, and issued by a surety satisfactory to Landlord, indemnifying Landlord against all costs and liabilities including interest at the Default Rate resulting from such lien and the foreclosure or attempted foreclosure thereof. If Tenant fails to have such lien so released or to deliver such bond to Landlord, Landlord, without investigating the validity of such lien, may pay or discharge the same and Tenant shall reimburse Landlord upon demand for the amount so paid by Landlord, including Landlord's expenses and attorneys' fees and interest at the Default Rate.

INSURANCE

13.1 Tenant's Insurance. (a) Tenant, at its sole cost and expense but for the mutual benefit of Landlord (when used in this Section 13 the term "Landlord" shall include Landlord's partners, beneficiaries, officers, agents, servants and employees and the term "Tenant" shall include Tenant's partners, beneficiaries, officers, agents, servants and employees), agrees to purchase and keep in force and effect during the Term hereof, including any renewal term, the following insurance coverage:

(i) Comprehensive general liability insurance protecting against personal injury and property damage. Any basic policy and any umbrella policy evidencing Tenant's liability insurance shall be written (a) in an aggregate amount of not less than $5,000,000 combined single limit per occurrence; (b) with contractual liability coverage for Tenant's liability (including indemnifications) under this Lease; and (c) with an endorsement naming Landlord and, if required, Landlord's agents, all Superior Mortgagees and Superior Lessors as additional insureds;

(ii) casualty insurance covering the Building and all machinery, equipment and other personal property used in connection with the Building (including leasehold improvements or the property of any tenants of the Building) insuring against the perils covered by fire and extended coverage insurance, in an amount not less than the then current replacement value of the Building;

(iii) Property insurance protecting against fire and other casualty covering all alterations, additions, within the Premises, and on all personal property located in the Premises. Any policy evidencing Tenant's property insurance shall be written (a) with

endorsements for extended coverage, vandalism and malicious mischief; and (b) insuring full replacement value;

(iv) Rent loss insurance covering a loss of rents equal to 100% of Rent for a twelve (12) month period;

(v) Coverage for loss, liability, personal injury, damage or death due to explosion of boilers or other pressure vessels; and

(vi) any other insurance reasonably required by the Superior Mortgagee.

If Tenant fails to obtain any of the above policies or coverage, Landlord may obtain such coverage at Tenant's expense.

(b) Tenant's liability insurance and Tenant's property insurance shall be written by insurers of recognized responsibility licensed to do business in the State of Florida. Such insurance may be evidenced by blanket insurance policies of Tenant. Tenant may self-insure deductibles up to an amount of $1,000,000 in the aggregate except for the coverage set forth in 13.1(a)(ii) above.

(c) Tenant shall, promptly after the commencement of the Term, furnish to Landlord certificates evidencing such coverage, which certificates shall state that such insurance coverage may not be changed or canceled or failed to be renewed without at least ten (10) days' prior written notice to Landlord and Tenant.

(d) It is the intention of the parties hereto that the Tenant shall procure, maintain in force at all times, pay for and deliver to the Landlord all of the insurance hereinabove referred to at such times and in such manner that the Landlord's interest in the Premises shall at all times during the term

hereof be protected and evidenced by, and the Landlord shall be in possession of, valid and binding insurance as herein required. All renewal binders or policies shall be delivered to the Landlord not less than thirty (30) days prior to the expiration of the policy or policies to be renewed.

(e) Unless and to the extent otherwise required by the Landlord at the time of any loss, the loss, if any, under any or all of the policies provided for under Section 13.1 hereof, shall be adjusted with the insurance company or companies by and at the cost of the Tenant, but if the loss shall be in excess of Twenty Thousand ($20,000.00) Dollars, no final adjustment shall be made with the insurance company or companies without the written approval of the Landlord of the amount of the adjustment. The proceeds of any insurance policy shall, subject to the provisions of a Superior Mortgage, belong to the party expending funds for restoration with any excess being payable to the named insured.

13.2 Compliance with Insurance Requirements. Tenant shall not do or permit to be done any act or thing in or upon the Premises which will invalidate or be in conflict with the terms of any insurance policies covering the Premises and the fixtures and property therein. Tenant shall not do or permit anything to be done in or upon the Premises or bring or keep anything therein or use the Premises in a manner which would result in the cancellation of any policy of such insurance or the assertion of any defense by the insurer to any claim under any policy of insurance maintained by Tenant and for the benefit of Landlord.

13.3 Risk of Loss. Notwithstanding anything in this Lease to the contrary or in this Section 13, Landlord and Tenant intend that the risk of loss or damage as described above be borne by responsible insurance carriers to the extent above provided, and Landlord and Tenant hereby agree to look solely to, and to seek recovery only from, the insurance carriers in the event of a loss of a type described above ("Insured Losses") to the extent that such coverage is agreed to be provided hereunder. For this purpose, any applicable deductible amount shall be treated as though it were recoverable under such policies. Landlord and Tenant agree that applicable portions of all monies collected from such insurance shall be used toward the full compliance with the obligations of Landlord and Tenant under this Lease in connection with damage resulting from fire or other casualty. Landlord and Tenant each hereby release and waive all right of recovery against the other, and its respective agents, employees, partners, officers, directors, shareholders and anyone claiming through or under each of them for any loss or damage caused by fire or casualty, whether or not such fire or casualty shall have been caused by the fault or negligence of the other party.

13.4 Indemnification. (a) Subject to the limitations set forth above in Section 13.3, Tenant shall indemnify and defend Landlord, its partners, members, employees and agents and save them harmless from and against any and all loss and against all claims, actions, damages, liability and expenses, in connection with loss of life, bodily and personal injury, or property damage arising from any occurrence in, upon or at the Premises or any part thereof, or occasioned wholly or in part by any act or omission of Tenant, its agents, contractors, employees or invitees or by anyone permitted to be on the Premises by Tenant, except to the extent caused by the gross negligence or willful misconduct of Landlord, its partners, members, employees or agents. In case Landlord, its partners, members, employees or agents shall be made a party to any litigation commenced by or against Tenant, Tenant shall indemnify, defend and hold them harmless and shall pay all costs, expenses, and reasonable attorneys' fees incurred or paid by them in connection with such litigation. The obligations assumed herein shall survive the expiration or sooner termination of this Lease.

(b) Subject to the limitations set forth above in Section 13.3,

Landlord shall indemnify and defend Tenant, its partners, members, employees and agents and save them harmless from and against any and all loss and against all claims, actions, damages, liability and expenses, in connection with loss of life, bodily and personal injury, or property damage arising from any occurrence in, upon or at the Premises occasioned wholly or in part by the gross negligence or willful misconduct of Landlord, its partners, members, agents, contractors,

employees or invitees or by anyone permitted to be on the Premises by Landlord, except to the extent caused by the gross negligence or willful misconduct of Tenant, its partners, members, employees or agents.

In case Tenant, its partners, members, employees or agents shall be made a party to any litigation commenced by or against Landlord as a result of any alleged act or omission by Landlord and not any alleged act or contributory negligence of Tenant, Landlord shall indemnify, defend and hold them harmless and shall pay all costs, expenses, and reasonable attorneys' fees incurred or paid by them in connection with such litigation to the extent such costs are not covered by insurance required herein.

The obligations assumed in this subsection (b) shall survive the expiration or sooner termination of this Lease.

(c) If Landlord or Tenant or their respective agents, invitees or employees are only partially responsible for any such liability, damage, expense or cause of action, then the indemnification under this Section 13 shall apply only to that portion of culpable conduct attributable to Landlord or Tenant (or their respective agents, invitees or employees), as the case may be.

SECTION 14
TENANT'S AND LANDLORD'S RESPONSIBILITIES

Except as expressly provided in the Ground Lease, to the extent permitted by law, Tenant shall assume the risk of responsibility for, have the obligation to insure against, and indemnify Landlord and hold it harmless from, any and all liability for any loss of or damage or injury to any person (including death resulting therefrom) or property occurring in or on the Premises, regardless of cause, except for any loss or damage caused by the gross negligence or willful misconduct of Landlord, and its employees and agents, and Tenant hereby releases Landlord from any and all liability for same.

SECTION 15
FIRE OR OTHER CASUALTY

15.1 Substantial Destruction of the Building. If, following the Substantial Completion Date, the Building should be substantially destroyed by fire or other casualty, either party hereto may at its option, terminate this Lease by giving written notice thereof to the other party within thirty (30) days of such casualty. In such event, Rent shall be apportioned to and shall cease as of the date of such casualty. As used herein "substantially destroyed" shall mean the destruction of that portion of the Building which in the sole discretion of Landlord and the Superior Mortgagee make reconstruction impractical. Notwithstanding the foregoing, Landlord

shall have no duty pursuant to this subsection to repair or restore any portion of the alterations, additions or improvements owned or made by Tenant in the Premises, or any personal property of Tenant, or to expend for any repair or restoration amounts in excess of the insurance proceeds available for repair or restoration provided that Tenant has maintained insurance in amounts not less than the amounts required pursuant to Subsection 13.1 hereof. All insurance

proceeds paid to Tenant in connection with such casualty shall be placed in a construction escrow at a title company acceptable to both parties and the Superior Mortgagee until the disposition of such proceeds is decided in accordance with the provisions of this Section.

(b) Notwithstanding the above, if any casualty to the Building occurs during the last twelve (12) months of the Term of this Lease, either party hereto shall have the right to terminate this Lease as of the date of the casualty, which right shall be exercised by written notice to be given by either party to the other party within thirty (30) days therefrom. If this right is exercised, Rent shall be apportioned to and shall cease as of the date of the casualty. Notwithstanding the foregoing, if Tenant has exercised a right to renew the Lease prior to the occurrence of the casualty, Section 15.1 shall apply.

(c) In the event Landlord undertakes reconstruction or restoration of the Building and/or Premises, Landlord shall use reasonable diligence in completing such reconstruction repairs, but in the event Landlord fails to substantially complete the same within one hundred eighty (180) days from the date of the receipt of insurance proceeds, except as a result of any of the occurrences set forth in Subsection 31.9 below, Tenant may, at its option, terminate this Lease upon giving Landlord thirty (30) days written notice to that effect, unless the repairs are completed within said notice period, whereupon Tenant shall assign all insurance proceeds to Landlord (except those for Tenant's personally) and both parties shall be released from all further obligations and liability hereunder. If the repairs are completed within the 30 day notice period, Tenant's election to terminate shall be null and void.

SECTION 16
CONDEMNATION

16.1 Full Taking. If, following the Substantial Completion Date, all or substantially all of the Premises shall be taken, or a portion of the Building shall be taken so as to prohibit the operation of Tenant's business substantially as conducted prior thereto (a "Full Condemnation"), this Lease shall cease and terminate on the date on which title to the portion of the Premises so taken shall vest in the condemning authority. If this Lease so terminates, Rent shall be paid through and apportioned as of the date of such condemnation.

16.2 Partial Taking. If, following the Substantial Completion Date, a portion of the Premises or Building shall be taken and, notwithstanding such taking, Tenant can continue to operate its business substantially as conducted prior thereto (a "Partial Condemnation"), this Lease shall continue in effect as to the untaken portion and Tenant shall continue to pay all Rent

as required hereunder subject to a reduction in Base Rent and Adjustment Rent in proportion to the portion of the Premises so taken. In the event of a Partial Condemnation, Landlord shall promptly restore the portion not taken to the extent reasonably possible to the condition existing prior to the condemnation. In such event, however, Landlord shall not be required to expend an amount in excess of the proceeds received by Landlord from the condemning authority.

16.3 Condemnation Awards. Following the Substantial Completion Date, Landlord reserves all rights to compensation for any Full Condemnation or Partial Condemnation, except that Tenant may separately prosecute any claim it may have for Tenant's alterations, fixtures and personal property within the Premises and its moving expenses (if they are compensable) provided such prosecution does not interfere with or reduce Landlord's compensation. Tenant hereby assigns to Landlord any right Tenant may have to such compensation, and Tenant shall make no claim against Landlord or the condemning authority for

compensation for termination of the leasehold interest of Tenant under this Lease or interference with Tenant's business.

16.4 Temporary Taking. If, following the Substantial Completion Date, the temporary use or occupancy of all or any part of the Premises shall be lawfully taken by condemnation or in any other manner for any public or quasi-public use or purpose during the Term of this Lease, Tenant shall be entitled, except as hereinafter set forth, to receive that portion of the award for such taking which represents compensation for the use and occupancy of the Premises during the Term and, if so awarded, for the taking of Tenant's alterations, fixtures and personal property within the Premises and for moving expenses, and Landlord shall be entitled to receive that portion which represents reimbursement for the use and occupancy of the Premises following the expiration of the Term. This Lease shall be and remain unaffected by such taking and Tenant shall continue to be responsible for all of its obligations hereunder insofar as such obligations are not affected by such taking and shall continue to pay in full the Base Rent and Adjustment Rent when due. All moneys received by Tenant as, or as part of, an award for the temporary use and occupancy for a period beyond the date to which the rents hereunder have been paid by Tenant shall be delivered to Landlord and applied by Landlord in payment of the rents falling due hereunder.

SECTION 17
ASSIGNMENT AND SUBLETTING

17.1 Landlord's Consent. Tenant shall not, without the prior written consent of Landlord (which consent shall not be unreasonably withheld or delayed as provided in Subsection 17.2 hereof): (a) assign, convey, or otherwise transfer this Lease or any interest hereunder, or sublease the Premises, or any part thereof, whether voluntarily or by operation of law; or (b) permit the use of the Premises by any person other than Tenant and its partners, employees, contractors and agents and permitted transferees. Any such transfer, sublease or use described in the preceding sentence (a "Transfer") occurring without the prior written consent

of Landlord shall be void and of no effect. For the purposes of this Section, each of the following events shall be deemed to constitute a Transfer and shall require the prior written consent of Landlord in each instance: (i) any assignment or transfer of this Lease by operation of law; (ii) any hypothecation, pledge or collateral assignment of this Lease; and (iii) any involuntary assignment or transfer of this Lease in connection with bankruptcy, insolvency, receivership or otherwise. As to hypothecation, pledge or collateral assignment of this Lease, Landlord's approval shall be at its sole discretion. Landlord's consent pursuant to this subsection shall not relieve Tenant of its liability under this Lease.

17.2 Standards for Consent. (a) If Tenant desires the consent of Landlord to a Transfer, then Tenant shall submit to Landlord, at least thirty (30) days prior to the proposed effective date of the Transfer, a written notice which includes such information as Landlord may reasonably require about the proposed Transfer and the transferee, including, without limitation, the terms of the proposed Transfer along with a schedule of all rent and other charges to be paid by the transferee pursuant to such Transfer (collectively, "Transfer Rent"). Landlord shall not unreasonably withhold its consent to any assignment or sublease, which consent or lack thereof shall be provided within thirty (30) days of receipt of Tenant's notice. Landlord shall not be deemed to have unreasonably withheld its consent if, in the judgment of the Landlord: (i) the transferee is of a character or engaged in a business which is not in keeping with the standards or criteria used by Landlord in leasing the Building; (ii) the transferee is a governmental unit; (iii) Tenant is in Default under this Lease; and (iv) in the judgment of the Landlord, such a Transfer would violate

any term, condition, covenant, or agreement of the Landlord involving the Building. Tenant shall not effect any Transfer if the transferee's use violates local zoning laws or ordinances, or if the transferee's use requires more parking than provided on the Premises. Tenant shall pay to Landlord any reasonable attorneys' or other fees and expenses incurred by Landlord in connection with any proposed Transfer, whether or not Landlord consents to such Transfer.

(b) The parties further agree that in lieu of Landlord's giving its written consent to a sublease or assignment, where same is required, Landlord may elect to recapture the Premises and release Tenant from this Lease, provided Tenant desires to sublease all of the Premises or assign the Lease to a party other than an entity described in Section 17.4 below. In the event that Landlord exercises its election to release Tenant from this Lease, Tenant shall thereafter be released from any further obligation under this Lease and shall be deemed to have waived all rights for the payment of any monies due as of the effective date of such release.

17.3 Excess Transfer Consideration. In addition to the other provisions of this Section 17 regarding the limitations on Tenant's rights to consummate a Transfer, it shall be a condition to any Transfer hereunder that Tenant shall pay to Landlord fifty percent (50%) of all Net Transfer Consideration payable during the Term. For purposes hereof, "Net Transfer Consideration" shall mean (a) with respect to subleases, the excess, if any, of (x) the amount of all rent and additional rent or adjustment rent payable according to the terms of the proposed sublease less (y) the amount of Base Rent and Adjustment Rent payable hereunder which is

allocable to the portion of the Premises covered by the Transfer ("Transfer Premises") and (b) with respect to assignments, the gross amount of any consideration in respect of such assignment, less, in either such case (a) or (b), (i) Tenant's actual out-of-pocket costs incurred in partitioning and finishing the portion of the Transfer Premises or the provision of a tenant allowance by Tenant, (ii) any brokerage commission paid by Tenant in connection with such Transfer, (iii) any reimbursement amounts paid to Landlord pursuant to Section 17.2 hereof and (iv) Tenant's attorneys' fees (which expenses identified in clauses (i), (ii), (iii) and (iv) shall be deducted from Net Transfer Consideration as incurred). Payment of Net Transfer Consideration to Landlord shall be made within ten (10) days after receipt thereof by Tenant for which payment is due Landlord. If the Net Transfer Consideration received by Tenant is not in cash or cash equivalent, Tenant shall nevertheless pay to Landlord 50% of the value thereof in cash.

17.4 Transfers Permitted Without Landlord Consent. Notwithstanding any provision of this subsection to the contrary, but subject to all of the other provisions of this Section 17, and provided that Tenant shall not be in default of its obligations under this Lease:

(i) Tenant shall have the right, without the consent of Landlord, to assign this Lease or sublet all or any part of the Premises to any entity controlling, controlled by or under common control with Tenant or, any AWO Affiliate, provided that no such assignee shall further assign this Lease and no such sublessee shall assign or encumber its sublease or further sublet all or any part of the Premises to any person other than an entity controlling, controlled by or under common control with Tenant, except in accordance with the provisions of this Section 17. As used in this Lease, "AWO Affiliate" shall mean any entity which is a party to a Member Firm Interfirm Agreement and is a member of the Andersen Worldwide Organization; and "Andersen Worldwide Organization" shall mean AWO Affiliates collectively and referred to in a consolidated manner.

(ii) Tenant shall have the right, without the consent of Landlord, to

assign this Lease to any entity succeeding to Tenant by merger or consolidation in accordance with applicable statutory provisions for merger or consolidation or by purchase of all or substantially all of Tenant's assets, provided that each such entity succeeding to Tenant's interests hereunder shall have sufficient creditworthiness to perform its obligations under this Lease and a minimum net worth of Fifty Million Dollars ($50,000,000). In connection with any purchase of all or substantially all of Tenant's assets, and effective upon Tenant's compliance with the foregoing, the assignor shall be released from further liability under this Lease.

17.5 Conditions. No assignment or sublease shall be effective unless Tenant shall promptly (and in any event, no later than thirty (30) days after the effective date of an assignment or the commencement of the term of a sublease, as the case may be) deliver to Landlord (a) a duplicate original of the instrument of assignment, containing a written assumption of this Lease by the assignee, or a duplicate original of the sublease, as the case may be, and (b) all other agreements between Tenant and such assignee or subtenant relating to such

assignment or sublease or to any other arrangements between those parties relating to the use and occupancy of all or any portion of the Premises or the fixtures, furniture, equipment or services therein.

17.6 Legal Requirements. Tenant shall be responsible for obtaining all permits and approvals required by any governmental or quasi-governmental agency for any work or otherwise required in connection with any permitted assignment of this Lease or any permitted sublease, and Tenant shall deliver copies of the same to Landlord prior to the commencement of work if work is to be done.

17.7 No Waiver. The consent by Landlord to any assignment or subletting shall not be a waiver of or constitute a diminution of Landlord's right to withhold its consent to any other assignment or subletting and shall not be construed to relieve Tenant from its liability hereunder or from obtaining Landlord's express written consent to any other or further assignment or subletting.

17.8 Default by Tenant.

(a) If the Premises or any part thereof be sublet or occupied by any person or persons other than Tenant, whether or not in violation of this Lease, Landlord may, after default by Tenant, collect rent from the subtenant or occupant and apply the net amount collected to the rent herein reserved, but no such assignment, subletting, occupancy or collection of rent shall be deemed a waiver of the covenants in this Section, nor shall it be deemed acceptance of the assignee, subtenant or occupant as a tenant, or a release of Tenant from the full performance by Tenant of all the terms, conditions and covenants of this Lease.

(b) It shall be a condition to each sublease except to an AWO Affiliate that, in the event of termination or cancellation of this Lease for any reason whatsoever, or of the surrender of this Lease, whether voluntary, involuntary or by operation of law, prior to the expiration date of such sublease (as may be extended or renewed as provided therein), the subtenant shall, if requested by Landlord and at Landlord's option, make full and complete attornment to Landlord for the balance of the term of the sublease.

SECTION 18
LANDLORD'S RIGHT TO PERFORM

TENANT'S OBLIGATIONS

18.1 Landlord's Right to Perform Tenant's Obligations. If Tenant shall default in the performance of any term or covenant on its part to be performed under this Lease, Landlord, without being under any obligation to do so and without thereby waiving such default, may upon the expiration of the period allowed for the cure of such default, if any, provided by this Lease (or with or without such expiration in case of emergency) remedy such default.

Tenant shall reimburse Landlord on demand for all costs, expenses and reasonable interest incurred by Landlord in the performance of Tenant's obligations hereunder plus interest on the unpaid amount at Default Rate.

SECTION 19
SURRENDER

19.1 Condition Upon Surrender. Following the Substantial Completion Date and upon termination of the Term or Tenant's right to possession of the Premises, Tenant shall return the Premises to Landlord in good order and condition, ordinary wear and damage by fire or other casualty excepted. Notwithstanding anything to the contrary in this Section 19 or elsewhere in this Lease, Tenant shall not be required to remove any of the initial tenant improvements in the Premises installed as part of Landlord's Work or any subsequent alterations approved by Landlord, unless removal was a condition of Landlord's approval thereof. Tenant shall remove its furniture, equipment, trade fixtures and all other items of personal property from the Premises prior to termination of the Term or Tenant's right to possession of the Premises. If Tenant does not remove such items, Tenant shall be conclusively presumed to have conveyed the same to Landlord without further payment or credit by Landlord to Tenant; or at Landlord's sole option such items shall be deemed abandoned, in which event Landlord may cause such items to be removed and disposed of at Tenant's expense, which shall be 100% of Landlord's actual cost of removal, without notice to Tenant and without obligation to compensate Tenant.

SECTION 20
DEFAULTS AND REMEDIES

20.1 Tenant Default. The occurrence of any of the following shall constitute a default (a "Default") by Tenant under this Lease: (a) Tenant fails to pay any Rent when due and such failure is not cured within five (5) days after notice from Landlord, which Landlord shall not be obligated to provide more frequently than once in every twelve (12) month period (which notice may be in the form of a Landlord statutory five (5) day notice); (b) Tenant fails to perform any other provision of this Lease and such failure is not cured within thirty (30) days (or immediately if the failure involves a hazardous condition) after notice from Landlord; provided, however, that with respect only to Defaults which cannot be cured by the payment of money but which by their nature can be cured, if a cure thereof cannot reasonably be effected within thirty (30) days, then, so long as Tenant continues to diligently pursue such cure, such cure period shall be extended for such period of time as is reasonably required to effect such cure; (c) the leasehold interest of Tenant is levied upon or attached under process of law; (d) Tenant shall commence proceedings for or take any corporate or partnership action (or its equivalent) authorizing or providing for its dissolution or liquidation; (e) Tenant shall effect a Transfer in violation of the Lease; or (f) (i) Tenant shall commence any case, proceeding or other action 1) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy,

insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or 2) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or Tenant shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against Tenant any case, proceeding or other action of a nature referred to in clause (i) above which 1) results in the entry of an order for relief or any such adjudication or appointment, 2) remains undismissed, undischarged or unbonded for a period of ninety (90) days or 3) in the event of such a case, proceeding or other action which has been bonded within said ninety (90) day period, if such case, proceeding or other action does not remain so bonded thereafter until it is discharged or dismissed; or (iii) there shall be commenced against Tenant any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets, which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within ninety (90) days from the entry thereof or, in the event of such a case, proceeding or other action which has been bonded or stayed within said ninety (90) day period, if such case, proceeding or other action does not remain so bonded or stayed thereafter until it is vacated or dismissed (any such action, proceeding or event described in the foregoing clause (1), a "Bankruptcy Event"); or (iv) Tenant shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set 20.1 forth in clause (i), (ii) or (iii) above; or (v) Tenant shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due.

20.2 Termination of Lease. In the event of a non-monetary Default hereunder by Tenant and the expiration of all applicable grace or cure periods, including the cure period set forth in Section 20.1(b) above, Landlord may serve a written five (5) day notice of cancellation of this Lease upon Tenant, and upon the expiration of said five (5) days, this Lease and the Term hereunder shall end and expire as fully and completely as if the date of expiration of such five (5) day period were the Expiration Date of this Lease. Tenant shall then quit and surrender the Premises to Landlord but Tenant shall remain liable as hereinafter provided.

20.3 Equitable Relief. In the event of a breach or threatened breach by Tenant of any of the covenants or provisions hereof, Landlord shall also have the right to pursue any and all equitable rights available to it under Florida law or otherwise, including, without limitation, specific performance.

20.4 Remedies Upon Default. In the event Landlord shall have given a notice of Default or Tenant shall otherwise be in Default hereunder:

(a) Landlord and Landlord's agents may, pursuant to Florida law re-enter the Premises or any part thereof, and by summary proceedings or otherwise, but not in violation of the Florida law of forcible detainer, dispossess Tenant or the legal representative of Tenant or

other occupant of the Premises and remove their effects without liability for damage thereto and hold the Premises as if this Lease had not been made but Tenant shall remain liable hereunder as hereinafter provided. If permitted under Florida law, Landlord may terminate Tenant's possession of the Premises without terminating the Lease provided Landlord otherwise complies with the provisions of this Section 20; and

(b) Landlord may, at its option, relet the whole or any part or parts

of the Premises from time to time, either in the name of Landlord or otherwise, to such tenant or tenants, for such term or terms ending before, on or after the Expiration Date, at such rental or rentals and upon such other conditions, which may include concessions and free rent periods, as Landlord in its sole discretion may determine. Landlord shall have no obligation to relet the Premises or any part thereof and shall in no event be liable for refusal or failure to relet the Premises or any part thereof, or, in the event of any such reletting, for refusal or failure to collect any rent upon any such reletting, and no such refusal or failure shall operate to relieve Tenant of any liability under this Lease or otherwise to affect any such liability. Landlord, at Landlord's option, may make such repairs, improvements, alterations, additions, decorations and other physical changes in and to the Premises as Landlord considers advisable or necessary in connection with any such reletting or proposed reletting (but not changing the use), without relieving Tenant of any liability under this Lease or otherwise affecting any such liability. Notwithstanding anything to the contrary contained herein, Landlord shall take reasonable measures to mitigate damages against Tenant.

(c) Unless expressly stated herein, Landlord shall have all remedies available under Florida law so long as Landlord follows all required statutory procedures. An election by Landlord under this Section 20.4 shall not be construed as an election of remedies and Landlord may avail itself of any legal and equitable remedies it may otherwise have arising out of Tenant's breach of this Lease.

20.5 Damages. If this Lease shall terminate or if Landlord shall re-enter the Premises as provided in this Section:

(a) Tenant shall pay to Landlord all Rent to the date upon which this Lease shall have been terminated or to the date of re-entry upon the Premises by Landlord, as the case may be;

(b) Landlord shall be entitled to retain all monies, if any, paid by Tenant to Landlord, whether as advance rent, security or otherwise, but such monies shall be credited by Landlord against any rent due at the time of such termination or re-entry or, at Landlord's option, against any damages payable by Tenant;

(c) Tenant shall be liable for and shall pay to Landlord, as damages, any deficiency between the Rent payable hereunder for the period which otherwise would have constituted the unexpired portion of the Term and the net amount, if any, of rents collected under any reletting effected pursuant to the provisions of Subsection 20.4(b) for any part of such period (first deducting from the rents collected under

any such reletting all of Landlord's expenses in connection with the termination of this Lease or Landlord's re-entry upon the Premises and in connection with such reletting including all repossession costs, brokerage commissions, legal expenses, alteration costs and/or tenant improvement contributions and other expenses of preparing the Premises for such reletting);

(d) Any deficiency in accordance with Subsection 20.5(c) above shall be paid in monthly installments by Tenant on the days specified in this Lease for the payment of installments of Base Rent. Landlord shall be entitled to recover from Tenant each monthly deficiency as the same shall arise and no suit to collect the amount of the deficiency for any month shall prejudice Landlord's right to collect the deficiency for any prior or subsequent month by a similar proceeding. Alternatively, suit or suits for the recovery of such deficiencies may be brought by Landlord from time to time at its election;

(e) Whether or not Landlord shall have collected any monthly deficiencies as aforesaid (but not in duplication of such amounts previously collected), Landlord shall be entitled to recover from Tenant, and Tenant shall

pay Landlord on demand, as and for liquidated and agreed final damages and not as a penalty, a sum equal to, a sum of which at the time of such termination of this Lease or at the time of any such re-entry by Landlord, as the case may be, represents the then value (using a discount rate of eight percent (8%) per annum) of the excess, if any, of

(i) the aggregate of the fixed annual Base Rent and Adjustment Rent payable hereunder which would have been payable by Tenant (using a reasonable estimate for Adjustment Rent) for the period commencing with such earlier termination of this Lease and ending with the Expiration Date, had this Lease not so terminated, over

(ii) the aggregate fair market rental value of the Premises for the same period (assuming that any tenant shall pay Adjustment Rent).

(f) In addition to the other damages payable to Landlord as provided herein, Tenant shall also pay to Landlord as damages an amount equal to the reasonable expenses incurred in terminating this Lease and in re-entering the Premises and in securing possession of the Premises, including attorneys' fees, as well as the expenses of re-letting, including altering and preparing the Premises for new tenants, brokers, commissions and attorneys' fees, rent concessions, and all other expenses properly chargeable against the Premises and the rental thereof. All such expenses shall be equitably prorated if the term of the new lease extends beyond the termination date of this Lease. Anything in this Lease to the contrary notwithstanding, if Tenant is in default in any of its obligations hereunder, Landlord shall not be entitled to receive from Tenant any consequential costs or damages incurred by Landlord as a

result of such default. In addition, following Tenant's default Landlord shall use reasonable measures to mitigate any damages arising from Tenant's default

(g) In no event shall Tenant be entitled (i) to receive any excess of any rent under clause (d) over the sums payable by Tenant to Landlord hereunder or (ii) in any suit for the collection of damages pursuant to this subsection, to a credit in respect of any rent from a releting except to the extent that such rent is actually received by Landlord prior to the commencement of such suit. If the Premises or any part thereof should be relet in combination with other space, then proper apportionment on a square foot area basis shall be made of the rent received from such releting and the expenses of releting.

20.6 Covenants. (a) If this Lease shall terminate or if the Landlord shall re-enter the Premises:

(i) The Premises shall be, upon such earlier termination or re-entry, in the same condition as that in which Tenant has agreed to surrender them to Landlord on the Expiration Date;

(ii) Tenant, on or before the occurrence of any default hereunder, shall have performed every covenant contained in this Lease for the making of any alteration or for repairing any part of the Premises; and

(iii) For the breach of either clause (a)(i) or (a)(ii) of this subsection, or both, Landlord shall be entitled immediately, without notice or other action by Landlord, to recover, and Tenant shall pay, as and for agreed damages therefor, the then cost of performing such covenants, plus interest thereon at the Default Rate for the period from the date of the occurrence of any default to the date of payment.

20.7 Bankruptcy. (a) If this Lease is assigned to any person or entity pursuant to the provisions of the Bankruptcy Code, 11 U.S.C. 101 et seq. (the "Bankruptcy Code"), any and all monies or other considerations payable or

otherwise to be delivered in connection with such assignment shall be paid or delivered to Landlord, shall be and remain the exclusive property of Landlord and shall not constitute property of Tenant or of the estate of Tenant within the meaning of the Bankruptcy Code. Any and all monies or other considerations constituting Landlord's property under the preceding sentence not paid or delivered to Landlord shall be held in trust for the benefit of Landlord and be promptly paid to or turned over to Landlord.

(b) If a trustee in bankruptcy shall assume this Lease and shall propose to assign the same pursuant to the provisions of the Bankruptcy Code to any person or entity who shall have made a bona fide offer to accept an assignment of this Lease on terms acceptable to such trustee:

(i) Notice of such proposed assignment setting forth 1) the name and address of such person, 2) all of the terms and conditions of such offer, and 3) the adequate assurance to being provided Landlord to assure such person's future performance under this Lease, including, without limitation, the assurance referred to in section 365(b)(3) of the Bankruptcy Code, shall be given to Landlord by such trustee no later than twenty (20) days after receipt by such trustee, but in any event no later than ten (10) days prior to the date that such trustee shall make application to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption, and Landlord shall thereupon have the prior right and option, to be exercised by notice to Tenant given at any time prior to the effective date of such proposed assignment, to accept an assignment of this Lease upon the same terms and conditions and for the same consideration, if any, as the bona fide offer made by such person, less any brokerage commissions which may be payable out of the consideration to be paid by such person for the assignment of this Lease.

(ii) It is agreed that adequate assurance of future performance by the assignee or transferee permitted under the Bankruptcy Code shall mean the deposit of cash security with Landlord in an amount equal to the sum of six months' Base Rent then reserved hereunder plus an amount equal to one-half of all Adjustment Rent payable under Section 3 hereof or other provisions of this Lease for the calendar year preceding the year in which such assignment is intended to become effective, which deposit shall be held by Landlord, in United States Treasury Bills or Notes or in a certificate of deposit or savings certificate (at Landlord's option) issued by a national bank in the State of Florida, having assets of at least $500,000,000, for the balance of the Term as security for the full and faithful performance of all of the obligations under this Lease on the part of Tenant yet to be performed. Interest earned on such deposit (less 1% per annum on such deposit which shall be retained by Landlord as an administrative fee) shall be paid to or credited to Tenant at the end of each calendar year. In addition, adequate assurance shall mean that any such assignee or transferee of this Lease shall have a net worth (exclusive of goodwill) equal to at least five (5) times the aggregate of the annual Base Rent reserved hereunder plus all Adjustment Rent.

(c) Any person or entity to which this Lease is assigned pursuant to the provisions of the Bankruptcy Code shall be deemed without further act or deed to have assumed all of the obligations arising under this Lease on and after the date of such assignment. Any such assignee shall, upon demand, execute and deliver to Landlord an instrument in recordable form confirming such assumption.

20.8 Remedies Cumulative. The remedies and rights provided for in this Lease are cumulative. Mention in this Lease of any particular remedy shall not preclude Landlord from pursuing any other remedy at law or equity.

20.9 Waiver of Redemption. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws.

20.10 No Waivers by Landlord. The failure of Landlord to seek redress for violation of, or to insist upon the strict performance of, any covenant or condition of this Lease, shall not prevent a subsequent act, which would have originally constituted a violation, from having all the force and effect of an original violation except that Landlord shall not enforce any rules and regulations in a manner which unfairly discriminates against Tenant. The receipt or acceptance by Landlord of Rent with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach. No provision of this Lease shall be deemed to have been waived by Landlord unless such waiver be in writing signed by Landlord. No endorsement or statement on any check or any letter accompanying any check or payment as Rent shall be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy in this Lease.

20.11 WAIVER OF TRIAL BY JURY. LANDLORD AND TENANT WAIVE TRIAL BY JURY IN THE EVENT OF ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER LANDLORD OR TENANT AGAINST THE OTHER IN CONNECTION WITH THIS LEASE.

20.12 Venue. If either Landlord or Tenant desires to bring an action against the other in connection with this Lease, such action shall be brought in the federal or state courts located in Sarasota, Florida. Landlord and Tenant consent to the jurisdiction of such courts and waive any right to have such action transferred from such courts on the grounds of improper venue or inconvenient forum.

SECTION 21
TENANT'S REMEDIES FOR LANDLORD'S DEFAULT

21.1 Tenant's Remedies for Landlord's Default. The occurrence of any of the following shall constitute a default by Landlord under this Lease: (a) Landlord fails to make any payment or apply any credit due Tenant when due and such failure is not cured within thirty (30) days after notice from Tenant; and (b) Landlord fails to perform any other provision of this Lease and such failure is not cured within thirty (30) days (or immediately if the failure involves a hazardous condition) after notice from Tenant; provided, however that, with respect only to defaults which cannot be cured by the payment of money but which by their nature can be cured, if a cure thereof cannot reasonably be effected within thirty (30) days, then, so long as Landlord continues to diligently pursue such cure, such cure period shall be extended for such period of time as is reasonably required to effect such cure. In addition to Tenant's rights contained herein or available in law or at equity, in the event Landlord neglects or fails to comply with any of Landlord's obligations contained in this Lease, and Landlord has not cured within the applicable

cure period set forth above. Tenant may pursue all remedies against Landlord arising out of Landlord's default. In the event Tenant obtains a final judgment against Landlord on account of such default, Tenant may set off the amount of the judgment (including attorneys' fees and expenses, and interest thereon at

the Default Rate) against the next due installments of Rent, provided no offset amount may exceed fifteen percent (15%) of the total Rent due Landlord in any single month. If, because of the foregoing limit, Tenant cannot offset the entire amount of such judgment plus the interest thereon prior to the expiration of the Term, the fifteen percent (15%) cap shall not apply and Tenant shall deduct monthly from Rent an amount which shall amortize the judgment and interest accruing thereon over the balance of the Term. Election by Tenant to offset against Rent pursuant to this Section 21.1 shall not be construed as an election of remedies and Tenant may avail itself of any legal and equitable remedies it may otherwise have arising out of a breach of this Lease by Landlord.

SECTION 22
ESTOPPEL CERTIFICATE

22.1 Tenant Estoppel Certificate. Tenant agrees that, from time to time upon not less than fifteen (15) days' prior request by Landlord, Tenant shall execute and deliver to Landlord a written certificate certifying that the following items are true and correct (or if not true and correct, the reasons therefor): (a) that this Lease is unmodified and in full force and effect (or if there have been modifications, a description of such modifications and that this Lease as modified is in full force and effect); (b) the dates to which Rent has been paid; (c) that Tenant is in possession of the Premises, if that is the case; (d) that Landlord is not in default under this Lease, or, if Tenant believes Landlord is in default, the nature thereof in detail; (e) that Tenant has no off-sets or defenses to the performance of its obligations under this Lease (or if Tenant believes there are any off-sets or defenses, a full and complete explanation thereof); (f) that the Premises have been completed in accordance with the terms and provisions hereof, that Tenant has accepted the Premises and the condition thereof and of all improvements thereto and has no claims against Landlord or any other party with respect thereto; and (g) such additional matters as may be requested by Landlord, it being agreed that such certificate may be relied upon by any prospective purchaser, mortgagee, or other person having or acquiring an interest in the Premises. The failure of Tenant to execute, acknowledge and deliver to Landlord a statement in accordance with the provisions of this section within said fifteen (15) day period shall constitute an acknowledgment by Tenant which may be relied on by any person who would be entitled to rely upon any such statement, that such statement as submitted by Landlord is true and correct provided that Landlord has also sent a second ten (10) day notice requesting such statement.

SECTION 23
SUBORDINATION

23.1 Subordination. Provided that such Superior Mortgagee and/or Superior Lessor shall have entered into an agreement with Tenant (on a form consistent with the terms of this Section 23 and otherwise reasonably satisfactory in form and substance to each of such Superior Lessor or Superior Mortgagee, on the one hand, and Tenant, on the other hand) providing that, in the event of a foreclosure of the Superior Mortgage or a termination of the Superior Lease, as the case may be, such Superior Mortgagee or Superior Lessor shall not terminate this Lease and shall recognize Tenant as the direct tenant of such landlord in accordance with to the terms of this Lease without diminution of Tenant's rights and privileges and without increasing Tenant's duties and obligations under this Lease, this Lease is and shall be expressly subject and subordinate at all times to (a) each Superior Lease and (b) the lien of each Superior Mortgage, unless such Superior Lease or Superior Lessor or Superior Mortgage or Superior Mortgagee expressly provides or elects that the Lease shall be superior to such Superior Lease or Superior Mortgage. In addition, as a condition to Tenant's obligations under this Lease, and prior to the execution of this Lease, each and every existing Superior Mortgagee or Superior Lessor shall execute a non-disturbance agreement in favor of Tenant

providing that, in the event of a foreclosure of the Superior Mortgage or a termination of the Superior Lease, as the case may be, such Superior Mortgagee or Superior Lessor shall not terminate this Lease and shall recognize Tenant as the direct tenant of such landlord in accordance with to the terms of this Lease without diminution of Tenant's rights and privileges and without increasing Tenant's duties and obligations under this Lease.

23.2 Attornment. If the interests of Landlord under this Lease are transferred by reason of, or assigned in lieu of, foreclosure or other proceedings for enforcement of any such Superior Mortgage, or if any Superior Lease shall be terminated then Tenant shall, at the option of such purchaser, assignee or any Superior Lessor, as the case may be, (a) attorn to such party and perform for its benefit all the terms, covenants and conditions of this Lease on Tenant's part to be performed with the same force and effect as if such party were the landlord originally named in this Lease, or (b) enter into a new lease with such party, as landlord, for the remaining Term and otherwise on the same terms and conditions of this Lease except that such successor landlord shall not be:

(i) liable for any previous act, omission or negligence of Landlord under this Lease;

(ii) subject to any counterclaim or defense which theretofore shall have accrued to Tenant against Landlord. Nothing herein shall be construed to limit any right of abatement or offset reserved to Tenant hereunder;

(iii) bound by 1) any modification or amendment of this Lease entered into after the date on which Tenant has been notified of the existence of such Superior Lease

or Superior Mortgage except as specifically provided for herein or 2) any previous prepayment of more than one month's Rent, unless such modification, amendment or prepayment shall have been approved in writing by the superior Lessor or the Superior Mortgagee through or by reason of which such successor landlord shall have succeeded to the rights of Landlord under this Lease;

(iv) liable for any security deposited pursuant to this Lease unless such security has actually been delivered to such successor landlord;

(v) obligated to repair the Premises or any part thereof in the event of total or substantial damage, beyond such repair as can reasonably be accomplished from the net proceeds of insurance actually made available to such successor landlord;

(vi) obligated to repair the Premises or any part thereof in the event of partial condemnation, beyond such repair as can reasonably be accomplished from the net proceeds of any award actually made available to such successor landlord, as consequential damages allocable to the part of the Premises not taken; nor

(vii) obligated to perform any work to prepare or finish the Premises for occupancy by Tenant. Nothing contained in this section shall be construed to impair any right otherwise exercisable by any such owner, holder or lessee.

23.3 Subordination Agreement. Subject to the terms and limitations provided in this Section 23, the foregoing provisions are declared to be self-operative and no further instruments shall be required to effect such subordination and/or attornment; provided, however, that Tenant agrees upon request by any such mortgagee, holder, lessor or purchaser at foreclosure, to execute and deliver such subordination and/or attornment instruments as may be

required by such person to confirm such subordination and/or attornment, or any other documents required to evidence superiority of the ground lease or mortgage, should ground lessor or mortgagee elect such superiority.

SECTION 24
QUIET ENJOYMENT

24.1 Tenant's Right to Quiet Enjoyment. As long as no Default exists, Tenant shall peacefully and quietly have and enjoy the Premises for the Term, free from interference by Landlord, subject, however, to the provisions of this Lease. The loss or reduction of Tenant's light, air or view will not be deemed a disturbance of Tenant's occupancy of the Premises nor will it affect Tenant's obligations under this Lease or create any liability of Landlord to Tenant. Notwithstanding anything contained herein to the contrary, Landlord hereby covenants that (a) the Building shall be operated in a manner consistent with first-class office buildings in the Sarasota, Florida area and (b) so long as Tenant is not in default under this Lease, Tenant shall

and may quietly have, hold and enjoy the Premises and every part thereof leased hereunder free from disturbance by Landlord or its officers, agents, employees, successors, assignees or tenants or by anyone (whether the holder of a lien or otherwise) claiming by, through or under Landlord.

SECTION 25
BROKER

25.1 Broker. Each of Tenant and Landlord represents to the other party that the party making such representation has not dealt with any broker. Each of Tenant and Landlord agrees to indemnify, defend and hold the other party and such party's beneficiaries and agents harmless from and against any claims for a fee or commission made by any broker claiming to have acted by or on behalf of the party making such representation in connection with this Lease.

SECTION 26
NOTICES

26.1 Notices. All notices and demands to be given by one party to the other party under this Lease shall be given in writing, mailed or delivered to Landlord or Tenant, as the case may be, at the following addresses:

Landlord: Haskell Sarasota. Inc.
c/o The Haskell Company
111 Riverside Avenue
Jacksonville, Florida 32202
Attention: Edward C. Vandergriff

with a copy to: Gartner, Brock & Simon
1660 Prudential Drive, Suite 203
Jacksonville, Florida 32207
Attention: W.A. Gartner

Tenant: Arthur Andersen LLP
_____ Arthur Andersen Parkway
Sarasota, Florida 34237
Attention: Office Managing Partner

with a copy to: Arthur Andersen LLP
225 North Michigan Avenue
Chicago, IL 60601
Attention: Managing director, Real Estate

with a copy to: Lord, Bissell & Brook
115 South LaSalle Street
Chicago, Illinois 60603
Attention: D. Scott Hargadon

Either party may change its address by notice to the other party. Notices shall be delivered by hand or by United States certified or registered mail, postage prepaid, return receipt requested, or by a nationally recognized overnight air courier service. Notices shall be considered to have been given upon the earlier to occur of actual receipt, five (5) business days after posting in the United States mail, or one (1) business day after deposit with an overnight courier.

SECTION 27
ROOFTOP COMMUNICATIONS EQUIPMENT

27.1 Right to Install Antenna. In addition to the other rights granted by this Agreement, Tenant shall have the right but not the obligation, during the Term or any renewal thereof to install, maintain and operate a reception-only satellite dish antenna no more than one (1) meter in diameter, mounted on a non-penetrating structure, and related plenum-rated cabling (collectively, the "Antenna") on the Building's roof (the "Roof") in a location mutually agreed upon by Landlord and Tenant (the "Antenna Site") but only on antenna mounts provided for this purpose. Tenant may also use the Building's risers, conduits and towers, subject to reasonable space limitations and Landlord's requirements for use of such areas, for purposes of installing cabling from the Antenna to the Premises in the interior of the Building. Tenant shall pay no additional charge for the rights granted by this Section 27.1, the Rent being paid and rights granted under the Lease being considered adequate consideration.

27.2 Installation, Maintenance, Operation and Removal of the Antenna. Tenant shall install and maintain the Antenna and related cabling at its expense. Tenant shall have access to the Antenna Site at all times, subject to any reasonable restrictions of Landlord. The installation of the Antenna shall be completed in a workmanlike manner and in accordance with all applicable laws and regulations. At the termination of this Lease (whether upon the Expiration Date or otherwise) Tenant shall, at Tenant's sole cost and expense, remove the Antenna and restore the Antenna Site to the condition it was prior to installation of the Antenna.

SECTION 28
ASSOCIATION MATTERS

28.1 The Premises are part of a development called the Sarasota Commerce Center, which is, pursuant to the Declaration of Covenants and Restrictions thereof, governed by the Sarasota Commerce Center Owner's Association (the "Association"). So long as Tenant is not in Default under this Lease, Tenant shall direct Landlord how to vote with regard to all

Association matters other than those affecting the use of the Premises or improvements on or to the Premises. Landlord shall forward all Association correspondence and documents to Tenant for Tenant's review. Tenant, so long as it is in possession of the Premises, shall pay all Association dues and costs assessed to the Premises.

SECTION 29
MANAGEMENT OF THE BUILDING

29.1 Management of the Building. (a) Landlord shall at all times cause its

manager, which may be an affiliate of Landlord, to manage the Building in a standard which is consistent with management standards for comparable first class office buildings located in Sarasota, Florida (the "Applicable Management Standards").

(b) Landlord shall have the right at any time and from time to time to replace the Manager so long as any substitute Manager subsequently engaged by Landlord shall manage the Building in accordance with the Applicable Management Standards.

(c) The Manager shall obtain the approval of the Landlord for and then furnish Tenant with the proposed yearly budget for maintenance of the Building at least sixty (60) days prior to January 1 of each calendar year. Tenant shall have fifteen (15) business days from receipt thereof to disapprove of said budget; if Tenant disapproves of the budget, Landlord and Tenant agree to negotiate in good faith to resolve the issue or issues. Unless and until a budget is approved by Tenant, Manager shall maintain the Building in accordance with the previous year's budget.

29.2 Replacement of Manager. In the event that at any time after the first anniversary of the Substantial Completion Date Tenant deems in its sole discretion that the Manager has failed to manage the Building substantially in accordance with the Applicable Management Standards, then Tenant shall have the right, upon notice to Landlord, to require Landlord to replace the Manager in accordance with the terms hereof. Any such replacement Manager (a "Replacement Manager") shall be selected by Tenant. It shall be a condition to the selection or approval of any Replacement Manager that such Replacement Manager shall be ready, willing and able to perform the management of the Building in accordance with the Applicable Management Standards and, unless otherwise waived by Landlord, that such Replacement Manager shall agree to execute a management agreement with Landlord on market terms (including management fees and other compensation and payments to be made to the manager thereunder) and such other reasonable and appropriate terms as Landlord shall require. At Landlord's election, the prior Manager shall continue to manage the Building until the Replacement Manager is selected as provided herein.

SECTION 30
TENANT FINANCIAL DISCLOSURE

Tenant agrees that for the period beginning on the date hereof and ending on the earlier of (a) the occurrence of the Initial Financing Event defined below and (b) the date which is six (6) months after the date of this Lease (such period being called the "Initial Financial Reporting Period"), Tenant shall, upon reasonable prior notice, provide to the lender participating in the Initial Financing Event or not less than two prospective lenders, access to summary financial information of Tenant. "Initial Financing Event" shall mean the first closing and funding to Landlord with a Superior Mortgagee for the purpose of funding the construction of the Building. Tenant shall have no duty to disclose financial information to any party which is (x) a client of Tenant or (y) in litigation with Tenant. After the expiration of the Initial Financial Reporting Period, Tenant shall make no more than two financial disclosures per calendar year to any prospective purchaser or mortgagee of the Building.

SECTION 31
MISCELLANEOUS

31.1 Successors and Assigns. Subject to Section 17 of this Lease, each provision of this Lease shall extend to, bind and inure to the benefit of Landlord and Tenant and their respective legal representatives, successors and assigns; and all references herein to Landlord and Tenant shall be deemed to include all such parties.

31.2 Entire Agreement. This Lease, and the riders and schedules and exhibits, if any, attached hereto which are hereby made a part of this Lease, represent the complete agreement between Landlord and Tenant; and Landlord has made no representations or warranties except as expressly set forth in this Lease. No modification or amendment of or waiver under this Lease shall be binding upon Landlord or Tenant unless in writing signed by Landlord and Tenant.

31.3 Time of Essence. Time is of the essence of this Lease and each and all of its provisions.

30.4 Execution and Delivery. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of space or an option for lease, and it is not effective until execution and delivery by both Landlord and Tenant.

31.5 Severability. The invalidity or unenforceability of any provision of this Lease shall not affect or impair any other provisions.

31.6 Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of Florida.

31.7 Attorneys' Fees. (a) Tenant shall pay to Landlord all costs and expenses, including reasonable attorneys' fees, incurred by Landlord in enforcing this Lease (but only to the extent such enforcement action against Tenant results in a final judgment or settlement in favor of Landlord) or incurred by Landlord as a result of any litigation to which Landlord becomes a party as a result of this Lease (other than enforcement actions in connection with this Lease). This provision shall inure only to Landlord and Tenant and their respective successors and permitted assigns, if any.

(b) Landlord shall pay to Tenant all costs and expenses, including reasonable attorneys' fees, incurred by Tenant in enforcing this Lease (but only to the extent such enforcement action against Landlord results in a final judgment or settlement in favor of Tenant). This provision shall inure only to Landlord and Tenant and their respective successors and permitted assigns, if any.

31.8 Intentionally deleted.

31.9 Force Majeure. Except as set forth in Section 4.2, Landlord shall not be in default hereunder and Tenant shall not be excused from performing any of its obligations hereunder if Landlord is prevented from performing any of its obligations hereunder due to any accident, breakage, strike, shortage of materials, acts of God or other causes beyond Landlord's reasonable control. The foregoing provision shall not, however, limit Tenant's specific rights to abatement of Rent in accordance with the terms of this Lease.

31.10 Captions. The headings and titles in this Lease are for convenience only and shall have no effect upon the construction or interpretation of this Lease.

31.11 No Waiver. No receipt of money by Landlord from Tenant after termination of this Lease or after the service of any notice or after the commencing of any suit or after final judgment for possession of the Premises

shall renew, reinstate, continue or extend the Term or affect any such notice or suit. No waiver of any default of Tenant shall be implied from any omission by Landlord to take any action on account of such default if such default persists or be repeated, and no express waiver shall affect any default other than the default specified in the express waiver and then only for the time and to the extent therein stated.

31.12 Limitation of Liability of Landlord. From and after the Substantial Completion Date, any liability of Landlord under this Lease shall be limited solely to its interest in the Premises, and in no event shall any personal liability be asserted against Landlord or any member or partner thereof, in connection with this Lease nor shall any recourse be had to any other property or assets of Landlord. The term "Landlord" as used in this Lease shall mean only the owner or lessor for the time being of the Building, so that in the event of any conveyance of

such interest and the transfer to the transferee of any funds then being held under this Lease by such owner, Landlord shall be and hereby is entirely freed and relieved of any and all obligations of Landlord hereunder thereafter accruing, and it shall be deemed without further agreement between the parties and such grantee(s) that the grantee has assumed and has agreed to perform all obligations of Landlord hereunder.

31.13 Limitation of Liability of Tenant. Notwithstanding anything to the contrary herein, Landlord acknowledges that Tenant is a limited liability partnership. Landlord expressly agrees that any liability of Tenant arising out of or in connection with this Lease or the relationship of Landlord and Tenant, and the ability of Landlord to recover damages or other relief under this Lease, shall be limited solely to the assets of Tenant. In no instance whatsoever shall any present, past or future partner, manager or employee of Tenant have any individual liability to Landlord for the satisfaction of any obligations or liabilities of Tenant under this Lease, all such individual liability, if any, being expressly, unconditionally and irrevocably waived and released by Landlord. Tenant's assets shall not include the capital accounts of any individual partner of Tenant. Notwithstanding the foregoing, if Tenant is comprised of more than one entity, each such entity shall be jointly and severally liable for Tenant's obligations under this Lease (subject to the foregoing limitation on liability with respect to individual partners, managers and employees of Tenant). The provisions of this subsection may not be waived by any partner, manager or employee of Tenant or by any actions or inaction of Tenant.

31.14 Waiver of Lien on Working Papers. Landlord agrees it will not seek to place a lien against the files or records of Tenant or Tenant's clients or against Tenant's work product. Landlord waives all such rights, whether arising under common or statutory law.

31.15 Confidentiality. Landlord agrees it shall not disclose the terms and/or conditions of this Lease to any third party other than (a) a Superior Mortgagee or other secured lender of Landlord or any affiliate thereof or (b) any prospective Superior Mortgagee, secured lender or other financing source of Landlord or any affiliate thereof except as required by law, or by governmental regulation, requirement or order, or as may be necessary to establish or assert its rights hereunder. Except as otherwise provided under Subsection 31.17, Landlord also agrees that it shall not use Tenant's name or trademark in any of its promotional or marketing efforts without Tenant's prior written approval in each instance. Tenant acknowledges and agrees that Landlord may identify the name of Tenant and the name of the Building as set forth in Subsection 31.17 hereof in promotional and marketing efforts of Landlord and in financing, refinancing and resale efforts of Landlord.

31.16 Landlord's Entry. Landlord, its agents or representatives shall provide Tenant with not less than twenty four (24) hour advance written notice in each instance prior to its entry upon the Premises, except in cases of emergency or routine janitorial service. In cases of emergency, Landlord shall use its best efforts to notify Tenant prior to entering upon the Premises. Tenant shall have the right to accompany Landlord, its agents or representatives upon any such entry upon the Premises. Tenant reserves the right from time to time to designate high

security areas into which Landlord, its agents or representatives may not enter without being accompanied by an employee of Tenant, except in an emergency.

31.17 Building Name and Signage. (a) Subject to applicable zoning rules and regulations in effect from time to time, Tenant shall have exclusive Building and monument signage privileges. Landlord shall, at the direction of Tenant and at Tenant's sole cost and expense, place a sign on or about the Building at locations selected by Tenant (subject to reasonable approval of Landlord) identifying the Building and a sign within the Building at locations selected by Tenant (subject to reasonable approval of Landlord) identifying the Premises, in each such case, as "The Arthur Andersen Building" (or such other name incorporating the name of Tenant as the parties shall mutually agree).

(b) Landlord and Tenant agree to use the name "The Arthur Andersen Building" (or such other name incorporating the name of Tenant as the parties shall mutually agree) in all material correspondence and leasing, marketing or other promotional material related to the Building.

(c) Landlord agrees that the Building will not be named for any firm or entity whose primary business is to provide accounting, consulting or tax services or for any firm or entity whose name is the same or phonetically similar to Tenant's.

31.18 Entrance Doors. Landlord agrees that Tenant shall have the right to install its standard entrance doors and graphics at any entrance to the Premises during the Term and to remove such doors and graphics during the Term and within a reasonable time after the end of the Term. Said entrance doors and graphics shall at all times remain the personal property of Tenant. 31.19 Recording. At Tenant's request, Landlord and Tenant shall execute and record a memorandum of lease summarizing the significant terms of this Lease.

31.20 Survival of Indemnification Obligations. Unless this Lease specifically provides otherwise, all obligations of indemnification contained in this Lease shall survive the termination or expiration of this Lease. 30.21 Consent. Whenever the terms of the Lease require that to obtain the consent of Landlord, unless expressly stated, such consent shall not be unreasonably withheld, delayed or conditioned.

31.22 Year 2000. Landlord shall review the areas within the Building which could be adversely affected by, shall make appropriate inquiry of its software licensors and material suppliers and vendors with respect to the "Year 2000 Problem" (that is, the risk that systems, facilities, products and equipment used in connection with the Building may be unable to recognize and perform properly date-sensitive functions involving dates after December 31,

1999). Based on such review, Landlord represents and warrants to Lessee that no material systems, facilities, services, products and equipment relating to the Building will be affected by the Year 2000 Problem on, before or after January 1, 2000, and that all Building services and operations will continue without interruption due to the Year 2000 Problem. This Section shall not apply to any systems, facilities, products and equipment installed by or controlled solely by Tenant.

31.23 Penalty for Holding Over. If Tenant retains possession of the Premises after the expiration or termination of the Term or Tenant's right to possession of the Premises, Tenant shall pay Base Rent during such holding over an amount equal to one hundred twenty five percent (125%) of the rate in effect immediately preceding such holding over computed on a daily basis for each day that Tenant remains in possession. Such amount shall be Landlord's sole and exclusive damages remedy upon Tenant's holding over; provided, however, that this Section shall not be construed as Landlord's consent to any Tenant hold over.

SECTION 32
RENEWAL OPTIONS

32.1 Renewal Options. (a) Tenant shall have the right to exercise the following renewal option by giving notice (a "Renewal Option Notice") to Landlord no later than the date which is one (1) year prior to the Expiration Date. Tenant shall have options ("Renewal Option") to renew the original term of this Lease for one or two consecutive five (5) year periods, the first of which (the "First Renewal Term") shall commence on the date immediately following the Expiration Date and shall expire on the fifth anniversary of the Expiration Date (the "First Renewal Term Expiration Date") and the second of which (the "Second Renewal Term") shall commence on the date immediately following the First Renewal Term Expiration Date and shall expire on the fifth anniversary of the First Renewal Term Expiration Date.

(b) In the event Tenant exercises a Renewal Option, Tenant may elect to renew the term of this Lease for the First Renewal Term or, once having exercised the Renewal Option for the First Renewal Term, may exercise a Renewal Option for the Second Renewal Term. Tenant must give notice to Landlord of its intention to also renew the term of this Lease for the Second Renewal Term no later than the date which is one (1) year prior to the First Renewal Term Expiration Date.

(c) It shall be a condition to the exercise of any Renewal Option hereunder that no Default shall have occurred and be continuing at the time such Renewal Option is exercised or at the time that any Renewal Term shall commence.

(d) As used herein, the term "Renewal Term" shall mean either the First Renewal Term or Second Renewal Term, as applicable.

32.2 Renewal Term Rent and Terms. (a) In the event Tenant exercises the Renewal Option, Base Rent for the applicable Renewal Term shall be as follows:

(i) during the First Renewal Term, ninety percent (90%) of the Net Effective Rent as determined under subsection 32.3.

(ii) during the Second Renewal Term, ninety percent (90%) of the Net Effective Rent as determined under subsection 32.3.

(b) Adjustment Rent and all other Rent and sums due under this Lease for any Renewal Term shall remain as provided for in this Lease.

(c) For the First Renewal Term only, if Tenant elects to exercise the

Renewal Option, Landlord shall provide Tenant with an improvement allowance in the amount of $3.00 per rentable square foot solely for repainting the interior and recarpeting of the Premises.

(d) All other lease terms for any Renewal Term shall be as set forth in this Lease.

32.3 Determination of Net Effective Rent. (a) For purposes of determining Base Rent for any Renewal Term, "Net Effective Rent" shall mean the rent (e.g., rents generally offered for leases in which the landlord is responsible for all capital items in the building and which by their term provide for a base rent only with a separate rental payment for Tenant's allocable share of the operating expenses and real estate taxes of the building, excluding therefrom any market concessions such as work performed by landlord, a tenant improvements allowance or leasing commissions or the other costs and expenses for the lease transaction because Landlord is not incurring those costs upon a renewal) but including, any tenant improvement allowance to be received by Tenant, generally in effect for comparable first class office buildings of age similar to the Building located in the Sarasota commercial office market with tenants of comparable financial credit for leases commencing on or about the date of the Renewal Term.

(b) After Tenant has delivered a Renewal Notice, Landlord and Tenant shall during the sixty (60) days following the date of the Notice (the "Negotiation Period") negotiate in good faith to determine the Net Effective Rent for the Renewal Term.

(c) If the parties are unable to reach agreement during the Negotiation Period, then within fifteen (15) days after the expiration of the Negotiation Period, Landlord shall notify Tenant ("Landlord's Rent Notice") of Landlord's determination of the Net Effective Rent and the Base Rent payable by Tenant for the period in question based on such determination.

(d) In the event Tenant shall disagree with Landlord's determination, Tenant shall, within thirty (30) days of receipt of Landlord's Rent Notice, notify Landlord ("Tenant's

Rent Notice") of such disagreement, specifying in detail the reasons for such disagreement. The failure of Tenant to deliver Tenant's Rent Notice to Landlord within thirty (30) days following Tenant's receipt of Landlord's Rent Notice shall be deemed Tenant's acceptance of Landlord's determination of the Net Effective Rent and such determination conclusively shall be deemed to be the basis for the Base Rent payable by Tenant for the period in question for purposes of subsection 32.1 or 32.2, as the case may be. If Tenant timely delivers to Landlord Tenant's Rent Notice, then Net Effective Rent shall be determined as follows:

(i) Landlord and Tenant shall each appoint a licensed real estate broker who has been actively engaged in the leasing of office space in comparable office buildings in the Sarasota real estate market for not less than ten (10) years immediately preceding the date of appointment and shall not be a sole practitioner (each an "Appraiser" and collectively, the "Appraisers"). Within thirty (30) days following receipt of Tenant's Rent Notice (the "Appraisal Period") the Appraisers shall each make an independent determination of Net Effective Rent. If the difference between the Appraisers' values is equal to or less than five percent (5%), then the Net Effective Rent shall be the average of the sum of the Appraisers' values.

(ii) If the difference between the Appraisers' values is greater than five percent (5%), then the Appraisers shall jointly and promptly choose a third real estate broker, having the same qualifications as

those set forth above for Appraisers (the "Arbiter") to whom the Appraisers shall submit in writing their respective determinations of Net Effective Rent. Within thirty (30) days after being retained, the Arbiter shall offer the Arbiter's determination of Net Effective Rent. If the Net Effective Rent determined by the Arbiter lies between the Appraisers' values, then Net Effective Rent shall be the average of the sum of (A) the Arbiter's value and (B) the Appraiser's value nearest to the Arbiter's value. If the Arbiter's determination of Net Effective Rent is either higher or lower than both of the Appraisers' values, then Net Effective Rent shall be the average of the sum of the two nearest values.

(iii) If the Appraisers cannot agree on an Arbiter within ten (10) business days after the expiration of the Appraisal Period, then either party may apply to the American Arbitration Association office in Sarasota, Florida (or the nearest such office to Sarasota) in charge of real estate valuation arbitrations for appointment of the Arbiter.

(iv) If neither the Appraisers nor the Arbiter have finally determined Net Effective Rent prior to the date on which Base Rent based upon such Net Effective Rent is to go into effect pursuant to Subsection 32.1 or 32.2, as the case may be, Tenant shall pay Base Rent based upon Landlord's Rent Notice (the "Minimum Rent"), subject to adjustment upon final determination of the Net

Effective Rent. In the event the Net Effective Rent, as finally determined by the above procedure, is (i) in excess of the Minimum Rent, Tenant, within thirty (30) days following such final determination, shall pay over to Landlord all such accumulated excess and (ii) less than the Minimum Rent, Landlord, within thirty (30) days following such final determination, shall pay over to Tenant all such accumulated excess or shall allow Tenant a credit equal to such excess against Base Rent next coming due hereunder.

(v) Landlord and Tenant each shall be responsible for and shall pay the fees and expenses of their respective Appraiser and shall share equally the fees and expenses of the Arbiter.

(vi) In no event shall the Base Rent for any Renewal Period be less than Two Million Fifty Thousand, One Hundred and Fifty Two Dollars ($2,050,152) per year.

32.4 Time of the Essence. Time is of the essence with respect to the exercise by Tenant of any Renewal Option.

32.5 Termination. The termination or cancellation of this Lease shall terminate any rights of Tenant pursuant to this Section 32.

SECTION 33
TENANT OPTION TO PURCHASE

33.1 Fifth Year. By giving Landlord written notice thereof not less than six (6) months prior to the fifth (5th) anniversary of the Rent Commencement Date, Tenant may elect to purchase the Premises on the fifth (5th) anniversary of the Rent Commencement Date for the sum of $23,250,000.00.

33.2 Tenth Year. By giving Landlord written notice thereof not

less than six (6) months prior to the Expiration Date, Tenant may elect to purchase the Premises on the Expiration Date for the sum of $25,148,000.00.

33.3 Purchase Contract. If Tenant exercises either of the options set forth in subsections 33.1 or 33.2, the parties shall enter into the Purchase Contract for the sale of the Premises attached hereto as Exhibit D.

33.4 Default. Tenant may not exercise the options set forth in this Section 33 if Tenant is in material default of the Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Lease in manner sufficient to bind them as of the day and year first above written.

LANDLORD
HASKELL SARASOTA, INC.

By: /s/ Christopher S. Park
Name: Christopher S. Park
Title: Vice President

TENANT
ARTHUR ANDERSEN LLP

By: /s/ James H. Shedvey
Name: James H. Shedvey
Title: Partner

SHAREHOLDER:

THE HASKELL COMPANY, INC.,
a Florida corporation

/s/ Christopher S. Park
By: Christopher S. Park
Its: Vice President

EXHIBIT A

Legal Description

LOT 4, SARASOTA COMMERCE CENTER SUBDIVISION, RECORDED IN PLAT BOOK 34, PAGE 17, PUBLIC RECORDS OF SARASOTA COUNTY, FLORIDA.

LESS: A PORTION OF SAID LOT 4, DESCRIBED AS FOLLOWS:

COMMENCE AT THE N.E. CORNER OF SAID LOT 4; THENCE, LEAVING SAID CORNER AND ALONG THE NORTH BOUNDARY LINE OF SAID LOT 4, S 88(degree)31'43"W, 300.48 FEET TO THE POINT OF BEGINNING; SAID POINT LYING ON THE ARC OF A CURVE TO THE RIGHT, WHOSE CENTER BEARS S 65(degree)50'20"W, 536.01 FEET; THENCE, IN A SOUTHERLY DIRECTION, ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 536.01 FEET AND A CENTRAL ANGLE OF 22(degree)57'44", 214.82 FEET; THENCE, ALONG A NON-RADIAL LINE TO THE LAST

CURVE, N 83(degree)15'17"W, 236.48 FEET TO ITS INTERSECTION WITH THE ARC OF A CURVE TO THE LEFT, WHOSE CENTER BEARS S 89(degree)49'48"W, 491.00 FEET; THENCE, IN A NORTHERLY DIRECTION; ALONG THE ARC OF SAID CURVE, HAVING A RADIUS OF 491.00 FEET AND A CENTRAL ANGLE OF O1(degree)16'4l", 10.95 FEET TO A POINT OF COMPOUND CURVATURE OF A CURVE TO THE LEFT; THENCE, IN A NORTHWESTERLY DIRECTION, ALONG THE ARC OF SAID CURVE, HAVING A RADIUS OF 260.00 FEET AND A CENTRAL ANGLE OF 27(degree)20'56", 124.11 FEET TO A POINT OF COMPOUND CURVATURE OF A CURVE TO THE LEFT; THENCE, IN A NORTHWESTERLY DIRECTION, ALONG THE ARC OF SAID CURVE, HAVING A RADIUS OF 142.00 FEET AND A CENTRAL ANGLE OF 01(degree)08'36", 2.83 FEET; THENCE, ALONG A NON-RADIAL LINE TO THE LAST CURVE, N 45(degree)18'51"E, 62.22 FEET; THENCE N 88(degree)31'43"E, 177.44 FEET TO THE POINT OF BEGINNING AND CONTAINING 1.00 ACRES, MORE OR LESS.

TOGETHER WITH

A PORTION OF LOTS 30 AND 31 PALMER FARMS FIRST UNIT, RECORDED IN PLAT BOOK 2, PAGE 216, PUBLIC RECORDS OF SARASOTA COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

BEGIN AT THE NORTHEAST CORNER OF LOT 4, SARASOTA COMMERCE CENTER SUBDIVISION, RECORDED IN PLAT BOOK 34, PAGE 17, PUBLIC RECORDS OF SARASOTA COUNTY, FLORIDA, SAID POINT ALSO LYING ON THE WEST BOUNDARY LINE OF A 52' WIDE DRAINAGE CANAL, SAID LINE ALSO BEING THE EAST LINE OF THE AFOREMENTIONED LOT 31; THENCE, LEAVING SAID NORTHEAST CORNER, AND ALONG THE NORTH LINE OF SAID LOT 4, S 88(degree)31'43"W, 300.48 FEET TO A POINT LYING

ON THE ARC OF A CURVE TO THE LEFT, WHOSE CENTER BEARS S 65(degree)50'20"W, 536.01 FEET; THENCE, IN A NORTHWESTERLY DIRECTION, ALONG THE ARC OF SAID CURVE, HAVING A RADIUS OF 536.01 FEET AND A CENTRAL ANGLE OF 08(degree)31'08", 79.70 FEET; THENCE, ALONG A NON-TANGENT LINE TO THE LAST CURVE N00(degree)18'51"W, 56.06 FEET; THENCE S 89(degree)41'09"E, 339.23 FEET TO ITS INTERSECTION WITH THE AFOREMENTIONED EAST LINE OF SAID LOT 31; THENCE ALONG SAID EAST LINE, S00(degree)18'51"W, 116.50 FEET TO THE POINT OF BEGINNING AND CONTAINING 0.91 ACRES, MORE OR LESS.

ALSO TOGETHER WITH THE TERMS AND CONDITIONS OF THAT CERTAIN DECLARATION OF EASEMENTS DATED THE DATE HEREOF AND RECORDED IN SARASOTA COUNTY, FLORIDA, AS DOCUMENT NUMBER_____.

EXHIBIT 23.2

CONSENT OF ARTHUR ANDERSEN LLP

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our reports and to all references to our Firm included in or made a part of this registration statement.

/s/ ARTHUR ANDERSEN LLP

Atlanta, Georgia
January 23, 2002

EXHIBIT 24.1

POWER OF ATTORNEY

POWER OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Leo F. Wells, III and Douglas P. Williams, or either of them acting singly, as his true and lawful attorney-in-fact, for him and in his name, place and stead, to execute and sign any and all amendments, including any post-effective amendments, to the Registration Statement on Form S-11 of Wells Real Estate Investment Trust, Inc. or any additional Registration Statement filed pursuant to Rule 462 and to cause the same to be filed with the Securities and Exchange Commission hereby granting to said attorneys-in-fact and each of them full power and authority to do and perform all and every act and thing whatsoever requisite or desirable to be done in and about the premises as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all acts and things that said attorneys-in-fact or either of them may do or cause to be done by virtue of these presents.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Power of Attorney has been signed below, effective as of October 31, 2001, by the following persons and in the capacities indicated below.

Signatures	Title

Signature	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 Director

Neil H. Strickland