TERRA INDUSTRIES INC
Form 425
March 30, 2009

Filed by CF Industries Holdings, Inc.

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Pursuant to Rule 425 under the Securities Act of 1933

and deemed filed pursuant to Rule 14a-12

of the Securities Exchange Act of 1934

Subject Company:

Terra Industries Inc.

On March 30, 2009, CF Industries Holdings, Inc. posted a presentation concerning the proposed transaction on its website. A copy of the presentation follows:

- On February 25th Agrium announced a proposal to acquire CF

- The market reacted negatively to the proposal. On February 25, 2009, the day of the announcement of Agrium s proposal, Agrium Common Shares declined 9% to $36.57 and CF Common Shares increased only 11% to $61.77, a 14% discount to the announced nominal value of Agrium s proposal of $72.00 per CF Common Share

- The CF Board of Directors rejected the acquisition proposal from Agrium on March 9 as grossly inadequate and not in the best interests of CF Industries

- Agrium launched an exchange offer to acquire CF on March 16. The economic terms of the Offer were unchanged

- On 3/23 CF announced that its Board rejected the Offer

- On 3/27 Agrium increased its Offer to acquire CF for 1 share of Agrium plus $35.00 in cash per CF share

- On 3/29, CF announced that its Board rejected Agrium s revised Offer

- In reaching its determination to reject Agrium s Offer, the CF Board consulted with CF management and its financial and legal advisors and took into account the following factors also outlined in the 14D-9 filed by CF:

- The Offer is grossly inadequate and substantially undervalues CF

- The Offer premium is inadequate

- The timing of the Offer is opportunistic (low point in economic and fertilizer cycle)

- The cash-and-stock nature of the Offer consideration is disadvantageous to CF stockholders

- The cash component of the Offer consideration is being funded by CF and thus represents no net increase in value to CF stockholders

- The Offer does not properly value CF

- The Offer is fundamentally at odds with CF s long-term strategy, which has proven to be very successful

- CF is focused on its higher-margin manufacturing and distribution business; Agrium has a substantial lower-margin retail business

- CF s long-term strategy is superior to Agrium s strategy

- CF s record demonstrates the success of its business strategy; Agrium has underperformed

- The Offer is an attempt to interfere with CF s proposed strategic business combination with Terra

- The combination of Agrium and CF may expose CF s stockholders to significant risks and uncertainties

- The synergies assumed in the Offer are poorly delineated and uncertain

- The Board believes that CF s phosphate business is of substantially higher quality than Agrium s phosphate business

- Several of Agrium s expansion projects and investments in nitrogen manufacturing have not been successful

- The market reacted negatively to the Offer

- Our 14D-9 examines each of these reasons in appropriate detail investors should review these reasons in detail in our 14D-9

- At this time, I d like to take a few minutes to highlight some of the key issues

- The Board believes, as demonstrated by the chart above, that CF s successful operational track record and strategies for growth have been recognized by the market

- At the same time, Agrium has significantly underperformed CF and the global peer group

- Specifically, from our IPO in 2005 to January 15, 2009 when we announced our proposal to combine with Terra, CF shares increased 192% compared to 87% for the global peer group and 34% for Agrium

- If you examine the relative performance over the same time period, stockholders that purchased CF Common Shares in the IPO earned a return approximately 5.6 times what the holder would have earned if such holder had purchased Agrium Common Shares at the time of the IPO

- From the IPO to the recent peak in share prices for the global peer group established on June 17, 2008, CF Common Shares increased 947%, the global peer group shares increased 601% and Agrium Common Shares increased only 365%

- The Offer premium is inadequate. The Offer results in virtually no economic premium to CF stockholders and, accordingly, does not reflect an adequate premium for control of CF. The Board believes that the Offer represents a particularly inadequate premium when measured against recent historical periods prior to the initial announcement of Agrium s proposal on the morning of February 25, 2009.

- For example, the chart above takes both the original offer of $31.70 in cash and the revised offer of $35.00 in cash plus the daily closing price of an Agrium common share each day over the last twelve months and divides this total by the daily closing price of a CF common share to calculate the discount or premium implied by the Agrium offer

- Based on the daily closing prices for Agrium and CF, the implied value of Agrium s original Offer represented a premium of 1.8% and the revised Offer represented a premium of 5.8% to CF common stockholders during the 12-months prior to February 25, 2009

- As you can see from the chart, Agrium s original and revised offers also represented a significant discount to CF s stock price for approximately a 7 month period during the last year

- By comparison, the high end of our collar range of 0.4539 in our proposal to combine CF and Terra results in an average implied premium for the 1-year period prior to 1/15 of 36% to Terra stockholders

- Since Agrium announced its original Offer on 2/24, the global peer group is up approximately 13% but Agrium s Offer only increased approximately 2% from a nominal value of $72.00 to a value of $73.34

- The offer premium is also inadequate relative to other cash M&A transactions since the Lehman bankruptcy in September 2008.

- The high premiums in recent transactions involving cash reflect the premiums required to cash-out investors at this low point in the economic cycle.

- Since mid-September 2008, premiums in all-cash transactions in the U.S. with a value greater than $1 billion have averaged approximately 88%.

- The opportunistic timing of Agrium s Offer takes advantage of the recent decline in share prices across the fertilizer sector and global equity markets, inflating the premium described by Agrium

- Agrium s CEO has acknowledged publicly that Agrium is attempting to buy CF at a low valuation multiple, at a low point in the fertilizer cycle and at a low point in the stock markets. For example, Mike Wilson made the following remarks:

- I have been in commodities all my life. You build nutrients at certain points, and you counter-cyclically invest at other points. And this is the right time for us to be buying those nitrogen assets.

- Then if you look at the multiple, post-synergies we think this is a very attractive multiple.

- When you look at the opportunity, it s the right time. Everybody s in the dumps today and it s the right time to be buying these kinds of assets.

- The Board was also mindful of the fact that this is not the first time Agrium has proposed to acquire CF for an inadequate price. In 2005, prior to the initial public offering of CF, Agrium made a proposal to acquire CF Industries Inc., the predecessor to CF

- After substantial due diligence and discussions, Agrium was unwilling to offer a price for CF Industries that reflected what the board and management of CF Industries believed was adequate

- CF Industries pursued the alternative strategy of an initial public offering, at an aggregate offering price approximately 60% higher than the price at which Agrium had proposed to acquire CF Industries

- As a reminder, we executed a $500 million accelerated share repurchase about 3 months before Agrium announced its proposal in February

- In that transaction we repurchased approximately 15 percent of our then outstanding shares at a price of approximately $59, which was a 6.1 percent premium to where our shares were trading when Agrium announced its proposal on February 25

- Our board authorized us to repurchase approximately 15 percent of our outstanding shares at a price of approximately $59 because they believed the shares were at a significant discount to their intrinsic value and this was an efficient means to return capital to stockholders seeking liquidity

- Again, Agrium has admitted publicly they are trying to opportunistically acquire CF and the reference to where we recently acquired stock is yet another clear example of this and the gross inadequacy of their proposal

- The cash component of the Offer consideration is being effectively funded by CF and thus represents no net increase in value to CF stockholders. At December 31, 2008, CF had cash and equivalents of approximately $625 million and only $4 million of debt

- Based on Agrium s debt multiple pro forma for a combination with CF, CF has existing debt capacity of approximately $1.0 billion (based on 1.6x median analyst expectations for CF 2009 EBITDA)

- The resulting cash plus debt capacity of approximately $1.6 billion is equivalent to more than $32 per CF Common Share

- Accordingly, CF stockholders receive virtually no additional cash value from this transaction and are effectively being asked to exchange one CF Common Share for one Agrium Common Share that has consistently underperformed CF Common Shares in the market

- The Board also believes that the Offer does not fully reflect the intrinsic value of CF. The Board carefully reviewed and analyzed all financial, strategic, legal and other aspects of the Offer with management and its legal and financial advisors and concluded that the Offer is grossly inadequate, substantially undervalues CF and is not in the best interests of CF and its stockholders

- In connection with this analysis, our financial advisors both advised the Board that Agrium could pay in excess of $100 per CF Common Share in the transaction and the transaction would still be accretive to Agrium on a cash earnings per share basis, based on the $150 million of annual synergies that Agrium asserts are available to the combined company

- A combination of Agrium and CF is also inconsistent with our strategy

- CF is focused on its higher-margin manufacturing and distribution business; Agrium has a substantial lower-margin retail business

- The Offer is counter to CF s long-term strategy, which focuses on the higher-margin businesses of manufacturing and wholesale distribution of nitrogen and phosphate fertilizers. The Board believes that continuing to pursue this strategy as a standalone company will deliver more value to stockholders of CF than the Agrium Offer, consistent with the outperformance of CF s Common Stock over Agrium s since the IPO

- As an early step in this strategy, in connection with its IPO, CF eliminated the conflicts with customers and adverse impact on profitability that resulted from being owned by its customers as an agricultural cooperative. As a cooperative, CF found it difficult to expand its business and improve profitability while owned by direct competitors of other potential wholesale customers

- Further evidence of the inherent conflicts in being in both retail and wholesale manufacturing can be found in looking at existing North American fertilizer manufacturers. Only Agrium has chosen to pursue a business model that competes with core customers. For example, both Terra Industries and Mosaic exited their respective retail businesses in 1999. Royster Clark, the purchaser of Terra s retail operations, was ultimately acquired by Agrium. Other major North American manufacturers, such as Potash Corp and Intrepid Potash, have chosen to avoid the retail business

- Since its IPO, CF has been able to focus on maximizing the profitability of its manufacturing and wholesale distribution business by eliminating what was essentially a captive retail business imbedded in its ownership structure and the conflicts that this structure created.

- In contrast, Agrium has pursued the opposite strategy, emphasizing and investing in a large retail business, representing approximately 55% of Agrium s 2008 revenue, that competes directly with Agrium s and CF s other wholesale customers

- Combining with Agrium would dilute our shareholders exposure to higher margin fertilizer manufacturing

- As you can see on this slide, during 2007 and 2008, CF generated operating margins of 21.8% and 29.3%, respectively

- During the same time period, Agrium s operating margins were 13.5%, and 19.8%

- You can also see that Agrium s Retail business produced margins of 7.2% and 8.7%, respectively

- Based on Agrium s historical underperformance relative to CF and the global peer group, we expect CF shares to continue to outperform Agrium shares in the future, particularly as consumer demand and product pricing improves from the recently established industry trough

- This slide provides an illustration of our estimated EBITDA performance at various margins per ton for nitrogen and phosphate

- The current median analyst estimate for CF EBITDA in 2009E is $604MM and $657MM for 2010E. As you can see in the matrix above, these estimates assume relatively poor fundamentals

- Given our exclusive focus on manufacturing, CF has considerably more operating leverage to improving fertilizer fundamentals than Agrium

- CF expects a strong spring season and anticipates better fundamentals than research analysts

- Nitrogen demand going into spring should be strong

- CF is projecting 86 million acres for corn

- Nitrogen margins are expected to be strong by historical standards with $4/MMBTU for natural gas with current spot margins at $145-$150/ton

- Ammonia, Urea and UAN prices have rebounded since the fourth quarter of 2008

- Our ammonia system is charged and capable of delivering 450,000 550,000 tons

- Phosphate inventory levels improving due largely to steady export volumes

- Phosphate margins are strong by historical standards; spot DAP margin at $140/ton

• Several of Agrium s expansion projects and investments in nitrogen manufacturing have not been successful. We do not believe exposing our shareholders to this type of performance is in their best interests. Agrium has pursued several nitrogen initiatives that have generated disappointing and often negative returns for Agrium stockholders. For example:

• *Kenai, Alaska*. In January 2000, Agrium acquired the second largest nitrogen production facility in North America for $325 million. In December 2003, after taking a $235 million write-down on the facility, Agrium announced that the natural gas supply at Kenai would run out sooner than originally anticipated. By 2007, the natural gas supply had run out, the complex had been shuttered and Agrium had written-off its entire investment in Kenai

• Agrium s 2004 annual report includes the following comment on the failed Kenai Alaska investment: *While the investment did not deliver the anticipated returns, it has brought a number of benefits to the organization, not the least of which is considerable experience and insight into the international nitrogen market.*

• *EAgrium.* In May 2007, Agrium announced a capital project to construct a greenfield nitrogen facility in Egypt at a total cost of $1.2 billion, with Agrium s equity contribution to the joint venture being $280 million. By mid-2008, construction on the facility was halted due to local protests. In August 2008, the project was cancelled and Agrium traded its equity interest in the project for a stake in the MOPCO urea/ammonia fertilizer project in Damietta, Egypt. In 2008, the Company recorded an $87 million write-down in its EAgrium investment

• *Profertil*. In 1994, Agrium initiated a capital project to produce urea in Argentina. In 2007 and 2008, Agrium experienced several production outages due to natural gas supply disruptions. On March 18, 2008, Agrium announced that Profertil and the Argentine government reached an agreement to stabilize urea prices, establishing a ceiling of $410 per tonne for the 2008 growing season, during which time global urea prices exceeded twice that level. Agrium indicated that the agreement was expected to help minimize the risk of downtime due to gas supply interruptions through the 2008 winter

- Agrium has indicated that exposure to CF s world-class phosphate facility and associated rock mine in Florida was a key motivator for the Offer we aren t surprised

- We believe Agrium s phosphate business is of poor quality compared to CF s high quality phosphate business and represents unattractive consideration to CF stockholders

- CF s two phosphate facilities are located in Hardee County and Plant City, Florida whereas Agrium s facilities are located in Conda, Idaho and Redwater, Alberta

- CF s 2008 capacity of 2.2 million significantly exceeds Agrium s capacity of 1.3 million tons

- CF s proven reserve life of 23 years significantly exceeds the remaining life of Agrium s Kapuskasing mine which will be depleted of phosphate rock in 5 years

- Agrium recorded a $136 million write-down of its phosphate operations in 2006 after reducing the projected life of the Kapuskasing mine in Ontario from 2019 to 2013

- Agrium s Conda, Idaho plant manufactures phosphoric acid, super phosphoric acid, monoammonium phosphate and ammonium phosphate sulfate. Integrated facilities that manufacture phosphoric acid using the wet process, including Agrium s Conda, Idaho plant, are currently subject to a significant enforcement initiative by the United States Environmental Protection Agency and the U.S. Department of Justice. The U.S. Department of Justice alleges that these facilities have been disposing of various waste streams in their cooling ponds and gypsum stacks in violation of the federal Resource Conservation and Recovery Act

- Agrium may be faced with substantial penalties as a result of its practices at this plant and may be required to investigate and remediate contamination resulting from these practices. In addition, Agrium could be required to expend significant capital costs to modify its facility in order to continue to dispose of process and other wastewaters in its cooling pond and gypsum stack, or could be required to close its pond and stack system

- The synergies assumed in the Offer are poorly delineated and uncertain. The Board has substantial doubts regarding the synergy estimates assumed by Agrium. Agrium has failed to provide detailed support for its synergy estimates and the Board does not believe that synergies from the combination with Agrium would exceed the synergies from a combination with Terra. In particular:

- Agrium s potential SG&A synergies, by its own admission the largest single target for synergies in their analysis of the combination, is not larger than CF s opportunity for SG&A synergies in the Terra combination. CF s 2008 SG&A was $68 million compared to Terra s 2008 SG&A of $71 million.

- Terra and CF have highly complementary manufacturing and distribution assets in the central U.S., near CF s customer locations. The combination of those assets would create a substantial and readily achievable opportunity for synergies from reduced shipping miles and costs and rationalization of the combined company s rail fleets. In contrast, Agrium s assets are concentrated in western Canada and the northwest and southeast United States, far more distant from the bulk of CF customer locations. Therefore, a combination with Agrium would result in virtually no opportunity to reduce shipping miles and costs.

- Agrium has no opportunity to optimize manufacturing and distribution facilities at the Donaldsonville, Louisiana site. CF s and Terra s facilities at that site were originally a single complex and can be combined.

- CF and Terra use similar technologies in their ammonia, urea and urea ammonium nitrate operations, which creates substantial opportunities for decreased costs through reducing spare parts inventories and optimizing maintenance and operating practices. In contrast, Agrium manufacturing facilities have less in common with CF, leaving little opportunity for these types of synergies.

- An Agrium combination with CF may also produce negative synergies as Agrium s substantial retail unit competes directly with some of CF s largest customers. The Board believes this could drive such customers to other suppliers and reduce the revenue of the post-combination business.

- Conversely, the Board believes that the $105-$135 million in annual cost reduction synergies offered by a combination of CF and Terra are substantial, quantifiable and realizable

- Agrium has failed to provide details on their synergy estimate of $150 million

- During the Agrium conference call on the day of the announcement of Agrium s revised Offer, analysts asked for greater detail on the nature and timing of Agrium s estimated synergies

- Ron Wilkinson, SVP and President of Agrium s Wholesale Business Unit responded as follows:

- *We ve talked about the three buckets, the first bucket being SG&A; the second bucket being sort of the procurement on everything from plant, equipment and catalyst through to logistics services; and then the third bucket being marketing and distribution. And we ve talked about these synergies being substantially realized in year two and fully realized in year three.* ***We don t want to go more granular than that at this point. If we can do some specific due diligence we might take that next step****, but at this point we d like to just say we re committed to the 150 and that we have a history of delivering.*

- Our board and management team have reaffirmed our intent to continue to pursue a business combination with Terra

- We believe this is a compelling combination, creating a global leader in nitrogen fertilizers among publicly traded companies

- We ve structured our proposal as an all-stock combination, to benefit shareholders of both companies

- All-stock combination means that neither set of shareholders is being cashed-out at a low point in fertilizer cycle and at a low point in the stock markets

- We expect the combination to generate $105 to $135 million in annual cost synergies, and provide significant financial benefits for all stakeholders

- Combined, CF and Terra would have an improved strategic platform to pursue growth and manage risk

- Agrium sees the potential of a combined CF and Terra and has acknowledged publicly that our proposal to combine with Terra motivated their actions

- We expect the transaction to generate between $105 and $135 million in annual cost synergies by combining corporate functions and optimizing transportation and distribution systems, and through greater economies of scale in procurement and purchasing. Specific opportunities:

- HQ consolidation Total combined 2008 SG&A ~ $140 million

- Reduction in total product miles shipped

- Reduced railcar lease costs (more than 5,300 total railcars in the system)

- Total logistics costs of approximately $350 million

- Over $600 million in non-raw materials purchases (includes: purchased fertilizer products; process chemicals; catalysts; other plant consumables)

- Donaldsonville optimization

- Spare parts inventory pooling

- Reduction in inventory and associated carrying costs

- Optimizing turnarounds and capex spending

- Several underutilized facilities

- We expect the combined company to realize these synergies within two years after the closing of the transaction

- We also expect the combined company to benefit from a one-time cash release of up to $60MM, due to inventory reduction

- By comparison the synergies assumed in the Agrium Offer are poorly delineated and uncertain. We have substantial doubts regarding the synergy estimates assumed by Agrium. Agrium has failed to provide detailed support for its synergy estimates and the Board does not believe that synergies from the combination with Agrium would exceed the synergies from a combination with Terra

- The combined company will be a leading global producer of nitrogen fertilizers, as measured by capacity, among publicly traded companies

- The pro forma company will have annual capacity of 6.3 million tons and be a close second to Yara s 6.9 million tons of annual capacity

- The combined company will be a stronger, more competitive player in the global nitrogen fertilizer industry

- We believe that the elements of Terra s strategy, of which we are aware, including expansion of industrial nitrogen applications, would only be enhanced through a combination

- While there may be modest differences in our approach to the nitrogen business, given that both companies are primarily focused on the US Midwest, it should not be surprising to you that the average profitability of our respective nitrogen businesses has been nearly identical since 2004

- The combined companies would also benefit from CF Industries strong position in phosphate

- In 2008, CF s phosphate operations represented 34% of total revenue. Terra currently has no exposure to phosphate. Based on 2008 data, phosphate would contribute 20% of combined company revenue

- Long-term phosphate outlook remains attractive

- Global availability of economically recoverable phosphate rock reserves is limited

- Agrium has highlighted our high quality phosphate business as one of the primary motivations for their proposal

- With a $6.6Bn market cap, the combined company will have increased trading liquidity on the NYSE and improved access to the capital markets

- The all-stock nature of the offer will allow stockholders of both Terra and CF Industries to participate ratably in the growth and long-term value creation potential of the combined company, including the significant synergies

- We expect the transaction, giving effect to the realization of synergies, to be accretive to CF Industries stockholders

- The combined company would have had 2008 revenues of $6.8 billion and will emerge with a stronger balance sheet, featuring a substantial cash balance and relatively little indebtedness.

- Assuming that Terra s bonds are put, the combined company would have a $1.3 billion cash balance and no debt. Again these are figures as of December 31, 2008. We expect the cash balance to grow over the course of 2009.

- We believe these factors will provide the combined company with greater financial resources and flexibility to pursue future growth opportunities and improved ability to weather difficult industry and capital market conditions than either CF Industries or Terra would have alone

- This slide details the terms of our proposal

- Although Terra has not engaged with us yet, we are willing to offer value assurance to its stockholders

- CF would agree in a negotiated merger agreement with Terra to an exchange ratio based on $30.50 for each Terra share

- Exchange ratio not less than 0.4129 and not more than 0.4539 per Terra share

- $30.50 represents an 87% premium to Terra s stock price before CF Industries made its offer peer group is up only 23.9%

- CF Industries is committed to a business combination with Terra and, as previously announced, we have fully addressed the issue raised by Terra regarding the CF stockholder approval that would be required under NYSE rules to issue common stock. We are confident that our stockholders will support a business combination with Terra

- Under this structure, Terra stockholders would receive an amount of common shares up to 19.9% of our outstanding common stock with the remainder of the consideration paid in a new series of participating preferred stock

- The annual dividend would be set so the Preferred Stock trades on a parity with Common Stock on a fully distributed basis

- Shares would be issued at close and coupon would be determined when merger agreement with Terra is signed

- We anticipate that the coupon will be set at a modest premium to the common dividend.

- Shares would be non-voting but would have a liquidation preference

- Preferred Stock will be listed on NYSE and would have up to approximately $2.9Bn of liquidity

- Preferred Stock automatically converts into Common Stock upon CF stockholder vote under NYSE rules

- We have posted the detailed term sheet relative to the preferred on our website

- Terra stockholders would own between 46% and 48% of the combined company

- Key conditions: Negotiation of definitive merger agreement, receipt of regulatory and other customary approvals

- The exchange ratio is based on $30.50/share and would be not less than 0.4129 and not more than 0.4539 per Terra share

- For Terra stockholders this provides value assurance and the possibility of a higher exchange ratio

- It also preserves an all-stock transaction, maintaining the opportunity for all shareholders to participate in synergies and growth/upside of combined company.

- All-stock combination means that neither set of shareholders is being cashed-out at a low point in fertilizer cycle and at a low point in the stock markets

- For CF Industries stockholders, the modified bid is shareholder friendly. It provides for the possibility of a lower exchange ratio, which is what will happen if our stock performs as we expect it will

- This slide demonstrates that our proposed exchange ratio represents an attractive premium to Terra shareholders

- Going back to our original announcement date of January 15th, 0.4539 (the top of the collar) represents a 35% premium to the prior 12 months average exchange ratio

- CF would agree in a negotiated merger agreement with Terra to an exchange ratio based on $30.50 for each Terra share

- $30.50 represents an 87% premium to Terra s stock price before CF Industries made its offer. As mentioned, the global peer group is only up 23.9% in same time frame

- Terra has claimed that CF timed its proposal to take advantage of a favorable exchange ratio based on a spike in the fundamentals of the phosphate business

- This slide demonstrates that CF s proposal was made **after** the correction in phosphate fundamentals The first y-axis depicts the CF/Terra share exchange ratio and the second y-axis depicts monthly DAP margins for Central Florida producers

- Phosphate prices and margins declined after peaking during the summer of 2008. The equity capital markets adjusted to these developments in the fall

- For example, on October 1, 2008, Mosaic, the global leader in phosphate fertilizer production, announced plans to reduce phosphate production by 0.5 to 1.0 million tonnes in response to high inventory levels. Mosaic shares declined approximately 31% on the day following the announcement

- On January 15, 2009 when our proposal was made, the exchange ratio had increased to just above the LTM average

- Our offer has been very well received by the market
- On 1/16, the first day after the announcement of our offer, CF s shares increased 2.7% and Terra s shares rose 25.8%
- The implied offer value on March 20 was $27.95 representing a 72% premium to Terra s share price on 1/15
- We would agree in a negotiated merger agreement with Terra to adjust our offer to an exchange ratio based on $30.50 for each Terra share
- $30.50 represents an 87% premium to Terra s stock price before we made our offer on January 15th
- As you can see, the global peer group (excluding CF) is up only 23.9% since 1/15
- CF and Terra have significantly outperformed the peer group CF shares are up over 55% and Terra shares are up approximately 79% since 1/15
- Since the announcement of CF s revised proposal on 3/23, Terra s shares have increased approximately 10%, approaching CF s increased offer price of $30.50
- We believe this is due primarily to the fact that the market likes our deal because of the compelling combination benefits and the significant synergies
- Our confidence in the support of Terra s stockholders is based on our belief that Terra s stock would be trading significantly below its current level absent our offer and the expectation of a business combination with CF

- When Agrium announced the Offer, the combined market capitalization of Agrium and CF decreased by approximately $283 million (based on the closing prices of shares of the two companies from February 24, 2009 to February 25, 2009).

- In contrast, upon announcement of CF s proposed business combination with Terra, the combined market capitalization of CF and Terra increased by approximately $488 million (based on the closing prices of shares of the two companies from January 15, 2009 to January 16, 2009).

- We are going forward with our proxy contest to replace three of Terra s directors at the upcoming Annual Meeting

- We are confident that Terra s stockholders will show their support for a combination by voting for our slate

- We remain interested in entering into meaningful discussions for a negotiated transaction, and we are open to reviewing any information Terra believes we should consider

- Our confidence in the support of Terra s stockholders is based on our belief that Terra s stock would be trading very significantly below its current level absent our offer and the expectation of a business combination with CF

- Terra By-Laws require Terra to have annual meeting by May 15

ONT STYLE="font-family:Times New Roman" SIZE="2"> 289,855 409,855 0.4% 7,462,020 1.1%

Total										
81,897,377	29,265,061	2,915,868	114,078,306	100.0%	$ 682,495,709	100.0%	71.8%	25.7%	2.5%	100.0%

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Jointly Controlled Properties

	Square Feet						
	Industrial	Office	Other	Overall	Percent of Overall	Annual Net Effective Rent (1)	Percent of Annual Net Effective Rent
Primary Market							
Washington DC	658,322	2,146,378	-	2,804,700	12.4%	$ 15,173,023	30.9%
Dallas	8,080,278	182,700	62,390	8,325,368	36.7%	12,174,115	24.8%
Central Florida	908,422	624,796	-	1,533,218	6.8%	3,806,761	7.7%
Minneapolis	-	-	381,922	381,922	1.7%	3,739,485	7.6%
Raleigh	-	687,549	-	687,549	3.0%	3,302,290	6.7%
Indianapolis	4,182,919	89,178	-	4,272,097	18.9%	2,980,929	6.1%
Phoenix	1,425,062	-	-	1,425,062	6.3%	1,529,334	3.1%
Cincinnati	211,486	190,733	206,315	608,534	2.7%	1,190,723	2.4%
Atlanta	-	436,275	-	436,275	1.9%	1,148,881	2.3%
Columbus	1,142,400	135,485	-	1,277,885	5.6%	1,044,676	2.1%
South Florida	-	222,600	-	222,600	1.0%	970,684	2.0%
St. Louis	-	252,378	-	252,378	1.1%	766,237	1.6%
Houston	-	248,925	-	248,925	1.1%	751,874	1.5%
Nashville	-	180,147	-	180,147	0.8%	597,195	1.2%
Total	16,608,889	5,397,144	650,627	22,656,660	100.0%	$ 49,176,207	100.0%
	73.3%	23.8%	2.9%	100.0%			

	Occupancy %							
	Consolidated Properties				Jointly Controlled Properties			
	Industrial	Office	Other	Overall	Industrial	Office	Other	Overall
Primary Market								
Indianapolis	95.5%	88.0%	85.3%	94.1%	96.6%	82.9%	-	96.3%
Cincinnati	85.2%	84.6%	91.1%	85.0%	100.0%	97.6%	100.0%	99.2%
Atlanta	86.1%	87.5%	94.4%	86.8%	-	26.9%	-	26.9%
Chicago	96.5%	89.5%	90.1%	94.6%	-	-	-	-
South Florida	81.0%	92.0%	93.2%	84.7%	-	100.0%	-	100.0%
Raleigh	96.3%	89.1%	93.2%	92.3%	-	83.0%	-	83.0%
Columbus	98.7%	78.9%	100.0%	92.0%	100.0%	100.0%	-	100.0%
St. Louis	89.1%	79.9%	-	85.3%	-	83.8%	-	83.8%
Nashville	81.9%	89.9%	95.6%	84.5%	-	100.0%	-	100.0%
Central Florida	89.9%	88.6%	80.5%	89.4%	100.0%	78.9%	-	91.4%
Minneapolis	89.0%	97.4%	-	91.0%	-	-	70.5%	70.5%
Dallas	83.6%	74.5%	62.8%	82.0%	81.5%	100.0%	100.0%	82.1%
Savannah	91.8%	-	-	91.8%	-	-	-	-
Cleveland	-	76.4%	-	76.4%	-	-	-	-
Houston	98.0%	-	-	98.0%	-	100.0%	-	100.0%
Baltimore	100.0%	-	-	100.0%	-	-	-	-
Norfolk	100.0%	-	-	100.0%	-	-	-	-
Washington DC	91.4%	26.0%	-	43.2%	89.5%	97.6%	-	95.7%
Phoenix	87.8%	-	-	87.8%	100.0%	-	-	100.0%
Austin	-	-	46.3%	46.3%	-	-	-	-
Other (2)	100.0%	-	86.0%	90.1%	-	-	-	-

Total	90.6%	85.4%	85.7%	89.1%	89.7%	87.4%	82.7%	89.0%

(1) Represents the average annual rental property revenue due from tenants in occupancy as of December 31, 2010, excluding additional rent due as operating expense reimbursements, landlord allowances for operating expenses and percentage rents. Joint venture properties are shown at our ownership percentage.

(2) Represents properties not located in our primary markets.

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Item 3. Legal Proceedings

We are not subject to any material pending legal proceedings, other than routine litigation arising in the ordinary course of business. Our management expects that these ordinary routine legal proceedings will be covered by insurance and does not expect these legal proceedings to have a material adverse effect on our financial condition, results of operations, or liquidity.

Item 4. Reserved

PART II

Item 5. Market for the Registrant s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock is listed for trading on the NYSE under the symbol DRE. The following table sets forth the high and low sales prices of our common stock for the periods indicated and the dividend paid per share during each such period. As of February 17, 2011, there were 8,797 record holders of our common stock.

		2010			2009	
Quarter Ended	**High**	**Low**	**Dividend**	**High**	**Low**	**Dividend**
December 31	$ 12.98	$ 10.85	$ .170	$ 12.90	$ 10.84	$ .170
September 30	12.60	10.19	.170	13.71	7.45	.170
June 30	14.35	10.66	.170	10.55	5.16	.170
March 31	13.37	10.26	.170	12.25	4.07	.250

On January 26, 2011, we declared a quarterly cash dividend of $0.17 per share, payable on February 28, 2011, to common shareholders of record on February 14, 2011.

A summary of the tax characterization of the dividends paid per common share for the years ended December 31, 2010, 2009 and 2008 follows:

	2010	2009	2008
Total dividends paid per share	**$ 0.68**	$ 0.76	$ 1.93
Ordinary income	**24.9%**	69.0%	39.3%
Return of capital	**56.3%**	26.4%	27.3%
Capital gains	**18.8%**	4.6%	33.4%
	100.0%	100.0%	100.0%

Securities Authorized for Issuance Under Equity Compensation Plans

The information required by this Item concerning securities authorized for issuance under equity compensation plans is set forth in or incorporated herein by reference to Part III, Item 12 of this Report.

Sales of Unregistered Securities

We did not sell any of our securities during the year ended December 31, 2010 that were not registered under the Securities Act.

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Issuer Purchases of Equity Securities

From time to time, we repurchase our securities under a repurchase program that initially was approved by the board of directors and publicly announced in October 2001 (the Repurchase Program). On April 28, 2010, the board of directors adopted a resolution that amended and restated the Repurchase Program and delegated authority to management to repurchase a maximum of $75.0 million of common shares, $250.0 million of debt securities and $75.0 million of preferred shares (the April 2010 Resolution). The April 2010 Resolution will expire on April 27, 2011. Under the Repurchase Program, we also execute share repurchases on an ongoing basis associated with certain employee elections under our compensation and benefit programs.

The following table shows the share repurchase activity for each of the three months in the quarter ended December 31, 2010:

Month	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs
October	5,258	$ 11.90	5,258
November	12,039	$ 11.60	12,039
December	4,695	$ 11.54	4,695
Total	21,992	$ 11.66	21,992

(1) All 21,992 shares repurchased represent common shares repurchased under our Employee Stock Purchase Plan.

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Item 6. Selected Financial Data

The following sets forth selected financial and operating information on a historical basis for each of the years in the five-year period ended December 31, 2010. The following information should be read in conjunction with Item 7, Management s Discussion and Analysis of Financial Condition and Results of Operations and Item 8, Financial Statements and Supplementary Data included in this Form 10-K (in thousands, except per share amounts):

	2010	2009	2008	2007	2006
Results of Operations:					
Revenues:					
Rental and related revenue	**$ 878,242**	$ 842,232	$ 802,791	$ 761,751	$ 711,826
General contractor and service fee revenue	**515,361**	449,509	434,624	311,548	330,195
Total Revenues from Continuing Operations	**$ 1,393,603**	$ 1,291,741	$ 1,237,415	$ 1,073,299	$ 1,042,021
Income (loss) from continuing operations	**$ 29,476**	$ (254,225)	$ 86,167	$ 160,928	$ 157,915
Net income (loss) attributable to common shareholders	**$ (14,108)**	$ (333,601)	$ 50,408	$ 211,942	$ 144,643
Per Share Data:					
Basic income (loss) per common share:					
Continuing operations	**$ (0.22)**	$ (1.58)	$ 0.17	$ 0.58	$ 0.62
Discontinued operations	**0.15**	(0.09)	0.16	0.93	0.45
Diluted income (loss) per common share:					
Continuing operations	**(0.22)**	(1.58)	0.17	0.58	0.62
Discontinued operations	**0.15**	(0.09)	0.16	0.93	0.44
Dividends paid per common share	**0.68**	0.76	1.93	1.91	1.89
Weighted average common shares outstanding	**238,920**	201,206	146,915	139,255	134,883
Weighted average common shares and potential dilutive securities	**238,920**	201,206	154,553	149,250	149,156
Balance Sheet Data (at December 31):					
Total Assets	**$ 7,644,276**	$ 7,304,279	$ 7,690,883	$ 7,661,981	$ 7,238,595
Total Debt	**4,207,079**	3,854,032	4,276,990	4,288,436	4,074,979
Total Preferred Equity	**904,540**	1,016,625	1,016,625	744,000	876,250
Total Shareholders' Equity	**2,945,610**	2,925,345	2,844,019	2,778,502	2,537,802
Total Common Shares Outstanding	**252,195**	224,029	148,420	146,175	133,921
Other Data:					
Consolidated Funds from Operations attributable to common shareholders (1)	**$ 297,955**	$ 12,854	$ 369,698	$ 378,282	$ 337,556

(1) Funds From Operations (FFO) is used by industry analysts and investors as a supplemental operating performance measure of an equity real estate investment trust (REIT) like Duke Realty Corporation. The National Association of Real Estate Investment Trusts (NAREIT) created FFO as a supplemental measure of REIT operating performance that excludes historical cost depreciation, among other items, from net income determined in accordance with accounting principles generally accepted in the United States of America (GAAP). FFO is a non-GAAP financial measure. The most comparable GAAP measure is net income (loss) attributable to common shareholders. Consolidated FFO attributable to common shareholders should not be considered as a substitute for net income (loss) attributable to common shareholders or any other measures derived in accordance with GAAP and may not be comparable to other similarly titled measures of other companies. FFO is calculated in accordance with the definition that was adopted by the Board of Governors of NAREIT.

Historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with

market conditions, many industry analysts and investors have considered presentation of operating results for real estate companies that use historical cost accounting to be insufficient by themselves. FFO, as defined by NAREIT, represents GAAP net income (loss), excluding extraordinary items as defined under GAAP and gains or losses from sales of previously depreciated real estate assets, plus certain non-cash items such as real estate asset depreciation and amortization, and after similar adjustments for unconsolidated partnerships and joint ventures.

Management believes that the use of consolidated FFO attributable to common shareholders, combined with net income (which remains the primary measure of performance), improves the understanding of operating results of REITs among the investing public and makes comparisons of REIT operating results more meaningful. Management believes that, by excluding gains or losses related to sales of previously depreciated real estate assets and excluding real estate asset depreciation and amortization, investors and analysts are able to readily identify the operating results of the long-term assets that form the core of a REIT s activity and assist in comparing these operating results between periods or as compared to different companies.

See reconciliation of FFO to GAAP net income (loss) attributable to common shareholders under the caption Year in Review under Item 7, Management s Discussion and Analysis of Financial Condition and Results of Operations .

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

Business Overview

We are a self-administered and self-managed REIT that began operations through a related entity in 1972. As of December 31, 2010, we:

- Owned or jointly controlled 793 industrial, office, medical office and other properties, of which 783 properties with more than 136.7 million square feet are in service and ten properties with approximately 3.8 million square feet are under development. The 783 in-service properties are comprised of 669 consolidated properties with approximately 114.1 million square feet and 114 jointly controlled properties with approximately 22.7 million square feet. The ten properties under development consist of eight consolidated properties with approximately 2.9 million square feet and two jointly controlled properties with approximately 866,000 square feet.

- Owned, including through ownership interests in unconsolidated joint ventures, approximately 4,800 acres of land and controlled an additional 1,650 acres through purchase options.

We have three reportable operating segments, the first two of which consist of the ownership and rental of office and industrial real estate investments. The operations of our office and industrial properties, along with our medical office and retail properties, are collectively referred to as Rental Operations. Our medical office and retail properties do not meet the quantitative thresholds for separate presentation as reportable segments.

The third reportable segment consists of providing various real estate services such as property management, asset management, maintenance, leasing, development and construction management to third-party property owners and joint ventures, and is collectively referred to as Service Operations. Our reportable segments offer different products or services and are managed separately because each segment requires different operating strategies and management expertise. Our Service Operations segment also includes our taxable REIT subsidiary, a legal entity through which certain of the segment s operations are conducted.

Through our Service Operations reportable segment, we have historically developed or acquired properties with the intent to sell (hereafter referred to as Build-for-Sale properties). Build-for-Sale properties were generally identified as such prior to construction commencement and were sold within a relatively short time after being placed in service. Build-for-Sale properties, which are no longer part of our operating strategy, did not represent a significant component of our operations in 2010 or 2009.

Operations Strategy

Our operational focus is to drive profitability, by maximizing cash from operations as well as Funds from Operations (FFO) through (i) maintaining and increasing property occupancy and rental rates by effectively managing our portfolio of existing properties; (ii) selectively developing new pre-leased medical office and build-to-suit projects at accretive returns; (iii) leveraging our construction expertise to act as a general contractor or construction manager on a fee basis; and (iv) providing a full line of real estate services to our tenants and to third parties.

Asset Strategy

Our asset strategy is to reposition our investment among product types and further diversify our geographic presence. Our strategic objectives include (i) increasing our investment in quality industrial properties in both existing markets and select new markets; (ii) expanding our medical office portfolio nationally to take advantage of demographic trends; (iii) increasing our asset investment in markets we believe provide the best potential for future growth; and (iv) reducing our investment in suburban office properties located primarily in the Midwest as well as reducing our investment in other non-strategic assets. We are executing our asset strategy through our disciplined approach in identifying accretive acquisition opportunities and our focused development initiatives, which are financed primarily from our active asset disposition program.

Capital Strategy

Our capital strategy is to maintain a strong balance sheet by actively managing the components of our capital structure, in coordination with the execution of our overall operating and asset strategy. We are focused on maintaining investment grade ratings from our credit rating agencies with the ultimate goal of improving the key metrics that formulate our credit ratings.

In support of our capital strategy, as well as our asset strategy, we employ an asset disposition program to sell non-strategic real estate assets, which generates proceeds that can be recycled primarily into new property investments that better fit our growth objectives both within the industrial and medical office product types and in markets that provide the best future growth potential.

We continue to focus on improving our balance sheet by maintaining a balanced and flexible capital structure which includes: (i) extending and sequencing the maturity dates of our outstanding debt obligations; (ii) borrowing primarily at fixed rates by targeting a variable rate component of total debt less than 20%; (iii) issuing common equity from time-to-time to maintain appropriate leverage parameters or support significant strategic acquisitions; and (iv) generating proceeds from the sale of non-strategic properties. With our successes to date and continued focus on strengthening our balance sheet, we believe we are well-positioned for future growth.

Year in Review

After the recessionary conditions of 2008 and most of 2009, the economy and business fundamentals improved during 2010, although unemployment, tax legislation matters and related issues remained key areas of concern. There also continued to be an oversupply of leasable space in many markets and product types, particularly in suburban office properties, as improvement in the commercial real estate industry lagged behind improvement in many other areas of the general economy. Many property owners continued to reduce rental rates and offer increased capital expenditure allowances in order to compete for the available transactions in the marketplace. During 2010, however, we had a strong increase in leasing volume, which helped offset rental rate decreases that continued in many markets.

We also made significant progress during 2010 on our asset strategy of increasing our industrial and medical office portfolio while reducing our exposure to suburban office properties, primarily through our disposition and acquisition activity. Overall, we believe 2010 was a successful year in all aspects of our strategic focus. The efforts in our operations, asset and capital strategies contributed to our positive performance.

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Net loss attributable to common shareholders for the year ended December 31, 2010, was $14.1 million, or $.07 per share (diluted), compared to a net loss of $333.6 million, or $1.67 per share (diluted) for the year ended December 31, 2009. The significant reduction in net loss from 2009 was the result of a $292.7 million decrease in non-cash impairment charges as well as a $53.6 million increase in gains on sales of properties. Partially offsetting the positive changes in impairment charges and property sales was a $28.1 million increase in interest expense that was primarily driven by a decrease in interest costs capitalized to development projects. FFO attributable to common shareholders totaled $298.0 million for the year ended December 31, 2010, compared to $12.9 million for 2009, with the increase resulting from the same factors, excluding gains on property sales, which improved the results attributable to common shareholders in 2010.

Industry analysts and investors use FFO as a supplemental operating performance measure of an equity REIT. The National Association of Real Estate Investment Trusts (NAREIT) created FFO as a supplemental measure of REIT operating performance that excludes historical cost depreciation, among other items, from net income determined in accordance with accounting principles generally accepted in the United States of America (GAAP). FFO is a non-GAAP financial measure. The most comparable GAAP measure is net income (loss) attributable to common shareholders. Consolidated FFO attributable to common shareholders should not be considered as a substitute for net income (loss) attributable to common shareholders or any other measures derived in accordance with GAAP and may not be comparable to other similarly titled measures of other companies. FFO is calculated in accordance with the definition that was adopted by the Board of Governors of NAREIT.

Historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, many industry analysts and investors have considered presentation of operating results for real estate companies that use historical cost accounting to be insufficient by themselves. FFO, as defined by NAREIT, represents GAAP net income (loss), excluding extraordinary items as defined under GAAP and gains or losses from sales of previously depreciated real estate assets, plus certain non-cash items such as real estate asset depreciation and amortization, and after similar adjustments for unconsolidated partnerships and joint ventures.

Management believes that the use of consolidated FFO attributable to common shareholders, combined with net income (which remains the primary measure of performance), improves the understanding of operating results of REITs among the investing public and makes comparisons of REIT operating results more meaningful. Management believes that, by excluding gains or losses related to sales of previously depreciated real estate assets and excluding real estate asset depreciation and amortization, investors and analysts are able to readily identify the operating results of the long-term assets that form the core of a REIT s activity and assist in comparing these operating results between periods or as compared to different companies. The following table shows a reconciliation of net income (loss) attributable to common shareholders to the calculation of consolidated FFO attributable to common shareholders for the years ended December 31, 2010, 2009 and 2008, respectively (in thousands):

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	2010	2009	2008
Net income (loss) attributable to common shareholders	**$ (14,108)**	$ (333,601)	$ 50,408
Adjustments:			
Depreciation and amortization	**360,184**	340,126	314,952
Company share of joint venture depreciation and amortization	**34,674**	36,966	38,321
Earnings from depreciable property sales wholly owned	**(72,716)**	(19,123)	(16,961)
Earnings from depreciable property sales share of joint venture	**(2,308)**	-	(495)
Noncontrolling interest share of adjustments	**(7,771)**	(11,514)	(16,527)
Consolidated Funds From Operations attributable to common shareholders	**$ 297,955**	$ 12,854	$ 369,698

As the economy improved in 2010, we executed in all areas of the operations, asset, and capital strategies that we established in 2009. Of specific note was the significant progress made in our efforts to increase the concentration within our portfolio towards the industrial and medical office product types in stronger growth markets. Highlights of our 2010 strategic activities are as follows:

On July 1, 2010, we acquired our joint venture partner s 50% interest in Dugan Realty, L.L.C. (Dugan), a real estate joint venture that we had previously accounted for using the equity method, for a net cash payment of $138.6 million. As the result of this transaction, we obtained 100% of Dugan s membership interests. Dugan had secured debt, which, at the time of acquisition, had a total face value of $283.0 million. Dugan owned 106 industrial buildings totaling 20.8 million square feet and 62.6 net acres of undeveloped land located in Midwest and Southeast markets.

On December 30, 2010, we completed the acquisition of the first tranche of the Premier Realty Corporation South Florida property portfolio (the Premier Portfolio) for $281.7 million, including the assumption of secured debt that had a face value of $155.7 million. The first tranche includes 39 buildings, totaling more than 3.4 million square feet, nearly all of which are industrial properties. The Premier Portfolio, in its entirety, includes 51 industrial and five office buildings with over 4.9 million rentable square feet and four ground leases, for a total price of approximately $449.4 million. The remainder of the acquisition is under contract and expected to close in early 2011, subject to the execution of certain debt assumptions and customary closing conditions.

We generated $499.5 million of total net cash proceeds from the disposition of 36 wholly-owned buildings, either through outright sales or partial sales to unconsolidated joint ventures, as well as 130 acres of wholly-owned undeveloped land. Included in the wholly-owned building dispositions in 2010 is the sale of seven suburban office buildings, totaling over 1.0 million square feet, to a newly formed subsidiary of an existing 20% owned joint venture. These buildings were sold to the joint venture for an agreed value of $173.9 million, of which our 80% share of proceeds totaled $139.1 million. We expect to sell additional buildings to this joint venture by the end of the second quarter 2011, subject to financing and other customary closing conditions. The total 2011 sale is under contract and expected to consist of 13 office buildings, totaling over 2.0 million square feet, with an agreed upon value of $342.8 million, which is expected to

generate proceeds of $274.2 million for the 80% portion that we sell.

We have limited our new development starts to selected projects in markets or product types expected to have strong future rent growth and demand or projects that have significant pre-leasing. The total estimated cost of our consolidated properties under construction was $151.5 million at December 31, 2010 with $47.2 million of such costs incurred through that date. Our total estimated cost for jointly controlled properties under construction was $176.0 million at December 31, 2010 with $106.2 million of costs incurred through that date.

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The occupancy level for our in-service portfolio of consolidated properties increased from 87.6% at December 31, 2009 to 89.1% at December 31, 2010. The increase in occupancy was driven by a significant increase in total leasing volume as, during 2010, we had our highest total leasing volume since 2007. A significant portion of the leasing volume in 2010 was related to buildings where development was started on a speculative basis between 2005 and 2008.

Despite the continued challenges presented by the overall economy, total leasing activity for our consolidated properties totaled 20.4 million square feet in 2010 compared to 15.3 million square feet in 2009.

Total leasing activity for our consolidated properties in 2010 included 10.1 million square feet of renewals, which represented a 77.2% success rate but resulted in a 4.9% reduction in net effective rents.

We executed a number of significant transactions in support of our capital strategy during 2010 in order to optimally sequence our unsecured debt maturities, manage our overall leverage profile, and support our acquisition strategy. Highlights of our key financing activities in 2010 are as follows:

In January 2010, we repaid $99.8 million of senior unsecured notes, which had an effective interest rate of 5.37%, on their scheduled maturity date.

In April 2010, we issued $250.0 million of 10-year unsecured debt, which bears interest at an effective rate of 6.75%.

In June 2010, we issued 26.5 million shares of common stock at $11.75 per share, which generated net proceeds of $298.1 million.

During 2010, through a cash tender offer and open market transactions, we repurchased certain of our outstanding series of unsecured notes scheduled to mature in 2011 and 2013, which had a weighted average stated interest rate of 4.48%. In total, we repurchased unsecured notes that had a face value of $279.9 million.

During 2010, we also completed open market repurchases of approximately 4.5 million shares of our 8.375% Series O preferred stock. We repurchased preferred shares that had a face value of $112.1 million.

Key Performance Indicators

Our operating results depend primarily upon rental income from our industrial, office, medical office and retail properties (collectively referred to as Rental Operations). The following discussion highlights the areas of Rental Operations that we consider critical drivers of future revenues.

Occupancy Analysis: As discussed above, our ability to maintain high occupancy rates is a principal driver of maintaining and increasing rental revenue from continuing operations. The following table sets forth occupancy information regarding our in-service portfolio of consolidated rental properties as of December 31, 2010 and 2009, respectively (in thousands, except percentage data):

Type	Total Square Feet 2010	Total Square Feet 2009	Percent of Total Square Feet 2010	Percent of Total Square Feet 2009	Percent Leased 2010	Percent Leased 2009
Industrial	**81,897**	56,426	**71.8%**	62.3%	**90.6%**	89.4%
Office	**29,265**	31,073	**25.7%**	34.3%	**85.4%**	84.7%
Other (Medical Office and Retail)	**2,916**	3,082	**2.5%**	3.4%	**85.7%**	82.9%
Total	**114,078**	90,581	**100.0%**	100.0%	**89.1%**	87.6%

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The increase in occupancy at December 31, 2010 compared to December 31, 2009 is primarily because we achieved a volume of executed leases in 2010 that was the highest since 2007, with a significant portion of that volume related to buildings where development was started on a speculative basis between 2005 and 2008. Our ongoing ability to maintain favorable occupancy levels may be adversely affected by the continued effects of the economic recession on current and prospective tenants and such a reduction in the level of occupancy may have an adverse impact on revenues from rental operations.

Lease Expiration and Renewals: Our ability to maintain and improve occupancy rates primarily depends upon our continuing ability to re-lease expiring space. The following table reflects our consolidated in-service portfolio lease expiration schedule by property type as of December 31, 2010. The table indicates square footage and annualized net effective rents (based on December 2010 rental revenue) under expiring leases (in thousands, except percentage data):

	Total Portfolio			Industrial		Office		Other	
Year of Expiration	Square Feet	Ann. Rent Revenue	% of Revenue	Square Feet	Ann. Rent Revenue	Square Feet	Ann. Rent Revenue	Square Feet	Ann. Rent Revenue
2011	11,504	$ 66,476	10%	8,875	$ 34,325	2,585	$ 31,552	44	$ 599
2012	9,177	65,612	9%	6,226	27,327	2,890	37,184	61	1,101
2013	14,713	100,084	15%	10,626	43,031	4,033	55,980	54	1,073
2014	12,012	72,919	11%	9,102	34,097	2,747	36,029	163	2,793
2015	12,389	73,126	11%	9,557	36,249	2,807	36,327	25	550
2016	9,309	52,548	8%	7,289	26,675	1,937	23,981	83	1,892
2017	7,069	46,303	7%	5,381	20,586	1,393	19,410	295	6,307
2018	5,461	49,951	7%	3,155	12,008	1,766	25,407	540	12,536
2019	3,670	40,840	6%	1,603	7,067	1,795	27,001	272	6,772
2020	6,974	48,653	7%	5,107	18,325	1,469	22,049	398	8,279
2021 and Thereafter	9,381	65,984	9%	7,244	30,523	1,573	22,081	564	13,380
	101,659	$ 682,496	100%	74,165	$ 290,213	24,995	$ 337,001	2,499	$ 55,282
Total Portfolio Square Feet	114,078			81,897		29,265		2,916	
Percent Leased	89.1%			90.6%		85.4%		85.7%	

We renewed 77.2% and 82.0% of our leases up for renewal totaling approximately 10.1 million and 8.8 million square feet in 2010 and 2009, respectively. There was a 4.9% decline in net effective rents on these renewals during 2010, compared to a 2.2% increase in 2009. Although general economic conditions have improved since 2009, there continues to be an over-supply of rentable space in many markets that has necessitated a continuation of the 2009 trend toward a reduction in overall rental rates in order to maintain occupancy. Our lease renewal percentages over the past three years have remained at a relatively consistent success rate. The effects of future economic conditions upon our base of existing tenants may adversely affect our ability to continue to achieve this renewal rate.

Acquisition and Disposition Activity: In 2010, we consolidated 106 industrial buildings as the result of acquiring Dugan. We also acquired 38 industrial buildings and one office building as a result of closing the first tranche of the Premier Portfolio. We expect to complete the purchase of the Premier Portfolio, which is under contract, in early 2011 and will continue to evaluate other acquisition opportunities to the extent they support our overall strategy. In addition to these two transactions, we purchased an additional 10 industrial buildings, two office buildings and one medical office building in 2010. Including the additional 50% ownership interest in Dugan, we acquired real estate and other assets totaling $901.5 million in 2010.

In 2009, we acquired $32.1 million of income producing properties comprised of three industrial real estate properties in Savannah, Georgia.

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Net cash proceeds related to the dispositions of wholly owned undeveloped land and buildings totaled $499.5 million in 2010, compared to $288.2 million in 2009. Included in the wholly owned building dispositions in 2010 is the previously mentioned sale of seven suburban office buildings, totaling over 1.0 million square feet, to a newly formed subsidiary of an existing 20% owned joint venture. Our share of proceeds from sales of properties from within unconsolidated joint ventures in which we have less than a 100% interest totaled $15.0 million in 2010, and we had no such dispositions in 2009.

We intend to pursue additional disposition opportunities for non-strategic properties and land in accordance with our strategy. We believe that the number of dispositions we execute in 2011 will be impacted by the ability of prospective buyers to obtain favorable financing or pay cash, given the current state of the economy and credit markets in particular.

Future Development: Another source of our earnings growth is our wholly owned and joint venture development activities. We expect to generate future earnings from Rental Operations as the development properties are placed in service and leased. During 2010, we directed a significant portion of our available resources toward acquisition activities as well as limited our development activities to pre-leased industrial and medical office product types. We believe these two product lines will be the areas of greatest future growth.

We had 3.8 million square feet of consolidated or jointly controlled properties under development with total estimated costs upon completion of $327.5 million at December 31, 2010, compared to 1.6 million square feet of property under development with total estimated costs of $440.6 million at December 31, 2009. The square footage and estimated costs include both wholly owned and joint venture development activity at 100%.

The following table summarizes our properties under development as of December 31, 2010 (in thousands, except percentage data):

Ownership Type	Square Feet	Percent Leased	Total Estimated Project Costs	Total Incurred to Date	Amount Remaining to be Spent
Consolidated properties	2,895	90%	$ 151,502	$ 47,181	$ 104,321
Joint venture properties	866	96%	175,985	106,150	69,835
Total	3,761	92%	$ 327,487	$ 153,331	$ 174,156

Results of Operations

A summary of our operating results and property statistics for each of the years in the three-year period ended December 31, 2010, is as follows (in thousands, except number of properties and per share data):

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	2010	2009	2008
Rental and related revenue	**$ 878,242**	$ 842,232	$ 802,791
General contractor and service fee revenue	**515,361**	449,509	434,624
Operating income (loss)	**227,728**	(75,210)	259,758
Net income (loss) attributable to common shareholders	**(14,108)**	(333,601)	50,408
Weighted average common shares outstanding	**238,920**	201,206	146,915
Weighted average common shares and potential dilutive securities	**238,920**	201,206	154,553
Basic income (loss) per common share:			
Continuing operations	**$ (0.22)**	$ (1.58)	$ 0.17
Discontinued operations	**$ 0.15**	$ (0.09)	$ 0.16
Diluted income (loss) per common share:			
Continuing operations	**$ (0.22)**	$ (1.58)	$ 0.17
Discontinued operations	**$ 0.15**	$ (0.09)	$ 0.16
Number of in-service consolidated properties at end of year	**669**	543	537
In-service consolidated square footage at end of year	**114,078**	90,581	90,101
Number of in-service joint venture properties at end of year	**114**	211	204
In-service joint venture square footage at end of year	**22,657**	43,248	40,948

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

Rental and Related Revenue

The following table sets forth rental and related revenue from continuing operations by reportable segment for the years ended December 31, 2010 and 2009, respectively (in thousands):

	2010	2009
Rental and Related Revenue:		
Office	**$ 504,812**	$ 523,695
Industrial	**295,960**	254,515
Non-reportable segments	**77,470**	64,022
Total	**$ 878,242**	$ 842,232

The primary reasons for the increase in rental revenue from continuing operations, with specific references to a particular segment when applicable, are summarized below:

We consolidated 106 industrial buildings as a result of acquiring our joint venture partner s 50% interest in Dugan on July 1, 2010. The consolidation of these buildings resulted in an increase of $38.7 million in rental and related revenue for the year ended December 31, 2010, as compared to the same period in 2009.

Including the December 30, 2010 acquisition of the first tranche of the Premier Portfolio, we acquired or consolidated an additional 56 properties and placed 18 developments in service from January 1, 2009 to December 31, 2010, which provided incremental revenues of $29.2 million in the year ended December 31,

2010.

We contributed 15 properties to an unconsolidated joint venture in 2009 and 2010, resulting in a $9.2 million reduction in rental and related revenue in 2010.

We sold eight properties in 2009 and 2010 that were excluded from discontinued operations as a result of continuing involvement in the properties through management agreements. These dispositions resulted in a decrease in rental and related revenue from continuing operations of $7.5 million in 2010.

Rental and related revenue includes lease termination fees, which relate to specific tenants who pay a fee to terminate their lease obligation before the end of the contractual lease term. Lease termination fees included in continuing operations decreased from $12.3 million in 2009 to $6.7 million in 2010.

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Average occupancy for the year ended December 31, 2010 decreased slightly for our office properties, while increasing for our industrial properties, when compared to the year ended December 31, 2009. These changes in occupancy, as well as decreases in rental rates in certain of our 2010 lease renewals, resulted in a net decrease to rental and related revenues which partially offset the increases generated from acquisitions and developments placed in service.

Rental Expenses and Real Estate Taxes

The following table reconciles rental expenses and real estate taxes by reportable segment to our total reported amounts in the statements of operations for the years ended December 31, 2010 and 2009, respectively (in thousands):

	2010	2009
Rental Expenses:		
Office	**$ 146,279**	$ 147,774
Industrial	**32,880**	27,016
Non-reportable segments	**18,826**	17,480
Total	**$ 197,985**	$ 192,270
Real Estate Taxes:		
Office	**$ 67,104**	$ 68,055
Industrial	**43,814**	36,383
Non-reportable segments	**7,088**	6,751
Total	**$ 118,006**	$ 111,189

Of the overall $5.7 million increase in rental expenses in 2010 compared to 2009, $4.4 million was attributable to the consolidation of the 106 industrial buildings in Dugan. There were also incremental costs of $6.2 million associated with the additional 56 properties acquired or otherwise consolidated and 18 developments placed in service. These increases were partially offset by a decrease in rental expenses of approximately $3.3 million related to 23 properties that were sold in 2009 and 2010, but did not meet the criteria for classification as discontinued operations.

Overall, real estate taxes increased by $6.8 million in 2010 compared to 2009. The primary reason for this increase is the consolidation of an additional 106 industrial buildings related to the acquisition of Dugan, which resulted in incremental real estate taxes of $7.1 million. There were also incremental costs of $3.1 million associated with the additional 56 properties acquired or otherwise consolidated and 18 developments placed in service. These increases were partially offset by a decrease in real estate taxes of approximately $2.7 million related to 23 properties that were sold in 2009 and 2010, but did not meet the criteria for classification as discontinued operations.

Service Operations

The following table sets forth the components of the Service Operations reportable segment (excluding Build-for-Sale Properties) for the years ended December 31, 2010 and 2009, respectively (in thousands):

	2010	2009
Service Operations:		
General contractor and service fee revenue	**$ 515,361**	$ 449,509

General contractor and other services expenses	**(486,865)**	(427,666)
Total	**$ 28,496**	$ 21,843

Service Operations primarily consist of the leasing, property management, asset management, development, construction management and general contractor services for joint venture properties and properties owned by third parties. Service Operations are heavily influenced by the current state of the economy, as leasing and property management fees are dependent upon occupancy while construction and development services rely on the expansion of business operations of third-party property owners

and joint venture partners. The increase in earnings from Service Operations was largely the result of an overall increase in third-party construction volume and fees.

Depreciation and Amortization Expense

Depreciation and amortization expense increased from $323.4 million in 2009 to $349.1 million in 2010 due to increases in our real estate asset base from properties acquired or consolidated and developments placed in service during 2010 and 2009. The consolidation of 106 additional industrial properties related to the July 1, 2010 acquisition of our partner s ownership interest in Dugan resulted in $25.4 million of additional depreciation expense.

Equity in Earnings of Unconsolidated Companies

Equity in earnings represents our ownership share of net income or loss from investments in unconsolidated companies that generally own and operate rental properties and develop properties for sale. Equity in earnings decreased from $9.9 million in 2009 to $8.0 million in 2010. The decrease was largely the result of the acquisition of Dugan, which was previously accounted for under the equity method, which took place on July 1, 2010.

Gain on Sale of Properties

Gains on sales of properties classified in continuing operations increased from $12.3 million in 2009 to $39.7 million in 2010. We sold nine properties in 2009 compared to 17 properties in 2010. Because the properties sold in 2009 and 2010 either had insignificant operations prior to sale or because we maintained varying forms of continuing involvement after sale, they are not classified within discontinued operations. Seven of the properties sold in 2010, with a combined gain on sale of $31.9 million, were made to a newly formed subsidiary of an existing 20% owned joint venture to which we expect to sell additional properties during 2011.

Impairment Charges

Impairment charges classified in continuing operations include the impairment of undeveloped land and buildings, investments in unconsolidated subsidiaries and other real estate related assets. The decrease from $275.6 million in 2009 to $9.8 million in 2010 is primarily due to the following activity:

In 2010, we sold approximately 60 acres of land, in two separate transactions, which resulted in impairment charges of $9.8 million. These sales were opportunistic in nature and we had not identified or actively marketed this land for disposition, as it was previously intended to be held for development.

A result of the refinement of our business strategy that took place in 2009 was the decision to dispose of approximately 1,800 acres of land, which had a total cost basis of $385.3 million, rather than holding it for future development. Our change in strategy for this land triggered the requirement to conduct an impairment analysis, which resulted in a determination that a significant portion of the land, representing over 35% of the land s carrying value, was impaired. We recognized impairment charges on land of $136.6 million in 2009, primarily as the result of writing down to fair value the land that was identified for disposition and determined to be impaired.

Also in 2009, an impairment charge of $78.1 million was recognized for 28 office, industrial and retail buildings. Nine of these properties met the criteria for discontinued operations at December 31, 2010, either as a result of being sold or classified as held-for-sale, and the $26.9 million of

impairment charges related to these properties is accordingly reflected in discontinued operations. The impairment analysis was triggered either as the result of changes in management s strategy, resulting in certain buildings being identified as non-strategic, or changes in market conditions.

We hold a 50% ownership interest in an unconsolidated entity (the 3630 Peachtree joint venture) whose sole activity is the development and operation of the office component of a multi-use office and residential high-rise building located in the Buckhead sub-market of Atlanta. We recognized an impairment charge in 2009 to write off our $14.4 million investment in the 3630 Peachtree joint venture as the result of an other-than-temporary decline in value. As a result of the joint venture s obligations to the lender in its construction loan agreement, the likelihood that our partner will be unable to contribute their share of the additional equity to fund the joint venture s future capital costs, and ultimately from our contingent obligation stemming from our joint and several guarantee of the joint venture s loan, we recorded an additional liability of $36.3 million in 2009 for our probable future obligation to the lender.

In 2009, we recognized a $5.8 million charge on our investment in an unconsolidated joint venture (the Park Creek joint venture).

We recognized $31.5 million of impairment charges on other real estate related assets in 2009, which related primarily to reserving loans receivable from other real estate entities, as well as writing off previously deferred development costs.

General and Administrative Expense

General and administrative expense decreased from $47.9 million in 2009 to $41.3 million in 2010. General and administrative expenses consist of two components. The first component includes general corporate expenses and the second component includes the indirect operating costs not allocated to the development or operations of our owned properties and Service Operations. The decrease in general and administrative expenses resulted from a $9.6 million reduction in our total overhead costs, which was largely a result of reduced severance charges when compared to 2009. The reduction in overall overhead expenses was partially offset by a $3.3 million decrease in overhead costs absorbed by an allocation to leasing, construction and other areas, which was primarily a result of lower wholly owned construction and development activities than in 2009.

Interest Expense

Interest expense from continuing operations increased from $206.0 million in 2009 to $239.4 million in 2010. The increase was largely the result of a $15.4 million decrease in the capitalization of interest costs, due to properties previously undergoing significant development activities being placed in service or otherwise not meeting the criteria for the capitalization of interest. The remaining increase in interest expense was largely the result of our 2010 acquisition activity which, in addition to other uses of capital, drove higher overall borrowings in 2010.

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Gain (Loss) on Debt Transactions

During 2010, through a cash tender offer and open market transactions, we repurchased certain of our outstanding series of unsecured notes scheduled to mature in 2011 and 2013. In total, we paid $292.2 million for unsecured notes that had a face value of $279.9 million. We recognized a net loss on extinguishment of $16.3 million after considering the write-off of unamortized deferred financing costs, discounts and other accounting adjustments.

During 2009, we repurchased certain of our outstanding series of unsecured notes scheduled to mature in 2009 through 2011. The majority of our debt repurchases during 2009 were of our 3.75% Exchangeable Senior Notes (Exchangeable Notes). In total, we paid $500.9 million for unsecured notes that had a face value of $542.9 million, recognizing a net gain on extinguishment of $27.5 million after considering the write-off of unamortized deferred financing costs, discounts and other accounting adjustments. Partially offsetting these gains, we recognized $6.8 million of expense in 2009 for the write-off of fees paid for a pending secured financing that we cancelled in the third quarter of 2009.

Income Taxes

We recognized an income tax benefit of $1.1 million and $6.1 million, respectively, in 2010 and 2009.

We recorded a net valuation allowance of $7.3 million against our deferred tax assets during 2009. The valuation allowance was recorded as the result of changes to our projections for future taxable income within our taxable REIT subsidiary. The decreased projection of taxable income was the result of a revision in strategy, whereby we determined that we would indefinitely discontinue the development of Build-for-Sale properties, necessitating the revision of our taxable income projections.

Discontinued Operations

The results of operations for properties sold during the year to unrelated parties or classified as held-for-sale at the end of the period, and meet the applicable criteria, are required to be classified as discontinued operations. The property specific components of earnings that are classified as discontinued operations include rental revenues, rental expenses, real estate taxes, allocated interest expense and depreciation expense, impairment charges as well as the net gain or loss on the disposition of properties.

The operations of 41 buildings are currently classified as discontinued operations. These 41 properties consist of 12 industrial, 27 office, and two retail properties. As a result, we classified income, before gain on sales and impairment charges, of $2.7 million, $2.9 million and $8.5 million in discontinued operations for the years ended December 31, 2010, 2009 and 2008, respectively.

Of these properties, 19 were sold during 2010, five properties were sold during 2009 and eight properties were sold during 2008. The gains on disposal of these properties of $33.1 million, $6.8 million and $17.0 million for the years ended December 31, 2010, 2009 and 2008, respectively, are also reported in discontinued operations. Discontinued operations also includes impairment charges of $26.9 million and $1.3 million for the years ended December 31, 2009 and 2008, respectively, recognized on properties that were subsequently sold. There are nine properties classified as held-for-sale at December 31, 2010.

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

Rental and Related Revenue

The following table sets forth rental and related revenue from continuing operations by reportable segment for the years ended December 31, 2009 and 2008, respectively (in thousands):

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	2009	2008
Rental and Related Revenue:		
Office	**$ 523,695**	$ 509,203
Industrial	**254,515**	245,663
Non-reportable segments	**64,022**	47,925
Total	**$ 842,232**	$ 802,791

The primary reasons for the increase in rental revenue from continuing operations, with specific references to a particular segment when applicable, are summarized below:

In 2009, we acquired three properties, consolidated two retail properties in which we previously had a partial ownership interest, and placed 15 developments in service. The acquisitions and developments provided incremental revenues of $1.4 million and $7.2 million, respectively. The two retail properties that were consolidated in 2009 provided $16.3 million of incremental revenues. Of the development properties placed in service in 2009, ten were medical office properties accounting for $4.1 million of the $7.2 million incremental revenues.

Acquisitions and developments that were placed in service in 2008 provided $422,000 and $31.9 million, respectively, of incremental revenue in 2009.

Lease termination fees included in rental and related revenue from continuing operations increased from $9.2 million in 2008 to $12.3 million in 2009.

We contributed five properties to an unconsolidated joint venture in 2008, resulting in a $2.2 million reduction in revenues for the year ended December 31, 2009, as compared to the same period in 2008.

The increase in rental revenues was partially offset by a $6.8 million increase in expense related to doubtful receivables, including both contractual and straight-line receivables, as a result of economic conditions during 2009.

Decreases in rental rates and occupancy in certain of our existing properties, resulting from the economy s impact on the leasing environment, partially offset the above-mentioned items.

Rental Expenses and Real Estate Taxes

The following table reconciles rental expenses and real estate taxes by reportable segment to our total reported amounts in the statements of operations for the years ended December 31, 2009 and 2008, respectively (in thousands):

	2009	2008
Rental Expenses:		

Office	**$ 147,774**	$ 141,993
Industrial	**27,016**	27,154
Non-reportable segments	**17,480**	10,226
Total	**$ 192,270**	$ 179,373
Real Estate Taxes:		
Office	**$ 68,055**	$ 62,546
Industrial	**36,383**	29,992
Non-reportable segments	**6,751**	3,334
Total	**$ 111,189**	$ 95,872

Of the overall $12.9 million increase in rental expenses in 2009 compared to 2008, $10.2 million was attributable to properties acquired or consolidated and developments placed in service from January 1, 2008 through December 31, 2009.

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Of the overall $15.3 million increase in real estate taxes in 2009 compared to 2008, $9.8 million was attributable to properties acquired or consolidated and developments placed in service from January 1, 2008 through December 31, 2009. The remaining increase in real estate taxes was driven by increases in tax rates and assessed values on our existing properties.

Service Operations

The following table sets forth the components of the Service Operations reportable segment (excluding Build-for-Sale Properties) for the years ended December 31, 2009 and 2008, respectively (in thousands):

	2009	2008
Service Operations:		
General contractor and service fee revenue	**$ 449,509**	$ 434,624
General contractor and other services expenses	**(427,666)**	(418,743)
Total	**$ 21,843**	$ 15,881

The increase in earnings from Service Operations was primarily a result of general contractor expenses being higher than usual in 2008 as a result of increases in our total cost estimates for two third-party fixed price construction contracts, which reduced the margins on the contracts.

Depreciation and Amortization Expense

Depreciation and amortization expense increased from $293.0 million in 2008 to $323.4 million in 2009 due to increases in our real estate asset base from properties acquired or consolidated and developments placed in service during 2008 and 2009.

Equity in Earnings of Unconsolidated Companies

Equity in earnings decreased from $23.8 million in 2008 to $9.9 million in 2009. The decrease was primarily a result of our share of the gain on sale of five properties from unconsolidated subsidiaries in 2008 totaling $10.1 million, compared to no such sales in 2009. The decreased gains on property sales were partially offset as the result of consolidating two retail joint ventures in April 2009, for which our share of net loss was $3.5 million in 2008. The remaining decrease in equity in earnings is primarily due to a decrease in operating income within certain of our joint ventures due to decreased occupancy in the underlying rental properties.

Gain on Sale of Properties

Gains on sales of properties decreased from $39.1 million in 2008 to $12.3 million in 2009. We sold 14 properties in 2008 compared to nine properties in 2009. The properties sold in 2008 were part of our Build-for-Sale program, which is no longer a significant part of our Service Operations. Because the properties sold in 2008 and 2009 either had insignificant operations prior to sale or because we maintained varying forms of continuing involvement after sale, they are not classified within discontinued operations.

Earnings from Sales of Land

Earnings from sales of land decreased from $12.7 million in 2008 to $357,000 in 2009. The decrease in earnings was the result of the current state of the real estate market, as fewer developers are willing to make speculative purchases of land for future development.

Impairment Charges

Impairment charges classified in continuing operations include the impairment of undeveloped land and buildings, investments in unconsolidated subsidiaries and other real estate related assets. The increase

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from $10.2 million in 2008 to $275.6 million in 2009 is primarily due to a refinement of our business strategy coupled with decreases in real estate values and is comprised of the following activity:

A result of the refinement of our business strategy that took place in 2009 was the decision to dispose of approximately 1,800 acres of land, which had a total cost basis of $385.3 million, rather than holding it for future development. Our change in strategy for this land triggered the requirement to conduct an impairment analysis, which resulted in a determination that a significant portion of the land, representing over 35% of the land s carrying value, was impaired. We recognized impairment charges on land of $136.6 million in 2009, primarily as the result of writing down to fair value the land that was identified for disposition and determined to be impaired.

Also in 2009, an impairment charge of $78.1 million was recognized for 28 office, industrial and retail buildings. Nine of these properties met the criteria for discontinued operations, either as a result of being sold or classified as held-for-sale, and the $26.9 million of impairment charges related to these properties is accordingly reflected in discontinued operations. The impairment analysis was triggered either as the result of changes in management s strategy, resulting in certain buildings being identified as non-strategic, or changes in market conditions.

We recognized an impairment charge in 2009 to write off our $14.4 million investment in the 3630 Peachtree joint venture as the result of an other-than-temporary decline in value. As a result of the joint venture s obligations to the lender in its construction loan agreement, the likelihood that our partner will be unable to contribute their share of the additional equity to fund the joint venture s future capital costs, and ultimately from our contingent obligation stemming from our joint and several guarantee of the joint venture s loan, we recorded an additional liability of $36.3 million in 2009 for our probable future obligation to the lender.

In 2009, we recognized a $5.8 million charge on our investment in the Park Creek joint venture.

We recognized $31.5 million of impairment charges on other real estate related assets in 2009, which related primarily to reserving loans receivable from other real estate entities, as well as writing off previously deferred development costs.

In 2008, as the result of a re-assessment of our intended use of some of our land holdings, we recognized non-cash impairment charges on seven of our tracts of undeveloped land totaling $8.6 million. Also, as the result of the economy s negative effect on real estate selling prices, we recognized $2.8 million of impairment charges on two of our Build-for-Sale properties that were under construction at December 31, 2008, and were expected to sell in 2009. One of these properties met the criteria for discontinued operations upon sale and the $1.3 million impairment charge related to this property is accordingly reflected in discontinued operations.

General and Administrative Expense

General and administrative expense increased from $39.5 million in 2008 to $47.9 million in 2009. The increase in general and administrative expenses is primarily the result of a $4.8 million increase in severance pay. Other than this

expense item, we reduced our total overhead costs by $22.7 million to compensate for the reduction in the volume of leasing and construction activity. However, the absorption of actual overhead costs by an allocation to leasing, construction and other areas decreased by $26.3 million, which, when netted with the $22.7 million reduction in costs, resulted in the remaining increase in general and administrative expenses.

Interest Expense

Interest expense from continuing operations increased from $184.0 million in 2008 to $206.0 million in 2009, primarily as a result of a $26.6 million decrease in capitalization of interest costs, due to properties previously undergoing significant development activities being placed in service or otherwise not meeting the criteria for the capitalization of interest. Additionally, as the result of the conditions in the credit markets driving up interest rates on new borrowings in 2009, the weighted average interest rate on our total outstanding borrowings increased from 5.43% at December 31, 2008 to 6.36% at December 31, 2009.

Gain on Debt Transactions

During 2009, we repurchased certain of our outstanding series of unsecured notes scheduled to mature in 2009 through 2011. The majority of our debt repurchases during 2009 were of our Exchangeable Notes. In total, we paid $500.9 million for unsecured notes that had a face value of $542.9 million, recognizing a net gain on extinguishment of approximately $27.5 million after considering the write-off of unamortized deferred financing costs, discounts and other accounting adjustments. Partially offsetting these gains, we recognized $6.8 million of expense in 2009 for the write-off of fees paid for a pending secured financing that we cancelled in the third quarter of 2009.

Income Taxes

We recognized an income tax benefit of $6.1 million and $7.0 million, respectively, in 2009 and 2008.

We recorded a net valuation allowance of $7.3 million against our deferred tax assets during 2009. The valuation allowance was recorded as the result of changes to our projections for future taxable income within our taxable REIT subsidiary. The decreased projection of taxable income was the result of a revision in strategy, whereby we determined that we would indefinitely discontinue the development of Build-for-Sale properties, necessitating the revision of our taxable income projections. Notwithstanding the valuation allowance recorded during 2009, our taxable REIT subsidiary recognized significantly higher taxable losses in 2009 than in 2008 as the result of the timing and profitability of land and building sales.

Critical Accounting Policies

The preparation of our consolidated financial statements in conformity with GAAP requires us 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 reported period. Our estimates, judgments and assumptions are inherently subjective and based on the existing business and market conditions, and are therefore continually evaluated based upon available information and experience. Note 2 to the Consolidated Financial Statements includes further discussion of our significant accounting policies. Our management has assessed the accounting policies used in the preparation of our financial statements and discussed them with our Audit Committee and independent auditors. The following accounting policies are considered critical based upon materiality to the financial statements, degree of judgment involved in estimating reported amounts and sensitivity to changes in industry and economic conditions:

Accounting for Joint Ventures: We analyze our investments in joint ventures to determine if the joint venture is a variable interest entity (a VIE) and would require consolidation. We (i) evaluate the sufficiency of the total equity at risk, (ii) review the voting rights and decision-making authority of the equity investment holders as a group, and whether there are any guaranteed returns, protection against

losses, or capping of residual returns within the group and (iii) establish whether activities within the venture are on behalf of an investor with disproportionately few voting rights in making this VIE determination. We would consolidate a venture that is determined to be a VIE if we were the primary beneficiary. Beginning January 1, 2010, a new accounting standard became effective and changed the method by which the primary beneficiary of a VIE is determined to a primarily qualitative approach whereby the variable interest holder, if any, that controls a VIE s most significant activities is the primary beneficiary. To the extent that our joint ventures do not qualify as VIEs, we further assess each partner s substantive participating rights to determine if the venture should be consolidated.

We have equity interests in unconsolidated joint ventures that own and operate rental properties and hold land for development. To the extent applicable, we consolidate those joint ventures that are considered to be VIE s where we are the primary beneficiary. For non-variable interest entities, we consolidate those joint ventures that we control through majority ownership interests or where we are the managing entity and our partner does not have substantive participating rights. Control is further demonstrated by the ability of the general partner to manage day-to-day operations, refinance debt and sell the assets of the joint venture without the consent of the limited partner and inability of the limited partner to replace the general partner. We use the equity method of accounting for those joint ventures where we do not have control over operating and financial policies. Under the equity method of accounting, our investment in each joint venture is included on our balance sheet; however, the assets and liabilities of the joint ventures for which we use the equity method are not included on our balance sheet.

To the extent that we contribute assets to a joint venture, our investment in the joint venture is recorded at our cost basis in the assets that were contributed to the joint venture. To the extent that our cost basis is different than the basis reflected at the joint venture level, the basis difference is amortized over the life of the related asset and included in our share of equity in earnings of the joint venture. We recognize gains on the contribution or sale of real estate to joint ventures, relating solely to the outside partner s interest, to the extent the economic substance of the transaction is a sale.

Cost Capitalization: Direct and certain indirect costs, including interest, clearly associated with the development, construction, leasing or expansion of real estate investments are capitalized as a cost of the property.

We capitalize interest and direct and indirect project costs associated with the initial construction of a property up to the time the property is substantially complete and ready for its intended use. We believe the completion of the building shell is the proper basis for determining substantial completion and that this basis is the most widely accepted standard in the real estate industry. The interest rate used to capitalize interest is based upon our average borrowing rate on existing debt.

We also capitalize direct and indirect costs, including interest costs, on vacant space during extended lease-up periods after construction of the building shell has been completed if costs are being incurred to ready the vacant space for its intended use. If costs and activities incurred to ready the vacant space cease, then cost capitalization is also discontinued until such activities are resumed. Once necessary work has been completed on a vacant space, project costs are no longer capitalized. We cease capitalization of all project costs on extended lease-up periods after the shorter of a one-year period after the completion of the building shell or when the property attains 90% occupancy. In addition, all leasing commissions paid to third parties for new leases or lease renewals are capitalized.

In assessing the amount of indirect costs to be capitalized, we first allocate payroll costs, on a department-by-department basis, among activities for which capitalization is warranted (i.e., construction, development and leasing) and those for which capitalization is not warranted (i.e., property management,

maintenance, acquisitions and dispositions and general corporate functions). To the extent the employees of a department split their time between capitalizable and non-capitalizable activities, the allocations are made based on estimates of the actual amount of time spent in each activity. Once the payroll costs are allocated, the non-payroll costs of each department are allocated among the capitalizable and non-capitalizable activities in the same proportion as payroll costs.

To ensure that an appropriate amount of costs are capitalized, the amount of capitalized costs that are allocated to a specific project are limited to amounts using standards we developed. These standards consist of a percentage of the total development costs of a project and a percentage of the total gross lease amount payable under a specific lease. These standards are derived after considering the amounts that would be allocated if the personnel in the departments were working at full capacity. The use of these standards ensures that overhead costs attributable to downtime or to unsuccessful projects or leasing activities are not capitalized.

Impairment of Real Estate Assets: We evaluate our real estate assets, with the exception of those that are classified as held-for-sale, for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. If such an evaluation is considered necessary, we compare the carrying amount of that real estate asset, or asset group, with the expected undiscounted cash flows that are directly associated with, and that are expected to arise as a direct result of, the use and eventual disposition of that asset, or asset group. Our estimate of the expected future cash flows used in testing for impairment is based on, among other things, our estimates regarding future market conditions, rental rates, occupancy levels, costs of tenant improvements, leasing commissions and other tenant concessions, assumptions regarding the residual value of our properties at the end of our anticipated holding period and the length of our anticipated holding period and is, therefore, subjective by nature. These assumptions could differ materially from actual results. If our strategy changes or if market conditions otherwise dictate a reduction in the holding period and an earlier sale date, an impairment loss could be recognized and such loss could be material. To the extent the carrying amount of a real estate asset, or asset group, exceeds the associated estimate of undiscounted cash flows, an impairment loss is recorded to reduce the carrying value of the asset to its fair value.

The determination of the fair value of real estate assets is also highly subjective, especially in markets where there is a lack of recent comparable transactions. We primarily utilize the income approach to estimate the fair value of our income producing real estate assets. To the extent that the assumptions used in testing long-lived assets for impairment differ from those of a marketplace participant, the assumptions are modified in order to estimate the fair value of a real estate asset when an impairment charge is measured. In addition to determining future cash flows, which make the estimation of a real estate asset s undiscounted cash flows highly subjective, the selection of the discount rate and exit capitalization rate used in applying the income approach is also highly subjective.

To the extent applicable marketplace data is available, we generally use the market approach in estimating the fair value of undeveloped land that is determined to be impaired.

Real estate assets that are classified as held-for-sale are reported at the lower of their carrying value or their fair value, less estimated costs to sell.

Acquisition of Real Estate Property and Related Assets: We allocate the purchase price of acquired properties to net tangible and identified intangible assets based on their respective fair values. Beginning January 1, 2009, we record assets acquired in step acquisitions at their full fair value and record a gain or

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loss for the difference between the fair value and the carrying value of our existing equity interest. Additionally, beginning January 1, 2009, contingencies arising from a business combination are recorded at fair value if the acquisition date fair value can be determined during the measurement period.

The allocation to tangible assets (buildings, tenant improvements and land) is based upon management s determination of the value of the property as if it were vacant using discounted cash flow models similar to those used by independent appraisers. Factors considered by management include an estimate of carrying costs during the expected lease-up periods considering current market conditions, and costs to execute similar leases. The purchase price of real estate assets is also allocated among three categories of intangible assets consisting of the above or below market component of in-place leases, the value of in-place leases and the value of customer relationships.

The value allocable to the above or below market component of an acquired in-place lease is determined based upon the present value (using an interest rate which reflects the risks associated with the lease) of the difference between (i) the contractual amounts to be paid pursuant to the lease over its remaining term and (ii) management s estimate of the amounts that would be paid using current fair market rates over the remaining term of the lease. The amounts allocated to above market leases are included in deferred leasing and other costs in the balance sheet and below market leases are included in other liabilities in the balance sheet; both are amortized to rental income over the remaining terms of the respective leases.

The total amount of intangible assets is further allocated to in-place lease values and to customer relationship values, based upon management s assessment of their respective values. These intangible assets are included in deferred leasing and other costs in the balance sheet and are amortized over the remaining term of the existing lease, or the anticipated life of the customer relationship, as applicable.

Valuation of Receivables: We are subject to tenant defaults and bankruptcies that could affect the collection of rent due under leases or of outstanding receivables. In order to mitigate these risks, we perform credit reviews and analyses on major existing tenants and prospective tenants before leases are executed. We have established the following procedures and policies to evaluate the collectability of outstanding receivables and record allowances:

We maintain a tenant watch list containing a list of significant tenants for which the payment of receivables and future rent may be at risk. Various factors such as late rent payments, lease or debt instrument defaults, and indications of a deteriorating financial position are considered when determining whether to include a tenant on the watch list.

As a matter of policy, we reserve the entire receivable balance, including straight-line rent, of any tenant with an amount outstanding over 90 days.

Straight-line rent receivables for any tenant on the watch list or any other tenant identified as a potential long-term risk, regardless of the status of current rent receivables, are reviewed and reserved as necessary.

Construction Contracts: We recognize income on construction contracts where we serve as a general contractor on the percentage of completion method. Using this method, profits are recorded on the basis of our estimates of the overall profit and percentage of completion of individual contracts. A portion of the estimated profits is accrued based upon

our estimates of the percentage of completion of the construction contract. To the extent that a fixed-price contract is estimated to result in a loss, the loss is recorded immediately. Cumulative revenues recognized may be less or greater than cumulative costs and profits billed at any point in time during a contract s term. This revenue recognition method involves inherent risks relating to profit and cost estimates with those risks reduced through approval and monitoring processes.

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With regard to critical accounting policies, management has discussed the following with the Audit Committee:

- Criteria for identifying and selecting our critical accounting policies;
- Methodology in applying our critical accounting policies; and
- Impact of the critical accounting policies on our financial statements.

The Audit Committee has reviewed the critical accounting policies identified by management.

Liquidity and Capital Resources

Sources of Liquidity

As the result of generating capital in excess of $1.0 billion through a common equity issuance, unsecured borrowings, and property dispositions, we have more than sufficient capacity to meet our short-term liquidity requirements over the next twelve months.

In addition to our existing sources of liquidity, we expect to meet long-term liquidity requirements, such as scheduled mortgage and unsecured debt maturities, property acquisitions, financing of development activities and other non-recurring capital improvements, through multiple sources of capital including operating cash flow and accessing the public debt and equity markets.

Rental Operations

Cash flows from Rental Operations is our primary source of liquidity and provides a stable cash flow to fund operational expenses. We believe that this cash-based revenue stream is substantially aligned with revenue recognition (except for periodic straight-line rental income accruals and amortization of above or below market rents) as cash receipts from the leasing of rental properties are generally received in advance of or in a short time following the actual revenue recognition.

We are subject to a number of risks related to general economic conditions, including reduced occupancy, tenant defaults and bankruptcies, and potential reduction in rental rates upon renewal or re-letting of properties, each of which would result in reduced cash flow from operations. In 2010, we recognized $5.9 million of expense related to reserving doubtful receivables, including reserves on straight-line rent, compared to $12.0 million in 2009.

Unsecured Debt and Equity Securities

Our unsecured lines of credit as of December 31, 2010 are described as follows (in thousands):

Description		Borrowing Capacity	Maturity Date	Outstanding Balance at December 31, 2010
Unsecured Line of Credit	DRLP	$ 850,000	February 2013	$ 175,000
Unsecured Line of Credit	Consolidated Subsidiary	$ 30,000	July 2011	$ 18,046

The DRLP unsecured line of credit has a borrowing capacity of $850.0 million with an interest rate on borrowings of LIBOR plus 2.75% (equal to 3.01% for borrowings as of December 31, 2010), and matures in February 2013. Subject to certain conditions, the terms also include an option to increase the facility by up to an additional $200.0 million, for a total of up to $1.05 billion. This line of credit provides us with an option to obtain borrowings from financial

institutions that participate in the line, at rates that may be lower than the stated interest rate, subject to certain restrictions.

This line of credit contains financial covenants that require us to meet certain financial ratios and defined levels of performance, including those related to fixed charge coverage and debt-to-asset value (with asset

value being defined in the DRLP unsecured line of credit agreement). As of December 31, 2010, we were in compliance with all covenants under this line of credit.

At December 31, 2010, we had on file with the SEC an automatic shelf registration statement on Form S-3, relating to the offer and sale, from time to time, of an indeterminate amount of DRLP s debt securities (including guarantees thereof) and the Company s common shares, preferred shares, and other securities. From time to time, we expect to issue additional securities under this automatic shelf registration statement to fund the repayment of the credit facility and other long-term debt upon maturity.

Pursuant to our automatic shelf registration statement, at December 31, 2010 we had on file with the SEC a prospectus supplement that allows us to issue new shares of our common stock, from time to time, with an aggregate offering price of up to $150.0 million. No new shares have been issued pursuant to this prospectus supplement as of December 31, 2010.

The indentures (and related supplemental indentures) governing our outstanding series of notes also require us to comply with financial ratios and other covenants regarding our operations. We were in compliance with all such covenants as of December 31, 2010.

Sale of Real Estate Assets

We pursue opportunities to sell non-strategic real estate assets in order to generate additional liquidity. Our ability to dispose of such properties is dependent on the availability of credit to potential buyers to purchase properties at prices that we consider acceptable. In light of current market and economic conditions, including, without limitation, the availability and cost of credit, the U.S. mortgage market, and condition of the equity and real estate markets, we may be unable to dispose of such properties quickly, or on favorable terms.

Transactions with Unconsolidated Entities

Transactions with unconsolidated partnerships and joint ventures also provide a source of liquidity. From time to time we will sell properties to an unconsolidated entity, while retaining a continuing interest in that entity, and receive proceeds commensurate to the interest that we do not own. Additionally, unconsolidated entities will from time to time obtain debt financing and will distribute to us, and our joint venture partners, all or a portion of the proceeds.

We have a 20% equity interest in an unconsolidated joint venture (Duke/Hulfish, LLC) that may acquire up to $800.0 million of our newly developed build-to-suit projects over a three-year period from its formation in May 2008. Properties are sold to the joint venture upon completion, lease commencement and satisfaction of other customary conditions. We have received cumulative net sale and financing proceeds, commensurate to our partner s ownership interest, of approximately $380.4 million through December 31, 2010 related to the joint venture s acquisition of 15 of our properties.

In December 2010, we formed a new joint venture (Duke/Princeton, LLC) which is a wholly owned subsidiary of, and with the same membership composition and ownership percentages as, Duke/Hulfish, LLC. We made an initial sale of seven suburban office buildings, totaling over 1.0 million square feet, to Duke/Princeton, LLC, for an agreed value of $173.9 million for which our 80% share of net proceeds totaled $138.3 million. We expect, and are under contract, to sell additional buildings to Duke/Princeton, LLC by the end of the second quarter 2011, subject to financing and other customary closing conditions. The total 2011 sale is expected to consist of 13 office buildings, totaling over 2.0 million square feet, with an agreed upon value of $342.8 million, and is expected to generate proceeds of $274.2 million for the 80% portion that we sell.

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Uses of Liquidity

Our principal uses of liquidity include the following:

- accretive property investment;
- leasing/capital costs;
- dividends and distributions to shareholders and unitholders;
- long-term debt maturities;
- repurchases of outstanding debt and preferred stock; and
- other contractual obligations.

Property Investment

We evaluate development and acquisition opportunities based upon market outlook, supply and long-term growth potential. Our ability to make future property investments is dependent upon our continued access to our longer-term sources of liquidity including the issuances of debt or equity securities as well as generating cash flow by disposing of selected properties. In light of current economic conditions, management continues to evaluate our investment priorities and is focused on accretive growth.

We have continued to operate at a substantially reduced level of new development activity, as compared to recent years, and are focused on the core operations of our existing base of properties.

Leasing/Capital Costs

Tenant improvements and leasing costs to re-let rental space that had been previously under lease to tenants are referred to as second generation expenditures. Building improvements that are not specific to any tenant but serve to improve integral components of our real estate properties are also second generation expenditures.

One of our principal uses of our liquidity is to fund the second generation leasing/capital expenditures of our real estate investments. The following is a summary of our second generation capital expenditures for the years ended December 31, 2010, 2009 and 2008, respectively (in thousands):

	2010	2009	2008
Second generation tenant improvements	**$ 36,676**	$ 29,321	$ 36,885
Second generation leasing costs	**39,090**	40,412	28,205
Building improvements	**12,957**	9,321	9,724
Totals	**$ 88,723**	$ 79,054	$ 74,814

Dividends and Distributions

We are required to meet the distribution requirements of the Code, in order to maintain our REIT status. Because depreciation and impairments are non-cash expenses, cash flow will typically be greater than operating income. We paid dividends per share of $0.68, $0.76 and $1.93 for the years ended December 31, 2010, 2009 and 2008, respectively. We expect to continue to distribute at least an amount equal to our taxable earnings, to meet the requirements to maintain our REIT status, and additional amounts as determined by our board of directors.

Distributions are declared at the discretion of our board of directors and are subject to actual cash available for distribution, our financial condition, capital requirements and such other factors as our board of directors deems relevant.

At December 31, 2010 we had six series of preferred shares outstanding. The annual dividend rates on our preferred shares range between 6.5% and 8.375% and are paid in arrears quarterly.

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Debt Maturities

Debt outstanding at December 31, 2010 had a face value totaling $4.2 billion with a weighted average interest rate of 6.24% maturing at various dates through 2028. We had $3.0 billion of unsecured debt, $193.0 million outstanding on our unsecured lines of credit and $1.1 billion of secured debt outstanding at December 31, 2010. We made scheduled and unscheduled principal payments of $587.3 million on outstanding debt during the year ended December 31, 2010.

The following is a summary of the scheduled future amortization and maturities of our indebtedness at December 31, 2010 (in thousands, except percentage data):

	Future Repayments			Weighted Average
Year	Scheduled Amortization	Maturities	Total	Interest Rate of Future Repayments
2011	$ 17,428	$ 383,883	$ 401,311	5.10%
2012	15,926	304,854	320,780	5.85%
2013	15,444	686,893	702,337	5.47%
2014	14,138	305,012	319,150	6.34%
2015	11,919	309,335	321,254	7.06%
2016	10,561	492,560	503,121	6.16%
2017	9,031	469,324	478,355	5.94%
2018	7,356	300,000	307,356	6.08%
2019	6,322	518,438	524,760	7.97%
2020	4,732	250,000	254,732	6.73%
2021	3,416		3,416	5.57%
Thereafter	17,789	50,000	67,789	6.86%
	$ 134,062	$ 4,070,299	$ 4,204,361	6.24%

We anticipate generating capital to fund our debt maturities by using undistributed cash generated from rental operations and property dispositions, as well as by raising additional capital from future debt or equity transactions.

Repurchases of Outstanding Debt and Preferred Stock

To the extent that it supports our overall capital strategy, we may purchase additional amounts of our outstanding unsecured debt prior to its stated maturity or redeem or repurchase certain of our outstanding series of preferred stock.

Guarantee Obligations

We are subject to various guarantee obligations in the normal course of business and, in most cases, do not anticipate these obligations to result in significant cash payments.

We are, however, subject to a joint and several guarantee of the construction loan agreement of the 3630 Peachtree joint venture. A contingent liability in the amount of $36.3 million was established in 2009 based on the probability of us being required to pay this obligation to the lender.

Historical Cash Flows

Cash and cash equivalents were $18.4 million and $147.3 million at December 31, 2010 and 2009, respectively. The following highlights significant changes in net cash associated with our operating, investing and financing activities (in thousands):

	Years Ended December 31,		
	2010	2009	2008
Net Cash Provided by Operating Activities	**$ 391,156**	$ 400,472	$ 642,847
Net Cash Used for Investing Activities	**(288,790)**	(175,948)	(522,592)
Net Cash Used for Financing Activities	**(231,304)**	(99,734)	(145,735)

Operating Activities

Cash flows from operating activities provide the cash necessary to meet normal operational requirements of our Rental Operations and Service Operations activities. The receipt of rental income from Rental Operations continues to provide the primary source of our revenues and operating cash

flows. In addition, we have historically developed Build-for-Sale properties with the intent to sell them at or soon after completion. As a result of the refinement to our strategy in 2009, we have ceased new Build-for-Sale development activity to focus on completion of existing projects. Highlights of operating cash changes are as follows:

During the year ended December 31, 2010, we incurred no Build-for-Sale property development costs, compared to $16.9 million and $216.1 million for the years ended December 31, 2009 and 2008, respectively. The decrease is a result of the planned elimination of our Build-for-Sale program.

We sold no Build-for-Sale properties in 2010 compared to three in 2009 and 14 in 2008, receiving net proceeds of $31.9 million and $343.0 million, respectively. The 2009 sales were nearly break-even, while the 2008 sales resulted in pre-tax gains of $39.1 million.

Net cash flows from third-party construction contracts totaled a net outflow of $6.4 million for the year ended December 31, 2010, compared to a net outflow of $4.6 million and a net inflow of $125.9 million for the years ended December 31, 2009 and 2008, respectively. The higher operating cash flows in 2008 from third-party construction contracts were driven by $105.1 million in cash proceeds from the 2008 sale of a parcel of land that was completed in conjunction with a significant third-party construction project.

Investing Activities

Investing activities are one of the primary uses of our liquidity. Development and acquisition activities typically generate additional rental revenues and provide cash flows for operational requirements. Highlights of significant cash sources and uses are as follows:

Development expenditures for our held-for-rental portfolio totaled $119.4 million for the year ended December 31, 2010, compared to $268.9 million and $436.3 million for the years ended December 31, 2009 and 2008, respectively. The decrease is consistent with our planned reduction in new development activity.

During 2010, we paid cash of $488.5 million for real estate acquisitions, compared to $31.7 million in 2009 and $20.1 million in 2008. In addition, we paid cash of $14.4 million for undeveloped land in 2010, compared to $5.5 million in 2009 and $40.9 million in 2008.

Sales of land and depreciated property provided $499.5 million in net proceeds in 2010, compared to $256.3 million in 2009 and $116.6 million in 2008.

During 2010, we contributed or advanced $53.2 million to fund development activities within unconsolidated companies, compared to $23.5 million in 2009 and $132.2 million in 2008.

We received capital distributions (as a result of the sale of properties or refinancing) from unconsolidated subsidiaries of $22.1 million in 2010 and $95.4 million in 2008. We received no such distributions from unconsolidated companies in 2009.

Financing Activities

The following items highlight significant capital transactions:

In January 2010, we repaid $99.8 million of senior unsecured notes with an effective interest rate of 5.37% on their scheduled maturity date. This compares to repayments of $124.0 million of corporate unsecured debt and $82.1 million of senior unsecured notes with effective interest rates of 6.83% and 7.86%, respectively, on their scheduled maturity dates in February 2009 and November 2009, respectively. We also repaid $125.0

million and $100.0 million of senior unsecured notes with effective interest rates of 3.36% and 6.76%, respectively, on their scheduled maturity dates in January 2008 and May 2008, respectively.

In April 2010, we issued $250.0 million of senior unsecured notes that bear interest at an effective rate of 6.75% and mature in March 2020. In August 2009, we issued $250.0 million of senior unsecured notes due in 2015 bearing interest at an effective rate of 7.50% and $250.0 million of senior unsecured notes due in 2019 bearing interest at an effective rate of 8.38%. We

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also issued $325.0 million of senior unsecured notes in May 2008 with an effective interest rate of 7.36% due in 2013.

In June 2010, we issued 26.5 million shares of common stock for net proceeds of $298.1 million. In April 2009, we issued 75.2 million shares of common stock for net proceeds of $551.4 million. We had no common stock issuances in 2008.

During 2010, through a cash tender offer and open market transactions, we repurchased certain of our outstanding series of unsecured notes scheduled to mature in 2011 and 2013. In total, we paid $292.2 million for unsecured notes that had a face value of $279.9 million. Throughout 2009 and the fourth quarter of 2008, we repurchased certain of our outstanding series of unsecured notes maturing in 2009 through 2011. In 2009, cash payments of $500.9 million were made to repurchase notes with a face value of $542.9 million, compared to cash payments of $36.5 million made in the fourth quarter of 2008 for notes with a face value of $38.5 million.

Throughout 2010, we completed open market repurchases of approximately 4.5 million shares of our 8.375% Series O preferred stock. We paid $118.8 million to repurchase these shares, which had a face value of $112.1 million. During the fourth quarter of 2008, in order to take advantage of the significant discounts at which they were trading, we opportunistically repurchased portions of all outstanding series of our preferred shares, which had a total redemption value of approximately $27.4 million, in the open market for $12.4 million.

We increased net borrowings on DRLP s $850.0 million line of credit by $175.0 million for the year ended December 31, 2010, compared to a decrease of $474.0 million in 2009 and a decrease of $69.0 million in 2008.

We paid cash dividends of $0.68 per common share in 2010, compared to cash dividends of $0.76 per common share in 2009 and $1.93 per common share in 2008. In order to retain additional cash to help meet our capital needs, we reduced our quarterly dividend beginning in the first quarter of 2009.

In February, March and July 2009, we received cash proceeds of $270.0 million from three 10-year secured debt financings that are secured by 32 rental properties. The secured debt bears interest at a weighted average rate of 7.69% and matures at various points in 2019.

In March 2008, we settled three forward-starting swaps and made a cash payment of $14.6 million to the counterparties.

In February 2008, we received net proceeds of approximately $290.0 million from the issuance of shares of our Series O Cumulative Redeemable Preferred Stock; we had no new preferred equity issuances in 2009 or 2010.

Credit Ratings

We are currently assigned investment grade corporate credit ratings on our senior unsecured notes from Moody s Investors Service and Standard and Poor s Ratings Group. Our senior unsecured notes have been assigned ratings of BBB- and Baa2 by Standard and Poor s Ratings Group and Moody s Investors Service, respectively.

Our preferred shares carry ratings of BB+ and Baa3 from Standard and Poor s Ratings Group and Moody s Investors Service, respectively.

The ratings of our senior unsecured notes and preferred shares could change based upon, among other things, the impact that prevailing economic conditions may have on our results of operations and financial condition.

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Financial Instruments

We are exposed to capital market risk, such as changes in interest rates. In order to reduce the volatility relating to interest rate risk, we may enter into interest rate hedging arrangements from time to time. We do not utilize derivative financial instruments for trading or speculative purposes.

Off Balance Sheet Arrangements

Investments in Unconsolidated Companies

We have equity interests in unconsolidated partnerships and joint ventures that own and operate rental properties and hold land for development. Our unconsolidated subsidiaries are primarily engaged in the operations and development of Industrial, Office and Medical Office real estate properties. The equity method of accounting (see Critical Accounting Policies) is used for these investments in which we have the ability to exercise significant influence, but not control, over operating and financial policies. As a result, the assets and liabilities of these joint ventures are not included on our balance sheet.

Our investments in and advances to unconsolidated companies represent approximately 5% and 7% of our total assets as of December 31, 2010 and 2009, respectively. These investments provide several benefits to us, including increased market share, tenant and property diversification and an additional source of capital to fund real estate projects.

The following table presents summarized financial information for unconsolidated companies for the years ended December 31, 2010 and 2009, respectively (in thousands, except percentage data):

	Joint Ventures	
	2010	2009
Land, buildings and tenant improvements, net	**$ 1,687,228**	$ 2,072,435
Construction in progress	**120,834**	128,257
Undeveloped land	**177,473**	176,356
Other assets	**242,461**	260,249
	$ 2,227,996	$ 2,637,297
Indebtedness	**$ 1,082,823**	$ 1,319,696
Other liabilities	**66,471**	75,393
	1,149,294	1,395,089
Owners equity	**1,078,702**	1,242,208
	$ 2,227,996	$ 2,637,297
Rental revenue	**$ 228,378**	$ 254,787
Gain on sale of properties	**$ 4,517**	$ -
Net income	**$ 19,202**	$ 9,760
Total square feet	**23,522**	44,207
Percent leased	**89.24%**	86.31%

Dugan generated $42.5 million in revenues and $6.4 million of net income in the six months of 2010 prior to its July 1

consolidation. Dugan generated $85.7 million of revenues and $12.5 million of net income during 2009, and had total assets of $649.3 million as of December 31, 2009.

We do not have any relationships with unconsolidated entities or financial partnerships (special purpose entities) that have been established solely for the purpose of facilitating off-balance sheet arrangements.

Contractual Obligations

At December 31, 2010, we were subject to certain contractual payment obligations as described in the table below:

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Contractual Obligations	Payments due by Period (in thousands) Total	2011	2012	2013	2014	2015	Thereafter
Long-term debt (1)	$ 5,413,606	$ 629,781	$ 548,966	$ 725,060	$ 498,912	$ 473,417	$ 2,537,470
Lines of credit (2)	214,225	28,046	9,604	176,575	-	-	-
Share of debt of unconsolidated joint ventures (3)	447,573	87,602	27,169	93,663	34,854	65,847	138,438
Ground leases	103,563	2,199	2,198	2,169	2,192	2,202	92,603
Operating leases	2,704	840	419	395	380	370	300
Development and construction backlog costs (4)	521,041	476,314	44,727	-	-	-	-
Other	1,967	1,015	398	229	90	54	181
Total Contractual Obligations	**$ 6,704,679**	**$ 1,225,797**	**$ 633,481**	**$ 998,091**	**$ 536,428**	**$ 541,890**	**$ 2,768,992**

(1) Our long-term debt consists of both secured and unsecured debt and includes both principal and interest. Interest expense for variable rate debt was calculated using the interest rates as of December 31, 2010.
(2) Our unsecured lines of credit consist of an operating line of credit that matures February 2013 and the line of credit of a consolidated subsidiary that matures July 2011. Interest expense for our unsecured lines of credit was calculated using the most recent stated interest rates that were in effect.
(3) Our share of unconsolidated joint venture debt includes both principal and interest. Interest expense for variable rate debt was calculated using the interest rate at December 31, 2010.
(4) Represents estimated remaining costs on the completion of owned development projects and third-party construction projects.

Related Party Transactions

We provide property and asset management, leasing, construction and other tenant related services to unconsolidated companies in which we have equity interests. For the years ended December 31, 2010, 2009 and 2008, respectively, we earned management fees of $7.6 million, $8.4 million and $7.8 million, leasing fees of $2.7 million, $4.2 million and $2.8 million and construction and development fees of $10.3 million, $10.2 million and $12.7 million from these companies. We recorded these fees based on contractual terms that approximate market rates for these types of services, and we have eliminated our ownership percentages of these fees in the consolidated financial statements.

Commitments and Contingencies

We have guaranteed the repayment of $95.4 million of economic development bonds issued by various municipalities in connection with certain commercial developments. We will be required to make payments under our guarantees to the extent that incremental taxes from specified developments are not sufficient to pay the bond debt service. Management does not believe that it is probable that we will be required to make any significant payments in satisfaction of these guarantees.

We also have guaranteed the repayment of secured and unsecured loans of six of our unconsolidated subsidiaries. At December 31, 2010, the maximum guarantee exposure for these loans was approximately $245.4 million. With the exception of the guarantee of the debt of 3630 Peachtree joint venture, for which we recorded a contingent liability in 2009 of $36.3 million, management believes it probable that we will not be required to satisfy these guarantees.

We lease certain land positions with terms extending to December 2080, with a total obligation of $103.6 million. No payments on these ground leases are material in any individual year.

We are subject to various legal proceedings and claims that arise in the ordinary course of business. In the opinion of management, the amount of any ultimate liability with respect to these actions will not materially affect our consolidated financial statements or results of operations.

Recent Accounting Pronouncements

On January 1, 2009, we adopted a newly effective accounting standard for convertible debt instruments that may be settled in cash upon conversion. The new standard required separate accounting for the debt and equity components of certain convertible instruments. Our Exchangeable Notes issued in November 2006 have an exchange rate of 20.47 common shares per $1,000 principal amount of the notes, representing an exchange price of $48.85 per share of our common stock. The Exchangeable Notes

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were subject to the accounting changes required by the new standard, which required that the value assigned to the debt component equal the estimated fair value of debt with similar contractual cash flows, but without the conversion feature, resulting in the debt being recorded at a discount. The resulting debt discount will be amortized over the period from its issuance through November 2011, the first optional redemption date, as additional non-cash interest expense.

At December 31, 2010, the Exchangeable Notes had $167.6 million of principal outstanding, with an unamortized discount of $2.1 million and a net carrying amount of $165.6 million. The carrying amount of the equity component was $34.7 million at December 31, 2010. Subsequent to the implementation of the new standard, interest expense is recognized on the Exchangeable Notes at an effective rate of 5.6%. The increase to interest expense (in thousands) on the Exchangeable Notes, which led to a corresponding decrease to net income, for the years ended December 31, 2010, 2009 and 2008 is summarized as follows:

	2010	2009	2008
Interest expense on Exchangeable Notes, excluding effect of accounting for convertible debt	**$ 7,136**	$ 14,850	$ 21,574
Effect of accounting for convertible debt	**2,474**	5,024	6.536
Total interest expense on Exchangeable Notes	**$ 9,610**	$ 19,874	$ 28,110

In June 2009, the Financial Accounting Standards Board (FASB) issued a new accounting standard that became effective on January 1, 2010. This accounting standard is a revision to a previous FASB interpretation and changes how a reporting entity evaluates whether an entity is a VIE and which entity is considered the primary beneficiary of a VIE and is therefore required to consolidate such VIE. This accounting standard also requires assessments at each reporting period of which party within the VIE is considered the primary beneficiary and requires a number of new disclosures related to VIE s. This new accounting standard did not have a significant impact on our financial position and results of operations upon adoption.

Item 7A. Quantitative and Qualitative Disclosure About Market Risks

We are exposed to interest rate changes primarily as a result of our line of credit and long-term borrowings. Our interest rate risk management objective is to limit the impact of interest rate changes on earnings and cash flows and to lower overall borrowing costs. To achieve our objectives, we borrow primarily at fixed rates. We do not enter into derivative or interest rate transactions for speculative purposes. Our two outstanding swaps, which fixed the rates on two of our variable rate loans, were not significant to the Financial Statements in terms of notional amount or fair value at December 31, 2010.

Our interest rate risk is monitored using a variety of techniques. The table below presents the principal amounts (in thousands) of the expected annual maturities, weighted average interest rates for the average debt outstanding in the specified period, fair values (in thousands) and other terms required to evaluate the expected cash flows and sensitivity to interest rate changes.

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	2011	2012	2013	2014	2015	Thereafter	Total	Fair Value
Fixed rate secured debt	$ 27,048	$ 102,028	$ 99,492	$ 66,123	$ 68,728	$ 674,494	$ 1,037,913	$ 1,069,562
Weighted average interest rate	6.95%	6.00%	5.86%	6.46%	5.50%	6.62%		
Variable rate secured debt	$ 785	$ 16,906	$ 880	$ 935	$ 300	$ 3,101	$ 22,907	$ 22,906
Weighted average interest rate	0.72%	4.79%	0.74%	0.75%	0.50%	0.50%		
Fixed rate unsecured debt	$ 355,432	$ 201,846	$ 426,965	$ 252,092	$ 252,226	$ 1,461,934	$ 2,950,495	$ 3,164,651
Weighted average interest rate	5.17%	5.87%	6.40%	6.33%	7.49%	6.66%		
Unsecured lines of credit	$ 18,046	$ -	$ 175,000	$ -	$ -	$ -	$ 193,046	$ 193,224
Rate at December 31, 2010	1.11%	N/A	3.01%	N/A	N/A	N/A		

As the table incorporates only those exposures that exist as of December 31, 2010, it does not consider those exposures or positions that could arise after that date. As a result, our ultimate realized gain or loss with respect to interest rate fluctuations will depend on the exposures that arise during the period, our hedging strategies at that time to the extent we are party to interest rate derivatives, and interest rates. Interest expense on our unsecured lines of credit will be affected by fluctuations in LIBOR indices as well as changes in our credit rating.

At December 31, 2010, the par value of our unsecured debt was $3.0 billion and we estimated the fair value of that unsecured debt to be $3.2 billion. At December 31, 2009, the par value of our unsecured notes was $3.1 billion and our estimate of the fair value of that debt was $3.0 billion.

Item 8. Financial Statements and Supplementary Data

The financial statements and supplementary data are included under Item 15 of this Report.

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

There was no change or disagreement with our accountants related to our accounting and financial disclosures.

Item 9A. Controls and Procedures

We conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Report. The controls evaluation was done under the supervision and with the participation of management, including our Chief Executive Officer and our Chief Financial Officer.

Attached as exhibits to this Report are certifications of the Chief Executive Officer and Chief Financial Officer, which are required in accordance with Rule 13a-14 of the Securities Exchange Act of 1934. This Controls and Procedures section includes the information concerning the controls evaluation referred to in the certifications and it should be read in conjunction with the certifications for a more complete understanding of the topics presented.

Disclosure controls and procedures (as defined in Rule 13a-15 and 15d-15f under the Securities Exchange Act of 1934 (the Exchange Act) are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed under the Exchange Act, such as this Report, is recorded, processed, summarized and reported within the time periods specified in the SEC s

rules and forms. Disclosure controls and procedures are also designed to ensure that such information is accumulated and communicated to our management, including the Company s principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure.

Based on the disclosure controls and procedures evaluation referenced above, our Chief Executive Officer and Chief Financial Officer have concluded that as of the end of the period covered by this Report, our disclosure controls and procedures were effective.

Management s annual report on internal control over financial reporting and the audit report of our registered public accounting firm are included in Item 15 of Part IV under the headings Management s Report on Internal Control and Report of Independent Registered Public Accounting Firm, respectively, and are incorporated herein by reference.

There were no changes in our internal controls over financial reporting during the quarter ended December 31, 2010, that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Item 9B. Other Information

There was no information required to be disclosed in a report on Form 8-K during the fourth quarter of 2010 for which no Form 8-K was filed.

PART III

Item 10. Directors and Executive Officers of the Registrant

The following is a summary of the executive officers of the Company as of January 1, 2011:

Dennis D. Oklak, age 57. Mr. Oklak joined the Company in 1986. He held various senior executive positions within the Company and was promoted to Chief Executive Officer and joined the Company s Board of Directors in April 2004. In April 2005, Mr. Oklak was appointed Chairman of the Board of Directors. Mr. Oklak serves on the Board of Governors of the National Association of Real Estate Investment Trusts, or NAREIT, and is a member of the Real Estate Roundtable and co-chair of the Roundtable s Sustainability Policy Advisory Committee. From 2003 to 2009, Mr. Oklak was a member of the board of directors of publicly-traded recreational vehicle manufacturer, Monaco Coach Corporation. He also is a member of the board of directors and the Executive Committee of the Central Indiana Corporate Partnership and serves on the Dean s Executive Advisory Board of Ball State University s Miller College of Business. Mr. Oklak has served as a director of the Company since 2004.

Christie B. Kelly, age 49. Ms. Kelly was appointed as Executive Vice President and Chief Financial Officer of the Company effective February 27, 2009. Ms. Kelly has 25 years of experience ranging from financial planning and strategic development to senior leadership roles in financial management, mergers and acquisitions, information technology and investment banking. Prior to joining the Company, Ms. Kelly served as Senior Vice President of the Global Real Estate Group at Lehman Brothers from 2007 to February 2009. Previously, Ms. Kelly was employed by General Electric Company from 1983 to 2007 and served in numerous finance and operational leadership roles, including Business Development Leader for Mergers and Acquisitions for GE Real Estate from 2003 to 2007.

Howard L. Feinsand, age 63. Mr. Feinsand has served as the Company s Executive Vice President and General Counsel since 1999, and, since 2003, also has served as our Corporate Secretary. Mr. Feinsand served on the Company s Board of Directors from 1988 to January 2003. From 1996 until 1999, Mr. Feinsand was the founder and

principal of Choir Capital Ltd. From 1995 until 1996, he was

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Managing Director of Citicorp North America, Inc. He was the Senior Vice President and Manager-Capital Markets, Pricing and Investor Programs of GE Capital Aviation Services, Inc. from 1989 to 1995. From 1971 through 1989, Mr. Feinsand practiced law in New York City. Mr. Feinsand serves as Chair of the Board of Directors of The Alliance Theatre at the Woodruff Arts Center in Atlanta, Georgia and as Vice Chair of the Board of Trustees and member of the Executive Committee of the Woodruff Arts Center. Mr. Feinsand is a trustee of the Jewish Federation of Greater Atlanta.

***Steven R. Kennedy, age* 54**. Mr. Kennedy was named Executive Vice President, Construction on January 1, 2004. From 1986 until 2004, he served in various capacities in the construction group, most recently as Senior Vice President.

All other information required by this item will be included in our 2011 proxy statement (the 2011 Proxy Statement) for our Annual Meeting of Shareholders to be held on April 27, 2011, and is incorporated herein by reference. Certain information with respect to our executive officers required by this item is included in the discussion entitled Executive Officer of the Registrant after Item 4 of Part I of this Report. In addition, our Code of Conduct (which applies to each of our associates, officers and directors) and our Corporate Governance Guidelines are available in the investor information/corporate governance section of our website at www.dukerealty.com. A copy of these documents may also be obtained without charge by writing to Duke Realty Corporation, 600 East 96th Street, Suite 100, Indianapolis, Indiana 46240, Attention: Investor Relations.

Item 11. Executive Compensation

The information required by Item 11 of this Report will be included in our 2011 Proxy Statement, which information is incorporated herein by this reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by Item 12 of this Report will be included in our 2011 Proxy Statement, which information is incorporated herein by this reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required to be furnished pursuant to Item 13 of this Report will be included in our 2011 Proxy Statement, which information is incorporated herein by this reference.

Item 14. Principal Accountant Fees and Services

The information required to be furnished pursuant to Item 14 of this Report will be included in our 2011 Proxy Statement, which information is incorporated herein by this reference.

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PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) The following documents are filed as part of this Annual Report:

1. Consolidated Financial Statements

The following Consolidated Financial Statements, together with the Management s Report on Internal Control and the Report of Independent Registered Public Accounting Firm are listed below:

Management s Report on Internal Control
Report of Independent Registered Public Accounting Firm
Consolidated Balance Sheets, December 31, 2010 and 2009
Consolidated Statements of Operations, Years Ended December 31, 2010, 2009 and 2008
Consolidated Statements of Cash Flows, Years Ended December 31, 2010, 2009 and 2008
Consolidated Statements of Changes in Equity, Years Ended December 31, 2010, 2009 and 2008
Notes to Consolidated Financial Statements

2. Consolidated Financial Statement Schedules

Schedule III Real Estate and Accumulated Depreciation

3. Exhibits

The following exhibits are filed with this Form 10-K or incorporated herein by reference to the listed document previously filed with the SEC. Previously unfiled documents are noted with an asterisk (*).

Number	Description
3.1	Fourth Amended and Restated Articles of Incorporation of the Company (filed as Exhibit 3.1 to the Company s Current Report on Form 8-K, filed with the SEC on July 30, 2009, and incorporated herein by this reference).
3.2	Fourth Amended and Restated Bylaws of the Company (filed as Exhibit 3.2 to the Company s Current Report on Form 8-K, filed with the SEC on July 30, 2009, and incorporated herein by this reference).
4.1(i)	

Indenture, dated September 19, 1995, between DRLP and The First National Bank of Chicago, Trustee (filed as Exhibit 4.1 to the Company s Current Report on Form 8-K, filed with the SEC on September 22, 1995, and incorporated herein by this reference).

4.1(ii) Fourth Supplemental Indenture, dated August 21, 1997, between DRLP and The First National Bank of Chicago, Trustee (filed as Exhibit 4.8 to the Company s Registration Statement on Form S-4, filed with the SEC on May 4, 1999, and incorporated herein by this reference).

4.1(iii) Ninth Supplemental Indenture, dated March 5, 2001, between DRLP and Bank One Trust Company, N.A., Trustee (filed as Exhibit 4 to DRLP s Current Report on Form 8-K, filed with the SEC on March 2, 2001, and incorporated herein by this reference).

4.1(iv) Eleventh Supplemental Indenture, dated August 26, 2002, between DRLP and Bank One Trust Company, N.A., Trustee (filed as Exhibit 4 to DRLP s Current Report on Form 8-K, filed with the SEC on August 26, 2002, and incorporated herein by this reference).

4.1(v)	Thirteenth Supplemental Indenture, dated May 22, 2003, between DRLP and Bank One Trust Company, N.A., Trustee (filed as Exhibit 4 to DRLP s Current Report on Form 8-K, filed with the SEC on May 22, 2003, and incorporated herein by this reference).
4.1(vi)	Seventeenth Supplemental Indenture, dated August 16, 2004, between DRLP and J.P. Morgan Trust Company, National Association, Trustee (filed as Exhibit 4 to DRLP s Current Report on Form 8-K, filed with the SEC on August 18, 2004, and incorporated herein by this reference).
4.1(vii)	Nineteenth Supplemental Indenture, dated as of March 1, 2006, by and between DRLP and J.P. Morgan Trust Company, National Association (successor in interest to Bank One Trust Company, N.A.), including the form of global note evidencing the 5.5% Senior Notes Due 2016 (filed as Exhibit 4.1 to DRLP s Current Report on Form 8-K, filed with the SEC on March 3, 2006, and incorporated herein by this reference).
4.1(viii)	Twentieth Supplemental Indenture, dated as of July 24, 2006, by and between DRLP and J.P. Morgan Trust Company, National Association (successor in interest to The First National Bank of Chicago), modifying certain financial covenants contained in Sections 1004 and 1005 of the Indenture, dated September 19, 1995, between DRLP and The First National Bank of Chicago, Trustee (filed as Exhibit 4.1 to DRLP s Current Report on Form 8-K, filed with the SEC on July 28, 2006, and incorporated herein by this reference).
4.2(i)	Indenture, dated as of July 28, 2006, by and between DRLP and J.P. Morgan Trust Company, National Association (filed as Exhibit 4.1 to the Company s automatic shelf registration statement on Form S-3, filed with the SEC on July 31, 2006, and incorporated herein by this reference).
4.2(ii)	First Supplemental Indenture, dated as of August 24, 2006, by and between DRLP and J.P. Morgan Trust Company, National Association, including the form of global note evidencing the 5.625% Senior Notes Due 2011 (filed as Exhibit 4.1 to DRLP s Current Report on Form 8-K, filed with the SEC on August 30, 2006, and incorporated herein by this reference).
4.2(iii)	Second Supplemental Indenture, dated as of August 24, 2006, by and between DRLP and J.P. Morgan Trust Company, National Association, including the form of global note evidencing the 5.95% Senior Notes Due 2017 (filed as Exhibit 4.2 to DRLP s Current Report on Form 8-K, filed with the SEC on August 30, 2006, and incorporated herein by this reference).

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4.2(iv)	Third Supplemental Indenture, dated as of September 11, 2007, by and between DRLP and The Bank of New York Trust Company, N.A. (as successor to J.P. Morgan Trust Company, National Association), including the form of global note evidencing the 6.50% Senior Notes Due 2018 (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of DRLP, filed with the SEC on September 11, 2007, and incorporated herein by this reference).
4.2(v)	Fourth Supplemental Indenture, dated as of May 8, 2008, by and between DRLP and The Bank of New York Trust Company, N.A. (as successor to J.P. Morgan Trust Company, National Association), including the form of global note evidencing the 6.25% Senior Notes due 2013 (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of DRLP, filed with the SEC on May 8, 2008, and incorporated herein by this reference).
4.2(vi)	Fifth Supplemental Indenture, dated as of August 11, 2009, by and between DRLP and The Bank of New York Mellon Trust Company, N.A. (as successor to J.P. Morgan Trust Company, National Association), including the form of global note evidencing the 7.375% Senior Notes Due 2015 (filed as Exhibit 4.1 to DRLP s Current Report on Form 8-K, filed with the SEC on August 11, 2009, and incorporated herein by this reference).
4.2(vii)	Sixth Supplemental Indenture, dated as of August 11, 2009, by and between DRLP and The Bank of New York Mellon Trust Company, N.A. (as successor to J.P. Morgan Trust Company, National Association), including the form of global note evidencing the 8.25% Senior Notes Due 2019 (filed as Exhibit 4.2 to DRLP s Current Report on Form 8-K, filed with the SEC on August 11, 2009, and incorporated herein by this reference).
4.2(viii)	Seventh Supplemental Indenture, dated as of April 1, 2010, by and between DRLP and J.P. Morgan Trust Company, National Association, including the form of global note evidencing the 6.75% Senior Notes due 2020 (filed as Exhibit 4.1 to DRLP s Current Report on Form 8-K, filed with the SEC on April 1, 2010, and incorporated herein by this reference).
10.1	Fourth Amended and Restated Agreement of Limited Partnership of DRLP (filed as Exhibit 3.1 to DRLP s Current Report on Form 8-K, filed with the SEC on November 3, 2009, and incorporated herein by this reference).
10.2	Promissory Note of the Services Partnership (filed as Exhibit 10.3 to the Company s Registration Statement on Form S-2, filed with the SEC on June 8, 1993, and incorporated herein by this reference).
10.3(i)	Amended and Restated 2005 Long-Term Incentive Plan of the Company (filed as Appendix A to the Company s Definitive Proxy Statement on Schedule 14A, dated March 18, 2009, filed with the SEC on March 18, 2009, and incorporated herein by this reference).#
10.3(ii)	2009 Amendment to the Company s Amended and Restated 2005 Long-Term Incentive Plan (filed as Exhibit 10.2 to the Company s Quarterly Report on Form 10-Q, filed with the SEC on May 6, 2010, and incorporated herein by this reference).#
10.3(iii)	2010 Amendment to the Company s Amended and Restated 2005 Long-Term Incentive Plan (filed as Exhibit 10.1 to the Company s Current Report on Form 8-K, filed with the SEC on May 4, 2010, and incorporated herein by this reference).#
10.4	The Company s 2005 Shareholder Value Plan, a sub-plan of the 2005 Long-Term Incentive Plan (filed as Exhibit 99.2 to the Company s Current Report on Form 8-K, filed with the SEC on May 3, 2005, and incorporated herein by this reference).#
10.5(i)	

	The Company s Non-Employee Directors Compensation Plan, a sub-plan of the 2005 Long-Term Incentive Plan (filed as Exhibit 99.3 to the Company s Current Report on Form 8-K, filed with the SEC on May 3, 2005, and incorporated herein by this reference).#
10.5(ii)	Amendment One to the Company s 2005 Non-Employee Directors Compensation Plan (filed as Exhibit 99.1 to the Company s Current Report on Form 8-K, filed with the SEC on October 31, 2005, and incorporated herein by this reference).#
10.5(iii)	Amendment Two to the Company s 2005 Non-Employee Directors Compensation Plan (filed as Exhibit 99.1 to the Company s Current Report on Form 8-K, filed with the SEC on February 7, 2006, and incorporated herein by this reference).#
10.5(iv)	Amendment Three to the Company s 2005 Non-Employee Directors Compensation Plan (filed as Exhibit 10.5 to the Company s Quarterly Report on Form 10-Q, filed with the SEC on November 8, 2006, and incorporated herein by this reference).#
10.6	Form of 2005 Long-Term Incentive Plan Stock Option Award Certificate (filed as Exhibit 99.4 to the Company s Current Report on Form 8-K, filed with the SEC on May 3, 2005, and incorporated herein by this reference).#

10.7	Form of 2005 Long-Term Incentive Plan Award Certificate for Restricted Stock Units and Shareholder Value Plan Awards (filed as Exhibit 99.5 to the Company s Current Report on Form 8-K, filed with the SEC on May 3, 2005, and incorporated herein by this reference).#
10.8	Form of 2005 Long-Term Incentive Plan Restricted Stock Unit Award Certificate for Non-Employee Directors (filed as Exhibit 99.6 to the Company s Current Report on Form 8-K, filed with the SEC on May 3, 2005, and incorporated herein by this reference).#
10.9	The Company s 2005 Dividend Increase Unit Replacement Plan (filed as Exhibit 99.1 to the Company s Current Report on Form 8-K, filed with the SEC on December 9, 2005, and incorporated herein by this reference).#
10.10	Form of Forfeiture Agreement/Performance Unit Award Agreement (filed as Exhibit 99.2 to the Company s Current Report on Form 8-K, filed with the SEC on December 9, 2005, and incorporated herein by this reference).#
10.11(i)	1995 Key Employee Stock Option Plan of the Company (filed as Exhibit 10.13 to the Company s Annual Report on Form 10-K for the year ended December 31, 1995, filed with the SEC on March 30, 1995, and incorporated herein by this reference).#
10.11(ii)	Amendment One To The 1995 Key Employees Stock Option Plan of Duke Realty Investments, Inc. (filed as Exhibit 10.19 to the Company s Annual Report on Form 10-K405 for the year ended December 31, 2001, filed with the SEC on March 15, 2002, and incorporated herein by this reference).#
10.11(iii)	Amendment Two to the 1995 Key Employees Stock Option Plan of Duke Realty Investments, Inc. (filed as Exhibit 10.20 to the Company s Annual Report on Form 10-K405 for the year ended December 31, 2001, filed with the SEC on March 15, 2002, and incorporated herein by this reference).#
10.11(iv)	Amendment Three to the 1995 Key Employees Stock Option Plan of Duke Realty Investments, Inc. (filed as Exhibit 10.21 to the Company s Annual Report on Form 10-K405 for the year ended December 31, 2001, filed with the SEC on March 15, 2002, and incorporated herein by this reference).#
10.11(v)	Amendment Four to the 1995 Key Employees Stock Option Plan of Duke Realty Investments, Inc. (filed as Exhibit 10.22 to the Company s Annual Report on Form 10-K405 for the year ended December 31, 2001, filed with the SEC on March 15, 2002, and incorporated herein by this reference).#

10.11(vi)	Amendment Five to the 1995 Key Employees Stock Option Plan of Duke Realty Investments, Inc. (filed as Exhibit 10.23 to the Company s Annual Report on Form 10-K405 for the year ended December 31, 2001, filed with the SEC on March 15, 2002, and incorporated herein by this reference).#
10.11(vii)	Amendment Six to the 1995 Key Employees Stock Option Plan of Duke Realty Investments, Inc. (filed as Exhibit 10.24 to the Company s Annual Report on Form 10-K405 for the year ended December 31, 2001, filed with the SEC on March 15, 2002, and incorporated herein by this reference).#
10.11(viii)	Amendment Seven to the 1995 Key Employees Stock Option Plan of Duke Realty Investments, Inc. (filed as Exhibit 10.1 to the Company s Quarterly Report on Form 10-Q, filed with the SEC on November 13, 2002, and incorporated herein by this reference).#
10.11(ix)	Amendment Eight to the 1995 Key Employees Stock Option Plan of Duke Realty Investments, Inc. (filed as Exhibit 10.15(ix) to the Company s Annual Report on Form 10-K for the year ended December 31, 2006, filed with the SEC on March 1, 2007, and incorporated herein by this reference.) #
10.11(x)	Amendment Nine to the 1995 Key Employees Stock Option Plan of Duke Realty Investments, Inc. (filed as Exhibit 10.3 to the Company s Quarterly Report on Form 10-Q, filed with the SEC on October 9, 2005, and incorporated herein by this reference).#
10.11(xi)	Amendment Ten to the 1995 Key Employees Stock Option Plan of Duke Realty Investments, Inc. (filed as Exhibit 10.4 to the Company s Quarterly Report on Form 10-Q, filed with the SEC on November 8, 2006, and incorporated herein by this reference).#
10.11(xii)	Amendment Eleven to the 1995 Key Employees Stock Option Plan of Duke Realty Investments, Inc. (filed as Exhibit 10.2 to the Company s Current Report on Form 8-K, filed with the SEC on May 4, 2010, and incorporated herein by this reference).#
10.12(i)	Dividend Increase Unit Plan of the Services Partnership (filed as Exhibit 10.25 to the Company s Annual Report on Form 10-K405 for the year ended December 31, 2001, filed with the SEC on March 15, 2002, and incorporated herein by this reference).#
10.12(ii)	Amendment One to the Dividend Increase Unit Plan of the Services Partnership (filed as Exhibit 10.26 to the Company s Annual Report on Form 10-K405 for the year ended December 31, 2001, filed with the SEC on March 15, 2002, and incorporated herein by this reference).#
10.12(iii)	Amendment Two to the Dividend Increase Unit Plan of the Services Partnership (filed as Exhibit 10.27 to the Company s Annual Report on Form 10-K405 for the year ended December 31, 2001, filed with the SEC on March 15, 2002, and incorporated herein by this reference).#
10.12(iv)	Amendment Three to the Dividend Increase Unit Plan of the Services Partnership (filed as Exhibit 10.5 to the Company s Quarterly Report on Form 10-Q, filed with the SEC on November 13, 2002, and incorporated herein by this reference).#

10.12(v)	Amendment Four to the Dividend Increase Unit Plan of the Services Partnership (filed as Exhibit 10.40 to the Company s Annual Report on Form 10-K for the year ended December 31, 2005, filed with the SEC on March 7, 2006, and incorporated herein by this reference).#
10.13(i)	1995 Shareholder Value Plan of the Services Partnership (filed as Exhibit 10.15 to the Company s Annual Report on Form 10-K for the year ended December 31, 1995, filed with the SEC on March 30, 1995, and incorporated herein by this reference).#
10.13(ii)	Amendment One to the 1995 Shareholder Value Plan of the Services Partnership (filed as Exhibit 10.29 to the Company s Annual Report on Form 10-K405 for the year ended December 31, 2001, filed with the SEC on March 15, 2002, and incorporated herein by this reference).#
10.13(iii)	Amendment Two to the 1995 Shareholder Value Plan of the Services Partnership (filed as Exhibit 10.30 to the Company s Annual Report on Form 10-K405 for the year ended December 31, 2001, filed with the SEC on March 15, 2002, and incorporated herein by this reference).#
10.13(iv)	Amendment Three to the 1995 Shareholder Value Plan of the Services Partnership (filed as Exhibit 10.31 to the Company s Annual Report on Form 10-K405 for the year ended December 31, 2001, filed with the SEC on March 15, 2002, and incorporated herein by this reference).#
10.13(v)	Amendment Four to the 1995 Shareholder Value Plan of the Services Partnership (filed as Exhibit 10.2 to the Company s Quarterly Report on Form 10-Q, filed with the SEC on November 13, 2002, and incorporated herein by this reference).#
10.13(vi)	Amendment Five to the 1995 Shareholder Value Plan of the Services Partnership (filed as Exhibit 10.2 to the Company s Quarterly Report on Form 10-Q, filed with the SEC on October 9, 2005, and incorporated herein by this reference).#
10.14(i)	1999 Directors Stock Option and Dividend Increase Unit Plan of Duke Realty Investments, Inc. (filed as Annex F to the prospectus in the Company s Registration Statement on Form S-4, filed with the SEC on May 4, 1999, and incorporated herein by this reference).#
10.14(ii)	Amendment One to the 1999 Directors Stock Option and Dividend Increase Unit Plan of Duke Realty Investments, Inc. (filed as Appendix B of the Registrant s Definitive Proxy Statement on Schedule 14A, filed with the SEC on March 15, 2005, and incorporated herein by this reference).#
10.15(i)	1999 Salary Replacement Stock Option and Dividend Increase Unit Plan (filed as Annex G to the prospectus in the Company s Registration Statement on Form S-4, filed with the SEC on May 4, 1999, and incorporated herein by this reference).#
10.15(ii)	Amendment One to the 1999 Salary Replacement Stock Option and Dividend Increase Unit Plan of Duke Realty Investments, Inc. (filed as Exhibit 10.3 to the Company s Quarterly Report on Form 10-Q, filed with the SEC on November 13, 2002, and incorporated herein by this reference).#
10.15(iii)	Amendment Two to the 1999 Salary Replacement Stock Option and Dividend Increase Unit Plan of Duke Realty Investments, Inc. (filed as Exhibit 10.4 to the Company s Quarterly Report on Form 10-Q, filed with the SEC on November 13, 2002, and incorporated herein by this reference).#

10.16(i)	2000 Performance Share Plan of Duke-Weeks Realty Corporation (filed as Exhibit A of the Registrant s Definitive Proxy Statement on Schedule 14A, filed with the SEC on March 15, 2001, and incorporated herein by this reference).#
10.16(ii)	Amendment One to the 2000 Performance Share Plan of Duke-Weeks Realty Corporation (filed as Exhibit 10.6 to the Company s Quarterly Report on Form 10-Q, filed with the SEC on November 13, 2002, and incorporated herein by this reference).#
10.16(iii)	Amendment Two to the 2000 Performance Share Plan of Duke-Weeks Realty Corporation (filed as Exhibit 10.42 to the Company s Annual Report on Form 10-K for the year ended December 31, 2003, filed with the SEC on March 5, 2004, and incorporated herein by this reference).#
10.16(iv)	Amendment Three to the 2000 Performance Share Plan of Duke-Weeks Realty Corporation, (filed as Exhibit 99.1 to the Company s Current Report on Form 8-K, filed with the SEC on May 2, 2006, and incorporated herein by this reference).#
10.17(i)	Directors Deferred Compensation Plan of Duke-Weeks Realty Corporation (filed as Exhibit 10.5 to the Company s Quarterly Report on Form 10-Q, filed with the SEC on November 8, 2006, and incorporated herein by this reference).#
10.17(ii)	Amendment One to the Directors Deferred Compensation Plan of Duke-Weeks Realty Corporation (filed as Exhibit 10.21(ii) to the Company s Annual Report on Form 10-K for the year ended December 31, 2006, filed with the SEC on March 1, 2007, and incorporated herein by this reference).#
10.17(iii)	Amendment Two to the Directors Deferred Compensation Plan of Duke-Weeks Realty Corporation (filed as Exhibit 10.4 to the Company s Quarterly Report on Form 10-Q, filed with the SEC on October 9, 2005, and incorporated herein by this reference).#
10.17(iv)	Amendment Three to the Directors Deferred Compensation Plan of Duke-Weeks Realty Corporation (filed as Exhibit 99.2 to the Company s Registration Statement on Form S-8, filed with the SEC on March 24, 2004, and incorporated herein by this reference).#
10.18	Term Loan Agreement, Dated May 31, 2005, by and between DRLP, the Company, J.P. Morgan Securities, Inc., JP Morgan Chase Bank, N.A. and the several banks, financial institutions and other entities from time to time parties thereto as lenders (filed as Exhibit 99.1 to the Company s Current Report on Form 8-K, filed with the SEC on June 6, 2005, and incorporated herein by this reference).
10.19(i)	Form of Letter Agreement Regarding Executive Severance, dated December 13, 2007, between the Company, as the General Partner of DRLP, and the following executive officers: Dennis D. Oklak, Howard L. Feinsand and Steven R. Kennedy (filed as Exhibit 10.23 to the Company s Annual Report on Form 10-K for the year ended December 31, 2007, filed with the SEC on February 29, 2008, and incorporated herein by this reference).
10.19(ii)	Form of Letter Agreement Regarding Executive Severance, dated May 7, 2009, between the Company and Christie B. Kelly (filed as Exhibit 10.1 to the Company s Quarterly Report on Form 10-Q, filed with the SEC on May 8, 2009, and incorporated herein by this reference).

10.20	Commercial Multi-Property Agreement of Purchase and Sale, dated January 24, 2006, by and among DRLP, The Mark Winkler Company, and each of the other entities controlled by or affiliated with The Mark Winkler Company named therein, as amended by the First Amendment to Commercial Multi-Property Agreement of Purchase and Sale dated February 28, 2006, the Second Amendment to Commercial Multi-Property Agreement of Purchase and Sale dated March 10, 2006, and the Third Amendment to Commercial Multi-Property Agreement of Purchase and Sale dated April 21, 2006 (filed as Exhibit 10.1 to the Company s Quarterly Report on Form 10-Q, filed with the SEC on May 10, 2006, and incorporated herein by this reference).
10.21(i)	Sixth Amended and Restated Revolving Credit Agreement dated November 20, 2009, among DRLP, the Company, J.P. Morgan Securities, Inc., Wells Fargo Securities, LLC, and JP Morgan Chase Bank, NA (filed as Exhibit 99.1 to the Company s Current Report on Form 8-K, filed with the SEC on November 25, 2009, and incorporated herein by this reference).
10.22	Term Loan Agreement, dated as of February 28, 2006, by and among DRLP, as borrower, the Company, as General Partner and Guarantor, certain of their respective subsidiaries, as guarantors, Bank of America, N.A., individually and as Administrative Agent, Banc of America Securities LLC, as Lead Arranger and Sole Book Runner, and each of the other lenders named therein (filed as Exhibit 10.1 to DRLP s Current Report on Form 8-K, filed with the SEC on March 3, 2006, and incorporated herein by this reference).
10.23	Indenture, dated November 22, 2006, by and among DRLP, the Company and The Bank of New York Trust Company, N.A., as trustee, including the form of 3.75% Exchangeable Senior Note due 2011 (filed as Exhibit 4.1 to DRLP s Current Report on Form 8-K, filed with the SEC on November 29, 2006, and incorporated herein by this reference).
10.24	Registration Rights Agreement, dated November 22, 2006, by and among DRLP, the Company, Morgan Stanley & Co. Incorporated, Citigroup Global Markets Inc. and UBS Securities LLC, as representatives of the initial purchasers of the Notes (incorporated by reference to Exhibit 10.1 1 to DRLP s Current Report on Form 8-K, filed with the SEC on November 29, 2006, and incorporated herein by this reference).
10.25	Common Stock Delivery Agreement, dated November 22, 2006, by and between DRLP and the Company (filed as Exhibit 10.2 to DRLP s Current Report on Form 8-K, filed with the SEC on November 29, 2006, and incorporated herein by this reference).
10.26	Contribution Agreement, dated December 5, 2006, by and between DRLP and Quantico and Belbrook Realty Corporation, an affiliate of an investment fund managed by Eaton Vance (filed as Exhibit 10.30 to the Company s Annual Report on Form 10-K for the year ended December 31, 2006, filed with the SEC on March 1, 2007, and incorporated herein by this reference).(1)
10.27	Contribution Agreement, dated December 5, 2006, by and between DRLP and Lafayette and Belcrest Realty Corporation, an affiliate of an investment fund managed by Eaton Vance (filed as Exhibit 10.31 to the Company s Annual Report on Form 10-K for the year ended December 31, 2006, filed with the SEC on March 1, 2007, and incorporated herein by this reference).(1)

12.1	Statement of Computation of Ratio of Earnings to Fixed Charges and Ratio of Earnings to Combined Fixed Charges and Preferred Dividends.*
21.1	List of the Company s Subsidiaries.*
23.1	Consent of KPMG LLP.*
24.1	Executed Powers of Attorney of certain directors.*
31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.* **
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.* **
99.1	Selected Quarterly Financial Information.*
101	The following materials from the Company s Annual Report on Form 10-K for the year ended December 31, 2010 formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statements of Cash Flows, (iv) the Consolidated Statements of Changes in Equity and (v) the Notes to Consolidated Financial Statements, tagged as blocks of text.

Represents management contract or compensatory plan or arrangement.

* Filed herewith.

** The certifications attached as Exhibits 32.1 and 32.2 accompany this Report and are furnished to the Securities and Exchange Commission pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by us for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

(1) Confidential treatment of the agreement was requested.

We will furnish to any security holder, upon written request, copies of any exhibit incorporated by reference, for a fee of 15 cents per page, to cover the costs of furnishing the exhibits. Written requests should include a representation that the person making the request was the beneficial owner of securities entitled to vote at the Annual Meeting of Shareholders.

(b) Exhibits

The exhibits required to be filed with this Report pursuant to Item 601 of Regulation S-K are listed under Exhibits in Part IV, Item 15(a)(3) of this Report and are incorporated herein by reference.

(c) Financial Statement Schedule

The Financial Statement Schedule required to be filed with this Report is listed under Consolidated Financial Statement Schedules in Part IV, Item 15(a)(2) of this Report, and is incorporated herein by reference.

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Management s Report on Internal Control

We, as management of Duke Realty Corporation and its subsidiaries (Duke), are responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended). Pursuant to the rules and regulations of the Securities and Exchange Commission, internal control over financial reporting is a process designed by, or under the supervision of, the company s principal executive and principal financial officers, or persons performing similar functions, and effected by the company s board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of assets of the company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company s assets that could have a material effect on the financial statements.

Management has evaluated the effectiveness of its internal control over financial reporting as of December 31, 2010 based on the control criteria established in a report entitled Internal Control Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on such evaluation, we have concluded that, as of December 31, 2010, our internal control over financial reporting is effective based on these criteria.

The independent registered public accounting firm of KPMG LLP, as auditors of Duke s consolidated financial statements, has also issued an audit report on Duke s internal control over financial reporting.

/s/ Dennis D. Oklak
Dennis D. Oklak
Chairman and Chief Executive Officer

/s/ Christie B. Kelly
Christie B. Kelly
Executive Vice President and Chief Financial Officer

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Report of Independent Registered Public Accounting Firm

The Shareholders and Directors of

Duke Realty Corporation:

We have audited the accompanying consolidated balance sheets of Duke Realty Corporation and Subsidiaries (the Company) as of December 31, 2010 and 2009 and the related consolidated statements of operations, cash flows and changes in equity for each of the years in the three-year period ended December 31, 2010. In connection with our audits of the consolidated financial statements, we also have audited the financial statement schedule III. We also have audited the Company s internal control over financial reporting as of December 31, 2010, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company s management is responsible for these consolidated financial statements and the financial statement schedule, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying management s report on internal control. Our responsibility is to express an opinion on these consolidated financial statements and the financial statement schedule and an opinion on the Company s internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company s assets that could have a material effect on the financial statements.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Duke Realty Corporation and Subsidiaries as of December 31, 2010 and 2009, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2010, in conformity with U.S generally accepted accounting principles. Also in our opinion, the related financial statement schedule III, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein. Also, in our opinion, Duke Realty Corporation and Subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

/s/ KPMG LLP

Indianapolis, Indiana
February 25, 2011

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DUKE REALTY CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

As of December 31,

(in thousands, except per share amounts)

	2010	2009
ASSETS		
Real estate investments:		
Land and improvements	**$ 1,166,409**	$ 1,106,016
Buildings and tenant improvements	**5,396,339**	5,284,103
Construction in progress	**61,205**	103,298
Investments in and advances to unconsolidated companies	**367,445**	501,121
Undeveloped land	**625,353**	660,723
	7,616,751	7,655,261
Accumulated depreciation	**(1,290,417)**	(1,311,733)
Net real estate investments	**6,326,334**	6,343,528
Real estate investments and related assets held- for- sale	**394,287**	-
Cash and cash equivalents	**18,384**	147,322
Accounts receivable, net of allowance of $2,945 and $3,198	**22,588**	20,604
Straight-line rent receivable, net of allowance of $7,260 and $6,929	**125,185**	131,934
Receivables on construction contracts, including retentions	**7,408**	18,755
Deferred financing costs, net of accumulated amortization of $46,407 and $37,577	**46,320**	54,489
Deferred leasing and other costs, net of accumulated amortization of $269,000 and $240,151	**517,934**	371,286
Escrow deposits and other assets	**185,836**	216,361
	$ 7,644,276	$ 7,304,279
LIABILITIES AND EQUITY		
Indebtedness:		
Secured debt	**$ 1,065,628**	$ 785,797
Unsecured notes	**2,948,405**	3,052,465
Unsecured lines of credit	**193,046**	15,770
	4,207,079	3,854,032
Liabilities related to real estate investments held-for-sale	**14,732**	-
Construction payables and amounts due subcontractors, including retentions	**44,782**	43,147
Accrued real estate taxes	**83,615**	84,347
Accrued interest	**62,407**	62,971
Other accrued expenses	**61,448**	48,758
Other liabilities	**129,860**	198,906
Tenant security deposits and prepaid rents	**50,450**	44,258
Total liabilities	**4,654,373**	4,336,419
Shareholders equity:		
Preferred shares ($.01 par value); 5,000 shares authorized; 3,618 and 4,067 shares issued and outstanding	**904,540**	1,016,625
	2,522	2,240

Common shares ($.01 par value); 400,000 shares authorized; 252,195 and 224,029 shares issued and outstanding		
Additional paid-in capital	**3,573,720**	3,267,196
Accumulated other comprehensive loss	**(1,432)**	(5,630)
Distributions in excess of net income	**(1,533,740)**	(1,355,086)
Total shareholders equity	**2,945,610**	2,925,345
Noncontrolling interests	**44,293**	42,515
Total equity	**2,989,903**	2,967,860
	$ 7,644,276	$ 7,304,279

See accompanying Notes to Consolidated Financial Statements.

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DUKE REALTY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Operations

For the Years Ended December 31,

(in thousands, except per share amounts)

	2010	2009	2008
Revenues:			
Rental and related revenue	**$ 878,242**	$ 842,232	$ 802,791
General contractor and service fee revenue	**515,361**	449,509	434,624
	1,393,603	1,291,741	1,237,415
Expenses:			
Rental expenses	**197,985**	192,270	179,373
Real estate taxes	**118,006**	111,189	95,872
General contractor and other services expenses	**486,865**	427,666	418,743
Depreciation and amortization	**349,064**	323,429	293,019
	1,151,920	1,054,554	987,007
Other operating activities:			
Equity in earnings of unconsolidated companies	**7,980**	9,896	23,817
Gain on sale of properties	**39,662**	12,337	39,057
Earnings from sales of land	**-**	357	12,651
Undeveloped land carrying costs	**(9,203)**	(10,403)	(8,204)
Impairment charges	**(9,834)**	(275,630)	(10,165)
Other operating expenses	**(1,231)**	(1,017)	(8,298)
General and administrative expense	**(41,329)**	(47,937)	(39,508)
	(13,955)	(312,397)	9,350
Operating income (loss)	**227,728**	(75,210)	259,758
Other income (expenses):			
Interest and other income, net	**534**	1,229	1,451
Interest expense	**(239,383)**	(205,952)	(184,000)
Gain (loss) on debt transactions	**(16,349)**	20,700	1,953
Gain (loss) on acquisitions, net	**55,820**	(1,062)	-
Income (loss) from continuing operations before income taxes	**28,350**	(260,295)	79,162
Income tax benefit (expense)	**1,126**	6,070	7,005
Income (loss) from continuing operations	**29,476**	(254,225)	86,167
Discontinued operations:			
Income before impairment charges and gain on sales	**2,732**	2,885	8,546
Impairment charges	**-**	(26,936)	(1,266)
Gain on sale of depreciable properties	**33,054**	6,786	16,961
Income (loss) from discontinued operations	**35,786**	(17,265)	24,241
Net income (loss)	**65,262**	(271,490)	110,408
Dividends on preferred shares	**(69,468)**	(73,451)	(71,426)
Adjustments for repurchase of preferred shares	**(10,438)**	-	14,046

Net (income) loss attributable to noncontrolling interests		**536**		11,340		(2,620)
Net income (loss) attributable to common shareholders	**$**	**(14,108)**	$	(333,601)	$	50,408
Basic net income (loss) per common share:						
Continuing operations attributable to common shareholders	**$**	**(0.22)**	$	(1.58)	$	0.17
Discontinued operations attributable to common shareholders		**0.15**		(0.09)		0.16
Total	**$**	**(0.07)**	$	(1.67)	$	0.33
Diluted net income (loss) per common share:						
Continuing operations attributable to common shareholders	**$**	**(0.22)**	$	(1.58)	$	0.17
Discontinued operations attributable to common shareholders		**0.15**		(0.09)		0.16
Total	**$**	**(0.07)**	$	(1.67)	$	0.33
Weighted average number of common shares outstanding		**238,920**		201,206		146,915
Weighted average number of common shares and potential dilutive securities		**238,920**		201,206		154,553

See accompanying Notes to Consolidated Financial Statements.

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DUKE REALTY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the Years Ended December 31,

(in thousands)

	2010	2009	2008
Cash flows from operating activities:			
Net income (loss)	**$ 65,262**	$ (271,490)	$ 110,408
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation of buildings and tenant improvements	**271,058**	266,803	246,441
Amortization of deferred leasing and other costs	**89,126**	73,323	68,511
Amortization of deferred financing costs	**13,897**	13,679	13,640
Straight-line rent adjustment	**(15,233)**	(18,832)	(15,118)
Impairment charges	**9,834**	302,567	11,431
(Gain) loss on debt extinguishment	**16,349**	(20,700)	(1,953)
(Gain) loss on acquisitions	**(57,715)**	1,062	-
Deferred tax asset valuation allowance	**-**	7,278	-
Earnings from land and depreciated property sales	**(72,716)**	(19,480)	(29,612)
Build- for- Sale operations, net	**-**	14,482	80,751
Third-party construction contracts, net	**(6,449)**	(4,583)	125,855
Other accrued revenues and expenses, net	**68,892**	47,830	26,875
Operating distributions received in excess of equity in earnings from unconsolidated companies	**8,851**	8,533	5,618
Net cash provided by operating activities	**391,156**	400,472	642,847
Cash flows from investing activities:			
Development of real estate investments	**(119,404)**	(268,890)	(436,256)
Acquisition of real estate investments and related intangible assets, net of cash acquired	**(488,539)**	(31,658)	(20,123)
Acquisition of undeveloped land	**(14,404)**	(5,474)	(40,893)
Second generation tenant improvements, leasing costs and building improvements	**(88,723)**	(79,054)	(74,814)
Other deferred leasing costs	**(38,905)**	(23,329)	(30,498)
Other assets	**(7,260)**	(392)	281
Proceeds from land and depreciated property sales, net	**499,520**	256,330	116,563
Capital distributions from unconsolidated companies	**22,119**	-	95,392
Capital contributions and advances to unconsolidated companies, net	**(53,194)**	(23,481)	(132,244)
Net cash used for investing activities	**(288,790)**	(175,948)	(522,592)
Cash flows from financing activities:			
Proceeds from issuance of common shares, net	**298,004**	551,136	17,100
Proceeds from issuance of preferred shares, net	**-**	-	290,014
Payments for repurchases of preferred shares	**(118,787)**	-	(12,405)
Proceeds from unsecured debt issuance	**250,000**	500,000	325,000
Payments on and repurchases of unsecured debt	**(392,597)**	(707,016)	(261,479)
Proceeds from secured debt financings	**4,158**	290,418	-
Payments on secured indebtedness including principal amortization	**(207,060)**	(11,396)	(55,600)
Borrowings (payments) on lines of credit, net	**177,276**	(467,889)	(62,408)
Distributions to common shareholders	**(162,015)**	(151,333)	(283,375)
Distributions to preferred shareholders	**(69,468)**	(73,451)	(71,439)
Contributions from (distributions to) noncontrolling interests, net	**(5,741)**	(1,524)	(12,837)
Cash settlement of interest rate swaps	**-**	-	(14,625)
Deferred financing costs	**(5,074)**	(28,679)	(3,681)
Net cash used for financing activities	**(231,304)**	(99,734)	(145,735)

Net increase (decrease) in cash and cash equivalents	**(128,938)**	124,790	(25,480)
Cash and cash equivalents at beginning of year	**147,322**	22,532	48,012
Cash and cash equivalents at end of year	**$ 18,384**	$ 147,322	$ 22,532
Non-cash investing and financing activities:			
Assumption of indebtedness and other liabilities for real estate acquisitions	**$ 527,464**	$ -	$ 39,480
Contribution of properties to, net of debt assumed by, unconsolidated companies	**$ 41,609**	$ 20,663	$ 133,312
Investments and advances related to acquisition of previously unconsolidated companies	**$ 184,140**	$ 206,852	$ -
Distribution of property from unconsolidated company	**$ -**	$ -	$ 76,449
Conversion of Limited Partner Units to common shares	**$ (8,055)**	$ 592	$ 13,149

See accompanying Notes to Consolidated Financial Statements.

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DUKE REALTY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

(in thousands, except per share data)

		Common Shareholders					
	Preferred Stock	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Distributions in Excess of Net Income	Non-Controlling Interests	Total
Balance at December 31, 2007	**$ 744,000**	**$ 1,462**	**$ 2,667,286**	**$ (1,279)**	**$ (632,967)**	**$ 83,238**	**$ 2,861,740**
Comprehensive Income:							
Net income	-	-	-	-	107,788	2,620	110,408
Derivative instrument activity	-	-	-	(7,373)	-	-	(7,373)
Comprehensive income							103,035
Issuance of preferred shares	300,000	-	(10,000)	-	-	-	290,000
Issuance of common shares	-	9	15,482	-	-	-	15,491
Stock based compensation plan activity	-	2	15,683	-	(2,017)	-	13,668
Conversion of Limited Partner Units	-	11	13,138	-	-	(17,065)	(3,916)
Distributions to preferred shareholders	-	-	-	-	(71,426)	-	(71,426)
Repurchase of preferred shares	(27,375)	-	924	-	14,046	-	(12,405)
Distributions to common shareholders ($1.93 per share)	-	-	-	-	(283,375)	-	(283,375)
Distributions to noncontrolling interests, net	-	-	-	-	-	(12,837)	(12,837)
Balance at December 31, 2008	**$ 1,016,625**	**$ 1,484**	**$ 2,702,513**	**$ (8,652)**	**$ (867,951)**	**$ 55,956**	**$ 2,899,975**
Comprehensive Loss:							
Net loss	-	-	-	-	(260,150)	(11,340)	(271,490)
Derivative instrument activity	-	-	-	3,022	-	-	3,022
Comprehensive loss							(268,468)
Issuance of common shares	-	752	550,652	-	-	-	551,404
Stock based compensation plan activity	-	2	13,441	-	(2,186)	-	11,257
Conversion of Limited Partner Units	-	2	590	-	(15)	(577)	-
Distributions to preferred shareholders	-	-	-	-	(73,451)	-	(73,451)
Distributions to common shareholders ($.76 per share)	-	-	-	-	(151,333)	-	(151,333)
Distributions to noncontrolling interests, net	-	-	-	-	-	(1,524)	(1,524)
Balance at December 31, 2009	**$ 1,016,625**	**$ 2,240**	**$ 3,267,196**	**$ (5,630)**	**$ (1,355,086)**	**$ 42,515**	**$ 2,967,860**
Comprehensive Income:							
Net income	-	-	-	-	65,798	(536)	65,262
Derivative instrument activity	-	-	-	4,198	-	-	4,198
Comprehensive income							69,460
Issuance of common shares	-	265	297,801	-	-	-	298,066
Stock based compensation plan activity	-	3	13,056	-	(2,531)	-	10,528
Conversion of Limited Partner Units	-	14	(8,069)	-	-	8,055	-
Distributions to preferred shareholders	-	-	-	-	(69,468)	-	(69,468)
Repurchase of preferred shares	(112,085)	-	3,736	-	(10,438)	-	(118,787)
Distributions to common shareholders ($0.68 per share)	-	-	-	-	(162,015)	-	(162,015)

Distributions to noncontrolling interests	-	-	-	-	-	(5,741)	(5,741)
Balance at December 31, 2010	**$ 904,540**	**$ 2,522**	**$ 3,573,720**	**$ (1,432)**	**$ (1,533,740)**	**$ 44,293**	**$ 2,989,903**

See accompanying Notes to Consolidated Financial Statements.

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DUKE REALTY CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(1) The Company

Substantially all of our Rental Operations (see Note 9) are conducted through Duke Realty Limited Partnership (DRLP). We owned approximately 98.0% of the common partnership interests of DRLP (Units) at December 31, 2010. At the option of the holders, subject to certain restrictions, the remaining Units are redeemable for shares of our common stock on a one-to-one basis and earn dividends at the same rate as shares of our common stock. If determined to be necessary in order to continue to qualify as a real estate investment trust (REIT), we may elect to purchase the Units for an equivalent amount of cash rather than issuing shares of common stock upon redemption. We conduct our Service Operations (see Note 9) through Duke Realty Services, LLC, Duke Realty Services Limited Partnership and Duke Construction Limited Partnership (DCLP). DCLP is owned through a taxable REIT subsidiary. The terms we , us and our refer to Duke Realty Corporation and subsidiaries (the Company) and those entities owned or controlled by the Company.

(2) Summary of Significant Accounting Policies

FASB Codification

On July 1, 2009, the Financial Accounting Standards Board (FASB) issued the FASB Accounting Standards Codification (ASC or the Codification) that established the exclusive authoritative reference for accounting principles generally accepted in the United States of America (GAAP) for use in financial statements, except for SEC rules and interpretive releases, which are also authoritative GAAP for SEC registrants. The Codification superseded all existing non-SEC accounting and reporting standards but did not impact any of our existing accounting policies.

Principles of Consolidation

The consolidated financial statements include our accounts and the accounts of our majority-owned or controlled subsidiaries. The equity interests in these controlled subsidiaries not owned by us are reflected as noncontrolling interests in the consolidated financial statements. All significant intercompany balances and transactions have been eliminated in the consolidated financial statements. Investments in entities that we do not control, and variable interest entities (VIEs) in which we are not the primary beneficiary, are not consolidated and are reflected as investments in unconsolidated companies under the equity method of reporting.

Reclassifications

Certain amounts in the accompanying consolidated financial statements for 2009 and 2008 have been reclassified to conform to the 2010 consolidated financial statement presentation.

Real Estate Investments

Rental real property, including land, land improvements, buildings and tenant improvements, are included in real estate investments and are generally stated at cost. Construction in process and undeveloped land are included in real estate investments and are stated at cost. Real estate investments also include our equity interests in unconsolidated joint ventures that own and operate rental properties and hold land for development.

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DUKE REALTY CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Depreciation

Buildings and land improvements are depreciated on the straight-line method over their estimated lives not to exceed 40 and 15 years, respectively, for properties that we develop, and not to exceed 30 and 10 years, respectively, for acquired properties. Tenant improvement costs are depreciated using the straight-line method over the term of the related lease.

Cost Capitalization

Direct and certain indirect costs clearly associated with the development, construction, leasing or expansion of real estate investments are capitalized as a cost of the property. In addition, all leasing commissions paid to third parties for new leases or lease renewals are capitalized. We capitalize a portion of our indirect costs associated with our construction, development and leasing efforts. In assessing the amount of direct and indirect costs to be capitalized, allocations are made based on estimates of the actual amount of time spent in each activity. We do not capitalize any costs attributable to downtime or to unsuccessful projects.

We capitalize direct and indirect project costs associated with the initial construction of a property up to the time the property is substantially complete and ready for its intended use. In addition, we capitalize costs, including real estate taxes, insurance, and utilities, that have been allocated to vacant space based on the square footage of the portion of the building not held available for immediate occupancy during the extended lease-up periods after construction of the building shell has been completed if costs are being incurred to ready the vacant space for its intended use. If costs and activities incurred to ready the vacant space cease, then cost capitalization is also discontinued until such activities are resumed. Once necessary work has been completed on a vacant space, project costs are no longer capitalized.

We cease capitalization of all project costs on extended lease-up periods when significant activities have ceased, which does not exceed the shorter of a one-year period after the completion of the building shell or when the property attains 90% occupancy.

Impairment

We evaluate our real estate assets, with the exception of those that are classified as held- for- sale, for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. If such an evaluation is considered necessary, we compare the carrying amount of that real estate asset, or asset group, with the expected undiscounted cash flows that are directly associated with, and that are expected to arise as a direct result of, the use and eventual disposition of that asset, or asset group. Our estimate of the expected future cash flows used in testing for impairment is based on, among other things, our estimates regarding future market conditions, rental rates, occupancy levels, costs of tenant improvements, leasing commissions and other tenant concessions, assumptions regarding the residual value of our properties at the end of our anticipated holding period and the length of our anticipated holding period and is, therefore, subjective by nature. These assumptions could differ materially from actual results. If our strategy changes or if market conditions otherwise dictate a reduction in the holding period and an earlier sale date, an impairment loss could be recognized and such loss could be material. To the extent the carrying amount of a real estate asset, or asset group, exceeds the associated estimate of undiscounted cash flows, an

impairment loss is recorded to reduce the carrying value of the asset to its fair value.

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The determination of the fair value of real estate assets is also highly subjective, especially in markets where there is a lack of recent comparable transactions. We primarily utilize the income approach to estimate the fair value of our income producing real estate assets. To the extent that the assumptions used in testing long-lived assets for impairment differ from those of a marketplace participant, the assumptions are modified in order to estimate the fair value of a real estate asset when an impairment charge is measured. In addition to determining future cash flows, which make the estimation of a real estate asset s undiscounted cash flows highly subjective, the selection of the discount rate and exit capitalization rate used in applying the income approach is also highly subjective.

Real estate assets classified as held- for- sale are reported at the lower of their carrying value or their fair value, less estimated costs to sell. Once a property is designated as held-for-sale, no further depreciation expense is recorded.

Purchase Accounting

On January 1, 2009, we adopted the new accounting standard (FASB ASC 805) on purchase accounting, which required acquisition related costs to be expensed immediately as period costs. This new standard also requires that (i) 100% of the assets and liabilities of an acquired entity, as opposed to the amount proportional to the portion acquired, must be recorded at fair value upon an acquisition and (ii) a gain or loss must be recognized for the difference between the fair value and the carrying value of any existing ownership interests in acquired entities. Finally, this new standard requires that contingencies arising from a business combination be recorded at fair value if the acquisition date fair value can be determined during the measurement period.

We allocate the purchase price of acquired properties to net tangible and identified intangible assets based on their respective fair values, using all pertinent information available at the date of acquisition. The allocation to tangible assets (buildings, tenant improvements and land) is based upon management s determination of the value of the property as if it were vacant using discounted cash flow models similar to those used by independent appraisers. Factors considered by management include an estimate of carrying costs during the expected lease-up periods considering current market conditions, and costs to execute similar leases. The purchase price of real estate assets is also allocated among three categories of intangible assets consisting of the above or below market component of in-place leases, the value of in-place leases and the value of customer relationships.

The value allocable to the above or below market component of an acquired in-place lease is determined based upon the present value (using a discount rate which reflects the risks associated with the acquired leases) of the difference between (i) the contractual amounts to be paid pursuant to the lease over its remaining term and (ii) management s estimate of the amounts that would be paid using fair market rates over the remaining term of the lease. The amounts allocated to above market leases are included in deferred leasing and other costs in the balance sheet and below market leases are included in other liabilities in the balance sheet; both are amortized to rental income over the remaining terms of the respective leases.

The total amount of intangible assets is further allocated to in-place lease values and to customer relationship values based upon management s assessment of their respective values. These intangible assets are included in deferred leasing and other costs in the balance sheet and are depreciated over the remaining term of the existing lease, or the anticipated life of the customer relationship, as applicable.

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Joint Ventures

We have equity interests in unconsolidated joint ventures that own and operate rental properties and hold land for development. We consolidate those joint ventures that are considered to be variable interest entities (VIEs) where we are the primary beneficiary. We analyze our investments in joint ventures to determine if the joint venture is considered a VIE and would require consolidation. We (i) evaluate the sufficiency of the total equity investment at risk, (ii) review the voting rights and decision-making authority of the equity investment holders as a group, and whether there are any guaranteed returns, protection against losses, or capping of residual returns within the group and (iii) establish whether activities within the venture are on behalf of an investor with disproportionately few voting rights in making this VIE determination. We would consolidate a venture that is determined to be a VIE if we were the primary beneficiary.

On January 1, 2010, we adopted a new accounting standard that eliminated the primarily quantitative model previously in effect to determine the primary beneficiary of a VIE and replaced it with a qualitative model that focuses on which entities have the power to direct the activities of the VIE as well as the obligation or rights to absorb the VIE s losses or receive its benefits. This new standard requires assessments at each reporting period of which party within the VIE is considered the primary beneficiary and also requires a number of new disclosures related to VIEs. The reconsideration of the initial determination of VIE status is still based on the occurrence of certain events. We were not the primary beneficiary of any VIEs at January 1, 2010 and the implementation of this new accounting standard did not have a material impact on our results of operation or financial condition.

During 2010, events took place within two of our unconsolidated joint ventures that required us to re-evaluate our previous conclusions that these two joint ventures were not VIEs. Upon reconsideration, we determined that the fair values of the equity investments at risk were not sufficient, when considering their overall capital requirements, and we therefore concluded that these two ventures now meet the applicable criteria to be considered VIEs.

These two joint ventures were formed with the sole purpose of developing, constructing, leasing, marketing and selling properties for a profit. The majority of the business activities of these joint ventures are financed with third-party debt, with joint and several guarantees provided by the joint venture partners. All significant decisions for both joint ventures, including those decisions that most significantly impact each venture s economic performance, require unanimous joint venture partner approval as well as, in certain cases, lender approval. In both joint ventures, unanimous joint venture partner approval requirements include entering into new leases, setting annual operating budgets, selling an underlying property, and incurring additional indebtedness. Because no single variable interest holder exercises control over the decisions that most significantly affect each venture s economic performance, we determined that the equity method of accounting is still appropriate for these joint ventures.

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The following is a summary of the carrying value in our consolidated balance sheet, as well as our maximum loss exposure under guarantees, for entities we have determined to be VIEs as of December 31, 2010:

	Carrying Value	Maximum Loss Exposure
Investment in Unconsolidated Company	$ 31.7 million	$ 31.7 million
Guarantee Obligations (1)	$ (25.2 million)	$ (63.7 million)

(1) We are party to joint and several guarantees of the third-party debt of both of these joint ventures and our maximum loss exposure is equal to the maximum monetary obligation pursuant to the guarantee agreements. In 2009, we recorded a liability for our probable future obligation under a guarantee to the lender of one of these ventures. Pursuant to an agreement with the lender, we may make member loans to this joint venture that will reduce our maximum guarantee obligation on a dollar- for- dollar basis. The carrying value of our recorded guarantee obligations is included in other liabilities in our Consolidated Balance Sheets.

To the extent that our joint ventures do not qualify as VIEs, we consolidate those joint ventures that we control through majority ownership interests or where we are the managing member and our partner does not have substantive participating rights. Control is further demonstrated by the ability of the general partner to manage day-to-day operations, refinance debt and sell the assets of the joint venture without the consent of the limited partner and inability of the limited partner to replace the general partner. We use the equity method of accounting for those joint ventures where we do not have control over operating and financial policies. Under the equity method of accounting, our investment in each joint venture is included on our balance sheet; however, the assets and liabilities of the joint ventures for which we use the equity method are not included on our balance sheet.

To the extent that we contribute assets to a joint venture, our investment in the joint venture is recorded at our cost basis in the assets that were contributed to the joint venture. To the extent that our cost basis is different than the basis reflected at the joint venture level, the basis difference is amortized over the life of the related asset and included in our share of equity in net income of the joint venture. We recognize gains on the contribution or sale of real estate to joint ventures, relating solely to the outside partner s interest, to the extent the economic substance of the transaction is a sale.

Cash Equivalents

Investments with an original maturity of three months or less are classified as cash equivalents.

Valuation of Receivables

We reserve the entire receivable balance, including straight-line rent, of any tenant with an amount outstanding over 90 days. Additional reserves are recorded for more current amounts, as applicable, where we have determined collectability to be doubtful. Straight-line rent receivables for any tenant with long-term risk, regardless of the status of current rent receivables, are reviewed and reserved as necessary.

Deferred Costs

Costs incurred in connection with obtaining financing are amortized to interest expense over the term of the related loan. All direct and indirect costs, including estimated internal costs, associated with the leasing of real estate investments owned by us are capitalized and amortized over the term of the related lease. We include lease incentive costs, which are payments made on behalf of a tenant to sign a lease, in deferred leasing costs and amortize them on a straight-line basis over the respective lease terms as a reduction of rental revenues. We include as lease incentives amounts funded to construct tenant improvements owned by the tenant. Unamortized costs are charged to expense upon the early termination of the lease or upon early payment of the financing.

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Convertible Debt Accounting

On January 1, 2009, we adopted a new accounting standard (FASB ASC 470) for convertible debt instruments that may be settled in cash upon conversion. This new standard required separate accounting for the debt and equity components of certain convertible instruments. Our 3.75% Exchangeable Senior Notes (Exchangeable Notes), issued in November 2006, have an exchange rate of 20.47 common shares per $1,000 principal amount of the notes, representing an exchange price of $48.85 per share of our common stock. The Exchangeable Notes were subject to the accounting changes required by this new standard, which required that the value assigned to the debt component equal the estimated fair value of debt with similar contractual cash flows, but without the conversion feature, resulting in the debt being recorded at a discount. The resulting debt discount will be amortized over the period from its issuance through November 2011, the first optional redemption date, as additional non-cash interest expense. We were required to apply this new accounting standard retrospectively to prior periods.

At December 31, 2010, the Exchangeable Notes had $167.6 million of principal outstanding, an unamortized discount of $2.1 million and a net carrying amount of $165.6 million. The carrying amount of the equity component was $34.7 million at December 31, 2010. Subsequent to the implementation of the new standard, interest expense is recognized on the Exchangeable Notes at an effective rate of 5.6%. The increase to interest expense (in thousands) on the Exchangeable Notes, which led to a corresponding decrease to net income, for the years ended December 31, 2010, 2009 and 2008 is summarized as follows:

	2010	2009	2008
Interest expense on Exchangeable Notes, excluding effect of accounting for convertible debt	**$ 7,136**	$ 14,850	$ 21,574
Effect of accounting for convertible debt	**2,474**	5,024	6,536
Total interest expense on Exchangeable Notes	**$ 9,610**	$ 19,874	$ 28,110

Noncontrolling Interests

On January 1, 2009, we adopted a new accounting standard (FASB ASC 810) on noncontrolling interests, which required noncontrolling interests (previously referred to as minority interests) to be reported as a component of total equity, resulting in retroactive changes to the presentation of the noncontrolling interests in the consolidated balance sheets and statements of operations. This new standard also modified the accounting for changes in the level of ownership in consolidated subsidiaries.

Noncontrolling interests relate to the minority ownership interests in DRLP and interests in consolidated property partnerships that are not wholly owned. Noncontrolling interests are subsequently adjusted for additional contributions, distributions to noncontrolling holders and the noncontrolling holders proportionate share of the net earnings or losses of each respective entity.

Prior to January 1, 2009, when a Unit was redeemed (Note 1), the difference between the aggregate book value and the purchase price of the Unit increased the recorded value of our net assets. For redemptions of Units subsequent to January 1, 2009, the change in ownership is treated as an equity transaction and there is no effect on our earnings or net assets.

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Revenue Recognition

Rental and Related Revenue

The timing of revenue recognition under an operating lease is determined based upon ownership of the tenant improvements. If we are the owner of the tenant improvements, revenue recognition commences after the improvements are completed and the tenant takes possession or control of the space. In contrast, if we determine that the tenant allowances we are funding are lease incentives, then we commence revenue recognition when possession or control of the space is turned over to the tenant. Rental income from leases with free rental periods or scheduled rental increases during their terms is recognized on a straight-line basis.

We record lease termination fees when a tenant has executed a definitive termination agreement with us and the payment of the termination fee is not subject to any material conditions that must be met or waived before the fee is due to us.

General Contractor and Service Fee Revenue

Management fees are based on a percentage of rental receipts of properties managed and are recognized as the rental receipts are collected. Maintenance fees are based upon established hourly rates and are recognized as the services are performed. Construction management and development fees represent fee-based third-party contracts and are recognized as earned based on the terms of the contract, which approximates the percentage of completion method.

We recognize income on construction contracts where we serve as a general contractor on the percentage of completion method. Using this method, profits are recorded based on our estimates of the percentage of completion of individual contracts, commencing when the work performed under the contracts reaches a point where the final costs can be estimated with reasonable accuracy. The percentage of completion estimates are based on a comparison of the contract expenditures incurred to the estimated final costs. Changes in job performance, job conditions and estimated profitability may result in revisions to costs and income and are recognized in the period in which the revisions are determined.

Receivables on construction contracts were in an over-billed position of $160,000 and $470,000 at December 31, 2010 and 2009.

Property Sales

Gains on sales of all properties are recognized in accordance with FASB ASC 360-20. The specific timing of the sale of a building is measured against various criteria in FASB ASC 360-20 related to the terms of the transactions and any continuing involvement in the form of management or financial assistance from the seller associated with the properties. We make judgments based on the specific terms of each transaction as to the amount of the total profit from the transaction that we recognize considering factors such as continuing ownership interest we may have with the buyer (partial sales) and our level of future involvement with the property or the buyer that acquires the assets. If the full accrual sales criteria are not met, we defer gain recognition and account for the continued operations of the property by applying the finance, installment or cost recovery methods, as appropriate, until the full accrual sales criteria are met. Estimated future costs to be incurred after completion of each sale are included in the determination

of the gain on sales.

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To the extent that a property has had operations prior to sale, and that we do not have continuing involvement with the property, gains from sales of depreciated property are included in discontinued operations and the proceeds from the sale of these held-for-rental properties are classified in the investing activities section of the Consolidated Statements of Cash Flows.

Gains or losses from our sale of properties that were developed or repositioned with the intent to sell and not for long-term rental (Build-for-Sale properties) are classified as gain on sale of properties in the Consolidated Statements of Operations. Other rental properties that do not meet the criteria for presentation as discontinued operations are also classified as gain on sale of properties in the Consolidated Statements of Operations.

Net Income (Loss) Per Common Share

Basic net income (loss) per common share is computed by dividing net income (loss) attributable to common shareholders, less dividends on share-based awards expected to vest, by the weighted average number of common shares outstanding for the period. Diluted net income (loss) per common share is computed by dividing the sum of basic net income (loss) attributable to common shareholders and the noncontrolling interest in earnings allocable to Units not owned by us (to the extent the Units are dilutive), by the sum of the weighted average number of common shares outstanding and, to the extent they are dilutive, partnership Units outstanding, as well as any potential dilutive securities for the period.

During the first quarter of 2009, we adopted a new accounting standard (FASB ASC 260-10) on participating securities, which we have applied retrospectively to prior period calculations of basic and diluted earnings per common share. Pursuant to this new standard, certain of our share-based awards are considered participating securities because they earn dividend equivalents that are not forfeited even if the underlying award does not vest.

The following table reconciles the components of basic and diluted net income (loss) per common share (in thousands):

	2010	2009	2008
Net income (loss) attributable to common shareholders	**$ (14,108)**	$ (333,601)	$ 50,408
Less: Dividends on share-based awards expected to vest	**(2,513)**	(1,759)	(1,631)
Basic net income (loss) attributable to common shareholders	**(16,621)**	(335,360)	48,777
Noncontrolling interest in earnings of common unitholders	**-**	-	2,640
Diluted net income (loss) attributable to common shareholders	**$ (16,621)**	$ (335,360)	$ 51,417
Weighted average number of common shares outstanding	**238,920**	201,206	146,915
Weighted average partnership Units outstanding	**-**	-	7,619
Other potential dilutive shares	**-**	-	19
Weighted average number of common shares and potential dilutive securities	**238,920**	201,206	154,553

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The partnership Units are anti-dilutive for the years ended December 31, 2010 and 2009, as a result of the net loss for these periods. In addition, substantially all potential shares related to our stock-based compensation plans as well as our 3.75% Exchangeable Senior Notes (Exchangeable Notes) are anti-dilutive for all years presented. The following table summarizes the data that is excluded from the computation of net income (loss) per common share as a result of being anti-dilutive (in thousands):

	2010	2009	2008
Noncontrolling interest in earnings of common unitholders	**$ 351**	$ 11,099	$ -
Weighted average partnership Units outstanding	**5,950**	6,687	-
Other potential dilutive shares:			
Anti-dilutive potential shares under stock-based compensation plans	**4,713**	7,872	8,219
Anti-dilutive potential shares under the Exchangeable Notes	**3,890**	8,089	11,771

Federal Income Taxes

We have elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended. To qualify as a REIT, we must meet a number of organizational and operational requirements, including a requirement to distribute at least 90% of our adjusted taxable income to our stockholders. Management intends to continue to adhere to these requirements and to maintain our REIT status. As a REIT, we are entitled to a tax deduction for some or all of the dividends we pay to shareholders. Accordingly, we generally will not be subject to federal income taxes as long as we currently distribute to shareholders an amount equal to or in excess of our taxable income. We are also generally subject to federal income taxes on any taxable income that is not currently distributed to our shareholders. If we fail to qualify as a REIT in any taxable year, we will be subject to federal income taxes and may not be able to qualify as a REIT for four subsequent taxable years.

REIT qualification reduces, but does not eliminate, the amount of state and local taxes we pay. In addition, our financial statements include the operations of taxable corporate subsidiaries that are not entitled to a dividends paid deduction and are subject to corporate federal, state and local income taxes. As a REIT, we may also be subject to certain federal excise taxes if we engage in certain types of transactions.

The following table reconciles our net income (loss) to taxable income (loss) before the dividends paid deduction for the years ended December 31, 2010, 2009 and 2008 (in thousands):

	2010	2009	2008
Net income (loss)	**$ 65,262**	$ (271,490)	$ 110,408
Book/tax differences	**78,178**	441,784	127,607
Taxable income before adjustments	**143,440**	170,294	238,015
Less: capital gains	**(62,477)**	(10,828)	(80,069)
Adjusted taxable income subject to 90% distribution requirement	**$ 80,963**	$ 159,466	$ 157,946

Our dividends paid deduction is summarized below (in thousands):

	2010	2009	2008
Cash dividends paid	**$ 231,446**	$ 224,784	$ 355,782
Cash dividends declared and paid in current year that apply to previous year	**-**	-	(52,471)
Less: Capital gain distributions	**(62,477)**	(10,828)	(80,069)
Less: Return of capital	**(82,283)**	(49,321)	(59,709)
Total dividends paid deduction attributable to adjusted taxable income	**$ 86,686**	$ 164,635	$ 163,533

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A summary of the tax characterization of the dividends paid for the years ended December 31, 2010, 2009 and 2008 follows:

	2010	2009	2008
Common Shares			
Ordinary income	**24.9%**	69.0%	39.3%
Return of capital	**56.3%**	26.4%	27.3%
Capital gains	**18.8%**	4.6%	33.4%
	100.0%	100.0%	100.0%
Preferred Shares			
Ordinary income	**57.0%**	93.7%	70.2%
Capital gains	**43.0%**	6.3%	29.8%
	100.0%	100.0%	100.0%

Refinements to our operating strategy in 2009 caused us to reduce our projections of taxable income in our taxable REIT subsidiary. As the result of these changes in our projections, we determined that it was more likely than not that the taxable REIT subsidiary would not generate sufficient taxable income to realize any of its deferred tax assets. Accordingly, a full valuation allowance was established for our deferred tax assets in 2009, which we have continued to maintain through December 31, 2010. Income taxes are not material to our operating results or financial position.

We received income tax refunds, net of federal and state income tax payments, of $19.7 million in 2010. We paid federal and state income taxes of $800,000 and $3.5 million in 2009 and 2008, respectively. The taxable REIT subsidiaries have no significant net deferred income tax or unrecognized tax benefit items.

Derivative Financial Instruments

We periodically enter into certain interest rate protection agreements to effectively convert or cap floating rate debt to a fixed rate, and to hedge anticipated future financing transactions, both of which qualify for cash flow hedge accounting treatment. Net amounts paid or received under these agreements are recognized as an adjustment to the interest expense of the corresponding debt. We do not utilize derivative financial instruments for trading or speculative purposes.

If a derivative qualifies as a cash flow hedge, the change in fair value of the derivative is recognized in other comprehensive income to the extent the hedge is effective, while the ineffective portion of the derivative s change in fair value is recognized in earnings. Gains and losses on our interest rate protection agreements are subsequently included in earnings as an adjustment to interest expense in the same periods in which the related interest payments being hedged are recognized in earnings.

We estimate the fair value of derivative instruments using standard market conventions and techniques such as discounted cash flow analysis, option pricing models and termination cost at each balance sheet date. For all hedging

relationships, we formally document the hedging relationship and its risk-management objective and strategy for undertaking the hedge, the hedging instrument, the hedged item, the nature of the risk being hedged, how the hedging instrument s effectiveness in offsetting the hedged risk will be assessed prospectively and retrospectively, and a description of the method of measuring ineffectiveness.

Fair Value Measurements

On January 1, 2009, we adopted a new accounting standard (FASB ASC 820) that establishes a framework for measuring fair value of non-financial assets and liabilities that are not required or permitted to be measured at fair value on a recurring basis but only in certain circumstances, such as a business combination.

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Assets and liabilities recorded at fair value on the consolidated balance sheets are categorized based on the inputs to the valuation techniques as follows:

Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities to which we have access.

Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs for the asset or liability, which are typically based on an entity s own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

Use of Estimates

The preparation of the financial statements requires management to make a number of estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. The most significant estimates, as discussed within our Summary of Significant Accounting Policies, pertain to the critical assumptions utilized in testing real estate assets for impairment as well as in estimating the fair value of real estate assets when an impairment event has taken place. Actual results could differ from those estimates.

(3) Significant Acquisitions and Dispositions

2010 Acquisition of Remaining Interest in Dugan Realty, L.L.C.

On July 1, 2010, we acquired our joint venture partner s 50% interest in Dugan Realty, L.L.C. (Dugan), a real estate joint venture that we had previously accounted for using the equity method, for a payment of $166.7 million. Dugan held $28.1 million of cash at the time of acquisition, which resulted in a net cash outlay of $138.6 million. As the result of this transaction we obtained 100% of Dugan s membership interests.

At the date of acquisition, Dugan owned 106 industrial buildings totaling 20.8 million square feet and 63 net acres of undeveloped land located in Midwest and Southeast markets. Dugan had a secured loan with a face value of $195.4 million due in October 2010, which was repaid at its scheduled maturity date, and a secured loan with a face value of

$87.6 million due in October 2012 (see Note 8). The acquisition was completed in order to pursue our strategy to increase our overall allocation to industrial real estate assets.

DUKE REALTY CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

The following table summarizes our allocation of the fair value of amounts recognized for each major class of assets and liabilities (in thousands):

Real estate assets	$ 502,418
Lease related intangible assets	107,155
Other assets	28,658
Total acquired assets	**$ 638,231**
Secured debt	$ 285,376
Other liabilities	20,243
Total assumed liabilities	**$ 305,619**
Fair value of acquired net assets (represents 100% interest)	**$ 332,612**

We previously managed and performed other ancillary services for Dugan s properties and, as a result, Dugan had no employees of its own and no separately recognizable brand identity. As such, we determined that the consideration paid to the seller, plus the fair value of the incremental share of the assumed liabilities, represented the fair value of the additional interest in Dugan that we acquired, and that no goodwill or other non-real estate related intangible assets were required to be recognized through the transaction. Accordingly, we also determined that the fair value of the acquired ownership interest in Dugan equaled the fair value of our existing ownership interest.

In conjunction with acquiring our partner s ownership interest in Dugan, we derecognized a $50.0 million liability related to a put option held by our partners. The put liability was originally recognized in October 2000, in connection with a sale of industrial properties and undeveloped land to Dugan, at which point our joint venture partner was given an option to put up to $50.0 million of its interest in Dugan to us in exchange for our common stock or cash (at our option). Our gain on acquisition, considering the derecognition of the put liability, was calculated as follows (in thousands):

Fair value of existing interest (represents 50% interest)	**$ 166,306**
Less:	
Carrying value of investment in Dugan	158,591
Put option liability derecognized	(50,000)
	108,591
Gain on acquisition	**$ 57,715**

Since the acquisition date, Dugan s results of operations have been included in continuing operations in our consolidated financial statements and have generated $38.7 million of incremental rental revenue, $4.4 million of incremental rental expenses, and $7.1 million of incremental real estate tax expense. We additionally have recognized $5.2 million of interest expense, subsequent to the acquisition date, related to Dugan s two secured loans.

Other 2010 Acquisitions

We also acquired additional properties during the year ended December 31, 2010 as shown below:

Location	Product Type	Number of Buildings
Phoenix, Arizona	Industrial	1
South Florida	Industrial	40
Houston, Texas	Industrial	3
Chicago, Illinois	Industrial	2
Nashville, Tennessee	Industrial	1
Columbus, Ohio	Industrial	1
Charlotte, North Carolina	Medical Office	1
South Florida	Office	3

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DUKE REALTY CORPORATION AND SUBSIDIARIES

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The following table summarizes our preliminary allocation of the fair value of amounts recognized for each major class of assets and liabilities (in thousands):

Real estate assets	$ 483,396
Lease related intangible assets	122,069
Other assets	6,822
Total acquired assets	**$ 612,287**
Secured and unsecured debt	$ 221,696
Other liabilities	9,194
Total assumed liabilities	**$ 230,890**
Fair value of acquired net assets	**$ 381,397**

The above acquisitions include the first tranche of a portfolio of primarily industrial properties in South Florida (the Premier Portfolio), which we purchased on December 30, 2010 for $281.7 million, including the assumption of secured debt that had a face value of $155.7 million. The first tranche included 39 buildings totaling more than 3.4 million square feet, comprised of 38 industrial properties and one office property. We intend, and are under contract, to acquire another 17 buildings to complete the acquisition of the Premier Portfolio in early 2011. The acquisition of the Premier Portfolio includes an earn-out provision where we have agreed to pay the sellers 25% of any increase in the fair value of the properties over an agreed-upon value, less our additional capital investments in the buildings, at the end of the five year period subsequent to the acquisition. At the time of acquisition, we estimated the fair value of this contingent payment to be inconsequential and, as such, have not recorded any liability as part of purchase accounting. Any subsequent changes to this estimate will be recognized through future earnings. Overall purchase accounting allocations for the first tranche of the Premier Portfolio are preliminary as of December 31, 2010.

2009 Consolidation of Retail Joint Ventures

Through March 31, 2009, we were a member in two retail real estate joint ventures with a retail developer. Both entities were jointly controlled by us and our partner, through equal voting interests, and were accounted for as unconsolidated subsidiaries under the equity method. As of April 1, 2009, we had made combined equity contributions of $37.9 million to the two entities and we also had combined outstanding principal and accrued interest of $173.0 million on advances to the two entities.

We advanced $2.0 million to the two entities, who then distributed the $2.0 million to our partner in exchange for the redemption of our partner s membership interests, effective April 1, 2009, at which time we obtained 100% control of the voting interests of both entities. We entered into these transactions to gain control of these two entities because it allowed us to operate and potentially dispose of the entities in a manner that best serves our capital needs.

In conjunction with the redemption of our partner s membership interests, we entered a profits interest agreement that entitles our former partner to additional payments should the combined sale of the two acquired entities, as well as the sale of another retail real estate joint venture that we and our partner still jointly control, result in an aggregate profit.

Aggregate profit on the sale of these three projects will be calculated by using a formula defined in the profits interest agreement. We have estimated that the fair value of the potential additional payment to our partner is insignificant.

DUKE REALTY CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

A summary of the fair value of amounts recognized for each major class of assets and liabilities acquired is as follows (in thousands):

Buildings, land and tenant improvements	$ 176,038
Undeveloped land	6,500
Total real estate assets	182,538
Lease related intangible assets	24,350
Other assets	3,987
Total acquired assets	210,875
Liabilities assumed	(4,023)
Fair value of acquired net assets	$ 206,852

The fair values recognized from the real estate and related assets acquired were primarily determined using the income approach. The most significant assumptions in the fair value estimates were the discount rates and the exit capitalization rates. The estimates of fair value were determined to have primarily relied upon Level 3 inputs.

We recognized a loss of $1.1 million upon acquisition, which represents the difference between the fair value of the recognized assets and the carrying value of our pre-existing equity interest. The acquisition date fair value of the net recognized assets as compared to the acquisition date carrying value of our outstanding advances and accrued interest, as well as the acquisition date carrying value of our pre-existing equity interests, is shown as follows (in thousands):

Net fair value of acquired assets and liabilities	$ 206,852
Less advances to acquired entities eliminated upon consolidation	(173,006)
Less acquisition date carrying value of equity in acquired entities	(34,908)
Loss on acquisition	$ (1,062)

Since April 1, 2009, the results of operations for both acquired entities have been included in continuing operations in our consolidated financial statements. Due to our significant pre-existing ownership and financing positions in the two acquired entities, the inclusion of their results of operations did not have a material effect on our operating income.

Fair Value Measurements

The fair value estimates used in allocating the aggregate purchase price of each acquisition among the individual components of real estate assets and liabilities were determined primarily through calculating the as-if vacant value of each building, using the income approach, and relied significantly upon internally determined assumptions. We have, thus, determined these estimates to have been primarily based upon Level 3 inputs, which are unobservable inputs

based on our own assumptions. The most significant assumptions utilized in these estimates, for our 2010 acquisitions, are summarized as follows:

Discount rate	8.9% -12.5%
Exit capitalization rate	7.6% - 10.5%
Lease up period	12 - 36 months
Net rental rate per square foot - Industrial	$1.80 - $8.00
Net rental rate per square foot - Office	$19.00
Net rental rate per square foot - Medical Office	$19.27

Acquisition-Related Transaction Costs

The gain on acquisition, in our consolidated Statements of Operations, for the year ended December 31, 2010 is presented net of $1.9 million of transaction costs.

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Dispositions

We disposed of undeveloped land and income producing real estate related assets and received net proceeds of $499.5 million, $288.2 million and $459.6 million in 2010, 2009 and 2008, respectively. Included in the building dispositions in 2010 is the sale of seven suburban office buildings, totaling over 1.0 million square feet, to a newly formed subsidiary of an existing 20% owned joint venture. These buildings were sold to the new entity for an agreed value of $173.9 million, of which our 80% share of proceeds totaled $139.1 million.

All other dispositions were not individually material.

(4) Related Party Transactions

We provide property management, asset management, leasing, construction and other tenant related services to unconsolidated companies in which we have equity interests. We recorded the corresponding fees based on contractual terms that approximate market rates for these types of services and we have eliminated our ownership percentage of these fees in the consolidated financial statements. The following table summarizes the fees earned from these companies for the years ended December 31, 2010, 2009 and 2008, respectively (in millions):

	2010	2009	2008
Management fees	**$ 7.6**	$ 8.4	$ 7.8
Leasing fees	**2.7**	4.2	2.8
Construction and development fees	**10.3**	10.2	12.7

(5) Investments in Unconsolidated Companies

We have equity interests in unconsolidated joint ventures that develop, own and operate rental properties and hold land for development.

Combined summarized financial information for the unconsolidated companies as of December 31, 2010 and 2009, and for the years ended December 31, 2010, 2009 and 2008, are as follows (in thousands):

	2010	2009	2008
Rental revenue	**$ 228,378**	$ 254,787	$ 250,312
Net income	**$ 19,202**	$ 9,760	$ 40,437
Land, buildings and tenant improvements, net	**$ 1,687,228**	$ 2,072,435	
Construction in progress	**120,834**	128,257	

Undeveloped land	**177,473**	176,356
Other assets	**242,461**	260,249
	$ 2,227,996	$ 2,637,297
Indebtedness	**$ 1,082,823**	$ 1,319,696
Other liabilities	**66,471**	75,393
	1,149,294	1,395,089
Owners equity	**1,078,702**	1,242,208
	$ 2,227,996	$ 2,637,297

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Dugan generated $42.5 million in revenues and $6.4 million of net income in the six months of 2010 prior to its July 1 consolidation. Dugan generated $85.7 million and $90.3 million of revenues and $12.5 million and $16.8 million of net income during 2009 and 2008, respectively, and had total assets of $649.3 million as of December 31, 2009.

Our share of the scheduled principal payments of long term debt for the unconsolidated joint ventures for each of the next five years and thereafter as of December 31, 2010 are as follows (in thousands):

Year	Future Repayments
2011	$ 72,349
2012	3,710
2013	70,522
2014	30,157
2015	57,486
Thereafter	127,614
	$ 361,838

(6) <u>Discontinued Operations and Assets Held for Sale</u>

The following table illustrates the number of properties in discontinued operations:

	Held For Sale	Sold in 2010	Sold in 2009	Sold in 2008	Total
Office	7	11	5	4	27
Industrial	2	6	-	4	12
Retail	-	2	-	-	2
	9	19	5	8	41

We allocate interest expense to discontinued operations and have included such interest expense in computing income from discontinued operations. Interest expense allocable to discontinued operations includes interest on any secured debt for properties included in discontinued operations and an allocable share of our consolidated unsecured interest expense for unencumbered properties. The allocation of unsecured interest expense to discontinued operations was based upon the gross book value of the unencumbered real estate assets included in discontinued operations as it related to the total gross book value of our unencumbered real estate assets.

The following table illustrates operations of the buildings reflected in discontinued operations for the years ended December 31 (in thousands):

	2010	2009	2008
Revenues	**$ 39,325**	$ 56,463	$ 76,593
Operating expenses	**(14,893)**	(21,008)	(26,990)
Depreciation and amortization	**(11,120)**	(16,697)	(21,933)
Operating income	**13,312**	18,758	27,670
Interest expense	**(10,580)**	(15,873)	(19,124)
Income before impairment charges and gain on sales	**2,732**	2,885	8,546
Impairment charges	**-**	(26,936)	(1,266)
Gain on sale of depreciable properties	**33,054**	6,786	16,961
Income (loss) from discontinued operations	**$ 35,786**	$ (17,265)	$ 24,241

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Dividends on preferred shares and adjustments for repurchase of preferred shares are allocated entirely to continuing operations. The following table illustrates the allocation of the income (loss) attributable to common shareholders between continuing operations and discontinued operations, reflecting an allocation of income or loss attributable to noncontrolling interests between continuing and discontinued operations, for the years ended December 31, 2010, 2009 and 2008, respectively (in thousands):

	2010	2009	2008
Income (loss) from continuing operations attributable to common shareholders	**$ (49,025)**	$ (316,892)	$ 27,362
Income (loss) from discontinued operations attributable to common shareholders	**34,917**	(16,709)	23,046
Net income (loss) attributable to common shareholders	**$ (14,108)**	$ (333,601)	$ 50,408

At December 31, 2010, we classified nine properties as held-for-sale, which were included in discontinued operations. Additionally, we have classified 15 in-service properties as held-for-sale, but have included the results of operations of these properties in continuing operations, either based on our present intention to sell the properties to entities in which we will retain a minority equity ownership interest or because of continuing involvement through a management agreement. The following table illustrates aggregate balance sheet information of the aforementioned nine properties included in discontinued operations, as well as the 15 held-for-sale properties whose results are included in continuing operations at December 31, 2010 (in thousands):

	Properties Included in Discontinued Operations	Properties Included in Continuing Operations	Total Held-for-Sale Properties
Balance Sheet:			
Real estate investment, net	$ 89,643	$ 265,049	$ 354,692
Other assets	9,557	30,038	39,595
Total assets held-for-sale	$ 99,200	$ 295,087	$ 394,287
Accrued expenses	$ 2,936	$ 6,679	$ 9,615
Other liabilities	1,789	3,328	5,117
Total liabilities held-for-sale	$ 4,725	$ 10,007	$ 14,732

(7) Impairments and Other Charges

The following table illustrates impairment and other charges recognized during the years ended December 31, 2010, 2009 and 2008, respectively (in thousands):

	2010	2009	2008
Undeveloped land	**$ 9,834**	$ 136,581	$ 8,632
Buildings	**-**	78,087	2,799
Investments in unconsolidated companies	**-**	56,437	-
Other real estate related assets	**-**	31,461	-
Impairment charges	**$ 9,834**	$ 302,566	$ 11,431
Less: Impairment charges included in discontinued operations	**-**	(26,936)	(1,266)
Impairment charges - continuing operations	**$ 9,834**	$ 275,630	$ 10,165

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Land and Buildings

During 2009, we refined our operating strategy and one result of this change in strategy was the decision to dispose of approximately 1,800 acres of land, which had a total cost basis of $385.3 million, rather than holding them for future development. Our change in strategy for this land triggered the requirement to conduct an impairment analysis, which resulted in a determination that a significant portion of the land was impaired. We recognized impairment charges on land of $136.6 million in 2009, primarily as the result of writing down the land that was identified for disposition, and determined to be impaired, to fair value. As part of determining the fair value of the non-strategic land in connection with the impairment analysis, we considered estimates made by national and local independent real estate brokers who were familiar both with the land parcels subject to evaluation as well as with conditions in the specific markets where the land was located. There were few, if any, recent and representative transactions in many of the markets where our non-strategic land was, or is still, located upon which we could base our impairment analysis. In such instances, we considered older comparable transactions, while adjusting estimated values downward to reflect the troubled condition of the overall economy at the time, constraints on available capital for potential buyers, and the resultant effect of both of these factors on real estate prices. In all cases, members of our senior management that were responsible for the individual markets where the non-strategic land was located and members of the Company s accounting and financial management team reviewed the broker s estimates for factual accuracy and reasonableness. In almost all cases, our estimate of fair value was comparable to that estimated by the brokers; however, we were ultimately responsible for all valuation estimates made in determining the extent of the impairment. Actual sales of our undeveloped land targeted for disposition could be at prices that differ significantly from our estimates and additional impairments may be necessary in the future in the event market conditions deteriorate further. Our valuation estimates primarily relied upon Level 3 inputs, as defined earlier in this report.

During 2009, we also reviewed our existing portfolio of buildings and determined that several buildings, which had previously not been actively marketed for disposal, were not strategic and would not be held as long-term investments. Additionally, at various times throughout the year, we determined it appropriate to re-evaluate certain other buildings that were in various stages of the disposition process for impairment because new information was available that triggered further analysis. Impairment charges of $78.1 million were recognized for 28 office, industrial and retail buildings that were determined to be impaired, either as the result of a refinement in management s strategy or changes in market conditions. Of the 28 commercial buildings that were determined to be impaired during 2009, the Company utilized an income approach in determining the fair value of 16 of the buildings and a market approach in determining the fair value of the other twelve buildings. The most significant assumptions, when using the income approach, included the discount rate as well as future exit capitalization rates, occupancy levels, rental rates and capital expenditures. The twelve buildings to which the market approach was applied were in various stages of the selling process. The Company s estimates of fair value for these twelve buildings were based upon asset-specific purchase and sales contracts, letters of intent or otherwise agreed upon offer prices, with third parties. These negotiated prices were based upon, and comparable to, income approach calculations we completed as part of the selling process. Ten of these twelve properties were sold subsequent to the recognition of the impairment charge. There were no material differences in the ultimate selling price of the buildings compared to the selling price used in measuring the initial impairment charge. Fair value measurements for the buildings that were determined to be impaired relied primarily upon Level 3 inputs, as defined earlier in this report.

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Notes to Consolidated Financial Statements

Investments in Unconsolidated Subsidiaries

We have an investment in an unconsolidated entity (the 3630 Peachtree joint venture) whose sole activity is the development and operation of the office component of a multi-use office and residential high-rise building located in the Buckhead sub-market of Atlanta. As the result of declines in rental rates and projected increases in capital costs, we analyzed our investment during the three-month period ended September 30, 2009 and recognized an impairment charge to write off our $14.4 million investment, as we determined that an other-than-temporary decline in value had taken place. As a result of the 3630 Peachtree joint venture s obligations to the lender in its construction loan agreement, the likelihood that our partner will be unable to contribute its share of the additional equity to fund the 3630 Peachtree joint venture s future capital costs, and ultimately the obligation stemming from our joint and several guarantee of the 3630 Peachtree joint venture loan, we recorded an additional liability of $36.3 million, and an equal charge to impairment expense, for our probable future obligations to the lender. The estimates of fair value utilized in determining the aforementioned charges relied primarily on Level 3 inputs, as defined earlier in this report.

Due to credit issues with its most significant tenant, an inability to renew third-party financing on acceptable terms and an increase to its projected capital expenditures, we analyzed an investment in an unconsolidated joint venture (the Park Creek joint venture) during the three-month period ended June 30, 2009 to determine whether there was an other-than-temporary decline in value. As a result of that analysis, we determined that an other-than-temporary decline in value had taken place and we wrote our investment in the Park Creek joint venture down to its fair value, thus recognizing a $5.8 million impairment charge. We estimated the fair value of the Park Creek joint venture using the income approach and the most significant assumption in the estimate was the expected period of time in which we would hold our investment in the joint venture. We concluded that the estimate of fair value relied primarily upon Level 3 inputs, as defined earlier in this report.

Other Real Estate Related Assets

We recognized $31.5 million of impairment charges on other real estate related assets during 2009. The impairment charges related primarily to reserving loans receivable from other real estate entities as well as writing off previously deferred development costs.

(8) <u>Indebtedness</u>

Indebtedness at December 31, 2010 and 2009 consists of the following (in thousands):

	2010	2009
Fixed rate secured debt, weighted average interest rate of 6.41% at December 31, 2010, and 6.67% at December 31, 2009, maturity dates ranging from 2011 to 2027	**$ 1,042,722**	$ 766,299
Variable rate secured debt, weighted average interest rate of 3.69% at December 31, 2010, and 3.33% at December 31, 2009, maturity dates ranging from 2012 to 2025	**22,906**	19,498

Fixed rate unsecured debt, weighted average interest rate of 6.43% at December 31, 2010, and 6.32% at December 31, 2009, maturity dates ranging from 2011 to 2028	**2,948,405**	3,052,465
Unsecured lines of credit, weighted average interest rate of 2.83% at December 31, 2010, and 1.08% at December 31, 2009, maturity dates ranging from 2011 to 2013	**193,046**	15,770
	$ 4,207,079	$ 3,854,032

DUKE REALTY CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Fixed Rate Secured Debt

As of December 31, 2010, our secured debt was collateralized by rental properties with a carrying value of $1.8 billion and by letters of credit in the amount of $7.0 million.

The fair value of our fixed rate secured debt as of December 31, 2010 was $1.1 billion. Because our fixed rate secured debt is not actively traded in any marketplace, we used a discounted cash flow methodology to determine its fair value. Accordingly, we calculated fair value by applying an estimate of the current market rate to discount the debt s remaining contractual cash flows. Our estimate of a current market rate, which is the most significant input in the discounted cash flow calculation, is intended to replicate debt of similar maturity and loan-to-value relationship. The estimated rates ranged from 4.80% to 6.70%, depending on the attributes of the specific loans. The current market rates we utilized were internally estimated; therefore, we have concluded that our determination of fair value for our fixed rate secured debt was primarily based upon Level 3 inputs, as defined earlier in this report.

On July 1, 2010, we assumed two non-recourse secured loans associated with the acquisition of Dugan, which had acquisition-date fair values of $196.6 million and $88.8 million and face values of $195.4 million and $87.6 million. The $196.6 million loan, which bore interest at a rate of 7.52%, was repaid at its maturity in October 2010 while the $88.8 million loan, which bears interest at 5.92%, matures in October 2012. Both loans were determined at acquisition to have a market interest rate of 5.25%.

In December 2010, we assumed 14 secured loans which had an acquisition date fair value of $158.2 million and a face value of $155.7 million, in conjunction with the acquisition of the Premier Portfolio. The loans carry a weighted average interest rate of 5.58% and a weighted remaining term of 3.4 years. The assumed loans were determined to have market interest rates of 5.00%.

In conjunction with two other acquisitions, we assumed two loans, with a combined acquisition date fair value of $36.4 million, in December 2010. These two loans had a combined face value of $35.8 million. The loans mature in May 2014 and October 2016 and were determined to have market interest rates of 5.25% and 5.12%.

In February, March and July 2009, we borrowed a total of $270.0 million from three 10-year fixed rate secured debt financings that are secured by 32 rental properties. The secured debt bears interest at a weighted average rate of 7.69% and matures at various points in 2019. Additionally, in June 2009, we borrowed $8.5 million from two 6.50% 10-year fixed rate mortgages due in 2019, which are secured by two properties.

Fixed Rate Unsecured Debt

Gains and losses on repurchase are shown after the write off of applicable issuance costs and other accounting adjustments.

We took the following actions during 2010 and 2009 as it pertains to our fixed rate unsecured indebtedness:

In January 2010, we repaid $99.8 million of corporate unsecured debt, which had an effective interest rate of 5.37%, at its scheduled maturity date.

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Throughout 2010, through a cash tender offer and open market transactions, we repurchased certain of our outstanding series of senior unsecured notes scheduled to mature in 2011 and 2013 for $292.2 million. The total face value of these repurchases was $279.9 million. We recognized a loss of $16.3 million on the repurchases after writing off applicable issuance costs and other accounting adjustments.

On April 1, 2010, we issued $250.0 million of senior unsecured notes that bear interest at 6.75% and mature on March 15, 2020.

In conjunction with one of our acquisitions in 2010, we assumed a $22.4 million unsecured loan that matures in June 2020 and bears interest at an effective rate of 6.26%. This loan was originated less than one year prior to the acquisition and we concluded that the loan s fair value equaled its face value.

In February 2009, we repaid $124.0 million of 6.83% corporate unsecured debt at its scheduled maturity date.

Throughout 2009, we repurchased portions of various series of our senior unsecured notes with various scheduled maturity dates through December 2011, both on the open market and through cash tender offers, for $500.9 million. The total face value of these repurchases was $542.9 million. We recognized a gain of $27.5 million on the repurchases after writing off applicable issuance costs and other accounting adjustments. The aforementioned gains on repurchase were partially offset by a $6.8 million charge to write off fees paid for a cancelled secured debt transaction.

In August 2009, we issued $500.0 million of senior unsecured notes in two equal tranches. The first $250.0 million of the senior unsecured notes mature in February 2015 and bear interest at an effective rate of 7.50%, while the other $250.0 million of the senior unsecured notes mature in August 2019 and bear interest at an effective rate of 8.38%.

In November 2009, we repaid $82.1 million of senior unsecured notes with an effective interest rate of 7.86% on their scheduled maturity date.

The fair value of our fixed rate unsecured debt as of December 31, 2010 was approximately $3.2 billion. We utilized broker estimates in estimating the fair value of our fixed rate unsecured debt. Our unsecured notes are thinly traded and, in many cases, the broker estimates were not based upon comparable transactions. The broker estimates took into account any recent trades within the same series of our fixed rate unsecured debt, comparisons to recent trades of other series of our fixed rate unsecured debt, trades of fixed rate unsecured debt from companies with profiles similar to ours, as well as overall economic conditions. We reviewed these broker estimates for reasonableness and accuracy, considering whether the estimates were based upon market participant assumptions within the principal and most advantageous market and whether any observable inputs would be more preferable indicators of fair value to the broker estimates. We concluded that the broker estimates were representative of fair value. We have determined that our estimation of the fair value of our fixed rate unsecured debt was primarily based upon Level 3 inputs. The estimated trading values of our fixed rate unsecured debt, depending on the maturity and coupon rates, ranged from 101.00% to 117.30% of face value.

The indentures (and related supplemental indentures) governing our outstanding series of notes also require us to comply with financial ratios and other covenants regarding our operations. We were in compliance with all such covenants as of December 31, 2010.

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Notes to Consolidated Financial Statements

Unsecured Lines of Credit

Our unsecured lines of credit as of December 31, 2010 are described as follows (in thousands):

Description		Borrowing Capacity	Maturity Date	Outstanding at December 31, 2010
Unsecured Line of Credit	DRLP	$ 850,000	February 2013	$ 175,000
Unsecured Line of Credit	Consolidated Subsidiary	$ 30,000	July 2011	$ 18,046

The DRLP unsecured line of credit has a borrowing capacity of $850.0 million with an interest rate on borrowings of LIBOR plus 2.75% (equal to 3.01% for borrowings as of December 31, 2010), and matures in February 2013. Subject to certain conditions, the terms also include an option to increase the facility by up to an additional $200.0 million, for a total of up to $1.05 billion. This line of credit provides us with an option to obtain borrowings from financial institutions that participate in the line, at rates that may be lower than the stated interest rate, subject to certain restrictions.

This line of credit contains financial covenants that require us to meet certain financial ratios and defined levels of performance, including those related to fixed charge coverage and debt-to-asset value (with asset value being defined in the DRLP unsecured line of credit agreement). As of December 31, 2010, we were in compliance with all covenants under this line of credit.

The consolidated subsidiary s unsecured line of credit allows for borrowings up to $30.0 million at a rate of LIBOR plus .85% (equal to 1.11% for outstanding borrowings as of December 31, 2010). This unsecured line of credit is used to fund development activities within the consolidated subsidiary and matures in July 2011 with, at our option, a 12-month extension.

To the extent that there are outstanding borrowings, we utilize a discounted cash flow methodology in order to estimate the fair value of our unsecured lines of credit. The net present value of the difference between future contractual interest payments and future interest payments based on our estimate of a current market rate represents the difference between the book value and the fair value. Our estimate of a current market rate is based upon the rate, considering current market conditions and our specific credit profile, at which we estimate we could obtain similar borrowings. The current market rate of 2.91% that we utilized was internally estimated; therefore, we have concluded that our determination of fair value for our unsecured lines of credit was primarily based upon Level 3 inputs, as defined earlier in this report.

Changes in Fair Value

As all of our fair value debt disclosures relied primarily on Level 3 inputs, the following table summarizes the book value and changes in the fair value of our debt for the year ended December 31, 2010 (in thousands):

	Book Value at 12/31/09	Book Value at 12/31/10	Fair Value at 12/31/09	Total Realized Losses/(Gains)	Issuances and Assumptions	Payoffs	Adjustments to Fair Value	Fair Value at 12/31/10
Fixed rate secured debt	$ 766,299	$ 1,042,722	$ 770,255	$ -	$ 479,038	$ (207,061)	$ 27,330	$ 1,069,562
Variable rate secured debt	19,498	22,906	14,419	-	4,158	-	4,329	22,906
Fixed rate unsecured notes	3,052,465	2,948,405	3,042,230	12,317	272,352	(380,280)	218,032	3,164,651
Unsecured lines of credit	15,770	193,046	14,714	-	177,276	-	1,234	193,224
Total	$ 3,854,032	$ 4,207,079	$ 3,841,618	$ 12,317	$ 932,824	$ (587,341)	$ 250,925	$ 4,450,343

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Notes to Consolidated Financial Statements

Scheduled Maturities and Interest Paid

At December 31, 2010, the scheduled amortization and maturities of all indebtedness, excluding fair value and other accounting adjustments, for the next five years and thereafter were as follows (in thousands):

Year	Amount
2011	$ 401,311
2012	320,780
2013	702,337
2014	319,150
2015	321,254
Thereafter	2,139,529
	$ 4,204,361

The amount of interest paid in 2010, 2009 and 2008 was $246.5 million, $224.0 million and $235.6 million, respectively. The amount of interest capitalized in 2010, 2009 and 2008 was $11.5 million, $26.9 million and $53.5 million, respectively.

(9) Segment Reporting

We have three reportable operating segments, the first two of which consist of the ownership and rental of office and industrial real estate investments. The operations of our office and industrial properties, along with our medical office and retail properties, are collectively referred to as Rental Operations. Our medical office and retail properties do not meet the quantitative thresholds for separate presentation as reportable segments. The third reportable segment consists of providing various real estate services such as property management, asset management, maintenance, leasing, development and construction management to third-party property owners and joint ventures, as well as our Build-for-Sale operations (defined below), and is collectively referred to as Service Operations. Our reportable segments offer different products or services and are managed separately because each segment requires different operating strategies and management expertise.

Gains on sale of properties developed or acquired with the intent to sell (Build-for-Sale properties), and whose operations prior to sale are insignificant, are classified as part of the income of the Service Operations business segment. The periods of operation for Build-for-Sale properties prior to sale were of short duration. Build-for-Sale properties, which are no longer part of our operating strategy, did not represent a significant component of our operations in 2010 or 2009.

Other revenue consists of other operating revenues not identified with one of our operating segments. Interest expense and other non-property specific revenues and expenses are not allocated to individual segments in determining our performance measure.

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DUKE REALTY CORPORATION AND SUBSIDIARIES

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We assess and measure our overall operating results based upon an industry performance measure referred to as Funds From Operations (FFO), which management believes is a useful indicator of our consolidated operating performance. FFO is used by industry analysts and investors as a supplemental operating performance measure of a REIT. The National Association of Real Estate Investment Trusts (NAREIT) created FFO as a supplemental measure of REIT operating performance that excludes historical cost depreciation, among other items, from net income determined in accordance with GAAP. FFO is a non-GAAP financial measure. The most comparable GAAP measure is net income (loss) attributable to common shareholders. Consolidated FFO attributable to common shareholders should not be considered as a substitute for net income (loss) attributable to common shareholders or any other measures derived in accordance with GAAP and may not be comparable to other similarly titled measures of other companies. FFO is calculated in accordance with the definition that was adopted by the Board of Governors of NAREIT. We do not allocate certain income and expenses (Non-Segment Items as shown in the table below) to our operating segments. Thus, the operational performance measure presented here on a segment-level basis represents net earnings excluding depreciation expense, as well as excluding the Non-Segment Items not allocated, and is not meant to present FFO as defined by NAREIT.

Historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, many industry analysts and investors have considered presentation of operating results for real estate companies that use historical cost accounting to be insufficient by themselves. FFO, as defined by NAREIT, represents GAAP net income (loss), excluding extraordinary items as defined under GAAP and gains or losses from sales of previously depreciated real estate assets, plus certain non-cash items such as real estate asset depreciation and amortization, and after similar adjustments for unconsolidated partnerships and joint ventures.

Management believes that the use of consolidated FFO attributable to common shareholders, combined with net income (which remains the primary measure of performance), improves the understanding of operating results of REITs among the investing public and makes comparisons of REIT operating results more meaningful. Management believes that, by excluding gains or losses related to sales of previously depreciated real estate assets and excluding real estate asset depreciation and amortization, investors and analysts are able to readily identify the operating results of the long-term assets that form the core of a REIT s activity and assist in comparing these operating results between periods or as compared to different companies.

DUKE REALTY CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

The following table shows (i) the revenues and FFO for each of the reportable segments and (ii) a reconciliation of consolidated FFO attributable to common shareholders to net income (loss) attributable to common shareholders for the years ended December 31, 2010, 2009 and 2008 (in thousands):

	2010	2009	2008
Revenues			
Rental Operations:			
Office	**$ 504,812**	$ 523,695	$ 509,203
Industrial	**295,960**	254,515	245,663
Non-reportable Rental Operations segments	**66,376**	51,645	28,023
General contractor and service fee revenue	**515,361**	449,509	434,624
Total Segment Revenues	**1,382,509**	1,279,364	1,217,513
Other Revenue	**11,094**	12,377	19,902
Consolidated Revenue from continuing operations	**1,393,603**	1,291,741	1,237,415
Discontinued Operations	**39,325**	56,463	76,593
Consolidated Revenue	**$ 1,432,928**	$ 1,348,204	$ 1,314,008
Reconciliation of Consolidated Funds From Operations			
Net earnings excluding depreciation and Non-Segment Items			
Office	**$ 291,429**	$ 307,866	$ 304,664
Industrial	**219,266**	191,116	188,517
Non-reportable Rental Operations segments	**43,424**	33,886	17,033
Service Operations	**28,496**	21,843	54,938
	582,615	554,711	565,152
Non-Segment Items:			
Interest expense	**(239,383)**	(205,952)	(184,000)
Impairment charges	**(9,834)**	(275,630)	(10,165)
Interest and other income	**534**	1,229	1,451
Other operating expenses	**(1,231)**	(1,017)	(8,298)
General and administrative expenses	**(41,329)**	(47,937)	(39,508)
Gain on land sales	**-**	357	12,651
Undeveloped land carrying costs	**(9,203)**	(10,403)	(8,204)
Gain (loss) on debt transactions	**(16,349)**	20,700	1,953
Gain (loss) on acquisitions, net	**55,820**	(1,062)	-
Income tax benefit (expense)	**1,126**	6,070	7,005
Other non-segment income	**8,132**	5,905	17,332
Net (income) loss attributable to noncontrolling interests	**536**	11,340	(2,620)
Noncontrolling interest share of FFO adjustments	**(7,771)**	(11,514)	(16,527)
Joint venture items	**40,346**	46,862	61,643
Dividends on preferred shares	**(69,468)**	(73,451)	(71,426)
Adjustments for repurchase of preferred shares	**(10,438)**	-	14,046
Discontinued operations	**13,852**	(7,354)	29,213
Consolidated FFO attributable to common shareholders	**297,955**	12,854	369,698
Depreciation and amortization on continuing operations	**(349,064)**	(323,429)	(293,019)
Depreciation and amortization on discontinued operations	**(11,120)**	(16,697)	(21,933)

Company's share of joint venture adjustments	**(34,674)**	(36,966)	(38,321)
Earnings (loss) from depreciated property sales on continuing operations	**39,662**	12,337	-
Earnings from depreciated property sales on discontinued operations	**33,054**	6,786	16,961
Earnings from depreciated property sales - share of joint venture	**2,308**	-	495
Noncontrolling interest share of FFO adjustments	**7,771**	11,514	16,527
Net income (loss) attributable to common shareholders	**$ (14,108)**	$ (333,601)	$ 50,408

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DUKE REALTY CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

The assets for each of the reportable segments as of December 31, 2010 and 2009 are as follows (in thousands):

	December 31, 2010	December 31, 2009
Assets		
Rental Operations:		
Office	$ 3,122,565	$ 3,394,229
Industrial	3,210,566	2,233,607
Non-reportable Rental Operations segments	627,491	605,102
Service Operations	231,662	332,676
Total Segment Assets	7,192,284	6,565,614
Non-Segment Assets	451,992	738,665
Consolidated Assets	$ 7,644,276	$ 7,304,279

Tenant improvements and leasing costs to re-let rental space that had been previously under lease to tenants are referred to as second generation expenditures. Building improvements that are not specific to any tenant but serve to improve integral components of our real estate properties are also second generation expenditures. In addition to revenues and FFO, we also review our second generation capital expenditures in measuring the performance of our individual Rental Operations segments. We review these expenditures to determine the costs associated with re-leasing vacant space and maintaining the condition of our properties. Our second generation capital expenditures by segment are summarized as follows for the years ended December 31, 2010, 2009 and 2008 (in thousands):

	2010	2009	2008
Second Generation Capital Expenditures			
Office	$ 65,203	$ 64,281	$ 56,844
Industrial	23,271	13,845	16,443
Non-reportable Rental Operations segments	249	928	1,527
Total	$ 88,723	$ 79,054	$ 74,814

(10) Leasing Activity

Future minimum rents due to us under non-cancelable operating leases at December 31, 2010 are as follows (in thousands):

Year	Amount
2011	$ 725,006
2012	685,716

2013	601,796
2014	499,821
2015	413,880
Thereafter	1,302,113
	$ 4,228,332

In addition to minimum rents, certain leases require reimbursements of specified operating expenses that amounted to $190.0 million, $191.0 million and $183.2 million for the years ended December 31, 2010, 2009 and 2008, respectively.

(11) <u>Employee Benefit Plans</u>

We maintain a 401(k) plan for full-time employees. We have historically made matching contributions up to an amount equal to three percent of the employee s salary and may also make annual discretionary contributions. We temporarily suspended the Company s matching program beginning in July 2009; however, a discretionary contribution was made at the end of 2010. The total expense recognized for this plan was $1.3 million, $1.6 million and $3.0 million for the years ended December 31, 2010, 2009 and 2008, respectively.

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DUKE REALTY CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

We make contributions to a contributory health and welfare plan as necessary to fund claims not covered by employee contributions. The total expense we recognized related to this plan was $10.4 million, $11.2 million and $9.6 million for 2010, 2009 and 2008, respectively. These expense amounts include estimates based upon the historical experience of claims incurred but not reported as of year-end.

(12) Shareholders Equity

We periodically use the public equity markets to fund the development and acquisition of additional rental properties or to pay down debt. The proceeds of these offerings are contributed to DRLP in exchange for an additional interest in DRLP.

In June 2010, we issued 26.5 million shares of common stock for net proceeds of approximately $298.1 million. The proceeds from this offering were used for acquisitions, general corporate purposes and repurchases of preferred shares and fixed rate unsecured debt.

Throughout 2010, pursuant to the share repurchase plan approved by our board of directors, we repurchased 4.5 million shares of our 8.375% Series O Cumulative Redeemable Preferred Shares. The preferred shares that we repurchased had a total face value of approximately $112.1 million, and were repurchased for $118.8 million. An adjustment of approximately $10.4 million, which included a ratable portion of issuance costs, increased the net loss attributable to common shareholders. All shares repurchased were retired prior to December 31, 2010.

In April 2009, we issued 75.2 million shares of common stock for net proceeds of $551.4 million. The proceeds from the issuance were used to repay outstanding borrowings under the DRLP unsecured line of credit and for other general corporate purposes.

During the fourth quarter of 2008, pursuant to the share repurchase plan approved by our board of directors, we repurchased 109,500 preferred shares from all of our outstanding series of preferred shares. The preferred shares repurchased had a total redemption value of approximately $27.4 million, and were repurchased for $12.4 million. An adjustment of approximately $14.0 million, net of a ratable portion of issuance costs, increased income attributable to common shareholders. All shares repurchased were retired prior to December 31, 2008.

The following series of preferred shares were outstanding as of December 31, 2010 (in thousands, except percentage data):

Description	Shares Outstanding	Dividend Rate	Optional Redemption Date	Liquidation Preference
Series J Preferred	396	6.625%	August 29, 2008	$ 99,058
Series K Preferred	598	6.500%	February 13, 2009	$ 149,550

Series L Preferred	796	6.600%	November 30, 2009	$ 199,075
Series M Preferred	673	6.950%	January 31, 2011	$ 168,272
Series N Preferred	435	7.250%	June 30, 2011	$ 108,630
Series O Preferred	720	8.375%	February 22, 2013	$ 179,955

All series of preferred shares require cumulative distributions and have no stated maturity date (although we may redeem all such preferred shares on or following their optional redemption dates at our option, in whole or in part).

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DUKE REALTY CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(13) Stock Based Compensation

We are authorized to issue up to 12.4 million shares of our common stock under our stock based employee and non-employee compensation plans.

Cash flows resulting from tax deductions in excess of recognized compensation cost from the exercise of stock options (excess tax benefits) were not significant in any period presented.

Fixed Stock Option Plans

We had options outstanding under five fixed stock option plans as of December 31, 2010. Additional grants may be made under one of those plans. Stock option awards granted under our stock based employee and non-employee compensation plans generally vest over five years at 20% per year and have contractual lives of ten years. Our most recent annual grant of stock options was in February 2008. The exercise price for stock option grants is set at the fair value of our common stock on the day of grant.

On June 7, 2010, we completed a one-time stock option exchange program, which was approved by our shareholders at our annual meeting, to allow the majority of our employees to surrender for cancellation their outstanding stock options in exchange for a lesser number of restricted stock units (RSUs) based on both the fair value of the options and the RSUs at the time of the exchange. As a result of the program, 4.4 million options were surrendered and cancelled and 1.2 million RSUs were granted.

The total compensation cost for the new RSUs, which is equal to the unamortized compensation expense associated with the related eligible unvested options surrendered, will be recognized over the applicable vesting period of the new RSUs. As the fair value of the RSUs granted was less than the fair value of the eligible options surrendered in exchange for the RSUs, each measured on June 7, 2010, there was no incremental expense recognized through the exchange program. The most significant assumption used in estimating the fair value of the surrendered options was the assumption for expected volatility, which was 70%. The volatility assumption was made based on both historical experience and our best estimate of future volatility. The assumption for dividend yield was 5% while the assumptions for expected term and risk-free rate varied based upon the remaining contractual lives of the surrendered options.

The following table summarizes transactions under our stock option plans as of December 31, 2010:

	2010			
	Shares	Weighted Average Exercise Price	Weighted Average Remaining Life	Aggregate Intrinsic Value (1) (in Millions)
Outstanding, beginning of year	6,473,388	$ 27.96		
Surrendered for exchange	(4,421,648)	$ 27.97		
Exercised	-	$ -		
Forfeited	(14,596)	$ 27.88		
Expired	(256,345)	$ 21.77		

Outstanding, end of year	**1,780,799**	**$ 28.82**	4.71	$	-
Options exercisable, end of year	**1,305,583**	**$ 29.18**	3.95	$	-

(1) Although this amount changes continuously based upon the market prices of the stock, none of the exercisable options outstanding had any pre-tax intrinsic value as of December 31, 2010.

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DUKE REALTY CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Options granted in the year ended December 31, 2008 had a weighted average fair value per option of $1.76. As of December 31, 2010, there was $47,000 of total unrecognized compensation expense related to stock options granted under the plans, which is expected to be recognized over a weighted average remaining period of 1.8 years. The total intrinsic value of options exercised during the year ended December 31, 2008 was approximately $898,000. Compensation expense recognized for fixed stock option plans was $820,000, $2.6 million and $3.9 million for the years ended December 31, 2010, 2009 and 2008, respectively. The weighted average grant date fair value of options vested during the years ended December 31, 2010, 2009 and 2008 was $2.6 million, $3.0 million and $2.6 million, respectively.

The fair values of the options were determined using the Black-Scholes option-pricing model with the following assumptions:

	2008
Dividend yield	6.75%
Volatility	20.0%
Risk-free interest rate	2.79%
Expected life	5 years

The risk free interest rate assumption is based upon observed interest rates appropriate for the term of our employee stock options. The dividend yield assumption is based on the history of and our present expectation of future dividend payouts. Our computation of expected volatility for the valuation of stock options granted in the year ended December 31, 2008 is based on historic, and our present expectation of future volatility over a period of time equal to the expected term. The expected life of employee stock options represents the weighted average period the stock options are expected to remain outstanding.

Restricted Stock Units

Under our 2005 Long-Term Incentive Plan and our 2005 Non-Employee Directors Compensation Plan approved by our shareholders in April 2005, RSUs may be granted to non-employee directors, executive officers and selected management employees. An RSU is economically equivalent to one share of our common stock. RSUs generally vest 20% per year over five years, have contractual lives of five years and are payable in shares of our common stock with a new share of such common stock issued upon each RSU s vesting. However, RSUs granted to existing non-employee directors vest 100% over one year, and have contractual lives of one year. Also, RSUs granted on June 7, 2010 in exchange for stock options will vest, depending on the original terms of the surrendered options, in either June 2012 or June 2013. We recognize the value of the granted RSUs over this vesting period as expense.

The following table summarizes transactions for our RSUs, excluding dividend equivalents, for 2010:

Restricted Stock Units	**Number of RSUs**	**Weighted Average Grant Date**

		Fair Value
RSUs at December 31, 2009	1,683,606	$ 12.23
Granted	2,203,063	$ 10.86
Vested	(455,765)	$ 13.75
Forfeited	(52,065)	$ 10.99
RSUs at December 31, 2010	3,378,839	$ 11.15

Compensation cost recognized for RSUs totaled $9.0 million, $7.3 million and $4.9 million for the years ended December 31, 2010, 2009 and 2008, respectively.

DUKE REALTY CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

As of December 31, 2010, there was $12.6 million of total unrecognized compensation expense related to nonvested RSUs granted under the Plan, which is expected to be recognized over a weighted average period of 3.5 years.

(14) Financial Instruments

We are exposed to capital market risk, such as changes in interest rates. In an effort to manage interest rate risk, we may enter into interest rate hedging arrangements from time to time. We do not utilize derivative financial instruments for trading or speculative purposes.

In November 2007, we entered into forward starting interest swaps with notional amounts appropriate to hedge interest rates on $300.0 million of anticipated debt offerings in 2009. The forward starting swaps were appropriately designated and tested for effectiveness as cash flow hedges. In March 2008, we settled the forward starting swaps and made a cash payment of $14.6 million to the counterparties. An effectiveness test was performed as of the settlement date and it was concluded that a highly effective cash flow hedge was still in place for the expected debt offering. Of the amount paid in settlement, approximately $700,000 was immediately reclassified to interest expense, as the result of partial ineffectiveness calculated at the settlement date. The net amount of $13.9 million was recorded in Other Comprehensive Income (OCI) and is being recognized through interest expense over the life of the hedged debt offering, which took place in May 2008. The remaining unamortized amount included as a reduction to accumulated OCI as of December 31, 2010 is $5.5 million.

In August 2005, we entered into $300.0 million of cash flow hedges through forward starting interest rate swaps to hedge interest rates on $300.0 million of anticipated debt offerings in 2007. The swaps qualified for hedge accounting, with any changes in fair value recorded in OCI. In conjunction with the September 2007 issuance of $300.0 million of senior unsecured notes, we terminated these cash flow hedges as designated. The settlement amount received of $10.7 million is being recognized to earnings through a reduction of interest expense over the term of the hedged cash flows. The remaining unamortized amount included as an increase to accumulated OCI as of December 31, 2010 is $7.2 million. The ineffective portion of the hedge was insignificant.

The effectiveness of our hedges is evaluated throughout their lives using the hypothetical derivative method under which the change in fair value of the actual swap designated as the hedging instrument is compared to the change in fair value of a hypothetical swap. We had no material interest rate derivatives, when considering both fair value and notional amount, at December 31, 2010.

(15) Commitments and Contingencies

We have guaranteed the repayment of $95.4 million of economic development bonds issued by various municipalities in connection with certain commercial developments. We will be required to make payments under our guarantees to the extent that incremental taxes from specified developments are not sufficient to pay the bond debt service. Management does not believe that it is probable that we will be required to make any significant payments in satisfaction of these guarantees.

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DUKE REALTY CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

We also have guaranteed the repayment of secured and unsecured loans of six of our unconsolidated subsidiaries. At December 31, 2010, the maximum guarantee exposure for these loans was approximately $245.4 million. Included in our total guarantee exposure is a joint and several guarantee of the construction loan agreement of the 3630 Peachtree joint venture. A contingent liability in the amount of $36.3 million was established in 2009 based on the probability of us being required to pay this obligation to the lender.

We lease certain land positions with terms extending to December 2080, with a total obligation of $103.6 million. No payments on these ground leases are material in any individual year.

We are subject to various legal proceedings and claims that arise in the ordinary course of business. In the opinion of management, the amount of any ultimate liability with respect to these actions will not materially affect our consolidated financial statements or results of operations.

(16) Subsequent Events

Declaration of Dividends

Our board of directors declared the following dividends at its regularly scheduled board meeting held on January 26, 2011:

Class	Quarterly Amount/Share	Record Date	Payment Date
Common	$ 0.17	February 14, 2011	February 28, 2011
Preferred (per depositary share):			
Series J	$ 0.414063	February 14, 2011	February 28, 2011
Series K	$ 0.406250	February 14, 2011	February 28, 2011
Series L	$ 0.412500	February 14, 2011	February 28, 2011
Series M	$ 0.434375	March 17, 2011	March 31, 2011
Series N	$ 0.453125	March 17, 2011	March 31, 2011
Series O	$ 0.523438	March 17, 2011	March 31, 2011

In January and February 2011, we acquired an additional twelve buildings pursuant to our planned acquisition of the Premier Portfolio. These additional buildings were acquired for $115.7 million, which included the assumption of secured loans with a total face value of $90.8 million.

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Duke Realty Corporation **Schedule III**
Real Estate and Accumulated Depreciation
December 31, 2010
(in thousands)

				Initial Cost		Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value 12/31/10				Year	
Development	**Name**	**Building Type**	**Encumbrances**	**Land**	**Buildings**		**Land/Land Imp**	**Bldgs/TI**	**Total(1)**	**Accumulated Depreciation (2)**	**Constructed/ Renovated**	**Year Acquired**
Acworth, Georgia												
Northwest I75	240 Northpoint Parkway	Industrial	-	1,022	1,886	-	1,022	1,886	2,908	45	1997	2010
Allen, Texas												
Allen Central Park	One Allen Center	Office	-	1,966	11,051	5,066	1,720	16,363	18,083	2,528	2007	2007
Alpharetta, Georgia												
Brookside Office Park	Radiant I	Office	-	1,269	14,697	143	1,269	14,840	16,109	4,297	1998	1999
Brookside Office Park	Brookside I	Office	8,559	1,625	7,864	4,513	1,492	12,510	14,002	3,847	1999	1999
Brookside Office Park	Radiant II	Office	-	831	6,755	172	831	6,927	7,758	1,785	2000	2000
Brookside Office Park	Brookside II	Office	9,254	1,381	9,988	2,826	1,248	12,947	14,195	3,717	2001	2001
NorthWinds Center	Northwinds VII	Office	-	2,271	19,226	2,216	2,304	21,409	23,713	6,522	1998	1999
NorthWinds Center	Northwinds I	Office	-	1,879	12,520	2,648	1,879	15,168	17,047	3,131	1997	2004
NorthWinds Center	Northwinds II	Office	-	1,796	12,596	853	1,796	13,449	15,245	2,579	1997	2004
NorthWinds Center	Northwinds III	Office	14,125	1,868	12,599	960	1,499	13,928	15,427	2,575	1998	2004
NorthWinds Center	Northwinds IV	Office	13,444	1,844	12,407	2,230	1,844	14,637	16,481	3,306	1999	2004
NorthWinds Center	Northwinds V	Office	-	2,215	12,428	2,075	2,215	14,503	16,718	3,130	1999	2004
NorthWinds Center	Northwinds VI	Office	-	2,662	11,781	1,319	2,662	13,100	15,762	2,447	2000	2004
NorthWinds Center	Northwinds Village	Retail	-	704	4,221	210	710	4,425	5,135	863	2000	2004
NorthWinds Center	Northwinds Restaurant	Office	-	202	302	-	202	302	504	62	1997	2004
Ridgeland	1320 Ridgeland Parkway	Industrial	-	998	6,001	307	998	6,308	7,306	1,831	1999	1999
Ridgeland	1345 Ridgeland Parkway	Industrial	-	488	1,611	1,101	488	2,712	3,200	708	1999	1999
Ridgeland	1335 Ridgeland Pkwy	Industrial	-	579	1,894	828	579	2,722	3,301	992	2000	2000
Preston Ridge	Preston Ridge IV	Office	8,371	2,777	9,442	952	2,781	10,390	13,171	2,364	2000	2004
Windward	800 North Point Parkway	Office	-	1,250	18,443	-	1,250	18,443	19,693	3,812	1991	2003
Windward	900 North Point Parkway	Office	-	1,250	13,945	-	1,250	13,945	15,195	2,905	1991	2003
Arlington, Texas												
Not Applicable	Baylor Ortho Hosp-Arlington	Medical Office	16,076	584	9,623	11,860	1,816	20,251	22,067	773	2009	2009
Arlington Heights, Illinois												
Arlington Business Park	Atrium II	Office	-	776	6,199	2,787	776	8,986	9,762	3,062	1986	1998

Atlanta, Georgia												
Druid Chase	2801 Buford Highway	Office	-	794	9,008	869	794	9,877	10,671	4,080	1977	1999
Druid Chase	1190 West Druid Hills Drive	Office	-	689	6,350	(509)	689	5,841	6,530	2,554	1980	1999
Aurora, Illinois												
Meridian Business Campus	535 Exchange	Industrial	-	386	920	269	386	1,189	1,575	459	1984	1999
Meridian Business Campus	525 North Enterprise Street	Industrial	-	342	1,678	110	342	1,788	2,130	655	1984	1999
Meridian Business Campus	615 North Enterprise Street	Industrial	-	468	2,408	719	468	3,127	3,595	1,098	1984	1999
Meridian Business Campus	4000 Sussex Avenue	Industrial	-	417	1,684	371	417	2,055	2,472	739	1990	1999
Meridian Business Campus	3737 East Exchange	Industrial	-	598	2,543	504	598	3,047	3,645	1,013	1985	1999
Meridian Business Campus	444 North Commerce Street	Industrial	-	722	5,019	597	722	5,616	6,338	1,916	1985	1999
Meridian Business Campus	880 North Enterprise Street	Industrial	4,705	1,150	5,646	815	1,150	6,461	7,611	2,165	2000	2000
Meridian Business Campus	Meridian Office Service Center	Industrial	-	567	1,083	1,688	567	2,771	3,338	1,015	2001	2001
Meridian Business Campus	Genera Corporation	Industrial	3,582	1,957	3,827	-	1,957	3,827	5,784	1,139	2004	2004
Butterfield East	Butterfield 550	Industrial	-	9,185	10,795	1,562	9,185	12,357	21,542	1,350	2008	2008
Baltimore, Maryland												
Chesapeake Commerce Center	5901 Holabird Ave	Industrial	-	3,345	4,220	3,307	3,345	7,527	10,872	1,495	2008	2008
Chesapeake Commerce Center	5003 Holabird Ave	Industrial	-	6,488	9,213	1,577	6,488	10,790	17,278	1,447	2008	2008
Batavia, Ohio												
Mercy Hospital Clermont MOB	Mercy Hospital Clermont MOB	Medical Office	-	-	8,249	1,215	-	9,464	9,464	1,909	2006	2007
Baytown, Texas												
Cedar Crossing Business Park	Cedar Crossing	Industrial	11,170	9,323	5,934	-	9,323	5,934	15,257	1,235	2005	2007
Bloomington, Minnesota												
Hampshire Dist. Center	Hampshire Dist Center North	Industrial	371	779	4,482	640	779	5,122	5,901	1,685	1979	1997
Hampshire Dist. Center	Hampshire Dist Center South	Industrial	404	901	5,010	472	901	5,482	6,383	1,838	1979	1997
Norman Pointe Office Park	Norman Pointe I	Office	-	3,650	25,417	2,430	3,650	27,847	31,497	7,922	2000	2000
Norman Pointe Office Park	Norman Pointe II	Office	-	5,885	38,649	6,954	5,700	45,788	51,488	5,059	2007	2007

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Real Estate and Accumulated Depreciation
December 31, 2010
(in thousands)

Development	Name	Building Type	Encumbrances	Initial Cost Land	Initial Cost Buildings	Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value 12/31/10 Land/Land Imp	Gross Book Value 12/31/10 Bldgs/TI	Gross Book Value 12/31/10 Total(1)	Accumulated Depreciation (2)	Year Constructed/ Renovated	Year Acquired
Blue Ash, Ohio												
Huntington Bank Building	Huntington Bank Building	Office	-	175	241	-	175	241	416	93	1986	1996
Lake Forest/Westlake	Lake Forest Place	Office	-	1,953	18,570	4,765	1,953	23,335	25,288	8,872	1985	1996
Northmark Office Park	Northmark Building 1	Office	-	1,452	2,799	887	1,452	3,686	5,138	1,124	1987	2004
Lake Forest/Westlake	Westlake Center	Office	-	2,459	14,514	4,594	2,459	19,108	21,567	7,400	1981	1996
Landings	Landings Building I	Office	-	4,302	17,512	334	4,302	17,846	22,148	3,829	2006	2006
Landings	Landings Building II	Office	-	4,817	9,377	5,215	4,817	14,592	19,409	2,690	2007	2007
Bolingbrook, Illinois												
Joliet Road Business Park	555 Joliet Road	Industrial	7,644	2,184	9,263	799	2,332	9,914	12,246	2,458	2002	2002
Joliet Road Business Park	Dawes Transportation	Industrial	-	3,050	4,453	16	3,050	4,469	7,519	1,395	2005	2005
Crossroads Business Park	Chapco Carton Company	Industrial	3,330	917	4,527	64	917	4,591	5,508	1,044	1999	2002
Crossroads Business Park	Crossroads 1	Industrial	-	1,418	5,803	-	1,418	5,803	7,221	113	1998	2010
Crossroads Business Park	Crossroads 3	Industrial	-	1,330	4,407	-	1,330	4,407	5,737	91	2000	2010
Boynton Beach, Florida												
Duke Realty Gateway	Gateway Center 1	Industrial	7,547	1,894	7,813	-	1,894	7,813	9,707	-	2002	2010
Duke Realty Gateway	Gateway Center 2	Industrial	4,693	1,224	5,048	-	1,224	5,048	6,272	-	2002	2010
Duke Realty Gateway	Gateway Center 3	Industrial	3,950	1,030	4,248	-	1,030	4,248	5,278	-	2002	2010
Duke Realty Gateway	Gateway Center 4	Industrial	3,587	900	3,714	-	900	3,714	4,614	-	2000	2010
Duke Realty Gateway	Gateway Center 5	Industrial	2,138	537	2,213	-	537	2,213	2,750	-	2000	2010
Duke Realty Gateway	Gateway Center 6	Industrial	2,022	507	2,093	-	507	2,093	2,600	-	2000	2010
Duke Realty Gateway	Gateway Center 7	Industrial	3,799	953	3,933	-	953	3,933	4,886	-	2000	2010
Duke Realty Gateway	Gateway Center 8	Industrial	10,359	2,416	9,965	-	2,416	9,965	12,381	-	2004	2010
Braselton, Georgia												
Braselton Business Park	Braselton II	Industrial	-	1,365	8,720	1,868	1,884	10,069	11,953	2,874	2001	2001
Park 85 at Braselton	625 Braselton Pkwy	Industrial	13,325	9,855	25,497	1,671	9,855	27,168	37,023	6,137	2006	2005
Park 85 at Braselton	1350 Braselton Parkway	Industrial	-	8,227	8,874	5,178	8,227	14,052	22,279	1,883	2008	2008
Brentwood, Tennessee												
		Industrial	-	1,065	5,293	1,241	1,065	6,534	7,599	1,992	1987	1999

Brentwood South Bus. Center	Brentwood South Bus Ctr I											
Brentwood South Bus. Center	Brentwood South Bus Ctr II	Industrial	-	1,065	2,711	1,333	1,065	4,044	5,109	1,303	1987	1999
Brentwood South Bus. Center	Brentwood South Bus Ctr III	Industrial	-	848	3,605	779	848	4,384	5,232	1,305	1989	1999
Creekside Crossing	Creekside Crossing I	Office	-	1,900	7,203	1,377	1,901	8,579	10,480	3,210	1998	1998
Creekside Crossing	Creekside Crossing II	Office	-	2,087	7,327	1,710	2,087	9,037	11,124	3,333	2000	2000
Creekside Crossing	Creekside Crossing III	Office	-	2,969	9,055	2,443	2,969	11,498	14,467	2,934	2006	2006
Creekside Crossing	Creekside Crossing IV	Office	-	2,966	7,775	4,735	2,877	12,599	15,476	2,258	2007	2007
Bridgeton, Missouri												
Dukeport	DukePort I	Industrial	-	2,124	5,227	-	2,124	5,227	7,351	106	1996	2010
Dukeport	DukePort II	Industrial	-	1,470	2,747	-	1,470	2,747	4,217	64	1997	2010
Dukeport	DukePort V	Industrial	-	600	3,004	-	600	3,004	3,604	78	1998	2010
Dukeport	DukePort VI	Industrial	-	1,664	4,865	-	1,664	4,865	6,529	95	1999	2010
Dukeport	DukePort VII	Industrial	-	834	4,083	-	834	4,083	4,917	93	1999	2010
Dukeport	DukePort IX	Industrial	-	2,475	5,740	-	2,475	5,740	8,215	117	2001	2010
Brooklyn Park, Minneapolis												
7300 Northland Drive	7300 Northland Drive	Industrial	-	700	5,655	315	703	5,967	6,670	1,890	1999	1998
Crosstown North Bus. Ctr.	Crosstown North Bus. Ctr. 1	Industrial	-	835	4,852	1,374	1,286	5,775	7,061	1,853	1998	1999
Crosstown North Bus. Ctr.	Crosstown North Bus. Ctr. 2	Industrial	-	449	2,553	808	599	3,211	3,810	1,039	1998	1999
Crosstown North Bus. Ctr.	Crosstown North Bus. Ctr. 4	Industrial	-	2,079	6,153	1,690	2,397	7,525	9,922	2,479	1999	1999
Crosstown North Bus. Ctr.	Crosstown North Bus. Ctr. 5	Industrial	-	1,079	4,422	724	1,354	4,871	6,225	1,652	2000	2000
Crosstown North Bus. Ctr.	Crosstown North Bus. Ctr. 6	Industrial	-	788	2,266	2,253	1,031	4,276	5,307	1,811	2000	2000
Crosstown North Bus. Ctr.	Crosstown North Bus. Ctr. 10	Industrial	-	2,757	4,423	1,078	2,723	5,535	8,258	1,915	2005	2005
Crosstown North Bus. Ctr.	Crosstown North Bus. Ctr. 12	Industrial	-	4,564	8,494	589	4,564	9,083	13,647	2,095	2005	2005
Brownsburg, Indiana												
Ortho Indy West-MOB	Ortho Indy West-MOB	Medical Office	-	-	9,817	1,598	863	10,552	11,415	655	2008	2008
Carmel, Indiana												
Hamilton Crossing	Hamilton Crossing I	Industrial	-	833	2,712	3,017	845	5,717	6,562	2,309	2000	1993
Hamilton Crossing	Hamilton Crossing II	Office	-	313	510	1,668	384	2,107	2,491	673	1997	1997
Hamilton Crossing	Hamilton Crossing III	Office	-	890	7,525	2,393	890	9,918	10,808	3,069	2000	2000
Hamilton Crossing	Hamilton Crossing IV	Office	-	515	4,978	629	598	5,524	6,122	1,825	1999	1999
Hamilton Crossing	Hamilton Crossing VI	Office	-	1,044	13,229	1,065	1,068	14,270	15,338	3,621	2004	2004

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Carol Stream, Illinois												
Carol Stream Business Park	Carol Stream IV	Industrial	11,977	3,204	14,869	1,289	3,204	16,158	19,362	4,288	2004	2003
Carol Stream Business Park	Carol Stream I	Industrial	-	1,095	3,438	-	1,095	3,438	4,533	89	1998	2010
Carol Stream Business Park	Carol Stream III	Industrial	-	1,556	6,256	-	1,556	6,256	7,812	120	2002	2010
Cary, North Carolina												
Regency Forest	200 Regency Forest Drive	Office	-	1,230	12,014	2,460	1,307	14,397	15,704	4,132	1999	1999
Regency Forest	100 Regency Forest Drive	Office	-	1,538	9,385	2,438	1,644	11,717	13,361	3,376	1997	1999
Weston Parkway	6501 Weston Parkway	Office	-	1,775	9,641	1,724	1,775	11,365	13,140	3,359	1996	1999
Celebration, Florida												
Celebration Business Center	Celebration Business Center I	Office	-	1,102	4,641	573	1,308	5,008	6,316	1,655	1997	1999
Celebration Business Center	Celebration Business Center II	Office	-	771	3,587	345	961	3,742	4,703	1,332	1997	1999
Celebration Office Center	Celebration Office Center I	Office	-	1,382	5,762	785	1,382	6,547	7,929	2,112	2000	2000
Celebration Office Center	Celebration Office Center II	Office	-	1,382	3,819	2,866	1,634	6,433	8,067	2,161	2001	2001
Chantilly, Virginia												
Northridge at Westfields	15002 Northridge Dr.	Office	-	2,082	1,663	1,427	2,082	3,090	5,172	403	2007	2007
Northridge at Westfields	15004 Northridge Dr.	Office	-	2,366	1,920	466	2,366	2,386	4,752	401	2007	2007
Northridge at Westfields	15006 Northridge Dr.	Office	-	2,920	2,276	1,059	2,920	3,335	6,255	691	2007	2007
Charlotte, North Carolina												
Not Applicable	Morehead Medical Plaza I	Medical Office	33,237	191	39,040	-	191	39,040	39,231	-	2006	2010
Chillicothe, Ohio												
Adena Health Pavilion	Adena Health Pavilion	Medical Office	-	-	14,428	61	-	14,489	14,489	3,006	2006	2007
Cincinnati, Ohio												
311 Elm	311 Elm	Office	-	339	5,702	1,259	-	7,300	7,300	4,736	1986	1993
312 Elm	312 Elm	Office	-	4,750	46,172	5,611	5,428	51,105	56,533	23,332	1992	1993
312 Plum	312 Plum	Office	-	2,539	23,129	4,621	2,590	27,699	30,289	12,189	1987	1993
		Office	-	518	2,565	680	518	3,245	3,763	1,218	1989	1997

Blue Ash Office Center	Blue Ash Office Center VI											
Towers of Kenwood	Towers of Kenwood	Office	-	4,891	41,900	3,413	4,891	45,313	50,204	11,111	1989	2003
Governors Hill	8790 Governor's Hill	Office	-	400	4,377	1,348	408	5,717	6,125	2,618	1985	1993
Governors Hill	8800 Governor's Hill	Office	-	225	2,293	641	231	2,928	3,159	1,771	1985	1993
Governors Hill	8600/8650 Governor's Hill Dr.	Office	-	1,220	17,577	6,479	1,245	24,031	25,276	11,478	1986	1993
Kenwood Executive Center	Kenwood Executive Center	Office	-	606	3,677	1,031	664	4,650	5,314	1,745	1981	1997
Kenwood Commons	8230 Kenwood Commons	Office	2,818	638	4,016	1,017	638	5,033	5,671	3,164	1986	1993
Kenwood Commons	8280 Kenwood Commons	Office	1,782	638	2,782	687	638	3,469	4,107	1,846	1986	1993
Kenwood Medical Office Bldg.	Kenwood Medical Office Bldg.	Office	-	-	7,663	100	-	7,763	7,763	2,375	1999	1999
Pfeiffer Place	Pfeiffer Place	Office	-	3,608	11,455	2,420	3,608	13,875	17,483	3,748	2001	2001
Pfeiffer Woods	Pfeiffer Woods	Office	-	1,450	12,033	1,817	2,131	13,169	15,300	4,360	1998	1999
Remington Office Park	Remington Park Building A	Office	-	560	1,442	222	560	1,664	2,224	998	1982	1997
Remington Office Park	Remington Park Building B	Office	-	560	1,121	393	560	1,514	2,074	814	1982	1997
Triangle Office Park	Triangle Office Park	Office	2,230	1,018	10,326	2,051	1,018	12,377	13,395	7,506	1985	1993
World Park	World Park Bldg 8	Industrial	-	1,095	2,641	-	1,095	2,641	3,736	64	1989	2010
World Park	World Park Bldg 9	Industrial	-	335	1,673	-	335	1,673	2,008	41	1989	2010
World Park	World Park Building 11	Industrial	-	674	2,032	-	674	2,032	2,706	44	1989	2010
World Park	World Park Building 14	Industrial	-	668	3,267	-	668	3,267	3,935	121	1989	2010
World Park	World Park Building 15	Industrial	-	488	1,991	-	488	1,991	2,479	72	1990	2010
World Park	World Park Building 16	Industrial	-	525	1,944	-	525	1,944	2,469	43	1989	2010
World Park	World Park Bldg 17	Industrial	6,870	1,133	5,668	-	1,133	5,668	6,801	127	1994	2010
World Park	World Park Building 18	Industrial	-	1,268	5,200	-	1,268	5,200	6,468	109	1997	2010
World Park	World Park Building 28	Industrial	-	870	5,316	-	870	5,316	6,186	106	1998	2010
World Park	World Park Building 29	Industrial	12,228	1,605	10,050	-	1,605	10,050	11,655	193	1998	2010
World Park	World Park Bldg 30	Industrial	14,113	2,492	11,628	-	2,492	11,628	14,120	247	1999	2010
World Park	World Park Building 31	Industrial	-	533	2,511	-	533	2,511	3,044	50	1998	2010
Good Samaritan W. Ridge MOB	Western Ridge	Medical Office	-	1,894	7,985	-	1,894	7,985	9,879	108	2010	2010
Clayton, Missouri												
101 South Hanley	101 South Hanley	Office	-	6,150	41,443	3,710	6,150	45,153	51,303	12,207	1986	2002

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Columbus, Ohio												
Easton	One Easton Oval	Office	-	2,789	9,534	1,146	2,789	10,680	13,469	3,686	1999	1999
Easton	Two Easton Oval	Office	-	2,489	15,912	2,804	2,489	18,716	21,205	6,141	1996	1998
Easton	Easton Way One	Office	-	1,874	8,791	728	1,874	9,519	11,393	3,497	2000	2000
Easton	Easton Way Two	Office	-	2,005	6,808	836	2,005	7,644	9,649	1,843	2001	2001
Easton	Easton Way Three	Office	-	2,768	8,350	172	2,693	8,597	11,290	1,893	2003	2003
Easton	4400 Easton Commons	Office	-	1,886	7,779	1,350	1,886	9,129	11,015	2,998	2006	2006
Easton	4343 Easton Commons	Office	-	3,059	7,248	3,462	3,083	10,686	13,769	1,497	2007	2007
Coppell, Texas												
Freeport North	Freeport X	Industrial	17,718	8,198	16,900	3,044	8,198	19,944	28,142	7,421	2004	2004
Point West Industrial	Point West VI	Industrial	11,209	10,181	17,905	4,127	10,181	22,032	32,213	3,466	2008	2008
Point West Industrial	Point West VII	Industrial	9,938	6,785	13,668	6,488	7,201	19,740	26,941	2,835	2008	2008
Point West Industrial	Samsung Pkg Lot-PWT7	Grounds	-	306	-	11	317	-	317	43	n/a	2009
Dallas, Texas												
Not Applicable	Baylor Administration Building	Medical Office	-	50	14,435	100	150	14,435	14,585	810	2009	2009
Davenport, Florida												
Park 27 Distribution Center	Park 27 Distribution Center I	Industrial	-	2,449	6,107	33	2,449	6,140	8,589	2,341	2003	2003
Park 27 Distribution Center	Park 27 Distribution Center II	Industrial	-	4,374	8,218	4,697	4,415	12,874	17,289	2,316	2007	2007
Deerfield Township, Ohio												
Deerfield Crossing	Deerfield Crossing A	Office	-	1,493	11,168	1,639	1,493	12,807	14,300	3,985	1999	1999
Deerfield Crossing	Deerfield Crossing B	Office	-	1,069	13,200	534	1,069	13,734	14,803	6,094	2001	2001
Governors Pointe	Governor s Pointe 4770	Office	-	586	7,516	1,111	596	8,617	9,213	4,738	1986	1993
Governors Pointe	Governor s Pointe 4705	Office	-	719	6,046	3,847	987	9,625	10,612	4,732	1988	1993
Governors Pointe	Governor s Pointe 4605	Office	-	630	16,600	4,496	909	20,817	21,726	9,730	1990	1993
Governors Pointe	Governor s Pointe 4660	Office	-	385	4,095	417	529	4,368	4,897	1,761	1997	1997
Governors Pointe	Governor s Pointe 4680	Office	-	1,115	6,299	1,378	1,115	7,677	8,792	2,756	1998	1998
Des Plaines, Illinois												
2180 South Wolf Road	2180 South Wolf Road	Industrial	-	179	1,515	548	179	2,063	2,242	740	1969	1998
Downers Grove, Illinois												
	Executive Towers I	Office	-	2,652	22,254	7,721	2,652	29,975	32,627	11,292	1983	1997

Executive Towers												
Executive Towers	Executive Towers II	Office	-	3,386	26,745	10,883	3,386	37,628	41,014	13,606	1984	1997
Executive Towers	Executive Towers III	Office	-	3,512	31,014	7,211	3,512	38,225	41,737	14,739	1987	1997
Dublin, Ohio												
Scioto Corporate Center	Scioto Corporate Center	Office	-	1,100	2,716	1,628	1,100	4,344	5,444	1,793	1987	1996
Tuttle Crossing	Qwest	Office	-	2,618	18,317	1,953	2,670	20,218	22,888	9,094	1990	1993
Tuttle Crossing	4700 Lakehurst Court	Office	-	717	2,318	955	717	3,273	3,990	1,583	1994	1994
Tuttle Crossing	5500 Glendon Court	Office	-	1,066	6,948	1,347	1,066	8,295	9,361	3,609	1995	1995
Tuttle Crossing	5555 Glendon Court	Office	-	1,600	6,752	1,898	1,789	8,461	10,250	3,826	1995	1995
Tuttle Crossing	Compmanagement	Office	-	867	4,388	762	867	5,150	6,017	2,362	1997	1997
Tuttle Crossing	5555 Parkcenter Circle	Office	-	1,580	8,908	1,124	1,580	10,032	11,612	4,422	1992	1994
Tuttle Crossing	Parkwood Place	Office	-	1,690	11,507	1,097	1,690	12,604	14,294	6,274	1997	1997
Tuttle Crossing	Nationwide	Office	-	4,815	15,345	895	4,815	16,240	21,055	6,488	1996	1996
Tuttle Crossing	Emerald II	Office	-	495	2,525	252	495	2,777	3,272	916	1998	1998
Tuttle Crossing	Atrium II, South Tower	Office	-	1,649	8,707	1,260	1,649	9,967	11,616	3,331	1998	1998
Tuttle Crossing	Atrium II, North Tower	Office	-	1,597	7,747	1,599	1,597	9,346	10,943	2,936	1999	1999
Tuttle Crossing	Blazer I	Office	-	904	3,887	596	904	4,483	5,387	1,308	1999	1999
Tuttle Crossing	Parkwood II	Office	-	1,848	11,389	823	2,400	11,660	14,060	3,446	2000	2000
Tuttle Crossing	Blazer II	Office	-	1,016	5,032	1,190	1,016	6,222	7,238	1,846	2000	2000
Tuttle Crossing	Emerald III	Office	-	1,685	7,130	1,976	1,694	9,097	10,791	2,995	2001	2001
Duluth, Georgia												
Crestwood Pointe	3805 Crestwood Parkway	Office	-	877	14,158	2,132	877	16,290	17,167	4,775	1997	1999
Crestwood Pointe	3885 Crestwood Parkway	Office	-	878	13,484	1,395	878	14,879	15,757	4,338	1998	1999
Hampton Green	Hampton Green Office I	Office	-	1,388	9,921	840	1,388	10,761	12,149	2,939	2000	2000
Business Park At Sugarloaf	2775 Premiere Parkway	Industrial	6,663	560	4,522	354	565	4,871	5,436	1,434	1997	1999
Business Park At Sugarloaf	3079 Premiere Parkway	Industrial	10,863	776	5,332	2,258	783	7,583	8,366	2,467	1998	1999
Business Park At Sugarloaf	Sugarloaf Office I	Office	-	1,042	8,133	769	1,042	8,902	9,944	2,619	1998	1999
Business Park At Sugarloaf	2850 Premiere Parkway	Office	8,179	621	4,621	1,017	627	5,632	6,259	1,181	1997	2002
Business Park At Sugarloaf	Sugarloaf Office II (3039)	Office	-	972	3,784	638	1,006	4,388	5,394	1,083	1999	2002
Business Park At Sugarloaf	Sugarloaf Office III (2810)	Office	-	696	3,565	543	696	4,108	4,804	973	1999	2002
Business Park At Sugarloaf	2855 Premiere Parkway	Industrial	5,775	765	3,297	601	770	3,893	4,663	1,166	1999	1999

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Development	Name	Building Type	Encumbrances	Land	Buildings		Land/Land Imp	Bldgs/TI	Total(1)	Accumulated Depreciation(2)	Constructed/ Renovated	Year Acquired
Business Park At Sugarloaf	6655 Sugarloaf	Industrial	12,723	1,651	6,985	972	1,659	7,949	9,608	1,709	1998	2001
Business Park At Sugarloaf	Sugarloaf Office IV	Office	-	623	2,336	698	623	3,034	3,657	863	2000	2000
Business Park At Sugarloaf	Sugarloaf Office V	Office	-	744	1,968	789	744	2,757	3,501	763	2001	2001
Business Park At Sugarloaf	Sugarloaf VI	Office	-	1,589	5,437	1,419	1,589	6,856	8,445	2,152	2005	2005
Business Park At Sugarloaf	Sugarloaf VII	Office	-	1,722	5,055	2,658	1,726	7,709	9,435	1,660	2006	2006
Meadowbrook	2450 Meadowbrook Parkway	Industrial	-	383	1,625	-	383	1,625	2,008	36	1989	2010
Meadowbrook	2500 Meadowbrook Parkway	Industrial	-	405	1,930	-	405	1,930	2,335	50	1987	2010
Pinebrook	2625 Pinemeadow Court	Industrial	-	861	4,021	-	861	4,021	4,882	166	1994	2010
Pinebrook	2660 Pinemeadow Court	Industrial	-	540	2,277	-	540	2,277	2,817	64	1996	2010
Pinebrook	2450 Satellite Boulevard	Industrial	-	556	2,422	-	556	2,422	2,978	69	1994	2010
Eagan, Minnesota												
Apollo Industrial Center	Apollo Industrial Ctr I	Industrial	3,977	866	4,300	1,472	882	5,756	6,638	2,160	1997	1997
Apollo Industrial Center	Apollo Industrial Ctr II	Industrial	1,881	474	2,455	167	474	2,622	3,096	810	2000	2000
Apollo Industrial Center	Apollo Industrial Ctr III	Industrial	5,054	1,432	6,316	25	1,432	6,341	7,773	1,896	2000	2000
Silver Bell Commons	Silver Bell Commons	Industrial	-	1,807	5,757	1,760	1,908	7,416	9,324	2,690	1999	1999
Trapp Road Commerce Center	Trapp Road Commerce Center I	Industrial	2,689	671	3,847	462	700	4,280	4,980	1,450	1996	1998
Trapp Road Commerce Center	Trapp Road Commerce Center II	Industrial	4,697	1,250	6,444	1,154	1,266	7,582	8,848	2,659	1998	1998
Earth City, Missouri												
Earth City	Rider Trail	Office	-	2,615	9,807	2,429	2,615	12,236	14,851	4,496	1987	1997
Earth City	3300 Pointe 70	Office	-	1,186	6,055	2,805	1,186	8,860	10,046	3,270	1989	1997
Earth City	Corporate Center, Earth City	Industrial	-	783	2,161	1,861	783	4,022	4,805	1,774	2000	2000
Earth City	Corporate Trail Distribution	Industrial	-	2,850	6,163	1,789	2,875	7,927	10,802	1,709	2006	2006
East Point, Georgia												
Camp Creek	Camp Creek Bldg 1400	Office	5,339	561	2,523	1,209	573	3,720	4,293	996	1988	2001
Camp Creek	Camp Creek Bldg 1800	Office	4,400	462	2,536	460	471	2,987	3,458	789	1989	2001
Camp Creek		Office	5,023	395	2,285	1,098	470	3,308	3,778	645	1989	2001

	Camp Creek Bldg 2000											
Camp Creek	Camp Creek Bldg 2400	Industrial	3,133	296	1,513	701	308	2,202	2,510	639	1988	2001
Camp Creek	Camp Creek Bldg 2600	Industrial	3,330	364	2,014	236	375	2,239	2,614	588	1990	2001
Camp Creek	3201 Centre Parkway	Industrial	19,254	4,406	9,512	723	4,944	9,697	14,641	2,835	2004	2004
Camp Creek	Camp Creek Building 1200	Office	-	1,334	2,246	1,084	1,344	3,320	4,664	1,963	2005	2005
Camp Creek	3900 North Commerce	Industrial	5,288	1,059	2,966	22	1,081	2,966	4,047	711	2005	2005
Camp Creek	3909 North Commerce	Industrial	-	5,687	10,192	12,465	8,944	19,400	28,344	5,334	2006	2006
Camp Creek	4200 N. Commerce-Hartsfield WH	Industrial	11,867	2,065	7,076	122	2,116	7,147	9,263	1,243	2006	2006
Camp Creek	Camp Creek Building 1000	Office	-	1,537	2,459	1,135	1,549	3,582	5,131	1,380	2006	2006
Camp Creek	3000 Centre Parkway	Industrial	-	1,163	1,884	1,127	1,182	2,992	4,174	788	2007	2007
Camp Creek	1500 Centre Parkway	Office	-	1,683	5,564	3,338	1,716	8,869	10,585	1,609	2008	2008
Camp Creek	1100 Centre Parkway	Office	-	1,309	4,881	318	1,336	5,172	6,508	616	2008	2008
Camp Creek	4800 N. Commerce Dr. (Site Q)	Industrial	-	2,476	4,650	753	2,512	5,367	7,879	546	2008	2008
Ellabell, Georgia												
Crossroads (Savannah)	1086 Orafold Pkwy	Industrial	10,525	2,042	13,104	190	2,046	13,290	15,336	1,538	2006	2008
Evansville, Indiana												
St. Mary s Heart Institute	St. Mary s Heart Institute	Medical Office	-	-	20,946	1,559	-	22,505	22,505	3,878	2006	2007
Fairfield, Ohio												
Thunderbird Building 1	Thunderbird Building 1	Industrial	-	248	1,617	344	248	1,961	2,209	855	1991	1995
Union Centre Industrial Park	Union Centre Industrial Park 2	Industrial	-	5,635	8,709	819	5,635	9,528	15,163	1,285	2008	2008
Fishers, Indiana												
Exit 5	Exit 5 Building 1	Industrial	-	822	2,636	443	822	3,079	3,901	1,026	1999	1999
Exit 5	Exit 5 Building 2	Industrial	-	749	3,825	442	749	4,267	5,016	2,011	2000	2000
St. Vincent Northeast MOB	St. Vincent Northeast MOB	Medical Office	-	-	23,101	4,292	4,235	23,158	27,393	3,727	2008	2008
Florence, Kentucky												
Empire Commerce Center	Empire Commerce Center	Industrial	-	813	878	-	813	878	1,691	39	1980	2010
Kentucky Drive	7910 Kentucky Drive	Industrial	-	265	451	-	265	451	716	19	1980	2010
Kentucky Drive	7920 Kentucky Drive	Industrial	-	653	850	-	653	850	1,503	41	1974	2010

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				Initial Cost		Cost Capitalized Subsequent to Development or	Gross Book Value 12/31/10				Year	
Development	**Name**	**Building Type**	**Encumbrances**	**Land**	**Buildings**	**Acquisition**	**Land/Land Imp**	**Bldgs/TI**	**Total(1)**	**Accumulated Depreciation (2)**	**Constructed/ Renovated**	**Year Acquired**
Franklin, Tennessee												
Aspen Grove Industrial	Aspen Grove Business Ctr I	Industrial	-	936	6,066	2,993	936	9,059	9,995	3,479	1996	1999
Aspen Grove Industrial	Aspen Grove Business Ctr II	Industrial	-	1,151	6,410	797	1,151	7,207	8,358	2,201	1996	1999
Aspen Grove Industrial	Aspen Grove Business Ctr III	Industrial	-	970	5,367	490	970	5,857	6,827	1,672	1998	1999
Aspen Grove Industrial	Aspen Grove Business Center IV	Industrial	-	492	2,249	59	492	2,308	2,800	499	2002	2002
Aspen Grove Industrial	Aspen Grove Business Ctr V	Industrial	-	943	5,163	2,556	943	7,719	8,662	2,665	1996	1999
Aspen Grove Industrial	Aspen Grove Flex Center II	Industrial	-	240	1,163	450	240	1,613	1,853	176	1999	1999
Aspen Grove Office	Aspen Grove Office Center I	Office	-	950	5,709	2,635	950	8,344	9,294	2,459	1999	1999
Aspen Grove Industrial	Aspen Grove Flex Center I	Industrial	-	301	1,061	686	301	1,747	2,048	479	1999	1999
Aspen Grove Industrial	Aspen Grove Flex Center III	Industrial	-	327	1,121	1,001	327	2,122	2,449	643	2001	2001
Aspen Grove Industrial	Aspen Grove Flex Center IV	Industrial	-	205	861	210	205	1,071	1,276	270	2001	2001
Aspen Grove Office	Aspen Corporate Center 100	Office	-	723	2,904	94	723	2,998	3,721	875	2004	2004
Aspen Grove Office	Aspen Corporate Center 200	Office	-	1,306	1,870	1,655	1,306	3,525	4,831	1,233	2006	2006
Aspen Grove Office	Aspen Corporate Center 300	Office	-	1,451	2,050	1,607	1,460	3,648	5,108	384	2008	2008
Aspen Grove Office	Aspen Corporate Center 400	Office	-	1,833	2,621	2,514	1,833	5,135	6,968	1,084	2007	2007
Aspen Grove Office	Aspen Grove Office Center II	Office	-	2,320	8,177	3,755	2,320	11,932	14,252	2,886	2007	2007
Brentwood South Bus. Center	Brentwood South Bus Ctr IV	Industrial	-	569	2,406	1,122	705	3,392	4,097	1,227	1990	1999
Brentwood South Bus. Center	Brentwood South Bus Ctr V	Industrial	-	445	1,907	161	445	2,068	2,513	622	1990	1999
Brentwood South Bus. Center	Brentwood South Bus Ctr VI	Industrial	1,279	489	1,232	631	489	1,863	2,352	614	1990	1999
Franklin Park, Illinois												
O'Hare Distribution Center	O'Hare Distribution Ctr	Industrial	-	3,900	3,013	1,068	3,900	4,081	7,981	553	2007	2007
Frisco, Texas												
Duke Bridges		Office	-	4,647	7,546	7,056	4,647	14,602	19,249	2,166	2007	2007

	Duke Bridges III										
Ft. Wayne, Indiana											
Parkview Ambulatory Svcs - MOB	Parkview Ambulatory Svcs - MOB	Medical Office	-	937	10,661	4,381	937	15,042	15,979	1,642	2007	2007
Garden City, Georgia											
Aviation Court	Aviation Court Land	Grounds	-	1,509	-	-	1,509	-	1,509	94	n/a	2006
Goodyear, Arizona											
Goodyear Crossing Ind. Park	Goodyear One	Industrial	-	5,142	4,942	1,873	5,142	6,815	11,957	1,125	2008	2008
Grand Prairie, Texas											
Grand Lakes	Grand Lakes I	Industrial	-	8,106	12,021	308	8,040	12,395	20,435	3,070	2006	2006
Grand Lakes	Grand Lakes II	Industrial	-	11,853	16,714	8,302	11,853	25,016	36,869	4,341	2008	2008
Grove City, Ohio											
SouthPointe Business Park	SouthPointe Building A	Industrial	-	844	5,509	-	844	5,509	6,353	128	1995	2010
SouthPointe Business Park	SouthPointe Building B	Industrial	-	790	5,284	-	790	5,284	6,074	128	1996	2010
SouthPointe Business Park	SouthPointe Building C	Industrial	-	754	6,337	-	754	6,337	7,091	122	1996	2010
Groveport, Ohio											
6600 Port Road	6600 Port Road	Industrial	-	2,725	23,104	2,124	3,213	24,740	27,953	9,107	1998	1997
Groveport Commerce Center	Groveport Commerce Center #437	Industrial	3,233	1,049	6,759	1,305	1,065	8,048	9,113	2,463	1999	1999
Groveport Commerce Center	Groveport Commerce Center #168	Industrial	1,782	510	3,137	1,257	510	4,394	4,904	1,405	2000	2000
Groveport Commerce Center	Groveport Commerce Center #345	Industrial	3,111	1,045	6,123	1,216	1,045	7,339	8,384	2,244	2000	2000
Groveport Commerce Center	Groveport Commerce Center #667	Industrial	6,848	4,420	14,172	360	4,420	14,532	18,952	4,729	2005	2005
Rickenbacker Park	Rickenbacker 936	Industrial	-	5,680	23,616	-	5,680	23,616	29,296	244	2008	2010
Hazelwood, Missouri											
Hazelwood	Lindbergh Distribution Center	Industrial	-	8,200	10,305	3,407	8,491	13,421	21,912	2,105	2007	2007
Hebron, Kentucky											
Southpark	Southpark Building 4	Industrial	-	779	3,189	347	779	3,536	4,315	1,568	1994	1994
Southpark	CR Services	Industrial	-	1,085	4,119	1,410	1,085	5,529	6,614	2,358	1994	1994
Hebron Industrial Park	Hebron Building 1	Industrial	-	8,855	11,527	227	8,855	11,754	20,609	3,397	2006	2006
Hebron Industrial Park	Hebron Building 2	Industrial	-	6,790	9,039	3,629	6,812	12,646	19,458	1,842	2007	2007
Skyport	Skyport Building 1	Industrial	-	1,057	6,219	-	1,057	6,219	7,276	167	1997	2010
Skyport	Skyport Building 2	Industrial	-	1,400	9,084	-	1,400	9,084	10,484	208	1998	2010
Skyport	Skyport Building 3	Industrial	-	2,016	9,114	-	2,016	9,114	11,130	251	2000	2010
Skyport	Skyport Building 4	Industrial	-	473	2,957	-	473	2,957	3,430	120	1999	2010
Skyport	Skyport Building 5	Industrial	-	2,878	7,408	-	2,878	7,408	10,286	266	2006	2010
Southpark	Southpark Building 1	Industrial	-	553	1,607	-	553	1,607	2,160	55	1990	2010
Southpark	Southpark Building 3	Industrial	-	755	3,611	-	755	3,611	4,366	80	1991	2010

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Hopkins, Minnesota												
Cornerstone Business Center	Cornerstone Business Center	Industrial	3,413	1,469	8,360	725	1,543	9,011	10,554	3,151	1996	1997
Houston, Texas												
Point North Cargo Park	Point North One	Industrial	-	3,125	3,420	2,168	3,125	5,588	8,713	971	2008	2008
Westland Business Park	Westland I	Industrial	-	4,183	5,200	2,919	4,233	8,069	12,302	1,737	2008	2008
Hutchins, Texas												
Duke Intermodal Park	Duke Intermodal I	Industrial	-	5,290	9,242	2,416	5,290	11,658	16,948	1,972	2006	2006
Independence, Ohio												
Corporate Plaza	Corporate Plaza I	Office	-	2,116	13,453	(1,913)	2,116	11,540	13,656	6,371	1989	1996
Corporate Plaza	Corporate Plaza II	Office	-	1,841	11,642	500	1,841	12,142	13,983	5,950	1991	1996
Freedom Square	Freedom Square I	Office	-	595	3,635	(1,604)	607	2,019	2,626	1,810	1980	1996
Freedom Square	Freedom Square II	Office	-	1,746	11,403	(1,522)	1,746	9,881	11,627	5,309	1987	1996
Freedom Square	Freedom Square III	Office	-	701	5,561	(1,170)	701	4,391	5,092	2,212	1997	1997
Oak Tree Place	Oak Tree Place	Office	-	703	4,501	978	703	5,479	6,182	2,065	1995	1997
Park Center Plaza	Park Center Plaza I	Office	-	2,193	10,882	2,542	2,193	13,424	15,617	4,574	1998	1998
Park Center Plaza	Park Center Plaza II	Office	-	2,190	10,898	1,737	2,190	12,635	14,825	4,068	1999	1999
Park Center Plaza	Park Center Plaza III	Office	-	2,190	10,623	3,390	2,190	14,013	16,203	4,584	2000	2000
Indianapolis, Indiana												
Park 100	Park 465	Industrial	-	124	759	177	124	936	1,060	158	1983	2005
Franklin Road Business Park	Franklin Road Business Center	Industrial	-	594	8,765	1,822	594	10,587	11,181	4,661	1998	1995
6061 Guion Road	6061 Guion Rd	Industrial	-	274	1,770	365	274	2,135	2,409	863	1974	1995
Hillsdale	Hillsdale Technecenter 4	Industrial	-	366	4,724	1,654	366	6,378	6,744	2,905	1987	1993
Hillsdale	Hillsdale Technecenter 5	Industrial	-	251	2,816	1,239	251	4,055	4,306	1,791	1987	1993
Hillsdale	Hillsdale Technecenter 6	Industrial	-	315	2,962	2,313	315	5,275	5,590	2,373	1987	1993
8071 Township Line Road	8071 Township Line Road	Medical Office	-	-	2,319	944	-	3,263	3,263	373	2007	2007
St. Francis Franklin Township	Franklin Township POB	Medical Office	-	-	3,197	55	10	3,242	3,252	219	2009	2009
St. Francis US31 & Southport	St. Francis US31 &Southport Rd	Medical Office	-	-	3,547	37	11	3,573	3,584	251	2009	2009
Park 100	Park 100 Bldg 31	Industrial	-	64	354	152	64	506	570	79	1978	2005
Park 100	Park 100 Building 96	Industrial	-	1,171	13,804	113	1,424	13,664	15,088	5,640	1997	1995
Park 100		Industrial	-	273	7,618	2,420	273	10,038	10,311	4,775	1995	1994

	Park 100 Building 98											
Park 100	Park 100 Building 100	Industrial	-	103	1,931	823	103	2,754	2,857	1,140	1995	1995
Park 100	Park 100 Building 102	Office	-	182	1,108	356	182	1,464	1,646	274	1982	2005
Park 100	Park 100 Building 107	Industrial	-	99	1,698	379	99	2,077	2,176	931	1984	1995
Park 100	Park 100 Building 109	Industrial	-	240	1,659	433	246	2,086	2,332	1,279	1985	1986
Park 100	Park 100 Building 116	Office	-	341	2,871	555	348	3,419	3,767	1,859	1988	1988
Park 100	Park 100 Building 118	Office	-	226	1,962	993	230	2,951	3,181	1,320	1988	1993
Park 100	Park 100 Building 119	Office	-	283	2,601	1,576	395	4,065	4,460	1,785	1989	1993
Park 100	Park 100 Building 122	Industrial	-	284	3,442	1,098	290	4,534	4,824	2,225	1990	1993
Park 100	Park 100 Building 124	Office	-	227	2,496	444	227	2,940	3,167	815	1992	2002
Park 100	Park 100 Building 127	Industrial	-	96	1,654	629	96	2,283	2,379	951	1995	1995
Park 100	Park 100 Building 141	Industrial	-	1,120	2,939	101	1,120	3,040	4,160	847	2005	2005
Park 100	UPS Parking	Grounds	-	270	-	-	270	-	270	123	n/a	1997
Park 100	Bldg 111 Parking Lot	Grounds	-	114	-	-	114	-	114	-	n/a	1994
Park 100	3.58 acres on Allison Avenue	Grounds	-	242	-	-	242	-	242	61	n/a	2000
Park 100	Hewlett-Packard Land Lease	Grounds	-	252	-	-	252	-	252	49	n/a	2003
Park 100	Park 100 Bldg 121 Land Lease	Grounds	-	5	-	-	5	-	5	1	n/a	2003
Park 100	Hewlett Packard Land Lse-62	Grounds	-	45	-	-	45	-	45	9	n/a	2003
Park 100	West 79th St. Parking Lot LL	Grounds	-	350	-	699	1,049	-	1,049	192	n/a	2006
Park Fletcher	Park Fletcher Building 33	Industrial	-	1,237	5,264	17	1,237	5,281	6,518	998	1997	2006
Park Fletcher	Park Fletcher Building 34	Industrial	-	1,331	5,427	519	1,331	5,946	7,277	1,088	1997	2006
Park Fletcher	Park Fletcher Building 35	Industrial	-	380	1,464	38	380	1,502	1,882	326	1997	2006
Park Fletcher	Park Fletcher Building 36	Industrial	-	476	2,355	59	476	2,414	2,890	449	1997	2006
Park Fletcher	Park Fletcher Building 37	Industrial	-	286	653	9	286	662	948	150	1998	2006
Park Fletcher	Park Fletcher Building 38	Industrial	-	1,428	5,957	68	1,428	6,025	7,453	1,079	1999	2006
Park Fletcher	Park Fletcher Building 39	Industrial	-	570	2,130	249	570	2,379	2,949	478	1999	2006
Park Fletcher	Park Fletcher Building 40	Industrial	-	761	3,363	408	761	3,771	4,532	835	1999	2006
Park Fletcher	Park Fletcher Building 41	Industrial	-	952	4,290	78	952	4,368	5,320	786	2001	2006
Park Fletcher	Park Fletcher Building 42	Industrial	-	2,095	8,273	49	2,095	8,322	10,417	1,280	2001	2006
Parkwood Crossing	One Parkwood Crossing	Office	-	1,018	9,273	1,723	1,028	10,986	12,014	4,256	1989	1995
Parkwood Crossing	Three Parkwood Crossing	Office	-	1,377	7,530	1,418	1,387	8,938	10,325	3,365	1997	1997
Parkwood Crossing	Four Parkwood Crossing	Office	-	1,489	10,887	1,018	1,537	11,857	13,394	4,216	1998	1998
Parkwood Crossing	Five Parkwood Crossing	Office	-	1,485	10,237	1,133	1,528	11,327	12,855	3,057	1999	1999
Parkwood Crossing	Six Parkwood Crossing	Office	-	1,960	13,843	1,290	1,960	15,133	17,093	4,811	2000	2000
Parkwood Crossing	Eight Parkwood Crossing	Office	-	6,435	15,399	741	6,435	16,140	22,575	5,399	2003	2003

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Parkwood Crossing	Nine Parkwood Crossing	Office	-	6,046	15,991	1,210	6,047	17,200	23,247	5,143	2005	2005
Parkwood West	One West	Office	14,730	5,361	16,182	4,615	5,361	20,797	26,158	2,414	2007	2007
Parkwood Crossing	PWW Granite City Lease	Grounds	-	1,846	856	-	1,846	856	2,702	177	2008	2009
River Road - Indianapolis	River Road Building I	Office	-	856	6,789	2,029	856	8,818	9,674	4,290	1998	1998
River Road - Indianapolis	River Road Building II	Office	-	1,827	8,416	2,499	1,886	10,856	12,742	1,223	2008	2008
Woodland Corporate Park	Woodland Corporate Park I	Office	-	290	3,422	928	320	4,320	4,640	1,520	1998	1998
Woodland Corporate Park	Woodland Corporate Park II	Office	-	271	2,958	1,108	297	4,040	4,337	1,222	1999	1999
Woodland Corporate Park	Woodland Corporate Park III	Office	-	1,227	3,559	358	1,227	3,917	5,144	1,190	2000	2000
Woodland Corporate Park	Woodland Corporate Park V	Office	-	768	10,000	332	768	10,332	11,100	2,941	2003	2003
Woodland Corporate Park	Woodland Corporate Park VI	Office	-	2,145	10,165	4,064	2,145	14,229	16,374	1,964	2008	2008
3200 North Elizabeth	3200 North Elizabeth	Industrial	-	360	787	-	360	787	1,147	20	1973	2010
Park 100	Georgetown Rd. Bldg 1	Industrial	-	468	1,959	-	468	1,959	2,427	43	1987	2010
Park 100	Georgetown Rd. Bldg 2	Industrial	-	465	2,219	-	465	2,219	2,684	52	1987	2010
Park 100	Georgetown Rd. Bldg 3	Industrial	-	408	957	-	408	957	1,365	34	1987	2010
Hillsdale	Hillsdale Technecenter 1	Industrial	3,359	733	2,679	-	733	2,679	3,412	105	1986	2010
Hillsdale	Hillsdale Technecenter 2	Industrial	2,408	440	2,141	-	440	2,141	2,581	50	1986	2010
Hillsdale	Hillsdale Technecenter 3	Industrial	2,374	440	2,134	-	440	2,134	2,574	64	1987	2010
North Airport Park	North Airport Park Bldg 2	Industrial	-	1,800	4,953	-	1,800	4,953	6,753	108	1997	2010
Park 100	Park 100 Building 39	Industrial	-	628	2,284	-	628	2,284	2,912	55	1987	2010
Park 100	Park 100 Building 48	Industrial	2,113	690	1,730	-	690	1,730	2,420	33	1984	2010
Park 100	Park 100 Building 49	Industrial	1,927	364	1,644	-	364	1,644	2,008	33	1982	2010
Park 100	Park 100 Building 50	Industrial	1,045	327	700	-	327	700	1,027	18	1982	2010
Park 100	Park 100 Building 52	Industrial	541	216	189	-	216	189	405	5	1983	2010
Park 100	Park 100 Building 53	Industrial	1,865	338	1,513	-	338	1,513	1,851	34	1984	2010
Park 100	Park 100 Building 54	Industrial	1,633	354	1,413	-	354	1,413	1,767	28	1984	2010

Park 100	Park 100 Building 56	Industrial	3,397	1,275	1,561	-	1,275	1,561	2,836	32	1984	2010
Park 100	Park 100 Building 57	Industrial	2,154	616	1,319	-	616	1,319	1,935	53	1984	2010
Park 100	Park 100 Building 58	Industrial	2,214	642	2,129	-	642	2,129	2,771	43	1984	2010
Park 100	Park 100 Building 59	Industrial	1,653	411	1,539	-	411	1,539	1,950	35	1985	2010
Park 100	Park 100 Building 60	Industrial	1,861	382	1,542	-	382	1,542	1,924	45	1985	2010
Park 100	Park 100 Building 62	Industrial	1,809	616	707	-	616	707	1,323	50	1986	2010
Park 100	Park 100 Building 63	Industrial	-	388	967	-	388	967	1,355	22	1987	2010
Park 100	Park 100 Building 64	Industrial	-	389	978	-	389	978	1,367	22	1987	2010
Park 100	Park 100 Building 66	Industrial	-	424	1,324	-	424	1,324	1,748	45	1987	2010
Park 100	Park 100 Building 67	Industrial	919	338	692	-	338	692	1,030	15	1987	2010
Park 100	Park 100 Building 68	Industrial	1,643	338	1,200	-	338	1,200	1,538	26	1987	2010
Park 100	Park 100 Building 79	Industrial	-	358	1,768	-	358	1,768	2,126	41	1988	2010
Park 100	Park 100 Building 80	Industrial	-	358	1,919	-	358	1,919	2,277	55	1988	2010
Park 100	Park 100 Building 83	Industrial	-	427	1,122	-	427	1,122	1,549	46	1989	2010
Park 100	Park 100 Building 84	Industrial	-	427	1,874	-	427	1,874	2,301	61	1989	2010
Park 100	Park 100 Building 87	Industrial	-	1,136	6,374	-	1,136	6,374	7,510	139	1989	2010
Park 100	Park 100 Building 97	Industrial	-	1,070	4,994	-	1,070	4,994	6,064	95	1994	2010
Park 100	Park 100 Building 110	Office	-	376	1,653	-	376	1,653	2,029	31	1987	2010
Park 100	Park 100 Building 111	Industrial	-	633	3,122	-	633	3,122	3,755	91	1987	2010
Park 100	Park 100 Building 112	Industrial	-	356	831	-	356	831	1,187	22	1987	2010
Park 100	Park 100 Building 128	Industrial	-	1,152	16,380	-	1,152	16,380	17,532	570	1996	2010
Park 100	Park 100 Building 129	Industrial	-	1,280	9,447	-	1,280	9,447	10,727	290	2000	2010
Park 100	Park 100 Building 131	Industrial	-	1,680	10,874	-	1,680	10,874	12,554	204	1997	2010
Park 100	Park 100 Building 133	Industrial	-	104	1,157	-	104	1,157	1,261	20	1997	2010
Kyle, Texas												
Seton Hays	Seton Hays MOB I	Medical Office	-	165	11,736	2,837	165	14,573	14,738	418	2009	2009
Lafayette, Indiana												
St. Elizabeth Regional Health	St. Elizabeth 3920 Building A	Medical Office	-	165	8,968	394	165	9,362	9,527	252	2009	2009
St. Elizabeth Regional Health	St. Elizabeth 3900 Building B	Medical Office	-	146	10,070	1,161	146	11,231	11,377	319	2009	2009
Lake Forest, Illinois												
Bradley Business Center	13825 West Laurel Drive	Industrial	-	750	1,383	906	750	2,289	3,039	1,002	1985	1999
Conway Park	One Conway Park	Office	-	1,901	16,361	3,349	1,901	19,710	21,611	6,580	1989	1998
Conway Park	West Lake at Conway	Office	-	4,218	10,461	3,264	4,230	13,713	17,943	1,360	2008	2008
Lake Mary, Florida												
Northpoint	Northpoint I	Office	-	1,087	9,750	1,969	1,087	11,719	12,806	3,622	1998	2001
Northpoint	Northpoint II	Office	-	1,202	8,958	1,089	1,202	10,047	11,249	3,051	1999	2001

Northpoint	Northpoint IV	Office	-	1,605	8,157	4,747	1,605	12,904	14,509	4,697	2002	2002
LaPorte, Texas												
Bayport North Industrial Park	Bayport Container Lot	Grounds	-	3,334	-	-	3,334	-	3,334	-	n/a	2010

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Development	Name	Building Type	Encumbrances	Land	Buildings	Acquisition	Land/Land Imp	Bldgs/TI	Total(1)	Accumulated Depreciation (2)	Constructed/ Renovated	Year Acquired
Lawrenceville, Georgia												
Hillside at Huntcrest	Huntcrest I	Office	-	1,193	10,788	2,867	1,193	13,655	14,848	4,616	2000	2001
Hillside at Huntcrest	Huntcrest II	Office	-	927	9,439	1,269	927	10,708	11,635	2,722	2000	2001
Hillside at Huntcrest	Huntcrest III	Office	-	1,358	12,160	894	1,358	13,054	14,412	3,838	2001	2002
Hillside at Huntcrest	Huntcrest IV	Office	-	1,295	5,742	497	1,306	6,228	7,534	1,457	2004	2004
Other Northeast I85 Properties	Weyerhaeuser BTS	Industrial	9,188	3,974	3,101	22	3,982	3,115	7,097	1,556	2004	2004
Lebanon, Indiana												
Lebanon Business Park	Lebanon Building 4	Industrial	11,486	305	9,012	241	305	9,253	9,558	3,081	2000	1997
Lebanon Business Park	Lebanon Building 9	Industrial	10,252	554	6,871	770	554	7,641	8,195	2,506	1999	1999
Lebanon Business Park	Lebanon Building 12	Industrial	24,418	5,163	12,851	394	5,163	13,245	18,408	4,787	2003	2003
Lebanon Business Park	Lebanon Building 13	Industrial	9,358	561	6,473	83	1,901	5,216	7,117	2,197	2003	2003
Lebanon Business Park	Lebanon Building 14	Industrial	19,178	2,813	11,496	811	2,813	12,307	15,120	2,599	2005	2005
Lebanon Business Park	Lebanon Building 1(Amer Air)	Industrial	3,495	312	3,526	-	312	3,526	3,838	71	1996	2010
Lebanon Business Park	Lebanon Building 2	Industrial	18,922	948	19,093	-	948	19,093	20,041	343	2007	2010
Lebanon Business Park	Lebanon Building 6	Industrial	-	699	7,611	-	699	7,611	8,310	179	1998	2010
Lebanon, Tennessee												
Park 840 Logistics Center	Pk 840 Logistics Cnt. Bldg 653	Industrial	-	6,776	10,954	1,788	6,776	12,742	19,518	2,561	2006	2006
Lisle, Illinois												
Corporate Lakes Business Park	2275 Cabot Drive	Office	6,390	3,355	6,971	20	3,355	6,991	10,346	1,667	1996	2004
Maryland Heights, Missouri												
Riverport Business Park	Riverport Tower	Office	-	3,549	27,727	8,392	3,954	35,714	39,668	13,962	1991	1997
Riverport Business Park	Riverport Distribution	Industrial	-	242	2,217	1,132	242	3,349	3,591	1,210	1990	1997
Riverport Business Park	Express Scripts Service Center	Industrial	-	1,197	8,590	427	1,197	9,017	10,214	3,304	1992	1997
Riverport Business Park	13900 Riverport Drive	Office	-	2,285	9,473	721	2,285	10,194	12,479	3,446	1999	1999
Riverport Business Park	Riverport 1	Industrial	-	900	2,588	396	900	2,984	3,884	1,165	1999	1999
Riverport Business Park	Riverport 2	Industrial	-	1,238	4,152	70	1,238	4,222	5,460	1,539	2000	2000
	Riverport III	Industrial	-	1,269	1,982	2,223	1,269	4,205	5,474	1,392	2001	2001

Riverport Business Park												
Riverport Business Park	Riverport IV	Industrial	-	1,864	3,362	1,586	1,864	4,948	6,812	898	2007	2007
McDonough, Georgia												
Liberty Distribution Center	120 Declaration Drive	Industrial	-	615	8,377	350	615	8,727	9,342	2,513	1997	1999
Liberty Distribution Center	250 Declaration Drive	Industrial	22,248	2,273	13,225	2,438	2,312	15,624	17,936	4,854	2001	2001
Melrose Park, Illinois												
O'Hare International Ctr	Melrose Business Center	Industrial	-	5,907	17,398	-	5,907	17,398	23,305	112	2000	2010
Mendota Heights, Minnesota												
Enterprise Industrial Center	Enterprise Industrial Center	Industrial	337	864	4,924	697	888	5,597	6,485	1,961	1979	1997
Mishawaka, Indiana												
SJRMC Edison Lakes MOB	SJRMC Edison Lakes MOB	Medical Office	-	-	31,955	2,860	42	34,773	34,815	1,428	2009	2009
Moosic, Pennsylvania												
Not Applicable	Shoppes at Montage	Retail	-	21,347	39,006	306	21,347	39,312	60,659	7,398	2007	2009
Morgans Point, Texas												
Not Applicable	Barbours Cut I	Industrial	-	1,482	8,209	-	1,482	8,209	9,691	-	2004	2010
Not Applicable	Barbours Cut II	Industrial	-	1,447	8,471	-	1,447	8,471	9,918	-	2005	2010
Morrisville, North Carolina												
Perimeter Park	507 Airport Blvd	Industrial	-	1,327	7,353	1,778	1,351	9,107	10,458	2,751	1993	1999
Perimeter Park	5151 McCrimmon Pkwy	Office	-	1,318	7,090	2,065	1,342	9,131	10,473	2,815	1995	1999
Perimeter Park	2600 Perimeter Park Dr	Industrial	-	975	5,177	1,143	991	6,304	7,295	1,975	1997	1999
Perimeter Park	5150 McCrimmon Pkwy	Industrial	-	1,739	12,130	1,698	1,773	13,794	15,567	4,070	1998	1999
Perimeter Park	2400 Perimeter Park Drive	Office	-	760	5,512	1,314	778	6,808	7,586	2,046	1999	1999
Perimeter Park	3000 Perimeter Park Dr (Met 1)	Industrial	205	482	2,466	1,330	491	3,787	4,278	1,163	1989	1999
Perimeter Park	2900 Perimeter Park Dr (Met 2)	Industrial	163	235	1,882	1,280	264	3,133	3,397	1,017	1990	1999
Perimeter Park	2800 Perimeter Park Dr (Met 3)	Industrial	316	777	4,720	1,047	843	5,701	6,544	1,789	1992	1999
Perimeter Park	1100 Perimeter Park Drive	Industrial	-	777	5,581	1,322	794	6,886	7,680	2,073	1990	1999
Perimeter Park	1500 Perimeter Park Drive	Office	-	1,148	10,086	1,121	1,177	11,178	12,355	3,101	1996	1999
Perimeter Park	1600 Perimeter Park Drive	Office	-	1,463	9,463	2,310	1,513	11,723	13,236	3,858	1994	1999
Perimeter Park	1800 Perimeter Park Drive	Office	-	907	5,513	1,750	993	7,177	8,170	2,321	1994	1999
Perimeter Park	2000 Perimeter Park Drive	Office	-	788	5,293	1,081	842	6,320	7,162	2,186	1997	1999
Perimeter Park	1700 Perimeter Park Drive	Office	-	1,230	10,754	2,819	1,260	13,543	14,803	4,642	1997	1999

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Development	**Name**	**Building Type**	**Encumbrances**	**Land**	**Buildings**	**Acquisition**	**Land/Land Imp**	**Bldgs/TI**	**Total(1)**	**Accumulated Depreciation (2)**	**Constructed/ Renovated**	**Year Acquired**
Perimeter Park	5200 East Paramount	Office	-	1,748	14,291	1,320	1,797	15,562	17,359	4,432	1999	1999
Perimeter Park	2700 Perimeter Park	Industrial	-	662	1,831	1,894	662	3,725	4,387	1,144	2001	2001
Perimeter Park	5200 West Paramount	Office	-	1,831	12,608	1,503	1,831	14,111	15,942	4,725	2001	2001
Perimeter Park	2450 Perimeter Park Drive	Office	-	669	2,259	3	669	2,262	2,931	514	2002	2002
Perimeter Park	3800 Paramount Parkway	Office	-	2,657	7,271	3,240	2,657	10,511	13,168	3,025	2006	2006
Perimeter Park	Lenovo BTS I	Office	-	1,439	16,961	1,509	1,439	18,470	19,909	3,612	2006	2006
Perimeter Park	Lenovo BTS II	Office	-	1,725	16,809	1,989	1,725	18,798	20,523	3,277	2007	2007
Perimeter Park	5221 Paramount Parkway	Office	-	1,661	14,086	2,172	1,661	16,258	17,919	1,503	2008	2008
Perimeter Park	2250 Perimeter Park	Office	-	2,290	6,981	2,431	2,290	9,412	11,702	1,532	2008	2008
Perimeter Park	Perimeter One	Office	-	5,880	13,605	9,253	5,880	22,858	28,738	4,883	2007	2007
Perimeter Park	Market at Perimeter Park-Bld A	Retail	-	1,149	1,708	155	1,149	1,863	3,012	155	2009	2009
Woodlake Center	100 Innovation Avenue (Woodlk)	Industrial	-	633	3,748	656	633	4,404	5,037	1,322	1994	1999
Woodlake Center	101 Innovation Ave(Woodlk III)	Industrial	-	615	3,971	148	615	4,119	4,734	1,187	1997	1999
Woodlake Center	200 Innovation Drive	Industrial	-	357	4,121	146	357	4,267	4,624	1,294	1999	1999
Woodlake Center	501 Innovation Ave.	Industrial	-	640	5,589	176	640	5,765	6,405	1,640	1999	1999
Woodlake Center	1000 Innovation (Woodlk 6)	Industrial	-	514	2,927	174	514	3,101	3,615	693	1996	2002
Woodlake Center	1200 Innovation (Woodlk 7)	Industrial	-	740	4,416	265	740	4,681	5,421	1,040	1996	2002
Woodlake Center	Woodlake VIII	Industrial	-	908	1,517	339	908	1,856	2,764	824	2004	2004
Murfreesboro, Tennessee												
Middle Tenn Med Ctr - MOB	Middle Tenn Med Ctr - MOB	Medical Office	-	-	20,564	3,994	7	24,551	24,558	1,947	2008	2008
Naperville, Illinois												
Meridian Business Campus	1835 Jefferson	Industrial	-	3,180	7,959	5	3,184	7,960	11,144	1,793	2005	2003
I-88 West Suburban	175 Ambassador Drive	Industrial	-	4,778	11,252	-	4,778	11,252	16,030	-	2006	2010
Nashville, Tennessee												

Airpark East	Airpark East-800 Commerce Dr.	Industrial	2,707	1,564	2,617	947	1,564	3,564	5,128	804	2002	2002
Lakeview Place	Three Lakeview	Office	-	2,126	11,248	3,442	2,126	14,690	16,816	4,652	1999	1999
Lakeview Place	One Lakeview Place	Office	-	2,046	10,755	(3,048)	2,123	7,630	9,753	4,022	1986	1998
Lakeview Place	Two Lakeview Place	Office	-	2,046	11,375	(3,457)	2,046	7,918	9,964	4,468	1988	1998
Riverview Business Center	Riverview Office Building	Office	-	847	5,431	1,712	847	7,143	7,990	2,325	1983	1999
Nashville Business Center	Nashville Business Center I	Industrial	-	936	5,943	1,224	936	7,167	8,103	2,096	1997	1999
Nashville Business Center	Nashville Business Center II	Industrial	-	5,659	10,206	845	5,659	11,051	16,710	2,864	2005	2005
Four-Forty Business Center	Four-Forty Business Center I	Industrial	-	938	6,454	115	938	6,569	7,507	1,894	1997	1999
Four-Forty Business Center	Four-Forty Business Center III	Industrial	-	1,812	7,325	1,208	1,812	8,533	10,345	2,405	1998	1999
Four-Forty Business Center	Four-Forty Business Center IV	Industrial	-	1,522	5,365	615	1,522	5,980	7,502	1,770	1997	1999
Four-Forty Business Center	Four-Forty Business Center V	Industrial	-	471	2,335	699	471	3,034	3,505	885	1999	1999
Four-Forty Business Center	Four-Forty Business Center II	Industrial	3,193	1,108	4,829	-	1,108	4,829	5,937	-	1996	2010
New Albany, Ohio												
New Albany	6525 West Campus Oval	Office	-	842	3,572	2,460	881	5,993	6,874	1,853	1999	1999
Niles, Illinois												
Howard 220	Howard 220	Industrial	9,544	4,920	3,400	9,616	7,761	10,175	17,936	2,230	2008	2004
Norcross, Georgia												
Gwinnett Park	1835 Shackleford Court	Office	-	29	5,591	(1,708)	29	3,883	3,912	1,901	1990	1999
Norfolk, Virginia												
Norfolk Industrial Park	1400 Sewells Point Road	Industrial	2,432	1,463	5,723	417	1,463	6,140	7,603	654	1983	2007
Northlake, Illinois												
Northlake 1 Park	Northlake I	Industrial	10,318	5,721	9,963	835	5,721	10,798	16,519	2,586	2002	2002
Northlake Distribution Park	Northlake III-Grnd Whse	Industrial	6,982	5,382	5,708	253	5,382	5,961	11,343	1,330	2006	2006
North Olmsted, Ohio												
Great Northern Corporate Ctr.	Great Northern Corp Center I	Office	-	1,048	6,457	2,859	1,040	9,324	10,364	3,470	1985	1996
Great Northern Corporate Ctr.	Great Northern Corp Center II	Office	-	1,048	6,447	3,033	1,048	9,480	10,528	3,529	1987	1996
Great Northern Corporate Ctr.	Great Northern Corp Center III	Office	-	604	4,668	822	604	5,490	6,094	1,679	1999	1999
Oak Brook, Illinois												
2000 York Road	2000 York Road	Office	-	2,625	15,825	377	2,625	16,202	18,827	11,783	1986	2005

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Orlando, Florida												
Liberty Park at Southcenter	Southcenter I-Brede/Allied BTS	Industrial	-	3,094	3,867	29	3,094	3,896	6,990	1,456	2003	2003
Parksouth Distribution Center	Parksouth Distribution Ctr. B	Industrial	-	565	4,871	550	570	5,416	5,986	1,803	1996	1999
Parksouth Distribution Center	Parksouth Distribution Ctr. A	Industrial	-	493	4,340	275	498	4,610	5,108	1,321	1997	1999
Parksouth Distribution Center	Parksouth Distribution Ctr. D	Industrial	-	593	4,075	549	597	4,620	5,217	1,343	1998	1999
Parksouth Distribution Center	Parksouth Distribution Ctr. E	Industrial	-	649	4,433	623	677	5,028	5,705	1,454	1997	1999
Parksouth Distribution Center	Parksouth Distribution Ctr. F	Industrial	-	1,030	4,767	1,529	1,232	6,094	7,326	1,865	1999	1999
Parksouth Distribution Center	Parksouth Distribution Ctr. H	Industrial	-	725	3,109	225	754	3,305	4,059	911	2000	2000
Parksouth Distribution Center	Parksouth Distribution Ctr. C	Industrial	-	598	1,769	1,685	674	3,378	4,052	778	2003	2001
Parksouth Distribution Center	Parksouth-Benjamin Moore BTS	Industrial	-	708	2,070	27	1,129	1,676	2,805	582	2003	2003
Crossroads Business Park	Crossroads VII	Industrial	-	2,803	5,891	3,212	2,803	9,103	11,906	2,236	2006	2006
Crossroads Business Park	Crossroads VIII	Industrial	-	2,701	4,817	1,423	2,701	6,240	8,941	999	2007	2007
Otsego, Minnesota												
Gateway North Business Center	Gateway North 1	Industrial	-	2,243	3,959	1,244	2,287	5,159	7,446	799	2007	2007
Pembroke Pines, Florida												
Pembroke Pines	Pembroke Gardens	Retail	-	26,067	88,640	1,828	24,858	91,677	116,535	11,944	2007	2009
Phoenix, Arizona												
Not Applicable	Estrella Buckeye	Industrial	4,475	1,796	5,778	-	1,796	5,778	7,574	291	1996	2010
Plainfield, Illinois												
Edward Plainfield MOB I	Edward Plainfield MOB I	Medical Office	-	-	9,483	1,265	-	10,748	10,748	2,442	2006	2007
Plainfield, Indiana												
Plainfield Business Park	Plainfield Building 1	Industrial	15,912	1,104	11,151	425	1,104	11,576	12,680	3,385	2000	2000
Plainfield Business Park	Plainfield Building 2	Industrial	17,522	1,387	8,874	3,099	2,868	10,492	13,360	4,461	2000	2000

Plainfield Business Park	Plainfield Building 3	Industrial	17,610	2,016	9,151	2,560	2,016	11,711	13,727	2,308	2002	2002
Plainfield Business Park	Plainfield Building 5	Industrial	11,794	2,726	6,488	444	2,726	6,932	9,658	1,714	2004	2004
Plainfield Business Park	Plainfield Building 8	Industrial	21,413	4,527	11,570	1,016	4,527	12,586	17,113	2,537	2006	2006
Plano, Texas												
5556 & 5560 Tennyson Parkway	5560 Tennyson Parkway	Office	-	1,527	5,408	789	1,527	6,197	7,724	1,760	1997	1999
5556 & 5560 Tennyson Parkway	5556 Tennyson Parkway	Office	-	1,181	9,654	1,172	1,181	10,826	12,007	2,869	1999	1999
Baylor Plano MOB	Baylor Plano MOB	Medical Office	-	16	28,375	966	49	29,308	29,357	1,218	2009	2009
Plantation, Florida												
South Pointe - Broward	Royal Palm I	Office	-	10,209	30,034	-	10,209	30,034	40,243	925	2001	2010
South Pointe - Broward	Royal Palm II	Office	-	8,935	29,368	-	8,935	29,368	38,303	787	2007	2010
Plymouth, Minnesota												
Medicine Lake Indust Ctr	Medicine Lake Indus. Center	Industrial	615	1,145	5,944	1,827	1,145	7,771	8,916	2,642	1970	1997
Pompano Beach, Florida												
Atlantic Business Center	Atlantic Business Center 1	Industrial	6,806	2,181	8,997	-	2,181	8,997	11,178	-	2000	2010
Atlantic Business Center	Atlantic Business Center 2	Industrial	5,781	1,959	8,082	-	1,959	8,082	10,041	-	2001	2010
Atlantic Business Center	Atlantic Business Center 3	Industrial	6,125	2,076	8,563	-	2,076	8,563	10,639	-	2001	2010
Atlantic Business Center	Atlantic Business Center 4A	Industrial	4,113	1,325	5,464	-	1,325	5,464	6,789	-	2002	2010
Atlantic Business Center	Atlantic Business Center 4B	Industrial	4,696	1,356	5,595	-	1,356	5,595	6,951	-	2002	2010
Atlantic Business Center	Atlantic Business Center 5A	Industrial	4,623	1,489	6,141	-	1,489	6,141	7,630	-	2002	2010
Atlantic Business Center	Atlantic Business Center 5B	Industrial	4,821	1,552	6,404	-	1,552	6,404	7,956	-	2004	2010
Atlantic Business Center	Atlantic Business Center 6A	Industrial	4,672	1,505	6,206	-	1,505	6,206	7,711	-	2004	2010
Atlantic Business Center	Atlantic Business Center 6B	Industrial	4,730	1,523	6,283	-	1,523	6,283	7,806	-	2002	2010
Atlantic Business Center	Atlantic Business Center 7A	Industrial	3,541	1,200	4,950	-	1,200	4,950	6,150	-	2005	2010
Atlantic Business Center	Atlantic Business Center 7B	Industrial	4,582	1,553	6,406	-	1,553	6,406	7,959	-	2004	2010
Atlantic Business Center	Atlantic Business Center 8	Industrial	4,870	958	3,952	-	958	3,952	4,910	-	2005	2010
Atlantic Business Center	Atlantic Business Center 9	Industrial	3,183	627	2,585	-	627	2,585	3,212	-	2006	2010
Park Central Industrial	Copans Business Park 3	Industrial	4,786	1,072	4,499	-	1,072	4,499	5,571	-	1989	2010
		Industrial	4,115	933	3,847	-	933	3,847	4,780	-	1989	2010

Park Central Industrial	Copans Business Park 4											
Park Central Industrial	Park Central Business Park 1	Office	5,983	1,103	4,550	-	1,103	4,550	5,653	-	1985	2010
Park Central Industrial	Park Central Business Park 2	Industrial	1,258	229	963	-	229	963	1,192	-	1982	2010
Park Central Industrial	Park Central Business Park 3	Industrial	1,613	297	1,227	-	297	1,227	1,524	-	1982	2010
Park Central Industrial	Park Central Business Park 4	Industrial	1,940	358	1,475	-	358	1,475	1,833	-	1985	2010
Park Central Industrial	Park Central Business Park 5	Industrial	2,550	470	1,939	-	470	1,939	2,409	-	1986	2010
Park Central Industrial	Park Central Business Park 6	Industrial	2,175	401	1,654	-	401	1,654	2,055	-	1986	2010
Park Central Industrial	Park Central Business Park 7	Industrial	2,161	398	1,643	-	398	1,643	2,041	-	1986	2010
Park Central Industrial	Park Central Business Park 10	Industrial	3,544	673	2,776	-	673	2,776	3,449	-	1999	2010

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(in thousands)

				Initial Cost		Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value 12/31/10				Year	
Development	**Name**	**Building Type**	**Encumbrances**	**Land**	**Buildings**		**Land/Land Imp**	**Bldgs/TI**	**Total(1)**	**Accumulated Depreciation (2)**	**Constructed/ Renovated**	**Year Acquired**
Park Central Industrial	Park Central Business Park 11	Industrial	6,539	1,242	5,123	-	1,242	5,123	6,365	-	1995	2010
Pompano Commerce Center	Pompano Commerce Ctr I	Industrial	-	3,250	4,384	-	3,250	4,384	7,634	148	2010	2010
Pompano Commerce Center	Pompano Commerce Ctr III	Industrial	-	3,250	4,384	-	3,250	4,384	7,634	148	2010	2010
Sample 95	Sample 95 Business Park 1	Industrial	7,458	1,811	7,472	-	1,811	7,472	9,283	-	1999	2010
Sample 95	Sample 95 Business Park 4	Industrial	-	1,198	4,940	-	1,198	4,940	6,138	-	1999	2010
Atlantic Business Center	Atlantic Business Ctr. 10-KFC	Grounds	-	772	-	-	772	-	772	-	n/a	2010
Port Wentworth, Georgia												
Grange Road	318 Grange Road	Industrial	2,059	957	4,231	58	957	4,289	5,246	635	2001	2006
Grange Road	246 Grange Road	Industrial	5,572	1,191	8,294	7	1,191	8,301	9,492	1,363	2006	2006
Crossroads (Savannah)	100 Ocean Link Way-Godley Rd	Industrial	10,023	2,306	13,389	81	2,336	13,440	15,776	2,019	2006	2006
Crossroads (Savannah)	500 Expansion Blvd	Industrial	4,266	649	6,282	17	649	6,299	6,948	558	2006	2008
Crossroads (Savannah)	400 Expansion Blvd	Industrial	9,682	1,636	14,506	9	1,636	14,515	16,151	1,271	2007	2008
Crossroads (Savannah)	605 Expansion Blvd	Industrial	5,705	1,615	7,456	25	1,615	7,481	9,096	679	2007	2008
Crossroads (Savannah)	405 Expansion Blvd	Industrial	2,145	535	3,543	-	535	3,543	4,078	286	2008	2009
Crossroads (Savannah)	600 Expansion Blvd	Industrial	6,141	1,248	10,387	-	1,248	10,387	11,635	817	2008	2009
Crossroads (Savannah)	602 Expansion Blvd	Industrial	-	1,840	12,181	8	1,840	12,189	14,029	733	2009	2009
Raleigh, North Carolina												
Brook Forest	Brook Forest I	Office	-	1,242	4,644	1,258	1,242	5,902	7,144	1,633	2000	2000
Centerview	5540 Centerview Drive	Office	-	773	5,909	1,580	773	7,489	8,262	1,987	1986	2003
Centerview	5565 Centerview Drive	Office	-	513	4,610	789	513	5,399	5,912	1,342	1999	2003
Crabtree Overlook	Crabtree Overlook	Office	-	2,164	15,288	424	2,164	15,712	17,876	3,774	2001	2001
Interchange Plaza	801 Jones Franklin Road	Office	-	1,351	7,477	1,023	1,351	8,500	9,851	2,723	1995	1999
		Office	-	842	3,824	725	842	4,549	5,391	1,314	1993	1999

Interchange Plaza	5520 Capital Center Drive										
Walnut Creek	Walnut Creek Business Park #1	Industrial	-	419	2,084	582	442	2,643	3,085	857	2001	2001
Walnut Creek	Walnut Creek Business Park #2	Industrial	-	456	3,143	312	487	3,424	3,911	1,403	2001	2001
Walnut Creek	Walnut Creek Business Park #3	Industrial	-	679	3,284	1,244	719	4,488	5,207	1,150	2001	2001
Walnut Creek	Walnut Creek IV	Industrial	-	2,038	2,152	1,452	2,083	3,559	5,642	1,431	2004	2004
Walnut Creek	Walnut Creek V	Industrial	-	1,718	3,302	602	1,718	3,904	5,622	642	2008	2008
Romeoville, Illinois												
Park 55	Park 55 Bldg. 1	Industrial	9,647	6,433	8,408	949	6,433	9,357	15,790	2,659	2005	2005
Crossroads Business Park	Crossroads 2	Industrial	-	2,938	9,578	-	2,938	9,578	12,516	195	1999	2010
Crossroads Business Park	Crossroads 5	Industrial	-	5,296	6,403	-	5,296	6,403	11,699	328	2009	2010
Rosemont, Illinois												
O Hare International Ctr	O Hare International Ctr I	Office	-	7,700	23,672	1,384	7,700	25,056	32,756	4,818	1984	2005
O'Hare International Ctr	O'Hare International Ctr II	Office	-	8,103	31,844	4,134	8,103	35,978	44,081	12,647	1987	2005
Riverway	Riverway East	Office	15,552	13,853	25,400	2,689	13,853	28,089	41,942	6,127	1987	2005
Riverway	Riverway West	Office	19,217	3,294	39,063	5,800	3,294	44,863	48,157	13,599	1989	2005
Riverway	Riverway Central	Office	29,786	4,229	66,544	8,979	4,229	75,523	79,752	18,530	1989	2005
Riverway	Riverway MW II (Ground Lease)	Grounds	-	586	-	-	586	-	586	-	n/a	2007
Sandy Springs, Georgia												
Center Pointe Medical I and II	Center Pointe I and II	Medical Office	-	9,697	29,098	17,676	9,697	46,774	56,471	13,921	2010	2007
Savannah, Georgia												
Gulfstream Road	198 Gulfstream	Industrial	5,559	549	3,805	154	549	3,959	4,508	514	1997	2006
Gulfstream Road	194 Gulfstream	Industrial	522	412	2,514	15	412	2,529	2,941	335	1998	2006
Gulfstream Road	190 Gulfstream	Industrial	1,355	689	4,916	-	689	4,916	5,605	880	1999	2006
Grange Road	250 Grange Road	Industrial	3,533	928	8,648	7	928	8,655	9,583	1,386	2002	2006
Grange Road	248 Grange Road	Industrial	1,505	664	3,496	8	664	3,504	4,168	567	2002	2006
SPA Park	80 Coleman Blvd.	Industrial	1,526	782	2,962	-	782	2,962	3,744	403	2002	2006
Crossroads (Savannah)	163 Portside Court	Industrial	21,201	8,433	8,366	20	8,433	8,386	16,819	2,384	2004	2006
Crossroads (Savannah)	151 Portside Court	Industrial	2,911	966	7,155	35	966	7,190	8,156	910	2003	2006
Crossroads (Savannah)	175 Portside Court	Industrial	12,443	4,300	15,696	61	4,301	15,756	20,057	2,905	2005	2006
Crossroads (Savannah)	150 Portside Court	Industrial	7,834	3,071	23,001	788	3,071	23,789	26,860	4,005	2001	2006
Crossroads (Savannah)	235 Jimmy Deloach Parkway	Industrial	2,855	1,074	8,442	37	1,074	8,479	9,553	1,361	2001	2006
Crossroads (Savannah)	239 Jimmy Deloach Parkway	Industrial	2,468	1,074	7,141	37	1,074	7,178	8,252	1,165	2001	2006
Crossroads (Savannah)	246 Jimmy Deloach	Industrial	3,386	992	5,383	14	992	5,397	6,389	887	2006	2006

	Parkway											
Port of Savannah	276 Jimmy Deloach Land	Grounds	-	2,267	-	-	2,267	-	2,267	220	n/a	2006
Crossroads (Savannah)	200 Ocean Link Way	Industrial	6,453	878	10,021	14	883	10,030	10,913	1,018	2006	2008
Sea Brook, Texas												
Not Applicable	Bayport Logistics Center	Industrial	-	2,629	13,284	-	2,629	13,284	15,913	-	2009	2010

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December 31, 2010
(in thousands)

Development	Name	Building Type	Encumbrances	Initial Cost Land	Initial Cost Buildings	Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value 12/31/10 Land/Land Imp	Gross Book Value 12/31/10 Bldgs/TI	Gross Book Value 12/31/10 Total(1)	Accumulated Depreciation (2)	Year Constructed/ Renovated	Year Acquired
Seven Hills, Ohio												
Rock Run Business Campus	Rock Run North	Office	-	837	5,307	(2,192)	960	2,992	3,952	2,345	1984	1996
Rock Run Business Campus	Rock Run Center	Office	-	1,046	6,533	(2,955)	1,169	3,455	4,624	2,913	1985	1996
Sharonville, Ohio												
Mosteller Distribution Center	Mosteller Distribution Ctr. I	Industrial	-	1,275	5,209	3,550	1,275	8,759	10,034	3,906	1996	1996
Mosteller Distribution Center	Mosteller Distribution Ctr. II	Industrial	-	828	4,060	1,598	828	5,658	6,486	2,602	1997	1997
St. Louis Park, Minnesota												
The West End	1600 Tower	Office	-	2,321	26,928	6,867	2,516	33,600	36,116	9,803	2000	2000
The West End	MoneyGram Tower	Office	-	3,039	34,757	7,080	3,033	41,843	44,876	13,035	1987	1999
Minneapolis West	Chilies Ground Lease	Grounds	-	921	-	157	1,078	-	1,078	53	n/a	1998
Minneapolis West	Olive Garden Ground Lease	Grounds	-	921	-	114	1,035	-	1,035	61	n/a	1998
St. Louis, Missouri												
Lakeside Crossing	Lakeside Crossing Building One	Industrial	-	596	1,572	527	480	2,215	2,695	915	2002	2002
Lakeside Crossing	Lakeside Crossing Building II	Industrial	-	783	1,964	20	782	1,985	2,767	1,019	2003	2003
Lakeside Crossing	Lakeside Crossing Building III	Industrial	-	1,905	3,986	360	1,623	4,628	6,251	1,408	2002	2002
Lakeside Crossing	Lakeside Crossing V	Office	-	750	1,130	17	750	1,147	1,897	351	2004	2004
Lakeside Crossing	Lakeside Crossing Building VI	Industrial	-	1,079	2,125	2,298	1,333	4,169	5,502	2,132	2002	2002
Laumeier Office Park	Laumeier I	Office	-	1,384	8,326	4,603	1,220	13,093	14,313	4,962	1987	1995
Laumeier Office Park	Laumeier II	Office	-	1,421	9,065	2,506	1,258	11,734	12,992	5,127	1988	1995
Laumeier Office Park	Laumeier IV	Office	-	1,029	6,493	1,489	1,029	7,982	9,011	2,832	1987	1998
Maryville Center	530 Maryville Centre	Office	-	2,219	14,214	3,105	2,219	17,319	19,538	6,069	1990	1997
Maryville Center	550 Maryville Centre	Office	-	1,996	12,447	2,338	1,996	14,785	16,781	5,627	1988	1997
Maryville Center	635-645 Maryville Centre	Office	-	3,048	17,522	3,042	3,048	20,564	23,612	7,348	1987	1997

Maryville Center	655 Maryville Centre	Office	-	1,860	13,067	2,319	1,860	15,386	17,246	5,265	1994	1997
Maryville Center	540 Maryville Centre	Office	-	2,219	13,842	2,347	2,219	16,189	18,408	6,003	1990	1997
Maryville Center	520 Maryville Centre	Office	-	2,404	14,004	1,395	2,404	15,399	17,803	4,872	1999	1999
Maryville Center	625 Maryville Centre	Office	-	2,509	10,956	618	2,509	11,574	14,083	3,370	1996	2002
Westport Place	Westport Center I	Industrial	-	1,707	5,040	920	1,707	5,960	7,667	2,618	1998	1998
Westport Place	Westport Center II	Industrial	-	914	1,924	425	914	2,349	3,263	967	1998	1998
Westport Place	Westport Center III	Industrial	-	1,206	2,651	841	1,206	3,492	4,698	1,248	1999	1999
Westport Place	Westport Center V	Industrial	-	493	1,274	74	493	1,348	1,841	456	2000	2000
Westport Place	Westport Place	Office	-	1,990	5,478	2,138	1,990	7,616	9,606	3,108	2000	2000
Westmark	Westmark	Office	-	1,497	9,173	2,409	1,342	11,737	13,079	4,747	1987	1995
Westview Place	Westview Place	Office	-	669	7,544	4,276	669	11,820	12,489	5,073	1988	1995
Woodsmill Commons	Woodsmill Commons II (400)	Office	-	1,718	7,663	852	1,718	8,515	10,233	2,256	1985	2003
Woodsmill Commons	Woodsmill Commons I (424)	Office	-	1,836	7,109	1,276	1,836	8,385	10,221	2,096	1985	2003
Stafford, Texas												
Stafford	Stafford Distribution Center	Industrial	-	3,502	5,433	2,954	3,502	8,387	11,889	1,403	2008	2008
Sterling, Virginia												
TransDulles Centre	22800 Davis Drive	Office	-	2,550	11,250	110	2,550	11,360	13,910	1,574	1989	2006
TransDulles Centre	22714 Glenn Drive	Industrial	-	3,973	4,422	1,015	3,973	5,437	9,410	976	2007	2007
Suffolk, Virginia												
Northgate Commerce Park	101 Industrial Drive, Bldg. A	Industrial	-	1,558	8,230	(21)	1,558	8,209	9,767	713	2007	2007
Northgate Commerce Park	103 Industrial Drive	Industrial	-	1,558	8,230	-	1,558	8,230	9,788	714	2007	2007
Sumner, Washington												
Not Applicable	Sumner Transit	Industrial	17,117	16,032	5,935	276	16,032	6,211	22,243	1,330	2005	2007
Sunrise, Florida												
Sawgrass Pointe	Sawgrass - Building B	Office	-	1,211	4,693	1,394	1,211	6,087	7,298	1,947	1999	2001
Sawgrass Pointe	Sawgrass - Building A	Office	-	1,147	3,875	165	1,147	4,040	5,187	1,027	2000	2001
Sawgrass Pointe	Sawgrass Pointe I	Office	-	3,484	21,132	8,479	3,484	29,611	33,095	9,369	2002	2002
Sawgrass Pointe	Sawgrass Pointe II	Office	-	3,481	11,973	(85)	3,481	11,888	15,369	1,698	2009	2009

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Duke Realty Corporation **Schedule III**
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December 31, 2010
(in thousands)

				Initial Cost		Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value 12/31/10					
Development	**Name**	**Building Type**	**Encumbrances**	**Land**	**Buildings**		**Land/Land Imp**	**Bldgs/TI**	**Total(1)**	**Accumulated Depreciation (2)**	**Year Constructed/ Renovated**	**Year Acquired**
Suwanee, Georgia												
Horizon Business Center	90 Horizon Drive	Industrial	-	180	1,247	-	180	1,247	1,427	24	2001	2010
Horizon Business Center	225 Horizon Drive	Industrial	-	457	2,077	-	457	2,077	2,534	43	1990	2010
Horizon Business Center	250 Horizon Drive	Industrial	-	1,625	5,870	-	1,625	5,870	7,495	161	1997	2010
Horizon Business Center	70 Crestridge Drive	Industrial	-	956	3,600	-	956	3,600	4,556	91	1998	2010
Horizon Business Center	2780 Horizon Ridge	Industrial	-	1,143	5,723	-	1,143	5,723	6,866	126	1997	2010
Horizon Business Center	2800 Vista Ridge Drive	Industrial	-	1,557	2,625	-	1,557	2,625	4,182	108	1995	2010
Horizon Business Center	25 Crestridge Drive	Industrial	-	723	2,439	-	723	2,439	3,162	52	1999	2010
Horizon Business Center	Genera Corp. BTS	Industrial	-	1,505	4,952	-	1,505	4,952	6,457	121	2006	2010
Northbrook	1000 Northbrook Parkway	Industrial	-	756	3,322	-	756	3,322	4,078	76	1986	2010
Tampa, Florida												
Fairfield Distribution Center	Fairfield Distribution Ctr I	Industrial	-	483	2,621	124	487	2,741	3,228	834	1998	1999
Fairfield Distribution Center	Fairfield Distribution Ctr II	Industrial	-	530	4,900	124	534	5,020	5,554	1,490	1998	1999
Fairfield Distribution Center	Fairfield Distribution Ctr III	Industrial	-	334	2,745	134	338	2,875	3,213	819	1999	1999
Fairfield Distribution Center	Fairfield Distribution Ctr IV	Industrial	-	600	1,711	1,274	604	2,981	3,585	952	1999	1999
Fairfield Distribution Center	Fairfield Distribution Ctr V	Industrial	-	488	2,635	263	488	2,898	3,386	792	2000	2000
Fairfield Distribution Center	Fairfield Distribution Ctr VI	Industrial	-	555	3,762	758	555	4,520	5,075	1,160	2001	2001
Fairfield Distribution Center	Fairfield Distribution Ctr VII	Industrial	-	394	1,857	758	394	2,615	3,009	623	2001	2001
Fairfield Distribution Center	Fairfield Distrib. Ctr. VIII	Industrial	-	1,082	2,071	412	1,082	2,483	3,565	636	2004	2004
Eagle Creek Business Center	Eagle Creek Business Ctr. I	Industrial	-	3,705	3,072	1,034	3,705	4,106	7,811	1,469	2006	2006
Eagle Creek Business Center	Eagle Creek Business Ctr. II	Industrial	-	2,354	2,272	969	2,354	3,241	5,595	988	2007	2007
Eagle Creek Business Center	Eagle Creek Business Ctr. III	Industrial	-	2,332	2,237	1,430	2,332	3,667	5,999	801	2007	2007

Highland Oaks	Highland Oaks I	Office	-	1,525	11,906	1,886	1,525	13,792	15,317	3,970	1999	1999
Highland Oaks	Highland Oaks II	Office	-	1,605	10,762	3,847	1,605	14,609	16,214	5,806	1999	1999
Highland Oaks	Highland Oaks III	Office	-	2,882	8,871	689	2,522	9,920	12,442	2,094	2007	2007
Highland Oaks	Highland Oaks IV	Office	-	3,068	9,962	4,066	3,068	14,028	17,096	1,286	2008	2008
Highland Oaks	Highland Oaks V	Office	-	2,412	6,524	3,421	2,412	9,945	12,357	2,437	2007	2007
Titusville, Florida												
Retail Development	Crossroads Marketplace	Retail	-	12,678	4,451	(3,034)	11,922	2,173	14,095	2,326	2007	2007
West Chester, Ohio												
Centre Pointe Office Park	Centre Pointe I	Office	-	2,501	7,554	725	2,501	8,279	10,780	1,733	2000	2004
Centre Pointe Office Park	Centre Pointe II	Office	-	2,056	8,186	305	2,056	8,491	10,547	1,718	2001	2004
Centre Pointe Office Park	Centre Pointe III	Office	-	2,048	8,089	1,247	2,048	9,336	11,384	2,134	2002	2004
Centre Pointe Office Park	Centre Pointe IV	Office	-	2,013	9,017	1,540	2,932	9,638	12,570	2,646	2005	2005
Centre Pointe Office Park	Centre Pointe VI	Office	-	2,759	8,266	3,179	2,759	11,445	14,204	1,574	2008	2008
World Park at Union Centre	World Park at Union Centre 10	Industrial	-	2,150	5,503	7,408	2,151	12,910	15,061	3,290	2006	2006
World Park at Union Centre	World Park at Union Centre 11	Industrial	-	2,592	6,936	27	2,592	6,963	9,555	2,374	2004	2004
World Park at Union Centre	World Park at Union Centre 1	Industrial	-	300	2,902	-	300	2,902	3,202	88	1998	2010
World Park at Union Centre	World Park at Union Centre 2	Industrial	-	287	2,394	-	287	2,394	2,681	63	1999	2010
World Park at Union Centre	World Park at Union Centre 3	Industrial	-	1,125	6,042	-	1,125	6,042	7,167	121	1998	2010
World Park at Union Centre	World Park at Union Centre 4	Industrial	-	335	2,085	-	335	2,085	2,420	51	1999	2010
World Park at Union Centre	World Park at Union Centre 5	Industrial	-	482	2,415	-	482	2,415	2,897	52	1999	2010
World Park at Union Centre	World Park at Union Centre 6	Industrial	-	1,219	6,268	-	1,219	6,268	7,487	124	1999	2010
World Park at Union Centre	World Park at Union Centre 7	Industrial	-	1,918	5,208	-	1,918	5,208	7,126	145	2005	2010
World Park at Union Centre	World Park at Union Centre 8	Industrial	-	1,160	6,111	-	1,160	6,111	7,271	136	1999	2010
World Park at Union Centre	World Park at Union Centre 9	Industrial	-	1,189	5,924	-	1,189	5,924	7,113	146	2001	2010
North Pointe at Union Centre	North Pointe at Union Centre I	Office	-	2,878	17,467	426	2,878	17,893	20,771	822	2010	2010
North Pointe at Union Centre	North Pointe at Union Ctr II	Office	-	2,904	16,861	286	2,904	17,147	20,051	657	2010	2010
West Jefferson, Ohio												
Park 70 at West Jefferson	Restoration Hardware BTS	Industrial	-	6,454	24,812	2,443	6,510	27,199	33,709	2,922	2008	2008
West Palm Beach, Florida												
Duke Realty Park of Commerce	Park of Commerce 1	Industrial	-	626	2,583	-	626	2,583	3,209	-	2010	2010
Duke Realty Park of Commerce	Park of Commerce 3	Industrial	-	1,085	4,475	-	1,085	4,475	5,560	-	2010	2010
Duke Realty Airport Center	Airport Center 1	Industrial	5,527	1,595	6,580	-	1,595	6,580	8,175	-	2002	2010
Duke Realty Airport Center	Airport Center 2	Industrial	3,966	1,166	4,809	-	1,166	4,809	5,975	-	2002	2010
		Industrial	3,988	1,136	4,685	-	1,136	4,685	5,821	-	2002	2010

Duke Realty Airport Center	Airport Center 3

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Development	Name	Building Type	Encumbrances	Initial Cost: Land	Initial Cost: Buildings	Cost Capitalized Subsequent to Development or Acquisition	Gross Book Value 12/31/10: Land/Land Imp	Gross Book Value 12/31/10: Bldgs/TI	Gross Book Value 12/31/10: Total(1)	Accumulated Depreciation (2)	Year Constructed/ Renovated	Year Acquired
Westmont, Illinois												
Oakmont Corporate Center	Oakmont Tech Center	Office	-	1,501	8,554	2,535	1,703	10,887	12,590	4,079	1989	1998
Weston, Florida												
Weston Pointe	Weston Pointe I	Office	-	2,580	9,431	2,058	2,580	11,489	14,069	2,634	1999	2003
Weston Pointe	Weston Pointe II	Office	-	2,183	10,752	2,110	2,183	12,862	15,045	3,111	2000	2003
Weston Pointe	Weston Pointe III	Office	-	2,183	11,531	757	2,183	12,288	14,471	2,715	2001	2003
Weston Pointe	Weston Pointe IV	Office	-	3,349	10,686	3,210	3,349	13,896	17,245	3,951	2006	2006
Zionsville, Indiana												
Anson	Marketplace at Anson	Retail	-	2,147	2,727	2,078	2,147	4,805	6,952	755	2007	2007
	Accum. Depr. on Improvements of Undeveloped Land									9,273		
	Eliminations					240	1,009	(769)	240	(1,988)		
			1,065,628	1,208,036	5,051,925	772,928	1,234,124	5,798,765	7,032,889	1,406,437		

(1) The tax basis (in thousands) of our real estate assets at 12/31/10 was approximately $7,208,536 for federal income tax purposes.
(2) Depreciation of real estate is computed using the straight-line method over 40 years for buildings and 15 years for land improvements for properties that we develop, 30 years for buildings and 10 years for land improvements for properties that we acquire, and shorter periods based on lease terms (generally 3 to 10 years) for tenant improvements.

	Real Estate Assets 2010	Real Estate Assets 2009	Real Estate Assets 2008	Accumulated Depreciation 2010	Accumulated Depreciation 2009	Accumulated Depreciation 2008
Balance at beginning of year	$ 6,390,119	$ 6,297,922	$ 5,765,747	$ 1,311,733	$ 1,167,113	$ 990,280
Acquisitions	449,530	29,726	56,304	-	-	-
Construction costs and tenant improvements	162,301	307,157	812,084	-	-	-
Depreciation expense	-	-	-	271,058	266,803	246,440
Consolidation of previously unconsolidated properties	530,573	176,038	85,201	-	-	-
	7,532,523	6,810,843	6,719,336	1,582,791	1,433,916	1,236,720
Deductions during year:						
Cost of real estate sold or contributed	(421,325)	(258,854)	(367,922)	(97,699)	(32,087)	(16,115)

Impairment Allowance	-	(71,774)	-	-	-	-
Write-off of fully amortized assets	(78,309)	(90,096)	(53,492)	(78,655)	(90,096)	(53,492)
Balance at end of year	$ 7,032,889	$ 6,390,119	$ 6,297,922	$ 1,406,437	$ 1,311,733	$ 1,167,113

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SIGNATURES

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

DUKE REALTY CORPORATION

February 25, 2011

By: /s/ Dennis D. Oklak
Dennis D. Oklak
Chairman and Chief Executive Officer

By: /s/ Christie B. Kelly
Christie B. Kelly
Executive Vice President and Chief Financial Officer

By: /s/ Mark A. Denien
Mark A. Denien
Senior Vice President and Chief Accounting Officer

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

Signature	Date	Title
/s/ Thomas J. Baltimore, Jr.* Thomas J. Baltimore, Jr.	1/26/11	Director
/s/ Barrington H. Branch* Barrington H. Branch	1/26/11	Director
/s/ Geoffrey Button* Geoffrey Button	1/26/11	Director
/s/ William Cavanaugh III* William Cavanaugh III	1/26/11	Director
/s/ Ngaire E. Cuneo* Ngaire E. Cuneo	1/26/11	Director
/s/ Charles R. Eitel* Charles R. Eitel	1/26/11	Director
/s/ Dr. Martin C. Jischke* Dr. Martin C. Jischke	1/26/11	Director

/s/ Jack R. Shaw* Jack R. Shaw	1/26/11	Director

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/s/ Lynn C. Thurber* Lynn C. Thurber	1/26/11	Director
/s/ Robert J. Woodward, Jr.* Robert J. Woodward, Jr.*	1/26/11	Director

* By Dennis D. Oklak, Attorney-in-Fact /s/ Dennis D. Oklak

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