

DCT 300-330 Corporate Drive LLC

Form S-4/A

April 22, 2014

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**As filed with the Securities and Exchange Commission on April 21, 2014**

**Registration No. 333-195185**

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

**Amendment No. 2**

**to**

**FORM S-4**

**REGISTRATION STATEMENT**

***UNDER***

***THE SECURITIES ACT OF 1933***

**DCT INDUSTRIAL OPERATING PARTNERSHIP LP**

**(Exact Name of Registrant as specified in its charter)**

**See Table of Registrant Guarantors for information regarding additional Registrants**

<b>Delaware</b> (State or other jurisdiction of incorporation or organization)	<b>6798</b> (Primary Standard Industrial Classification Code Number)	<b>82-0538522</b> (I.R.S. Employer Identification Number)
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**518 17<sup>th</sup> Street, Suite 800**

**Denver, Colorado 80202**

**(303) 597-2400**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Philip L. Hawkins**

**Chief Executive Officer**

**518 17<sup>th</sup> Street, Suite 800**

**Denver, Colorado 80202**

**(303) 597-2400**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

*Copies to:*

**Ettore A. Santucci, Esq.**

**Daniel P. Adams, Esq.**

**Goodwin Procter LLP**

**Exchange Place**

**Boston, Massachusetts 02109**

**Approximate date of commencement of proposed exchange offer: As soon as practicable after this Registration Statement is declared effective.**

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If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Registrants and Co-Registrants (other than DCT Industrial Trust Inc.):

Large accelerated filer "	Accelerated filer "	Non-accelerated filer x (Do not check if smaller reporting company)	Smaller reporting company "
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DCT Industrial Trust Inc. (a Co-Registrant):

Large accelerated filer x	Accelerated filer "	Non-accelerated filer " (Do not check if smaller reporting company)	Smaller reporting company "
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If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) "

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) "

**Table of Contents****TABLE OF ADDITIONAL REGISTRANT GUARANTORS**

<b>Exact Name of Registrant Guarantor as Specified in its Charter<sup>(1)</sup></b>	<b>State or Other Jurisdiction of Incorporation or Organization</b>	<b>Primary Standard Industry Classification Code Number</b>	<b>I.R.S. Employer Identification Number</b>
DCT Industrial Trust Inc.	Maryland	6798	82-0538520
DCT MISSION STREET, LLC	Delaware	6798	26-3227968
DCT AZ 2004 RN PORTFOLIO L LLC	Delaware	6798	20-1644748
DCT AZ 2004 RN PORTFOLIO U LLC	Delaware	6798	20-1644668
DCT GA 2004 RN PORTFOLIO L LLC	Delaware	6798	20-1650153
DCT GA 2004 RN PORTFOLIO U LLC	Delaware	6798	20-1650220
DCT 30TH TERRACE LLC	Delaware	6798	27-4286977
DCT 101 RRNJ LLC	Delaware	6798	27-4633259
DCT 1045 Greens Parkway LLC	Delaware	6798	45-3812365
DCT 11180 RANCH LLC	Delaware	6798	26-3810815
DCT 11400 NW LLC	Delaware	6798	45-5530225
DCT 1201 PERRY LLC	Delaware	6798	26-1114666
DCT 5800 Coliseum LLC	Delaware	6798	46-1425501
DCT 700 Milwaukee LLC	Delaware	6798	46-0833670
DCT 230 JOHNSON ROAD LLC	Delaware	6798	46-2380898
DCT 309 JOHNSON ROAD LLC	Delaware	6798	46-2374500
DCT 4800 Central LLC	Delaware	6798	46-2615632
DCT AIR CENTER LLC	Delaware	6798	27-3835403
DCT AIRPORT DRIVE LLC	Delaware	6798	27-4286921
DCT Airtex LLC	Delaware	6798	45-3931595
DCT Airtex II LLC	Delaware	6798	46-2460413
DCT Alpine Way LLC	Delaware	6798	46-2959146
DCT Antoine Beltway LLC	Delaware	6798	45-2936049
DCT Arthur Avenue LLC	Delaware	6798	45-4060321
DCT BLACKHAWK CENTER LLC	Delaware	6798	20-2727819
DCT BECKLEY LLC	Delaware	6798	27-3360504
DCT BOBALI DRIVE LLC	Delaware	6798	20-5714120
DCT Boldt Park LLC	Delaware	6798	45-4771151
DCT BOLLMAN MD LLC	Delaware	6798	20-5000149
DCT BYRON ROAD LLC	Delaware	6798	45-1602154
DCT Center Avenue LLC	Delaware	6798	45-4696538
DCT CHINO LLC	Delaware	6798	27-4630933
DCT Claymoore LLC	Delaware	6798	45-5202218
DCT CREEK ROAD OH LLC	Delaware	6798	20-4998580
DCT CREEKSIDE I LLC	Delaware	6798	20-4885013
DCT CREEKSIDE II LLC	Delaware	6798	20-4885056
DCT CREEKSIDE IV LLC	Delaware	6798	20-4885377
DCT Della Court LLC	Delaware	6798	46-1512637
DCT DIRECTORS ROW LLC	Delaware	6798	27-5138757
DCT Dulles Phase I LLC	Delaware	6798	45-2972168

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DCT Dulles Phase II LLC	Delaware	6798	46-1554989
DCT ECKHOFF STREET LLC	Delaware	6798	27-4134309
DCT FONTANA LLC	Delaware	6798	20-5069220
DCT FRANKLIN ROAD LLC	Delaware	6798	20-4345063
DCT FREEPORT DRIVE LLC	Delaware	6798	80-0726749
DCT Greenleaf LLC	Delaware	6798	45-4413308
DCT GUION ROAD LLC	Delaware	6798	20-3881169
DCT HANOVER LLC	Delaware	6798	20-4025619
DCT HARLAN ROAD LLC	Delaware	6798	20-4694215

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DCT HIGH STREET LLC	Delaware	6798	20-3636210
DCT IL S GARY LLC	Delaware	6798	20-1737761
DCT INDEPENDENCE LLC	Delaware	6798	20-8068290
DCT JAMIKE KY LLC	Delaware	6798	20-4998728
DCT KENNEDY LLC	Delaware	6798	27-2140383
DCT La Reunion LLC	Delaware	6798	46-2426806
DCT LOMBARD ROAD LLC	Delaware	6798	45-1454473
DCT Louisville Logistics LLC	Delaware	6798	26-0757964
DCT LUNT AVENUE LLC	Delaware	6798	20-4353218
DCT MALLARD LLC	Delaware	6798	46-5232793
DCT MARKET STREET LLC	Delaware	6798	20-4863350
DCT NEWPOINT LLC	Delaware	6798	75-3152727
DCT NORTHMONT LLC	Delaware	6798	11-3733161
DCT NORTH 45TH AVENUE, LLC	Delaware	6798	45-2440640
DCT Northwest Crossroads LLC	Delaware	6798	46-2904146
DCT NORTHWEST OH LLC	Delaware	6798	75-3152724
DCT OAKLEY LLC	Delaware	6798	26-4082006
DCT Okanella LLC	Delaware	6798	45-3262484
DCT Ota Farms LLC	Delaware	6798	46-1031843
DCT PAINTER LLC	Delaware	6798	46-2282985
DCT PAN AMERICAN LLC	Delaware	6798	45-2734177
DCT PARK WEST LLC	Delaware	6798	20-0456451
DCT PARK WEST II, LLC	Delaware	6798	52-2444439
DCT Pecos LLC	Delaware	6798	45-2843463
DCT PEORIA STREET LLC	Delaware	6798	27-4134371
DCT PERRY ROAD LLC	Delaware	6798	20-4581146
DCT Phoenix LLC	Delaware	6798	45-4077776
DCT Pleasantdale Road LLC	Delaware	6798	45-2683299
DCT PLAINFIELD LLC	Delaware	6798	46-5241162
DCT PORT UNION LLC	Delaware	6798	26-1347519
DCT Presidents Drive LLC	Delaware	6798	45-3116419
DCT PSA Pomona LLC	Delaware	6798	45-4241028
DCT REGENTVIEW AVENUE LLC	Delaware	6798	27-4134497
DCT Renaissance Rialto LLC	Delaware	6798	46-1298886
DCT Renton LLC	Delaware	6798	45-3558529
DCT RICKENBACKER V LLC	Delaware	6798	20-4890291
DCT River West LLC	Delaware	6798	46-1094634
DCT RIVERPORT LLC	Delaware	6798	75-3152731
DCT ROCKAWAY LLC	Delaware	6798	20-3283599
DCT Roosevelt LLC	Delaware	6798	20-4275224
DCT SAMPSON LLC	Delaware	6798	46-2294421
DCT SKYHARBOR LLC	Delaware	6798	20-1812734
DCT Slover II LLC	Delaware	6798	46-0874595
DCT SLOVERLAND LLC	Delaware	6798	45-2737173

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DCT SOUTHCREEK-EAGLES LANDING, LLC	Delaware	6798	42-1631519
DCT SOUTHPARK FLEX A LLC	Delaware	6798	20-4890338
DCT SOUTHPARK FLEX F LLC	Delaware	6798	20-4890412
DCT SOUTHPARK XII LLC	Delaware	6798	20-4890928
DCT STONEFIELD LLC	Delaware	6798	26-2397351
DCT SUMNER LLC	Delaware	6798	27-4036071
DCT Sumner II LLC	Delaware	6798	46-1154804

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DCT SUMMIT RIDGE GA LLC	Delaware	6798	20-5000203
DCT SYCAMORE CANYON LLC	Delaware	6798	20-4618346
DCT Valley Distribution Center LLC	Delaware	6798	46-1607883
DCT WHITE BIRCH LLC	Delaware	6798	45-5539022
DCT White Oak Circle LLC	Delaware	6798	46-1429578
DCT WHITESTOWN LLC	Delaware	6798	26-1330982
DCT WOLF ROAD LLC	Delaware	6798	27-3941109
DCT ZANE TRACE LLC	Delaware	6798	20-4263106
CIVF I CA1M04, LLC,	Delaware	6798	20-0561640
CIVF I CA1M01 & CA1W01, LLC	Delaware	6798	77-0602409
CIVF I CA1M05, LLC	Delaware	6798	20-1095196
CIVF I GA1M04 & GA1M05, LLC	Delaware	6798	45-4126330
CIVF I GA1M01, LLC	Delaware	6798	06-1705717
CIVF I GA1W01, LLC	Delaware	6798	06-1706345
CIVF I GA1W02-GA1W07, LLC	Delaware	6798	45-0522373
CIVF I GA1W13, GA1W12, & GA1W11, LLC	Delaware	6798	45-4129028
CIVF I GA1W24, LLC	Delaware	6798	45-4129224
CIVF I GA1W14, LLC	Delaware	6798	20-1782076
CIVF I IL1B01 & IL1M01, LLC	Delaware	6798	45-4129512
CIVF I IL1W02, LLC	Delaware	6798	45-4147892
CIVF I-KY1M01-KY1M06 & KY1W01, LLC	Delaware	6798	43-2036843
CIVF I NJ1B02, LLC	Delaware	6798	45-4148967
CIVF I NJ1W01, LLC	Delaware	6798	45-4149082
CIVF I OH1B01, LLC	Delaware	6798	45-4282913
CIVF I OH1B02, LLC	Delaware	6798	20-2434943
CIVF I OH2B01 & OH2M01, LLC	Delaware	6798	77-0607131
CIVF I TX1M01, L.P.	Delaware	6798	45-4150100
CIVF I TX1W02, L.P.	Delaware	6798	45-4150817
CIVF I WA1M05 & M06, LLC	Delaware	6798	45-4151412
CIVF I WA1M07, LLC	Delaware	6798	20-5398511
DCT CA 2004 RN PORTFOLIO L LP	Delaware	6798	20-1650094
DCT EASTPARK II LP	Delaware	6798	20-2295196
DCT TX 2004 RN PORTFOLIO L LP	Delaware	6798	20-1653551
DCT AMERICAN WAY LP	Delaware	6798	26-0621397
DCT BELTWAY 8 II LP	Delaware	6798	20-2993383
DCT BOGGY CREEK FL LP	Delaware	6798	20-4996556
DCT BONDESEN NORTH LP	Delaware	6798	26-0188586
DCT BONDESEN BELTWAY 8 RITTIMAN LP	Delaware	6798	37-1490540
DCT CENTRAL GREEN LP	Delaware	6798	20-3340749
DCT CHERRY STREET CA LP	Delaware	6798	20-4996683
DCT CHICKASAW H LP	Delaware	6798	20-0072562
DCT CHICKASAW A LP	Delaware	6798	42-1594365
DCT FAIRBANKS LP	Delaware	6798	20-4262951
DCT FITE COURT LP	Delaware	6798	20-8098039



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DCT FOOTHILL LP	Delaware	6798	20-1864698
DCT GRAND RIVER LP	Delaware	6798	11-3733167
DCT MIAMI SERVICE LP	Delaware	6798	20-2421514
DCT NW PLACE TX LP	Delaware	6798	26-0188675
DCT RANCHO I LP	Delaware	6798	20-0312615
DCT ROCKDALE LP	Delaware	6798	20-4028848
DCT VALLEY DRIVE CA LP	Delaware	6798	20-4996775

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DCT WEST BY NORTHWEST LP	Delaware	6798	46-5258294
DCT EASTGATE LP	Delaware	6798	20-0829171
DCT 1615 DIPLOMAT LP	Delaware	6798	20-2619189
VETERANS CORPORATE CENTER LLC	Delaware	6798	20-3636331
LOGISTICS WAY DCT/LWI LLC	Delaware	6798	20-5280988
SOUTHCREEK IV ATLANTA LLC	Delaware	6798	20-2847342
DCT HOLMESCREST LANE LP	Delaware	6798	45-4175416
ADC NORTH-DCT/SIP, LLC	Delaware	6798	26-2712773
DCT DFW LP	Delaware	6798	20-0456580
DCT PINNACLE LP	Delaware	6798	45-3354382
DCT GSW GATEWAY 3 LP	Delaware	6798	20-4004255
CIVF I TX1B01 & B02, M02-M05, W04, W07-W10, L.P.	Delaware	6798	45-4149869
DCT Orlando ADC LP	Delaware	6798	20-5782721
Run Deep, L.L.C.	Maryland	6798	45-4182266
Delta-Greenwood, LLC	Delaware	6798	45-4218040
Delta-Junction Drive, LLC	Delaware	6798	45-4217961
Riverside Investors, L.L.C.	Delaware	6798	45-4175626
Western Avenue Associates, L.L.C.	Maryland	6798	45-4183276
ROUTE ONE HUNDRED LIMITED PARTNERSHIP	Maryland	6798	45-4175677
DCT Greens Crossing LP	Delaware	6798	20-2768501
DCT Mid South Logistics V LP	Delaware	6798	52-2444433
DCT Fredericksburg LLC	Delaware	6798	20-2993058
FR Franklin, LLC	Delaware	6798	20-0253755
DCT McCook Industrial LLC	Delaware	6798	20-3612468
DCT Snowdrift PA LLC	Delaware	6798	20-2280468
DCT Northlake LP	Delaware	6798	46-1668912
DCT Marine Drive SC LLC	Delaware	6798	20-4998673
DCT Silver Springs LLC	Delaware	6798	20-4735402
DCT Southfield LLC	Delaware	6798	20-5632641
TRT-DCT Commerce Circle LLC	Delaware	6798	20-8862908
TRT-DCT Pencader LLC	Delaware	6798	45-4306102
TRT-DCT Veterans Corporate Center LLC	Delaware	6798	20-8862974
DCT Bethlehem Crossing LLC	Delaware	6798	46-3011918
DCT LAKE PARK DRIVE LLC	Delaware	6798	20-4822873
DCT TANNER BELTWAY 8 LLC	Delaware	6798	46-1521329
DCT 12250 4 <sup>th</sup> Street LLC	Delaware	6798	46-3731534
DCT 16218 ARTHUR LLC	Delaware	6798	46-4156526
DCT 200-220 CORPORATE DRIVE LLC	Delaware	6798	46-3760403
DCT 300-330 CORPORATE DRIVE LLC	Delaware	6798	46-3772585
DCT 305-325 CORPORATE DRIVE LLC	Delaware	6798	46-3786248
DCT 350-370 RIVER RIDGE ROAD LLC	Delaware	6798	46-3794223
DCT 4200 DIPLOMACY LLC	Delaware	6798	46-4299949

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DCT AEROPARK LLC	Delaware	6798	46-3512486
DCT BATTLE DRIVE LLC	Delaware	6798	46-3706654
DCT EISENHOWER LLC	Delaware	6798	46-4320839
DCT NW 159 MIAMI GARDENS LLC	Delaware	6798	46-3851842
DCT MORSE AVENUE LLC	Delaware	6798	46-3697139
DCT SEAVIEW LLC	Delaware	6798	46-4308651
DCT EASTPARK I LP	Delaware	6798	20-2295294

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<b>Exact Name of Registrant Guarantor as Specified in its Charter<sup>(1)</sup></b>	<b>State or Other Jurisdiction of Incorporation or Organization</b>	<b>Primary Standard Industry Classification Code Number</b>	<b>I.R.S. Employer Identification Number</b>
DCT SHELBY 5 LP	Delaware	6798	68-0601664
DCT 195 CORPORATE DRIVE LLC	Delaware	6798	46-3740348
DCT 1575-1595 HIGH POINT DRIVE LLC	Delaware	6798	46-3751560
DCT Auburn 44 LLC	Delaware	6798	46-2506942
DCT East Park 5 LLC	Delaware	6798	46-3094131
DCT Jurupa Ranch LLC	Delaware	6798	46-3328631
DCT South Hardy LLC	Delaware	6798	46-3370183
DCT South Roosevelt LLC	Delaware	6798	46-3391670
DCT Statesman LLC	Delaware	6798	46-3366546
DCT West Alameda LLC	Delaware	6798	46-3379905
DCT Industrial TRS Inc.	Delaware	6798	20-0404394

(1) The address and phone number of each Registrant Guarantor is as follows:  
c/o DCT Industrial Trust Inc.

518 17<sup>th</sup> Street, Suite 800

Denver, Colorado 80202

(303) 597-2400

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**The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

**SUBJECT TO COMPLETION, DATED April 21, 2014**

**PROSPECTUS**

**DCT Industrial Operating Partnership LP**

**OFFER TO EXCHANGE**

**\$275,000,000 aggregate principal amount of its**

**4.500% Senior Notes due 2023**

**which have been registered under the Securities Act of 1933, as amended,**

**for any and all of its outstanding 4.500% Senior Notes due 2023**

The exchange offer expires at 5:00 p.m., New York City time, on \_\_\_\_\_, 2014, unless extended.

We will exchange all outstanding private notes that are validly tendered and not validly withdrawn for an equal principal amount of new notes which are registered under the Securities Act of 1933, as amended, or the Securities Act.

You may withdraw tenders of outstanding private notes at any time before the exchange offer expires.

The exchange of notes will not be a taxable event for U.S. federal income tax purposes.

We will not receive any proceeds from the exchange offer.

The terms of the new notes are substantially identical to the outstanding private notes, except the new notes will not be subject to transfer restrictions or any increase in annual rate.

The outstanding private notes are, and the new notes will be, fully and unconditionally guaranteed by DCT Industrial Trust Inc., a Maryland real estate investment trust, our sole general partner, and each of our wholly owned subsidiaries that guarantees borrowings under our revolving credit facility.

You may tender outstanding private notes only in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

Our affiliates may not participate in the exchange offer.

No public market exists for the outstanding private notes. We do not intend to list the exchange notes on any securities exchange and, therefore, no active public market is anticipated for the exchange notes.

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. The letter of transmittal delivered with this prospectus states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for outstanding private notes where such outstanding private notes were acquired by such broker-dealer as a result of market-making activities or other trading activities.

**Investing in our securities involves various risks. See Risk Factors beginning on Page 7 as well as the risk factors contained in documents DCT Industrial Trust Inc. files with the Securities and Exchange Commission and which are incorporated by reference in this prospectus.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**The date of this prospectus is \_\_\_\_\_, 2014.**



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You should rely only on the information contained in or incorporated by reference in this prospectus. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information contained in this prospectus, as well as information that DCT has previously filed with the Securities and Exchange Commission and incorporated by reference, is accurate only as of the date of the applicable document. Our business, financial condition, results of operations and prospects may have changed since those dates.

**Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer will acknowledge by participating in this exchange offer, as a condition to participating in this exchange offer, that it will deliver a prospectus in connection with any resale of such exchange notes. By so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for outstanding private notes where such outstanding private notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, starting on the expiration date of the exchange offer and ending on the close of business one year after such expiration date, subject to extension in limited circumstances, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.**

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**PROSPECTUS SUMMARY**

*This summary highlights the information contained elsewhere in this prospectus. This summary is not complete and does not contain all of the information that you should consider before participating in the exchange offer. You should read this prospectus, as well as the documents incorporated herein by reference. Unless otherwise indicated, property and financial information in this prospectus is presented as of, or for the year ended, December 31, 2013.*

*Except as otherwise indicated herein, the terms Company, we, our and us refer to DCT Industrial Trust Inc. and its subsidiaries, including its operating partnership, DCT Industrial Operating Partnership LP, which is referred to as DCTOP. When we use the term DCT, we are referring to DCT Industrial Trust Inc. by itself, and not including any of its subsidiaries, and when we use the term DCTOP, we are referring to DCT Industrial Operating Partnership LP, by itself and not including any of its subsidiaries. The term you refers to a prospective investor.*

**OUR COMPANY**

We are a leading industrial real estate company specializing in the acquisition, development, leasing and management of bulk distribution and light industrial properties located in high-volume distribution markets in the United States. DCT was formed as a Maryland corporation in April 2002 and has elected to be treated as a real estate investment trust, or REIT, for U.S. federal income tax purposes. We are structured as an umbrella partnership REIT under which substantially all of our current and future business is, and will be, conducted through a majority owned and controlled subsidiary, DCT Industrial Operating Partnership LP, a Delaware limited partnership, for which DCT is the sole general partner. We own our properties through DCTOP and its subsidiaries. Each subsidiary guarantor was formed under the laws of Delaware, with the exception of Run Deep, L.L.C., Western Avenue Associates, L.L.C. and Route One Hundred Limited Partnership, which are Maryland entities. As of December 31, 2013, we owned approximately 94.8% of the outstanding equity interests in DCTOP.

As of December 31, 2013, the Company owned interests in approximately 75.5 million square feet of properties leased to approximately 900 customers, including:

62.1 million square feet comprising 396 consolidated operating properties, which were 93.3% occupied, including 0.2 million square feet comprising one building classified as held for sale;

12.3 million square feet comprising 38 unconsolidated properties which were 94.1% occupied and operated on behalf of four institutional capital management partners;

0.2 million square feet comprising two consolidated properties under redevelopment; and

0.9 million square feet comprising two consolidated buildings which are shell-complete and in lease-up and eight land sites under construction.

As of December 31, 2013, our total consolidated portfolio consisted of 400 properties with an average size of 158,000 square feet and an average age of 21 years.

The principal executive offices of DCT Industrial Operating Partnership LP, DCT Industrial Trust Inc., and the subsidiary guarantors are located at 518 Seventeenth Street, Suite 800, Denver, Colorado 80202; our telephone number is (303) 597-2400. We also maintain regional offices in Atlanta, Georgia; Baltimore, Maryland; Chicago, Illinois; Cincinnati, Ohio; Dallas, Texas; Houston, Texas; Paramus, New Jersey; Newport Beach, California; Emeryville, California; Orlando, Florida; and Seattle, Washington. Our website address is [www.dctindustrial.com](http://www.dctindustrial.com).

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**THE EXCHANGE OFFER**

<b>The Exchange Offer</b>	We are offering to exchange the 4.500% Senior Notes due 2023 offered by this prospectus, referred to as the exchange notes, for the outstanding 4.500% Senior Notes due 2023, referred to as the private notes, that are properly tendered and accepted. You may tender outstanding private notes only in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. We will issue the exchange notes on or promptly after the exchange offer expires. As of the date of this prospectus, \$275,000,000 aggregate principal amount of private notes is outstanding.
<b>Expiration Date</b>	The exchange offer will expire at 5:00 p.m., New York City time, on _____, 2014 (the 21 <sup>st</sup> business day following commencement of the exchange offer), unless extended, in which case the expiration date will mean the latest date and time to which we extend the exchange offer.
<b>Conditions to the Exchange Offer</b>	The exchange offer is not subject to any condition other than that it not violate applicable law or any applicable interpretation of the staff of the SEC. The exchange offer is not conditioned upon any minimum principal amount of private notes being tendered for exchange.
<b>Procedures for Tendering Private Notes</b>	<p>We intend to conduct the exchange offer in accordance with the provisions of the registration rights agreement with respect to the private notes and the applicable requirements of the Securities Act, the Securities Exchange Act of 1934, as amended, or the Exchange Act, and the rules and regulations of the SEC.</p> <p>If you wish to tender your private notes for the exchange notes pursuant to the exchange offer, you must complete and sign a letter of transmittal in accordance with the instructions contained in the letter and forward it by mail, facsimile or hand delivery, together with any other documents required by the letter of transmittal, to the exchange agent (as defined below), either with the private notes to be tendered or in compliance with the specified procedures for guaranteed delivery of notes. Certain brokers, dealers, commercial banks, trust companies and other nominees may also effect tenders by book-entry transfer. Holders of private notes registered in the name of a broker, dealer, commercial bank, trust company or other nominee are urged to contact such person promptly if they wish to tender private notes pursuant to the exchange offer. See The Exchange Offer Procedures for Tendering.</p> <p>Letters of transmittal and certificates representing private notes should not be sent to us. Such documents should only be sent to the exchange agent. Questions regarding how to tender private notes and requests for information should be directed to the exchange agent. See The Exchange Offer Exchange Agent. You do not have any appraisal or dissenters rights under the indenture in connection with the exchange offer.</p>

**Acceptance of the  
Private Notes and  
Delivery of the  
Exchange Notes**

Subject to the satisfaction or waiver of the conditions to the exchange offer, we will accept for exchange any and all private notes which are validly tendered in the exchange offer and not withdrawn before 5:00 p.m., New York City time, on the expiration date.

**Withdrawal Rights**

You may withdraw the tender of your private notes at any time before 5:00 p.m., New York City time, on the expiration date, by complying with the procedures for withdrawal described in this prospectus under the heading **The Exchange Offer Withdrawal of Tenders**.

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<b>U.S. Federal Tax Consequences</b>	The exchange of notes will not be a taxable event for U.S. federal income tax purposes. For a discussion of material federal tax considerations relating to the exchange of notes, see U.S. Federal Income Tax Consequences.
<b>Exchange Agent</b>	U.S. Bank National Association, the registrar and paying agent for the notes under the indenture governing the notes, is serving as the exchange agent for the notes.
<b>Consequences of Failure to Exchange</b>	If you do not exchange your private notes for the exchange notes, you will continue to be subject to the restrictions on transfer provided in the private notes and in the indenture governing the private notes. In general, the private notes may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. We do not currently plan to register the resale of the private notes under the Securities Act.
<b>Registration Rights Agreement</b>	You are entitled to exchange your private notes for the exchange notes with substantially identical terms. This exchange offer satisfies this right. After the exchange offer is completed, you will no longer be entitled to any exchange or registration rights with respect to your private notes.

We explain the exchange offer in greater detail beginning on page 24.

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**THE EXCHANGE NOTES**

*The following summary contains basic information about the exchange notes and is not intended to be complete. It does not contain all the information that may be important to you. For a more complete understanding of the exchange notes, please refer to the section entitled Description of Notes.*

*The form and terms of the exchange notes are the same as the form and terms of the private notes, except that the exchange notes will be registered under the Securities Act and, therefore, the exchange notes will not be subject to the transfer restrictions, registration rights and provisions providing for an increase in the interest rate applicable to the private notes. The exchange notes will evidence the same debt as the private notes, and both the private notes and the exchange notes are governed by the same indenture.*

*The following summary of the offering is provided solely for your convenience. This summary is not intended to be complete. You should read the full text and more specific details contained elsewhere in this prospectus. For a more detailed description of the notes, see Description of Notes. As used in this section and Description of Notes references to we, us, our and similar terms refer to DCT Industrial Operating Partnership LP and not to DCT Industrial Trust Inc. or any of its subsidiaries.*

<b>Issuer of Notes</b>	DCT Industrial Operating Partnership LP
<b>Notes Offered</b>	\$275,000,000 aggregate principal amount of 4.500% senior notes due 2023.
<b>Interest</b>	The notes will bear interest at a rate of 4.500% per year. Interest will be payable semi-annually in arrears on April 15 and October 15 of each year, beginning April 15, 2014.
<b>Maturity</b>	The notes will mature on October 15, 2023 unless previously redeemed by DCTOP at its option prior to such date.
<b>Guarantees</b>	The notes will be initially guaranteed by DCT Industrial Trust Inc. and each of our wholly owned subsidiaries that guarantees borrowings under our revolving credit facility. In addition, we will cause any consolidated subsidiary (including any future subsidiary) that guarantees our indebtedness for money borrowed in an amount greater than \$5.0 million at any time after the issuance of the notes to also guarantee the notes. The guarantors will jointly and severally guarantee our obligations under the notes, on a senior unsecured basis.
	A subsidiary guarantor will be automatically released from its guarantee if, among other things, it ceases to guarantee our indebtedness for money borrowed in an amount greater than \$5.0 million. We currently intend to pursue an amendment to our revolving credit facility and term loan facilities to remove all of the subsidiary guarantors as guarantors thereunder and the requirement for our future subsidiaries to guarantee these facilities in order to enable our subsidiary guarantors to be released from their guarantees under our outstanding senior unsecured notes and the notes offered hereby.
<b>Ranking of Notes</b>	The notes and the guarantees will be our and the guarantors' senior unsecured obligations and will rank equally in right of payment with all of such entities' existing and future senior indebtedness. The notes and guarantees, however, will be effectively subordinated to all of our

and the guarantors' existing and future secured indebtedness (to the extent of the value of the collateral securing such indebtedness). The notes and the guarantees will also be structurally subordinated to all existing and future indebtedness and other obligations, including preferred stock, of our subsidiaries that do not guarantee the notes. As of December 31, 2013, we and the guarantors had \$1.5 billion of indebtedness (\$291.0 million of which was secured indebtedness), and our consolidated subsidiaries that will not guarantee the notes had \$256.5 million of indebtedness and \$25.0 million of other liabilities, all of which would have been structurally senior to the notes, and \$528.2 million of assets, representing 16.2% of DCT's and its consolidated subsidiaries' consolidated total assets.



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<b>Optional Redemption</b>	We may redeem the notes at our option and in our sole discretion, at any time in whole or from time to time in part, at the applicable redemption price specified herein. If the notes are redeemed on or after 90 days prior to the maturity date, the redemption price will be equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest thereon to, but not including, the redemption date. See Description of Notes Redemption of the Notes at the Option of the Partnership.
<b>Certain Covenants</b>	<p>The indenture governing the notes contains certain covenants that, among other things, limit our and our subsidiaries ability to:</p> <p>consummate a merger, consolidate or sell all or substantially all of our consolidated assets; and</p> <p>incur secured and unsecured indebtedness.</p> <p>In addition, we and our subsidiaries are required to maintain at all times total unencumbered assets of not less than 150% of the aggregate outstanding principal amount of our unsecured debt. These covenants are subject to a number of important exceptions and qualifications. See Description of Notes.</p>
<b>Use of Proceeds</b>	The exchange offer satisfies an obligation under the registration rights agreement. We will not receive any cash proceeds from the exchange offer. The net proceeds from the sale of the private notes after deducting discounts and offering expenses were approximately \$269.6 million. We used the net proceeds from the sale of the private notes to repay borrowing under a \$175.0 million senior unsecured term loan, \$50.0 million of senior unsecured notes, borrowings under our revolving credit facility and for general corporate purposes.
<b>Trading</b>	The notes are a new issue of securities with no established trading market. We do not intend to apply for listing of the notes on any securities exchange or for quotation of the notes on any automated dealer quotation system.
<b>Book-Entry Form</b>	The notes will be issued in the form of one or more fully-registered global notes in book-entry form, which will be deposited with, or on behalf of, The Depository Trust Company, commonly known as DTC, in New York, New York. Beneficial interests in the global certificate representing the notes will be shown on, and transfers will be effected only through, records maintained by DTC and its direct and indirect participants and such interests may not be exchanged for certificated notes, except in limited circumstances.
<b>Additional Notes</b>	We may from time to time, without notice to or consent of existing noteholders, create and issue additional notes having the same terms and conditions as the notes offered by this prospectus in all respects, except for the issue date and, under certain circumstances, the issue price, interest accrued prior to the issue date and first payment of interest thereon. Additional notes issued in this manner will be consolidated with and will form a single series with the previously outstanding notes, provided, however, that such additional notes may not be

fungible with the previously outstanding notes for U.S. federal income tax purposes, in which case the additional notes would have a different CUSIP number than the notes offered hereby.

<b>Risk Factors</b>	See Risk Factors included in this prospectus and in DCT's most recent Annual Report on Form 10-K, as updated by its subsequent filings under the Exchange Act, as well as other information included in this prospectus, for a discussion of factors you should carefully consider before deciding to invest in the notes.
<b>Trustee and Paying Agent</b>	U.S. Bank National Association is the trustee and paying agent under the indenture relating to the notes.
<b>Governing Law</b>	The indenture, the notes and the guarantees endorsed on the notes will be governed by the laws of the State of New York.

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**RISK FACTORS**

*You should carefully consider the risks described below as well as other information and data included in this prospectus before making a decision to exchange your private notes for the exchange notes in the exchange offer. If any of the events described in the risk factors below occur, our business, financial condition, operating results and prospects could be materially adversely affected, which in turn could adversely affect our ability to repay the notes. The risk factors set forth below are generally applicable to the private notes as well as the exchange notes.*

**RISKS RELATED TO RECENT ECONOMIC CONDITIONS**

*Adverse economic conditions will negatively affect our returns and profitability.*

Our operating results may be affected by weakness in the national and/or international economy as well as in the local economies where our properties are located. Specific impacts, among others, may include:

increased levels of tenant defaults under leases;

re-leasing which may require concessions, tenant improvement expenditures or reduced rental rates due to reduced demand for industrial space;

overbuilding which may increase vacancies;

adverse capital and credit market conditions may restrict our development and redevelopment activities; and

reduced access to credit may result in tenant defaults, non-renewals under leases or inability of potential buyers to acquire our properties held for sale, including properties held through joint ventures.

The value of our investments may not appreciate or may decline in value significantly below the amount we pay for these investments. The length and severity of any economic slowdown or downturn cannot be predicted. Our operations could be negatively affected to the extent that an economic slowdown or downturn is prolonged or becomes more severe.

**RISKS RELATED TO OUR BUSINESS AND OPERATIONS**

*Our investments are concentrated in the industrial real estate sector, and our business would be adversely affected by an economic downturn in that sector.*

Our investments in real estate assets are primarily concentrated in the industrial real estate sector. This concentration may expose us to the risk of economic downturns in this sector to a greater extent than if our business activities included a more significant portion of other sectors of the real estate industry.

*We depend on key personnel.*

Our success depends to a significant degree upon the continued contributions of certain key personnel including, but not limited to, our management group, each of whom would be difficult to replace. If any of our key personnel were to cease employment with us, our operating results, financial condition and cash flows could suffer. Our ability to retain our management group, attract suitable replacements, or to attract new hires as needed, is dependent on the competitive nature of the employment market. Further, the loss of key personnel, or our inability to replace them, could be negatively perceived in the capital markets. We do not carry key man life insurance on any of our personnel.

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***Our operating results and financial condition could be adversely affected if we do not continue to have access to capital on favorable terms.***

DCT, as a REIT, must meet certain annual distribution requirements. Consequently, we are largely dependent on asset sales or external capital to fund our development and acquisition activities. Further, in order to maintain DCT's REIT status and avoid the payment of income and excise taxes, we may need to borrow funds on a short-term basis to meet the REIT distribution requirements even if the then-prevailing market conditions are not favorable for these borrowings. These short-term borrowing needs could result from differences in timing between the actual receipt of cash and inclusion of income for U.S. federal income tax purposes or the effect of non-deductible capital expenditures, the creation of reserves or required debt or amortization payments. Additionally, our ability to sell assets or access capital is dependent upon a number of factors, including general market conditions and competition from other real estate companies. To the extent that capital is not available to acquire or develop properties, profits may not be realized or their realization may be delayed, which could result in an earnings stream that is less predictable than some of our competitors and result in us not meeting our projected earnings and distributable cash flow levels in a particular reporting period. Failure to meet our projected earnings and distributable cash flow levels in a particular reporting period could have an adverse effect on our financial condition.

***Our long-term growth will partially depend upon future acquisitions of properties, and we may be unable to consummate acquisitions on advantageous terms or acquisitions may not perform as we expect.***

We acquire and intend to continue to acquire primarily high-quality generic bulk distribution warehouses and light industrial properties. The acquisition of properties entails various risks, including the risks that our investments may not perform as we expect, that we may be unable to integrate our new acquisitions into our existing operations quickly and efficiently and that our cost estimates for bringing an acquired property up to market standards may prove inaccurate. Further, we face significant competition for attractive investment opportunities from other well-capitalized real estate investors, including both publicly-traded REITs and private institutional investment funds, and these competitors may have greater financial resources than us and a greater ability to borrow funds to acquire properties. This competition increases as investments in real estate become increasingly attractive relative to other forms of investment. As a result of competition, we may be unable to acquire additional properties as we desire or the purchase price may be significantly elevated. Similarly, we seek to acquire new properties in off-market transactions, because such properties are typically more attractively priced, but we may be unable to obtain off-market deal flow in the future. In addition, we expect to finance future acquisitions through a combination of borrowings under our senior unsecured credit facility, proceeds from equity or debt offerings and proceeds from property contributions and sales which may not be available and which could adversely affect our cash flows. Any of the above risks could adversely affect our financial condition, results of operations and cash flows.

***Our real estate development strategies may not be successful.***

We are involved in the construction and expansion of distribution facilities and we intend to continue to pursue development and renovation activities as opportunities arise either on our own or in joint ventures. We will be subject to risks associated with our development and renovation activities that could adversely affect our financial condition, results of operations and/or cash flows.

***Actions of our joint venture partners could negatively impact our performance.***

Our organizational documents do not limit the amount of available funds that we may invest in partnerships, limited liability companies or joint ventures, and we intend to selectively continue to develop and acquire properties through joint ventures, limited liability companies and partnerships with other persons or entities when warranted by the

circumstances. Such partners may share certain approval rights over major decisions. Such investments may involve risks not otherwise present with other methods of investment in real estate, including, but not limited to:

that our partner in an investment might become bankrupt, which would mean that we could generally remain liable for the joint venture's liabilities;

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that such partner may at any time have economic or business interests or goals which are or which become inconsistent with our business interests or goals;

that such partner may be in a position to take action contrary to our instructions or requests or contrary to our policies or objectives, including our current policy with respect to maintaining DCT's qualification as a REIT;

that, if our partners fail to fund their share of any required capital contributions, we may be required to contribute such capital;

that joint venture agreements often restrict the transfer of a partner's interest or may otherwise restrict our ability to sell the interest when we desire or on advantageous terms;

that our relationships with our partners are contractual in nature and may be terminated or dissolved under the terms of the agreements and, in such event, we may not continue to own or operate the interests or assets underlying such relationship or may need to purchase such interests or assets at an above-market price to continue ownership;

that disputes between us and our partners may result in litigation or arbitration that would increase our expenses and prevent our officers and directors from focusing their time and effort on our business and result in subjecting the properties owned by the applicable partnership, limited liability company or joint venture to additional risk;

that we may in certain circumstances be liable for the actions of our partners; and

that we may, as a general partner investing in a limited partnership, have liability for all of the liabilities of such partnership, even if we do not have full management rights or control, and our liability may far exceed the amount or value of the investment we initially made or then had in the partnership.

We generally seek to maintain sufficient control of our partnerships, limited liability companies and joint ventures to permit us to achieve our business objectives; however, we may not be able to do so, and the occurrence of one or more of the events described above could adversely affect our financial condition, results of operations and/or cash flows.

***Declining real estate valuations and impairment charges could adversely affect our earnings and financial condition. We may decide to dispose of select real estate assets, thereby changing the holding period assumption in our valuation analyses for those assets, which could result in material impairment losses and adversely affect our financial results.***

Economic conditions have required or could require us to recognize real estate impairment charges on some of our assets and equity investments. We conduct a comprehensive review of all our real estate assets in accordance with our policy of accounting for impairments (see further discussion of our accounting policies in Notes to the Consolidated Financial Statements, Note 2 Summary of Significant Accounting Policies and Item 7 Critical Accounting Policies and

Estimates ). The principal factor which has led to impairment charges in the recent past was the severe economic deterioration in many markets resulting in a decrease in leasing demand, rental rates, rising vacancies and an increase in capitalization rates.

There can be no assurance that the estimates and assumptions we use to assess impairments are accurate and will reflect actual results, or that we will not change our intended holding period for real estate assets. A worsening real estate market or the failure for that market to continue to improve may cause us to reevaluate the assumptions used in our impairment analysis and our intent to hold, sell, develop or contribute properties. Changes in these assumptions, or changes in our anticipated holding period, may result in impairment charges or losses that could adversely affect our financial condition and/or results of operations. An impairment loss could be material to our results of operations in the period that it is recognized.



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### ***Events or occurrences that affect areas in which our properties are geographically concentrated may impact financial results.***

In addition to general, regional, national and international economic conditions, our operating performance is impacted by the economic conditions of the specific markets in which we have concentrations of properties. We have significant holdings in the following markets of our consolidated portfolio: Atlanta, Baltimore/Washington D.C., Chicago, Cincinnati, Columbus, Dallas, Houston, Miami, Memphis, Nashville, Northern California, Pennsylvania, Seattle and Southern California. Our operating performance could be adversely affected if conditions become less favorable in any of the markets in which we have a concentration of properties.

### ***Our business could be adversely impacted if we have deficiencies in our disclosure controls and procedures or internal control over financial reporting.***

Although continuously reviewed, the design and effectiveness of our disclosure controls and procedures and internal control over financial reporting may not prevent all errors, misstatements or misrepresentations and could materially adversely affect our business, reputation, results of operations, financial condition or liquidity.

## **RISKS RELATED TO CONFLICTS OF INTEREST**

### ***Our UPREIT structure may result in potential conflicts of interest.***

As of December 31, 2013, DCT owned 94.8% of the units of limited partnership interest in DCTOP, or OP Units, certain unaffiliated limited partners owned 4.7% of the OP Units and certain of our officers and directors, owned the remaining 0.5% of the OP Units. Persons holding OP Units in DCTOP have the right to vote on certain amendments to the limited partnership agreement of DCTOP, as well as on certain other matters. Persons holding such voting rights may exercise them in a manner that conflicts with the interests of our holders of the notes. Furthermore, circumstances may arise in the future when the interest of limited partners in DCTOP may conflict with the interests of holders of our notes. For example, the timing and terms of dispositions of properties held by DCTOP may result in tax consequences to certain limited partners and not to holders of our notes.

## **GENERAL REAL ESTATE RISKS**

### ***Our performance and value are subject to general economic conditions and risks associated with our real estate assets.***

The investment returns from equity investments in real estate depend in part on the amount of income earned and capital appreciation generated by the properties, as well as the expenses incurred in connection with the properties. If our properties do not generate income sufficient to meet operating expenses, including debt service and capital expenditures. In addition, there are significant expenditures associated with an investment in real estate (such as mortgage payments, real estate taxes and maintenance costs) that generally do not decline when circumstances reduce the income from the property. Income from, and the value of, our properties may, in addition to risks discussed elsewhere in this section, be adversely affected by:

changes in supply of or demand for similar or competing properties in an area;

changes in interest rates and availability of permanent mortgage funds that may render the sale of a property difficult or unattractive or otherwise reduce returns;

changes in or increased costs of compliance with governmental rules, regulations and fiscal policies, including changes in tax, real estate, environmental and zoning laws, and our potential liability thereunder;

our ability to provide adequate maintenance and insurance;

customer turnover;

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general overbuilding or excess supply in the market areas; and

disruptions in the global supply chain caused by political, regulatory or other factors including terrorism. In addition, periods of economic slowdown or recession, rising interest rates or declining demand for real estate, or public perception that any of these events may occur, would result in a general decrease in rents or an increased occurrence of defaults under existing leases, which would adversely affect our financial condition and results of operations. Future terrorist attacks may result in declining economic activity, which could reduce the demand for, and the value of, our properties. To the extent that future attacks impact our customers, their businesses similarly could be adversely affected, including their ability to continue to honor their existing leases.

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

***Actions by our competitors may decrease or prevent increases in the occupancy and rental rates of our properties.***

We compete with other developers, owners and operators of real estate. If our competitors offer space at rental rates or terms more attractive than we currently offer to our customers, we may lose customers or we may be pressured to reduce our rental rates or provide more favorable lease terms. As a result, our financial condition, cash flows, cash available for distribution, and ability to satisfy our debt service obligations could be materially adversely affected.

***We are dependent on customers for our revenues.***

Lease payment or performance defaults by customers could adversely affect our financial condition. A default by a customer on its lease payments could force us to find an alternative source of revenues to pay any mortgage loan on the property. In the event of a customer default, we may experience delays in enforcing our rights as landlord and may incur substantial costs, including litigation and related expenses, in protecting our investment and re-leasing our property. If a lease is terminated, we may be unable to lease the property for the rent previously received or sell the property without incurring a loss.

***Our ability to renew leases or re-lease space on favorable terms as leases expire significantly affects our business.***

Our results of operations and distributable cash flows would be adversely affected if we are unable to lease, on economically favorable terms, a significant amount of space in our operating properties.

***We may be unable to sell or re-lease a property if or when we decide to do so, including as a result of uncertain market conditions or vacancy.***

We expect to hold the various real properties in which we invest until such time as we decide that a sale or other disposition is appropriate given our investment objectives. Our ability to dispose of properties on advantageous terms depends on factors beyond our control, including competition from other sellers, the availability of attractive financing for potential buyers of our properties and the rate of occupancy of the property. We cannot predict the various market conditions affecting real estate investments which will exist at any particular time in the future. Due to the uncertainty of market conditions which may affect the future disposition of our properties, we cannot assure holders of our notes that we will be able to sell our properties at a profit in the future. Accordingly, our financial condition will be dependent upon fluctuating market conditions.

Furthermore, we may be required to expend funds to correct defects or to make improvements before a property can be sold. We cannot assure holders of our notes that we will have funds available to correct such defects or to make such improvements.

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In acquiring a property, we may agree to restrictions that prohibit the sale of that property for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be placed or repaid on that property. These provisions would restrict our ability to sell a property.

A property may incur a vacancy either by the continued default of a customer under its lease or the expiration of one of our leases. We have significant lease expirations in 2014, as outlined in **Business and Properties Lease Expirations**. In addition, certain of the properties we acquire may have some level of vacancy at the time of closing. We may have difficulty obtaining a new customer for any vacant space we have in our properties. If the vacancy continues for a long period of time, we may suffer reduced revenues resulting in reduced cash flows. In addition, the resale value of a property could be diminished because of vacancy.

### ***The fact that real estate investments are not as liquid as other types of assets may reduce economic returns to investors.***

Real estate investments are not as liquid as other types of investments, and this lack of liquidity may limit our ability to react promptly to changes in economic or other conditions. In addition, our ability at any time to sell assets or contribute assets to property funds or other entities in which we have an ownership interest may be restricted by the potential for the imposition of the 100% prohibited transactions tax on gains from certain dispositions of property by REITs unless a safe harbor exception applies. This lack of liquidity may limit our ability to change our portfolio composition promptly in response to changes in economic or other conditions and, as a result, could adversely affect our financial condition, results of operations and cash flows.

### ***Delays in acquisition and development of properties may have adverse effects.***

Delays we encounter in the selection, acquisition and development of properties could adversely affect our returns. Where land is acquired for purposes of developing a new property prior to the start of construction, it will typically take 12 to 18 months to complete construction and lease up the newly completed building. Therefore, there could be delays in the payment of cash distributions attributable to those particular properties.

### ***Acquired properties may be located in new markets where we may face risks associated with investing in an unfamiliar market.***

We have acquired, and may continue to acquire, properties in markets that are new to us. When we acquire properties located in these markets, we may face risks associated with a lack of market knowledge or understanding. We work to mitigate such risks through extensive diligence and research; however, there can be no guarantee that all such risks will be eliminated.

### ***Uninsured losses relating to real property may adversely affect our returns.***

We attempt to ensure that all of our properties are adequately insured to cover casualty losses. However, there are certain losses, including losses from floods, earthquakes, acts of war, acts of terrorism or riots, that are not generally insured against or that are not generally fully insured against because it is not deemed economically feasible or prudent to do so. In addition, changes in the cost or availability of insurance could expose us to uninsured casualty losses. In the event that any of our properties incurs a casualty loss that is not fully covered by insurance, the value of our assets will be reduced, and we could experience a significant loss of capital invested and potential revenues in these properties and could potentially remain obligated under any recourse debt associated with the property. Any such losses could adversely affect our financial condition, results of operations and cash flows. In addition, we may have no source of funding to repair or reconstruct the damaged property, and we cannot assure that any such sources

of funding will be available to us for such purposes in the future.

A number of our consolidated operating properties are located in areas that are known to be subject to earthquake activity. Properties located in active seismic areas include properties in Northern California, Southern California, Memphis and Seattle. We carry reasonable and customary earthquake insurance on all of our

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properties located in areas historically subject to seismic activity with coverage limitations and deductibles that we believe are commercially reasonable. We evaluate our earthquake insurance coverage annually in light of current industry practice through an analysis prepared by outside consultants.

A number of our properties are located in Houston, Miami and Orlando, which are areas that are known to be subject to hurricane and/or flood risk. We carry replacement-cost hurricane and flood hazard insurance on all of our properties located in areas historically subject to such activity with coverage limitations and deductibles that we believe are commercially reasonable. We evaluate our hurricane and flood damage insurance coverage annually in light of current industry practice through an analysis prepared by outside consultants.

### ***Contingent or unknown liabilities could adversely affect our financial condition.***

We have acquired and may in the future acquire properties without any recourse, or with only limited recourse, with respect to unknown or contingent liabilities, including, without limitation, environmental liabilities. As a result, if a claim was asserted against us based upon current or previous ownership of any of these properties or related entities, we might have to pay substantial sums to settle it which could adversely affect our cash flows.

### ***Environmentally hazardous conditions may adversely affect our operating results.***

Under various federal, state and local environmental laws, a current or previous owner or operator of real property may be liable for the cost of removing or remediating hazardous or toxic substances on such property. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. Even if more than one person may have been responsible for the contamination, a single person may be held responsible for all of the clean-up costs incurred. In addition, third-parties may sue the owner or operator of a site for damages based on personal injury, natural resources, property damage or other costs, including investigation and clean-up costs, resulting from the environmental contamination. The presence of hazardous or toxic substances on one of our properties, or the failure to properly remediate a contaminated property, could give rise to a lien in favor of a government entity for costs it may incur to address the contamination, or otherwise could adversely affect our ability to sell or lease the property or borrow using the property as collateral. Environmental laws also may impose restrictions on the manner in which a property may be used or businesses may be operated. A property owner who violates environmental laws may be subject to sanctions enforceable by governmental agencies or, in certain circumstances, private parties. In connection with the acquisition and ownership of our properties, we may be exposed to such costs. The cost of defending environmental claims, of complying with environmental regulatory requirements or of remediating any contaminated property could materially adversely affect our business, assets or results of operations.

Environmental laws in the U.S. also require that owners or operators of buildings containing asbestos properly manage and maintain the asbestos, adequately inform or train those who may come into contact with asbestos and undertake special precautions, including removal or other abatement, in the event that asbestos is disturbed during building renovation or demolition. These laws may impose fines and penalties on building owners or operators who fail to comply with these requirements and may allow third-parties to seek recovery from owners or operators for personal injury associated with exposure to asbestos. Some of our properties may contain asbestos-containing building materials.

We invest in properties historically used for industrial, manufacturing and commercial purposes. Some of these properties contain, or may have contained, underground storage tanks for the storage of petroleum products and other hazardous or toxic substances. All of these operations create a potential for the release of petroleum products or other hazardous or toxic substances. Some of our properties are adjacent to or near other properties that may have contained

or currently contain underground storage tanks used to store petroleum products, or other hazardous or toxic substances. In addition, previous or current occupants of our properties and adjacent properties may have engaged, or may in the future engage, in activities that may release petroleum products or other hazardous or toxic substances.



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We maintain a portfolio environmental insurance policy that provides coverage for potential environmental liabilities, subject to the policy's coverage conditions and limitations, for most of our properties. From time to time, we may acquire properties or interests in properties, with known adverse environmental conditions where we believe that the environmental liabilities associated with these conditions are quantifiable and that the acquisition will yield a superior risk-adjusted return. In such an instance, we underwrite the costs of environmental investigation, clean-up and monitoring into the cost. Further, in connection with property dispositions, we may agree to remain responsible for, and to bear the cost of, remediating or monitoring certain environmental conditions on the properties.

All of our properties were subject to a Phase I or similar environmental assessment by independent environmental consultants at the time of acquisition. Phase I assessments are intended to discover and evaluate information regarding the environmental condition of the surveyed property and surrounding properties. Phase I assessments generally include a historical review, a public records review, an investigation of the surveyed site and surrounding properties, and preparation and issuance of a written report, but do not include soil sampling or subsurface investigations and typically do not include an asbestos survey. While some of these assessments have led to further investigation and sampling, none of our environmental assessments of our properties have revealed an environmental liability that we believe would have a material adverse effect on our business, financial condition or results of operations taken as a whole. However, we cannot give any assurance that such conditions do not exist or may not arise in the future. Material environmental conditions, liabilities or compliance concerns may arise after the environmental assessment has been completed. Moreover, there can be no assurance that (i) future laws, ordinances or regulations will not impose any material environmental liability or (ii) the current environmental condition of our properties will not be affected by customers, by the condition of land or operations in the vicinity of our properties (such as releases from underground storage tanks), or by third-parties unrelated to us.

### ***Costs of complying with governmental laws and regulations may adversely affect our income and the cash available for any distributions.***

All real property and the operations conducted on real property are subject to federal, state and local laws and regulations relating to environmental protection and human health and safety. Customers' ability to operate and to generate income to pay their lease obligations may be affected by permitting and compliance obligations arising under such laws and regulations. Some of these laws and regulations may impose joint and several liability on customers, owners or operators for the costs to investigate or remediate contaminated properties, regardless of fault or whether the acts causing the contamination were legal. Leasing properties to customers that engage in industrial, manufacturing, and commercial activities will cause us to be subject to the risk of liabilities under environmental laws and regulations. In addition, the presence of hazardous or toxic substances, or the failure to properly remediate these substances, may adversely affect our ability to sell, rent or pledge such property as collateral for future borrowings.

Some of these laws and regulations have been amended so as to require compliance with new or more stringent standards as of future dates. Compliance with new or more stringent laws or regulations or stricter interpretation of existing laws may require us to incur material expenditures. Future laws, ordinances or regulations may impose material environmental liability. Additionally, our customers' operations, the existing condition of land when we buy it, operations in the vicinity of our properties, such as the presence of underground storage tanks, or activities of unrelated third-parties may affect our properties. In addition, there are various local, state and federal fire, health, life-safety and similar regulations with which we may be required to comply and which may subject us to liability in the form of fines or damages for noncompliance. Any material expenditures, fines or damages we must pay will adversely affect our cash flows and results of operations.

In addition, changes in these laws and governmental regulations, or their interpretation by agencies or the courts, could occur.



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***Compliance or failure to comply with the Americans with Disabilities Act and other similar regulations could result in substantial costs.***

Under the Americans with Disabilities Act, places of public accommodation must meet certain federal requirements related to access and use by disabled persons. Noncompliance could result in the imposition of fines by the federal government or the award of damages to private litigants. If we are required to make unanticipated expenditures to comply with the Americans with Disabilities Act, including removing access barriers, then our cash flows may be adversely affected. While we believe that our properties are currently in material compliance with these regulatory requirements, the requirements may change or new requirements may be imposed that could require significant unanticipated expenditures by us that will affect our cash flows and results of operations.

***We may acquire properties with lock-out provisions which may affect our ability to dispose of the properties.***

We may acquire properties through contracts that could restrict our ability to dispose of the property for a period of time. These lock-out provisions could affect our ability to turn our investments into cash and could affect cash flows. Lock-out provisions could also impair our ability to take actions during the lock-out period that would otherwise be in the best interest of our financial condition and, therefore, may have an adverse impact on the results of our operations relative to such results if the lock-out provisions did not exist.

## **RISKS RELATED TO OUR DEBT FINANCINGS**

***Our operating results and financial condition could be adversely affected if we are unable to make required payments on our debt.***

Our organizational documents do not limit the amount or percentage of indebtedness that we may incur, and we are subject to risks normally associated with debt financing, including the risk that our cash flows will be insufficient to meet required payments of principal and interest. There can be no assurance that we will be able to refinance any maturing indebtedness, that such refinancing would be on terms as favorable as the terms of the maturing indebtedness or that we will be able to otherwise obtain funds by selling assets or raising equity to make required payments on maturing indebtedness.

In particular, loans obtained to fund property acquisitions may be secured by first mortgages on such properties. If we are unable to make our debt service payments as required, a lender could foreclose on the property or properties securing its debt. This could cause us to lose part or all of our investment, which in turn could cause an adverse effect on our financial condition, results of operations or cash flows. Certain of our existing and future indebtedness is and may be cross-collateralized and, consequently, a default on this indebtedness could cause us to lose part or all of our investment in multiple properties.

***Increases in interest rates could increase the amount of our debt payments or make it difficult for us to finance or refinance properties, which could reduce the number of properties we can acquire.***

We have incurred and may continue to incur variable rate debt whereby increases in interest rates raise our interest costs, which reduces our cash flows. If we are unable to refinance our indebtedness at maturity or meet our payment obligations, the amount of our distributable cash flows and our financial condition would be adversely affected, and the property securing such indebtedness may be sold on terms that are not advantageous to us or lost through foreclosure. Similarly, if debt is unavailable at reasonable rates, we may not be able to finance the purchase of properties. In addition, if we need to repay existing debt during periods of rising interest rates, we could be required to liquidate one or more of our investments in properties at times which may not permit realization of the maximum

return on such investments.

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### ***Covenants in our credit agreements could limit our flexibility and adversely affect our financial condition.***

The terms of our senior credit facility and other indebtedness require us to comply with a number of customary financial and other covenants, such as covenants with respect to consolidated leverage, net worth and unencumbered assets. These covenants may limit our flexibility in our operations, and breaches of these covenants could result in defaults under the instruments governing the applicable indebtedness even if we have satisfied our payment obligations. As of December 31, 2013, we had certain non-recourse, secured loans which are cross-collateralized by multiple properties. If we default on any of these loans we may then be required to repay such indebtedness, together with applicable prepayment charges, to avoid foreclosure on all cross-collateralized properties within the applicable pool. In addition, our senior credit facility contains certain cross-default provisions which are triggered in the event that our other material indebtedness is in default. These cross-default provisions may require us to repay or restructure the senior credit facility in addition to any mortgage or other debt that is in default. If our properties were foreclosed upon, or if we are unable to refinance our indebtedness at maturity or meet our payment obligations, the amount of our distributable cash flows and our financial condition would be adversely affected.

### ***If we enter into financing arrangements involving balloon payment obligations, it may adversely affect our ability to make distributions.***

Some of our financing arrangements may require us to make a lump-sum or balloon payment at maturity. Our ability to make a balloon payment at maturity is uncertain and may depend upon our ability to obtain additional financing or our ability to sell the property. At the time the balloon payment is due, we may or may not be able to refinance the existing financing on terms as favorable as the original loan or sell the property at a price sufficient to make the balloon payment. The effect of a refinancing or sale could affect the results of our operations and the projected time of disposition of our assets. In addition, payments of principal and interest made to service our debts may leave us with insufficient cash to pay the distributions that we are required to pay to maintain our qualification as a REIT.

## **FEDERAL INCOME TAX RISKS**

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

DCT operates in a manner so as to qualify as a REIT for U.S. federal income tax purposes. DCT's qualification as a REIT will depend on its satisfaction of numerous requirements (some on an annual and quarterly basis) established under highly technical and complex provisions of the Code for which there are only limited judicial or administrative interpretations, and involves the determination of various factual matters and circumstances not entirely within our control. The fact that we hold substantially all of our assets through DCTOP and its subsidiaries further complicates the application of the REIT requirements for us. No assurance can be given that DCT will qualify as a REIT for any particular year. If DCT were to fail to qualify as a REIT in any taxable year for which a REIT election has been made, we would not be allowed a deduction for dividends paid to DCT's stockholders in computing our taxable income and would be subject to federal income tax (including any applicable alternative minimum tax) on our taxable income at corporate rates unless certain relief provision apply. As a consequence, we would not be compelled to make distributions under the Code. Moreover, unless we were to obtain relief under certain statutory provisions, DCT would also be disqualified from treatment as a REIT for the four taxable years following the year during which qualification is lost. This treatment would reduce our net earnings available for investment and cash flows because of the additional tax liability to us for the years involved. As a result of the additional tax liability, we might need to borrow funds or liquidate certain investments on terms that may be disadvantageous to us in order to pay the applicable tax. If DCT fails to qualify as a REIT but we are eligible for certain relief provisions, then DCT may retain its status as a REIT but we may be required to pay a penalty tax, which could be substantial.



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### ***To qualify as a REIT, DCT must meet annual distribution requirements.***

To obtain the favorable tax treatment accorded to REITs, among other requirements, we normally will be required each year to distribute to DCT's stockholders at least 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and by excluding net capital gains. We will be subject to federal income tax on our undistributed taxable income and net capital gain. In addition, if we fail to distribute during each calendar year at least the sum of (a) 85% of our ordinary income for such year, (b) 95% of our capital gain net income for such year, and (c) any undistributed taxable income from prior periods, we will be subject to a 4% excise tax on the excess of the required distribution over the sum of (i) the amounts actually distributed by us, plus (ii) retained amounts on which we pay income tax at the corporate level. We intend to make distributions to DCT's stockholders to comply with the requirements of the Code for REITs and to minimize or eliminate our corporate income tax obligation. However, differences between the recognition of taxable income and the actual receipt of cash could require us to sell assets or borrow funds on a short-term or long-term basis or partially pay dividends in shares of DCT's common stock to meet the distribution requirements of the Code. Certain types of assets generate substantial mismatches between taxable income and available cash. Such assets include rental real estate that has been financed through financing structures which require some or all of available cash flows to be used to service borrowings. As a result, the requirement to distribute a substantial portion of our taxable income could cause us to: (1) sell assets in adverse market conditions, (2) borrow on unfavorable terms or (3) distribute amounts that would otherwise be invested in future acquisitions, capital expenditures or repayment of debt, in order to comply with REIT requirements. Further, amounts distributed will not be available to fund our operations.

### ***Recharacterization of transactions under DCTOP's private placement may result in a 100% tax on income from prohibited transactions, which would diminish our cash flows.***

The IRS could recharacterize transactions under DCTOP's private placement such that DCTOP is treated as the bona fide owner, for tax purposes, of properties acquired and resold by the entity established to facilitate the transaction. Such recharacterization could result in the income realized on these transactions by DCTOP being treated as gain on the sale of property that is held as inventory or otherwise held primarily for the sale to customers in the ordinary course of business. In such event, such gain would constitute income from a prohibited transaction and would be subject to a 100% tax. If this occurs, our cash flows and results of operations will be adversely affected.

### ***In certain circumstances, we may be subject to federal and state income taxes, which would reduce our cash flows.***

Even if we qualify and maintain our status as a REIT, we may be subject to federal income taxes or state taxes in various circumstances. For example, net income from a prohibited transaction will be subject to a 100% tax. In addition, we may not be able to distribute all of our income in any given year, which would result in corporate level taxes, and we may not make sufficient distributions to avoid excise taxes. We may also decide to retain certain gains from the sale or other disposition of our property and pay income tax directly on such gains. In that event, our stockholders would be required to include such gains in income and would receive a corresponding credit for their share of taxes paid by us. We may also be subject to U.S. state and local and non-U.S. taxes on our income or property, either directly or at the level of DCTOP or at the level of the other entities through which we indirectly own our assets. In addition, any net taxable income earned directly by any of our taxable REIT subsidiaries, which we refer to as TRSs, will be subject to federal and state corporate income tax. In addition, we may be subject to federal or state taxes in other various circumstances. Any taxes we pay will reduce our cash flows.

### ***Certain property transfers may generate prohibited transaction income, resulting in a penalty tax on gain attributable to the transaction.***

From time to time, we may transfer or otherwise dispose of some of our properties, including the contribution of properties to our joint venture funds or other commingled investment vehicles. Under the Code,



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any gain resulting from transfers of properties that we hold as inventory or primarily for sale to customers in the ordinary course of business would be treated as income from a prohibited transaction subject to a 100% penalty tax, unless a safe harbor exception applies. Since we acquire properties for investment purposes, we do not believe that our occasional transfers or disposals of property or our contributions of properties into our joint venture funds, or commingled investment vehicles, are properly treated as prohibited transactions. However, whether property is held for investment purposes is a question of fact that depends on all the facts and circumstances surrounding the particular transaction. The IRS may contend that certain transfers or disposals of properties by us or contributions of properties into our joint venture funds are prohibited transactions if they do not meet the safe harbor requirements. While we believe that the IRS would not prevail in any such dispute, if the IRS were to argue successfully that a transfer or disposition or contribution of property constituted a prohibited transaction, we would be required to pay a 100% penalty tax on any gain allocable to us from the prohibited transaction. In addition, income from a prohibited transaction might adversely affect our ability to satisfy the income tests for qualification as a real estate investment trust for federal income tax purposes.

***Congress has introduced legislation that, if enacted, could cause DCTOP to be taxable as a corporation for U.S. federal income tax purposes under the publicly traded partnership rules.***

Congress has considered and the Obama administration has indicated its support for legislative proposals to treat all or part of certain income allocated to a partner by a partnership in respect of certain services provided to or for the benefit of the partnership ( carried interest revenue ) as ordinary income for U.S. federal income tax purposes. While more recent proposals would not adversely affect the character of the income for purposes of the REIT qualification tests, it is not clear what form any such final legislation would take. Additionally, while the more recent proposals purport to treat carried interest revenue as qualifying income of certain operating partnerships of publicly-traded REITs for purposes of the qualifying income exception to the publicly-traded partnership rules, DCTOP may not qualify under this exception in the proposed legislation. As a result, the proposed legislation, if enacted, could cause DCTOP to be taxable as a corporation for U.S. federal income tax purposes if it is a publicly-traded partnership and the amount of any such carried interest revenue plus any other non-qualifying income earned by DCTOP exceeds 10% of its gross income in any taxable year.

## **RISKS RELATED TO THE NOTES AND THIS EXCHANGE OFFERING**

***Our substantial indebtedness could adversely affect our financial condition and ability to fulfill our obligations under the notes and otherwise adversely impact our business and growth prospects.***

We have a substantial amount of debt. At December 31, 2013, our total consolidated indebtedness was approximately \$1.5 billion, consisting of approximately \$1.1 billion of senior unsecured notes, which includes \$225.0 million of term loans; \$291.0 million of mortgage notes; and \$39.0 million outstanding under our revolving credit facility. In addition, at December 31, 2013, our revolving credit facility had total undrawn availability of \$261.0 million. Our total consolidated indebtedness also does not include our proportionate share of the indebtedness of our unconsolidated joint ventures, which was \$44.4 million at December 31, 2013.

Our substantial indebtedness could have significant adverse consequences to holders of the notes, including the following:

our cash flow may be insufficient to meet our required principal and interest payments with respect to the notes and our other indebtedness;

we could be more vulnerable to adverse economic and industry conditions and limited in our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;

we may be unable to borrow additional funds as needed or on favorable terms;

we may be unable to refinance our indebtedness at maturity or the refinancing terms may be less favorable than the terms of our original indebtedness;

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because a portion of our debt bears interest at variable rates, increases in interest rates could increase our interest expense;

we may be forced to dispose of one or more of our properties, possibly on disadvantageous terms, in order to meet our debt obligations;

in the event of a decline in the value of our assets, our ability to fully satisfy our obligations under the notes may be reduced;

if we violate restrictive covenants in the agreements governing our indebtedness, the lenders may be entitled to accelerate our debt obligations; and

as a result of cross default provisions contained in the terms of our senior unsecured notes and revolving credit facility, our default under indebtedness representing a small percentage of our total consolidated indebtedness would result in defaults under all of our senior unsecured notes and our revolving credit facility.

In addition, our senior unsecured notes and our revolving credit facility require us to maintain specified financial ratios and comply with several restrictive covenants. All of these restrictions may limit our ability to execute our business strategy. Moreover, if operating results fall below current levels, we may be unable to maintain these ratios or comply with the covenants. If that occurs, our lenders could accelerate our indebtedness, in which case we may not be able to repay all of our indebtedness, and your notes may not be repaid fully, or at all.

***The notes are effectively subordinated to our existing secured debt and any secured debt we may incur in the future.***

The notes are not secured by any of our assets. As a result, the notes are effectively subordinated to our existing secured debt and any secured debt we may incur in the future to the extent of the value of the collateral securing such indebtedness. In any liquidation, dissolution, bankruptcy or other similar proceeding, holders of our secured debt may assert rights against any assets securing such debt in order to receive full payment of their debt before those assets may be used to pay the holders of the notes. As of December 31, 2013, we had approximately \$291.0 million of secured consolidated debt outstanding and we will be permitted to incur significant additional secured debt under the terms of the indenture governing the notes.

***The notes are structurally subordinated in right of payment to all liabilities of our existing and future subsidiaries that do not guarantee the notes and, if the guarantees are deemed unenforceable, to those of our subsidiary guarantors, and the remaining assets of such subsidiaries may not be sufficient to make any payments on the notes. In addition, the guarantors' guarantees may be released in the future if certain events occur.***

The notes are structurally subordinated to all liabilities of our current subsidiaries that are not subsidiary guarantors and will be structurally subordinated to all liabilities of any future subsidiaries that do not guarantee the notes. In addition, although the guarantees provide the holders of the notes with a direct claim as a creditor against the assets of the subsidiary guarantors, the guarantees may not be enforceable as described in more detail below. See Federal and state statutes allow courts, under specific circumstances, to void guarantees and require holders of notes to return payments received from guarantors. If the guarantees by the subsidiary guarantors are not enforceable, the notes

would be effectively subordinated to all liabilities of the subsidiary guarantors, including trade payables. As a result of being effectively subordinated to the liabilities of a subsidiary, if there was a dissolution, bankruptcy, liquidation or reorganization of such subsidiary, the holders of the notes would not receive any amounts with respect to the notes until after the payment in full of the claims of creditors of such subsidiary.

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A subsidiary guarantor will be automatically released from its guarantee if, among other things, it ceases to guarantee DCTOP's indebtedness for money borrowed in an amount greater than \$5.0 million. We currently intend to pursue an amendment to our revolving credit facility and term loan facilities to remove all of the subsidiary guarantors as guarantors thereunder and the requirement for our future subsidiaries to guarantee these facilities in order to enable our subsidiary guarantors to be released from their guarantees under our outstanding senior unsecured notes and the notes offered hereby.

As of December 31, 2013, DCTOP and the guarantors had \$1.5 billion of indebtedness (\$291.0 million of which was secured indebtedness), and our consolidated subsidiaries that will not guarantee the notes had \$256.5 million of indebtedness and \$25.0 million of other liabilities, all of which would have been structurally senior to the notes, and had \$528.2 million of assets, representing 16.2% of our consolidated total assets.

### ***We may not be able to generate sufficient cash flow to meet our debt service obligations.***

Our ability to make payments on and to refinance our indebtedness, including the notes, and to fund our operations, working capital and capital expenditures, depends on our ability to generate cash in the future. To a certain extent, our cash flow is subject to general economic, industry, financial, competitive, operating, legislative, regulatory and other factors, many of which are beyond our control.

We cannot assure you that our business will generate sufficient cash flow from operations or that future sources of cash will be available to us in an amount sufficient to enable us to pay amounts due on our indebtedness, including the notes, or to fund our other liquidity needs. Additionally, if we incur additional indebtedness in connection with future acquisitions or development projects or for any other purpose, our debt service obligations could increase.

We may need or otherwise seek to refinance all or a portion of our indebtedness, including the notes, on or before maturity. Our ability to refinance our indebtedness or obtain additional financing will depend on, among other things:

our financial condition and market conditions at the time; and

restrictions in the agreements governing our indebtedness.

As a result, we may not be able to refinance any of our indebtedness, including the notes, on commercially reasonable terms, or at all. If we do not generate sufficient cash flow from operations, and additional borrowings or refinancings or proceeds of asset sales or other sources of cash are not available to us, we may not have sufficient cash to enable us to meet all of our obligations, including payments on the notes. Accordingly, if we cannot service our indebtedness, we may have to take actions such as seeking additional equity, delaying development or acquisition activities or capital expenditures or disposing of properties or other assets, any of which could have a material adverse effect on our operations. We cannot assure you that we will be able to effect any of these actions on commercially reasonable terms, or at all.

### ***Despite our substantial indebtedness, we may still incur significantly more debt, which could exacerbate any or all of the risks related to our indebtedness, including our ability to pay the principal of or interest on the notes.***

Although the agreements governing our existing indebtedness limit, and the indenture governing the notes limits, our ability to incur additional indebtedness, these restrictions are subject to a number of qualifications and exceptions and, under certain circumstances, debt incurred in compliance with these restrictions could be substantial. In addition, the

indenture governing the notes will not prevent us from incurring obligations that do not constitute indebtedness. To the extent that we incur additional indebtedness or other such obligations, the risks associated with our substantial indebtedness described above, including our possible inability to service our debt obligations, would increase.

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***A downgrade in our credit ratings could materially adversely affect the trading price of the notes and our business and financial condition.***

In September 2013, we received investment grade corporate credit ratings from Moody's and S&P. Any downgrades in terms of ratings or outlook by any rating agency could have a material adverse impact on the trading price of the notes and on our cost and availability of capital, which could in turn have a material adverse impact on our financial condition, results of operations and liquidity.

***The indenture governing the notes contains and our revolving credit facility and senior unsecured notes contain restrictive covenants that limit our operating flexibility and could adversely affect our financial condition.***

The indenture governing the notes contains financial and operating covenants that, among other things, restrict our ability to take specific actions, even if we believe them to be in our best interest, including restrictions on our ability to:

consummate a merger, consolidation or sale of all or substantially all of our assets; and

incur additional secured and unsecured indebtedness.

In addition, our senior unsecured notes and our revolving credit facility require us to maintain specified financial ratios and comply with several restrictive covenants. All of these restrictions may limit our ability to execute our business strategy. Moreover, if operating results fall below current levels, we may be unable to maintain these ratios or comply with the covenants. If that occurs, our lenders could accelerate our indebtedness, in which case we may not be able to repay all of our indebtedness, and your notes may not be repaid fully, or at all.

***There is currently no trading market for the notes, and an active public trading market for the notes may not develop or, if it develops, may not be maintained or be public. The failure of an active liquid trading market for the notes to develop or be maintained is likely to adversely affect the market price and liquidity of the notes.***

The notes are a new issue of securities, and there is currently no existing trading market for the notes. We do not intend to apply for listing of the notes on any securities exchange or for quotation of the notes on any automated dealer quotation system. An active trading market may not develop for the notes and, even if one develops, may not be maintained. If an active trading market for the notes does not develop or is not maintained, the market price and liquidity of the notes is likely to be adversely affected, and holders may not be able to sell their notes at desired times and prices or at all. If any of the notes are traded after their purchase, they may trade at a discount from their purchase price.

The liquidity of the trading market, if any, and future trading prices of the notes will depend on many factors, including, among other things, prevailing interest rates and our financial condition, results of operations, business, prospects and credit quality and those of other comparable companies, the market for similar securities and the overall securities market, and may be adversely affected by unfavorable changes in any of these factors, some of which are beyond our control. In addition, market volatility or events or developments in the credit markets could materially and adversely affect the market value of the notes, regardless of our financial condition, results of operations, business, prospects or credit quality.

***Federal and state statutes allow courts, under specific circumstances, to void guarantees and require holders of notes to return payments received from guarantors.***

Under the federal bankruptcy law and comparable provisions of state fraudulent transfer laws, a guarantee, such as the guarantees provided by DCT and the subsidiary guarantors, could be voided, or claims in respect of a



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guarantee could be subordinated to all other debts of that guarantor if, among other things, the guarantor, at the time it incurred the indebtedness evidenced by its guarantee:

received less than reasonably equivalent value or fair consideration for the incurrence of the guarantee; and either:

was insolvent or rendered insolvent by reason of the incurrence of the guarantee;

was engaged in a business or transaction for which the guarantor's remaining assets constituted unreasonably small capital; or

intended to incur, or believed that it would incur, debts beyond its ability to pay those debts as they mature. In addition, any payment by that guarantor pursuant to its guarantee could be voided and required to be returned to the guarantor, or to a fund for the benefit of the creditors of the guarantor. The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a guarantor would be considered insolvent if:

the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all of its assets;

the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they became absolute and mature; or

it could not pay its debts as they become due.

The court might also void such guarantee, without regard to the above factors, if it found that a guarantor entered into its guarantee with actual or deemed intent to hinder, delay, or defraud its creditors.

We cannot be certain as to the standards a court would use to determine whether reasonably equivalent value or fair consideration was received by a guarantor for its guarantee of the notes, but, as a result of the fact that the subsidiary guarantors generally will not directly benefit from the issuance of the notes, a court could find that a subsidiary guarantor did not receive reasonably equivalent value or fair consideration for its guarantee. If a court voided such guarantee, holders of the notes would no longer have a claim against such guarantor or the benefit of the assets of such guarantor constituting collateral that purportedly secured such guarantee and would be creditors solely of us. In addition, the court might direct holders of the notes to repay any amounts already received from a guarantor. If the court were to void the guarantee of DCT or any subsidiary guarantor we cannot assure you that funds would be available to pay the notes from any of our subsidiaries or from any other source.

***Holders of the notes will not be entitled to require us to redeem or repurchase the notes upon the occurrence of change of control or highly levered transactions or other designated events.***

Other than as provided in Description of notes Merger, consolidation or sale, the indenture will not afford holders of the notes protection in the event of (1) a recapitalization transaction or other highly leveraged or similar transaction involving DCTOP or DCT, (2) a change of control of DCTOP or DCT or (3) a merger, consolidation, reorganization, restructuring or transfer or lease of all or substantially all of DCTOP's or DCT's assets or similar transactions that may adversely affect the holders of the notes. DCTOP or DCT may, in the future, enter into certain transactions, such as the sale of all or substantially all of DCTOP's or DCT's assets or a merger or consolidation that may increase the amount of DCTOP's or DCT's indebtedness or substantially change DCTOP's or DCT's assets, which may have a material adverse effect on DCTOP's ability to service its indebtedness, including the notes, or on DCT's ability to pay amounts due under its guarantees of the notes. Furthermore, the notes and the indenture will not include any provisions that would allow holders of the notes to require DCTOP or DCT to repurchase or redeem the notes in the event of a transaction of the nature described above.

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**FORWARD-LOOKING STATEMENTS**

This prospectus and the documents incorporated herein by reference contain forward-looking statements within the meaning of Section 27A of the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, which are usually identified by the use of words such as anticipates, believes, estimates, expects, intends, may, plans, projects, seeks, should, will, and variations of such words or similar expressions. We forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and are including this statement for purposes of complying with those safe harbor provisions. These forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Although we believe that our plans, intentions, expectations, strategies and prospects as reflected in or suggested by those forward-looking statements are reasonable, we can give no assurance that the plans, intentions, expectations or strategies will be attained or achieved. Furthermore, actual results may differ materially from those described in the forward-looking statements and will be affected by a variety of risks and factors that are beyond our control including, without limitation:

national, international, regional and local economic conditions, including, in particular, the strength of the United States economic recovery and global economic recovery;

the general level of interest rates and the availability of capital;

the competitive environment in which we operate;

real estate risks, including fluctuations in real estate values and the general economic climate in local markets and competition for tenants in such markets;

decreased rental rates or increasing vacancy rates;

defaults on or non-renewal of leases by tenants;

acquisition and development risks, including failure of such acquisitions and development projects to perform in accordance with projections;

the timing of acquisitions, dispositions and development;

natural disasters such as fires, floods, tornadoes, hurricanes and earthquakes;

energy costs;

the terms of governmental regulations that affect us and interpretations of those regulations, including the costs of compliance with those regulations, changes in real estate and zoning laws and increases in real property tax rates;

financing risks, including the risk that our cash flows from operations may be insufficient to meet required payments of principal, interest and other commitments;

lack of or insufficient amounts of insurance;

litigation, including costs associated with prosecuting or defending claims and any adverse outcomes;

the consequences of future terrorist attacks or civil unrest;

environmental liabilities, including costs, fines or penalties that may be incurred due to necessary remediation of contamination of properties presently owned or previously owned by us; and

other risks and uncertainties detailed in the section entitled Risk Factors.

In addition, our current and continuing qualification as a real estate investment trust, or REIT, involves the application of highly technical and complex provisions of the Internal Revenue Code of 1986, or the Code, and depends on our ability to meet the various requirements imposed by the Code through actual operating results, distribution levels and diversity of stock ownership.

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**THE EXCHANGE OFFER**

**Purpose of the Exchange Offer**

On October 9, 2013, DCTOP issued \$275.0 million of the private notes to J.P. Morgan Securities LLC, Citigroup Global Markets Inc., Wells Fargo Securities, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Comerica Securities, Inc., Mitsubishi UFJ Securities (USA), Inc., PNC Capital Markets LLC, Regions Securities LLC and U.S. Bancorp Investments, Inc., the initial purchasers, pursuant to a purchase agreement. The initial purchasers subsequently sold the private notes to qualified institutional buyers, as defined in Rule 144A under the Securities Act, in reliance on Rule 144A, and to certain non-U.S. persons located outside the United States, in reliance on Regulation S under the Securities Act. As a condition to the sale of the private notes, we entered into a registration rights agreement with the initial purchasers on October 9, 2013. The registration rights agreement provides that:

- (1) DCTOP and DCT must use commercially reasonable efforts to cause an exchange offer registration statement to be declared effective by the SEC and to complete the exchange offer not later than 60 days after such registration statement becomes effective and not more than 270 days after the issuance of the private notes; and
- (2) unless the exchange offer would not be permitted by applicable law or SEC policy or applicable interpretation of the staff of the SEC, DCTOP and DCT will commence the exchange offer promptly after the exchange offer registration statement is declared effective by the SEC and keep the exchange offer open for at least 20 business days (or longer, if required by applicable securities laws) after the date notice is sent to holders of entitled securities (as defined below); and
- (3) if obligated to file a shelf registration statement, as discussed below, DCTOP and DCT will use all commercially reasonable efforts to file a shelf registration statement with the SEC as soon as reasonably practicable after such filing obligation arises, cause the shelf registration statement to be declared effective by the SEC and keep the shelf registration statement continuously effective until the securities cease to be registrable securities.

Upon the effectiveness of the exchange offer registration statement, we will offer the exchange notes in exchange for the private notes. The registration rights agreement is listed as an exhibit to the registration statement of which this prospectus is part.

**Resale of the Exchange Notes**

Under existing interpretations by the staff of the SEC contained in no-action letters to third parties, the exchange notes will generally be freely transferable by holders (other than by any holder that is an affiliate (as defined in Rule 405 of the Securities Act) of DCTOP or DCT) after the exchange offer without further registration under the Securities Act, except that participating broker-dealers (as defined below) will be required to deliver a prospectus in connection with any resale or other transfer of the exchange notes as described below.

If you wish to exchange your private notes for exchange notes in the exchange offer, you will be required to make certain representations. If you are not able to make these representations, you will not be entitled to participate in the exchange offer or to exchange your private notes for exchange notes.

Any broker-dealer who holds private notes acquired for its own account as a result of market-making activities or other trading activities (a participating broker-dealer) who exchanges those private notes for exchange notes in the exchange offer must deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of those exchange notes. We understand that the staff of the SEC has taken the position that participating

broker-dealers may fulfill their prospectus delivery requirements with respect to exchange notes, other than a resale of an unsold allotment from the initial offering of the private notes, with the prospectus contained in the exchange offer registration statement. Under the registration rights agreement, for a

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period of 180 days following the expiration date of the exchange offer, participating broker-dealers will be entitled to use the prospectus contained in the exchange offer registration statement in connection with the resale of the exchange notes (and we will agree to keep the exchange offer registration statement continuously effective and the related prospectus current during such period).

### **Terms of the Exchange Offer**

Upon the terms and subject to the conditions described in this prospectus and in the accompanying letter of transmittal, which together constitute the exchange offer, we will accept any and all private notes validly tendered and not withdrawn before the expiration date. We will issue \$1,000 principal amount of exchange notes in exchange for each \$1,000 principal amount of outstanding private notes surrendered pursuant to the exchange offer. You may tender private notes only in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

The form and terms of the exchange notes are the same as the form and terms of the private notes except that:

the exchange notes will be registered with the SEC and thus will not be subject to restrictions on transfer or bear legends restricting their transfer; and

the exchange notes will not provide for the payment of additional interest as described below or be entitled to registration rights under the registration rights agreement.

The exchange notes will evidence the same debt as the private notes and will be issued under the same indenture, so the exchange notes and the private notes will be treated as a single class of debt securities under the indenture.

As of the date of this prospectus, \$275.0 million in aggregate principal amount of the private notes are outstanding and registered in the name of DTC or its nominee. Only registered holders of the private notes, or their legal representative or attorney-in-fact, as reflected on the records of the trustee under the indenture, may participate in the exchange offer. We will not set a fixed record date for determining registered holders of the private notes entitled to participate in the exchange offer.

You do not have any appraisal or dissenters' rights under the indenture in connection with the exchange offer. We intend to conduct the exchange offer in accordance with the provisions of the registration rights agreement and the applicable requirements of the Securities Act, the Exchange Act and the rules and regulations of the SEC.

We will be deemed to have accepted validly tendered private notes when, as and if we have given written notice of acceptance to the exchange agent. The exchange agent will act as your agent for the purposes of receiving the exchange notes from us.

If you tender private notes in the exchange offer you will not be required to pay brokerage commissions or fees with respect to the exchange of private notes pursuant to the exchange offer. We will pay all charges and expenses, other than the applicable taxes described below, in connection with the exchange offer.

### **Expiration Date; Extensions; Amendments**

The term "expiration date" will mean 5:00 p.m., New York City time on \_\_\_\_\_, 2014 (the 21st business day following commencement of the exchange offer), unless we extend the exchange offer, in which case the term

expiration date will mean the latest date and time to which we extend the exchange offer.



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To extend the exchange offer, we will notify the exchange agent and each registered holder of any extension in writing by a press release or other public announcement before 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date. The notice of extension will disclose the aggregate principal amount of the private notes that have been tendered as of the date of such notice.

We reserve the right, in our reasonable discretion:

to delay accepting any private notes due to an extension of the exchange offer; or

if any conditions listed below under **Conditions** are not satisfied, to terminate the exchange offer, in each case by written notice of the delay, extension or termination to the exchange agent and by press release or other public announcement.

We will follow any delay in acceptance, extension or termination as promptly as practicable by written notice to the registered holders by a press release or other public announcement. If we amend the exchange offer in a manner we determine constitutes a material change, we will promptly disclose the amendment in a prospectus supplement that we will distribute to the registered holders. We will also extend the exchange offer for a period of five to ten business days, depending upon the significance of the amendment and the manner of disclosure, if the exchange offer would otherwise expire during the five to ten business day period.

## **Interest on the Exchange notes**

The exchange notes will bear interest at the same rate and on the same terms as the private notes. Consequently, the exchange notes will bear interest at a rate equal to 4.500% per year (calculated using a 360-day year). Interest will be payable on the exchange notes semi-annually on each April 15 and October 15.

Interest on the exchange notes will accrue from the last interest payment date on which interest was paid on the private notes or, if no interest has been paid on the private notes, from the date of initial issuance of the private notes. We will deem the right to receive any interest accrued but unpaid on the private notes waived by you if we accept your private notes for exchange.

## **Procedures for Tendering**

### ***Valid Tender***

Except as described below, a tendering holder must, prior to the expiration date, transmit to the exchange agent, at the address listed under the heading **Exchange Agent** :

a properly completed and duly executed letter of transmittal, including all other documents required by the letter of transmittal; or

if the private notes are tendered in accordance with the book-entry procedures listed below, an agent's message.

In addition, a tendering holder must:

deliver certificates, if any, for the private notes to the exchange agent at or before the expiration date; or

deliver a timely confirmation of book-entry transfer of the private notes into the exchange agent's account at DTC, the book-entry transfer facility, along with the letter of transmittal or an agent's message; or

comply with the guaranteed delivery procedures described below.

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The term **agent's message** means a message, transmitted by DTC to and received by the exchange agent and forming a part of a book-entry confirmation, that states that DTC has received an express acknowledgment that the tendering holder agrees to be bound by the letter of transmittal and that we may enforce the letter of transmittal against this holder.

If the letter of transmittal is signed by a person other than the registered holder of private notes, the letter of transmittal must be accompanied by a written instrument of transfer or exchange in satisfactory form duly executed by the registered holder with the signature guaranteed by an eligible institution. The private notes must be endorsed or accompanied by appropriate powers of attorney. In either case, the private notes must be signed exactly as the name of any registered holder appears on the private notes.

If the letter of transmittal or any private notes or powers of attorney are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, these persons should so indicate when signing. Unless waived by us, proper evidence satisfactory to us of their authority to so act must be submitted.

By tendering private notes pursuant to the exchange offer, each holder will represent to us that the holder (1) owns the private notes tendered and is entitled to tender such notes, and (2) has full power and authority to tender, sell, exchange, assign and transfer the private notes and to acquire exchange notes issuable upon the exchange of such tendered private notes, and that, when the same are accepted for exchange, DCTOP will acquire good, marketable and unencumbered title to the tendered private notes, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim or right or restriction or proxy of any kind. Each holder will warrant that it will, upon request, execute and deliver any additional documents deemed by the exchange agent or DCTOP to be necessary or desirable to complete the sale, exchange, assignment and transfer of tendered private notes or to transfer ownership of such notes on the account books maintained by DTC.

In addition, unless a box under the heading **Special Issuance Instructions** in the letter of transmittal is checked by a holder, by tendering private notes and executing the letter of transmittal, each holder will represent and warrant that:

- (1) the holder or any beneficial owner of the private notes is acquiring the exchange notes in the ordinary course of business of the holder (or such other beneficial owner);
- (2) neither the holder nor any beneficial owner is engaging in or intends to engage in a distribution of the exchange notes within the meaning of the federal securities laws;
- (3) neither the holder nor any beneficial owner has an arrangement or understanding with any person or entity to participate in a distribution of the exchange notes;
- (4) neither the holder nor any beneficial owner is an affiliate, as such term is defined under Rule 405 promulgated under the Securities Act, of DCTOP or of DCT. Upon request by DCTOP, the holder or such beneficial owner will deliver to DCTOP a legal opinion confirming it is not such an affiliate;
- (5) the holder and each beneficial owner acknowledges and agrees that any person who is a broker-dealer registered under the Exchange Act, or is participating in the exchange offer for the purpose of distributing the exchange notes, must comply with the registration and delivery requirements of the Securities Act in connection with a secondary resale transaction of the exchange notes or interests therein acquired by such person and cannot rely on the position of the staff of the SEC set forth in certain no-action letters;

(6) a secondary resale transaction described in clause (5) above and any resales of exchange notes or interests therein obtained by such holder in exchange for private notes or interests therein originally acquired by such holder directly from DCTOP should be covered by an effective registration statement containing the selling security holder information required by Item 507 or Item 508, as applicable, of Regulation S-K or the SEC; and

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(7) the holder is not acting on behalf of any person or entity who could not truthfully make the foregoing representations.

If the holder is a broker-dealer that will receive exchange notes for its own account in exchange for private notes, it will represent that the private notes to be exchanged for the exchange notes were acquired by it for its own account as a result of market-making activities or other trading activities and acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such exchange notes; however, by so acknowledging and delivering a prospectus, the holder will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. If the holder is a broker-dealer and private notes held for its own account were not acquired as a result of market-making or other trading activities, such private notes cannot be exchanged pursuant to the exchange offer.

The method of delivery of private notes, letters of transmittal and all other required documents is at your election and risk. If the delivery is by mail, we recommend that you use registered mail, properly insured, with return receipt requested. In all cases, you should allow sufficient time to assure timely delivery. You should not send letters of transmittal or private notes to us.

If you are a beneficial owner whose private notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, and wish to tender, you should promptly instruct the registered holder to tender on your behalf. Any registered holder that is a participant in DTC's book-entry transfer facility system may make book-entry delivery of the private notes by causing DTC to transfer the private notes into the exchange agent's account, including by means of DTC's Automated Tender Offer Program.

## ***Signature Guarantees***

Signatures on a letter of transmittal or a notice of withdrawal must be guaranteed, unless the private notes surrendered for exchange are tendered:

by a registered holder of the private notes who has not completed the box entitled Special Issuance Instructions or Special Delivery Instructions on the letter of transmittal; or

for the account of an eligible institution.

If signatures on a letter of transmittal or a notice of withdrawal are required to be guaranteed, the guarantees must be by an eligible institution. An eligible institution is an eligible guarantor institution meeting the requirements of the registrar for the notes, which requirements include membership or participation in the Security Transfer Agent Medallion Program, or STAMP, or such other signature guarantee program as may be determined by the registrar for the notes in addition to, or in substitution for, STAMP, all in accordance with the Exchange Act.

## ***Book-Entry Transfer***

The exchange agent will make a request to establish an account for the private notes at DTC for purposes of the exchange offer within two business days after the date of this prospectus. Any financial institution that is a participant in DTC's systems must make book-entry delivery of private notes by causing DTC to transfer those private notes into the exchange agent's account at DTC in accordance with DTC's procedure for transfer. The participant should transmit its acceptance to DTC at or prior to the expiration date or comply with the guaranteed delivery procedures described

below. DTC will verify this acceptance, execute a book-entry transfer of the tendered private notes into the exchange agent's account at DTC and then send to the exchange agent confirmation of this book-entry transfer. The confirmation of this book-entry transfer will include an agent's message confirming that DTC has received an express acknowledgment from this participant that this participant has received and agrees to be bound by the letter of transmittal and that we may enforce the letter of transmittal against this participant.

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Delivery of exchange notes issued in the exchange offer may be effected through book-entry transfer at DTC. However, the letter of transmittal or facsimile of it or an agent's message, with any required signature guarantees and any other required documents, must:

be transmitted to and received by the exchange agent at the address listed under "Exchange Agent" at or prior to the expiration date; or

comply with the guaranteed delivery procedures described below.

Delivery of documents to DTC in accordance with DTC's procedures does not constitute delivery to the exchange agent.

***Guaranteed Delivery***

If a registered holder of private notes desires to tender the private notes, and the private notes are not immediately available, or time will not permit the holder's private notes or other required documents to reach the exchange agent before the expiration date, or the procedure for book-entry transfer described above cannot be completed on a timely basis, a tender may nonetheless be made if:

the tender is made through an eligible institution;

prior to the expiration date, the exchange agent received from an eligible institution a properly completed and duly executed notice of guaranteed delivery, substantially in the form provided by us, by facsimile transmission, mail or hand delivery:

1. stating the name and address of the holder of private notes and the amount of private notes tendered;
2. stating that the tender is being made; and
3. guaranteeing that within three New York Stock Exchange trading days after the expiration date, the certificates for all physically tendered private notes, in proper form for transfer, or a book-entry confirmation, as the case may be, and a properly completed and duly executed letter of transmittal, or an agent's message, and any other documents required by the letter of transmittal will be deposited by the eligible institution with the exchange agent; and

the certificates for all physically tendered private notes, in proper form for transfer, or a book-entry confirmation, as the case may be, and a properly completed and duly executed letter of transmittal, or any agent's message, and all other documents required by the letter of transmittal, are received by the exchange agent within three New York Stock Exchange trading days after the expiration date.

***Determination of Validity***

We will determine in our sole discretion all questions as to the validity, form and eligibility of private notes tendered for exchange. This discretion extends to the determination of all questions concerning the time of receipt, acceptance and withdrawal of tendered private notes. These determinations will be final and binding. We reserve the absolute right to reject any and all private notes not properly tendered or any private notes our acceptance of which would, in the opinion of our counsel, be unlawful. We also reserve the right to waive any defects, irregularities or conditions of tender as to any particular private note either before or after the expiration date, including the right to waive the ineligibility of any tendering holder. Our interpretation of the terms and conditions of the exchange offer as to any particular private note either before or after the expiration date, including the letter of transmittal and the instructions to the letter of transmittal, shall be final and binding on all parties. Unless waived, you must cure any defects or irregularities with respect to tenders of private notes within the time we determine. Although we intend to notify you of defects or irregularities with respect to tenders of private notes, neither we, the exchange agent nor any other person will incur any liability for failure to give you that notification. Unless waived, we will not deem tenders of private notes to have been made until you cure the defects or irregularities.



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### ***Other Rights***

While we have no present plan to acquire any private notes that are not tendered in the exchange offer or to file a registration statement to permit resales of any private notes that are not tendered in the exchange offer, we reserve the right in our sole discretion to purchase or make offers for any private notes that remain outstanding after the expiration date.

### **Acceptance of Private Notes for Exchange; Issuance of Exchange Notes**

Upon the terms and subject to the conditions of the exchange offer, we will accept, promptly after the expiration date, all private notes properly tendered. We will issue the exchange notes promptly after acceptance of the private notes. For purposes of the exchange offer, we will be deemed to have accepted properly tendered private notes for exchange when, as and if we have given oral or written notice to the exchange agent, with prompt written confirmation of any oral notice.

In all cases, issuance of exchange notes for private notes will be made only after timely receipt by the exchange agent of:

certificates for the private notes, or a timely book-entry confirmation of the private notes, into the exchange agent's account at the book-entry transfer facility;

a properly completed and duly executed letter of transmittal or an agent's message; and

all other required documents.

For each private note accepted for exchange, the holder of the private note will receive an exchange note having a principal amount equal to that of the surrendered private note.

### **Return of Notes**

Unaccepted or non-exchanged private notes will be returned without expense to the tendering holder of the private notes. In the case of private notes tendered by book-entry transfer in accordance with the book-entry procedures described above, the non-exchanged private notes will be credited to an account maintained with DTC as promptly as practicable after the expiration or termination of the exchange offer.

### **Withdrawal of Tenders**

Except as otherwise provided in this prospectus, you may withdraw tenders of private notes at any time before 5:00 p.m., New York City time, on the expiration date.

For a withdrawal to be effective, the exchange agent must receive a written notice of withdrawal at the address or, in the case of eligible institutions, at the facsimile number, indicated under Exchange Agent before the expiration date. Any notice of withdrawal must:

specify the name of the person, referred to as the depositor, having tendered the private notes to be withdrawn;

identify the private notes to be withdrawn, including the certificate number or numbers and principal amount of the private notes;

contain a statement that the holder is withdrawing its election to have the private notes exchanged;

be signed by the holder in the same manner as the original signature on the letter of transmittal by which the private notes were tendered, including any required signature guarantees, or be accompanied by documents of transfer to have the trustee with respect to the private notes register the transfer of the private notes in the name of the person withdrawing the tender; and

specify the name in which the private notes are registered, if different from that of the depositor.

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If certificates for private notes have been delivered or otherwise identified to the exchange agent, then, prior to the release of these certificates the withdrawing holder must also submit the serial numbers of the particular certificates to be withdrawn and signed notice of withdrawal with signatures guaranteed by an eligible institution, unless this holder is an eligible institution. If private notes have been tendered in accordance with the procedure for book-entry transfer described above, any notice of withdrawal must specify the name and number of the account at the book-entry transfer facility to be credited with the withdrawn private notes.

We will determine in our sole discretion all questions as to the validity, form and eligibility of the notices, and our determination will be final and binding on all parties. We will not deem any properly withdrawn private notes to have been validly tendered for purposes of the exchange offer, and we will not issue exchange notes with respect to those private notes, unless you validly retender the withdrawn private notes. You may retender properly withdrawn private notes by following the procedures described above under Procedures for Tendering at any time before 5:00 p.m., New York City time, on the expiration date.

## **Conditions**

Notwithstanding any other term of the exchange offer, we will not be required to accept for exchange, or exchange the exchange notes for, any private notes, and may terminate the exchange offer as provided in this prospectus before the expiration of the exchange offer, if the exchange offer violates applicable law or an applicable interpretation of the staff of the SEC.

## **Termination of Rights**

All of your rights under the registration rights agreement will terminate upon consummation of the exchange offer, except with respect to our continuing obligations:

to indemnify you and parties related to you against liabilities, including liabilities under the Securities Act; and

to provide, upon your request, the information required by Rule 144A(d)(4) under the Securities Act to permit resales of the notes pursuant to Rule 144A.

## **Shelf Registration**

If:

(1) DCTOP and DCT:

(a) do not cause the exchange offer registration statement to become effective on or prior to 270 days after the closing of the offering of private notes; or

(b) determine that the consummation of the exchange offer is not permitted because the exchange offer is not permitted by applicable law or SEC policy or applicable interpretations of the staff of the SEC; or

(c) receive a written request from any initial purchasers representing that it holds registrable securities that are or were ineligible to be exchange in the exchange offer;

then DCTOP and DCT will use commercially reasonable efforts to cause to be filed with the SEC as soon as reasonably practicable after such determination, date, or request, a shelf registration statement, and will use commercially reasonable efforts to have the shelf registration statement declared effective by the SEC after such determination, date, or request.

If:

(1) any registration statement as required by the registration rights agreement is not declared effective by the SEC on or prior to the date specified for such effectiveness; or

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(2) the exchange offer is not completed within 270 days of the closing of the offering of private notes; or

(3) the shelf registration statement is declared effective but thereafter ceases to be effective (other than under circumstances described below) during the periods specified in the registration rights agreement, or if DCTOP and DCT through their omission fail to name as a selling security holder any holder that had complied timely with its obligations under the registration rights agreement in a manner to entitle such holder to be named in the shelf registration statement or any prospectus (each such event referred to in clauses (1) through (3) above, a registration default),

then DCTOP will pay additional interest to each holder of registrable securities from and including the date on which any such registration default shall occur to but excluding the date on which all registration defaults have been cured or cease to exist.

With respect to the first 90-day period during which a registration default is continuing, additional interest will be paid at a rate equal to 0.25% per annum of the principal amount of entitled securities outstanding. If all registration defaults are not cured or cease to exist prior to the end of such 90-day period, then, from and including the first day after such 90-day period, the rate at which additional interest is payable will increase by an additional 0.25% per annum. However, the maximum rate of additional interest will in no event exceed 0.50% per annum. Additional interest will accrue and be payable to but excluding the date on which all registration defaults have been cured or cease to exist.

Additional interest will be computed on the basis of a 360-day year comprised of twelve 30-day months and will be paid to the holders of the registrable securities in the same manner and times as interest is otherwise payable on the registrable securities. From and including the date on which all registration defaults have been cured or otherwise ceased to exist, additional interest will cease to accrue unless and until a subsequent registration default occurs. Additional interest will not be payable on any private notes or exchange notes other than registrable securities.

Holders of the notes will be required to make certain representations to DCTOP (as described in the registration rights agreement) in order to participate in the exchange offer. In order to include registrable securities in the shelf registration statement, if filed, and receive additional interest relating to a registration default with respect to the shelf registration statement, a holder will be required to provide certain information to DCTOP and to be named as a selling security holder in the shelf registration statement and the related prospectus, and will be subject to certain civil liability provisions under the Securities Act in connection with sales under the shelf registration statement. By including registrable securities in the shelf registration statement, if any, a holder will be deemed to have agreed to indemnify us against certain losses arising out of information furnished by such holder in writing for inclusion in any shelf registration statement.

If a shelf registration statement becomes effective under the Securities Act then, during any 365-day period thereafter DCTOP may, by notice to holders of entitled securities registered pursuant to the shelf registration statement, suspend the availability of the shelf registration statement and the use of the related prospectus for up to two periods not to exceed a total of 60 days during any such 365-day period if:

such action is required by applicable law; or

the happening of any event or the discovery of any fact makes any statement made in the shelf registration statement or the related prospectus untrue in any material respect or constitutes an omission to state a

material fact in the shelf registration statement or related prospectus.

Each holder of registrable securities will be required to discontinue disposition of those registrable securities pursuant to the shelf registration statement upon receipt from us of notice of any events described in the preceding sentence but will not be entitled to receive additional interest unless such suspension exceeds the

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number of days or periods specified above. If we effect the exchange offer, we will also be permitted to require any broker-dealers to discontinue disposition of exchange notes pursuant to this prospectus on the same terms and conditions described in this paragraph. If we suspend the use of the shelf registration statement or this prospectus during the period we are otherwise required to keep such registration statement effective, then the period that DCTOP and DCT are required to keep the shelf registration statement effective or during which the exchange offer registration statement must remain effective and participating broker-dealers are entitled to use such prospectus, as the case may be, will be extended by a number of days equal to the period of any such suspension.

## **Exchange Agent**

We have appointed U.S. Bank National Association as exchange agent for the exchange offer of notes. All executed letters of transmittal and any other required documents should be directed to the exchange agent at the address or facsimile number set forth below. You should direct questions and requests for assistance and requests for additional copies of this prospectus or of the letter of transmittal and requests for notices of guaranteed delivery to the exchange agent addressed as follows:

U.S. Bank National Association

Global Corporate Trust Services

950 17<sup>th</sup> Street, 12<sup>th</sup> Floor

Denver, CO 80202

Attention: Sandra Richelmy, Corporate Trust Department

Reference: DCT Industrial Trust Inc.

4.500% Senior Notes due 2023

## **Fees and Expenses**

We will bear the expenses of soliciting tenders. We have not retained any dealer manager in connection with the exchange offer and will not make any payments to brokers, dealers or others soliciting acceptances of the exchange offer. We will, however, pay the exchange agent reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses.

We will pay the cash expenses incurred in connection with the exchange offer. These expenses include registration fees, fees and expenses of the exchange agent and the trustee, accounting and legal fees and printing costs, among others.

We will pay all transfer taxes, if any, applicable to the exchange of notes pursuant to the exchange offer. If, however, a transfer tax is imposed for any reason other than the exchange of the private notes pursuant to the exchange offer, then you must pay the amount of the transfer taxes. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with the letter of transmittal, the amount of such transfer taxes will be billed directly to you.

## **Consequence of Failures to Exchange**

Participation in the exchange offer is voluntary. We urge you to consult your financial and tax advisors in making your decisions on what action to take. Private notes that are not exchanged for exchange notes pursuant to the exchange offer will remain restricted securities. Accordingly, those private notes may be resold only:

to a person whom the seller reasonably believes is a qualified institutional buyer in a transaction meeting the requirements of Rule 144A;

in a transaction meeting the requirements of Rule 144 under the Securities Act;

outside the United States to a foreign person in a transaction meeting the requirements of Rule 903 or 904 of Regulation S under the Securities Act;



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in accordance with another exemption from the registration requirements of the Securities Act and based upon an opinion of counsel if we so request;

to us; or

pursuant to an effective registration statement.

In each case, the private notes may be resold only in accordance with any applicable securities laws of any state of the United States or any other applicable jurisdiction.

**Accounting Treatment**

The exchange notes will be recorded at the same carrying value as the original notes, as reflected in our accounting records on the date of the exchange. Accordingly, no gain or loss for accounting purposes will be recognized.

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**USE OF PROCEEDS**

The exchange offer satisfies an obligation under the registration rights agreement. We will not receive any cash proceeds from the exchange offer.

The net proceeds from the sale of the private notes after deducting discounts and offering expenses, were approximately \$269.6 million. We used the net proceeds from the sale of the private notes to repay borrowing under a \$175.0 million senior unsecured term loan, \$50.0 million of senior unsecured notes, borrowings under our revolving credit facility and for general corporate purposes.

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**SELECTED CONSOLIDATED FINANCIAL DATA**

The following tables set forth summary historical consolidated financial and operating data for DCT Industrial Operating Partnership LP and DCT Industrial Trust Inc. and their respective subsidiaries. You should read the following summary historical financial data in conjunction with the consolidated historical financial statements and notes thereto of DCT Industrial Operating Partnership LP and its subsidiaries, included elsewhere in this prospectus, and DCT Industrial Trust Inc. and its subsidiaries, incorporated by reference into this prospectus, and Management's Discussion and Analysis of Financial Condition and Results of Operations, included elsewhere in this prospectus.

**DCT Industrial Operating Partnership LP**

The consolidated balance sheet data as of December 31, 2013 and 2012 and the consolidated statement of operations data for the years ended December 31, 2013, 2012 and 2011 have been derived from the historical consolidated financial statements of DCT Industrial Operating Partnership LP and subsidiaries audited by Ernst & Young LLP, an independent registered public accounting firm, whose report with respect thereto is included elsewhere in this prospectus. The consolidated balance sheet data as of December 31, 2011, 2010 and 2009 and the consolidated statement of operations data for each of the years ended December 31, 2010 and 2009 have been derived from the unaudited historical consolidated financial statements of DCT Industrial Operating Partnership LP and subsidiaries, not included in this prospectus.

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	<b>For the Years Ended December 31,</b>				
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
	(amounts in thousands, except per share data and building count)				
<b>Operating Data:</b>					
Rental revenues	\$ 286,218	\$ 236,839	\$ 211,536	\$ 190,404	\$ 192,669
Total revenues	\$ 289,005	\$ 240,898	\$ 215,827	\$ 194,537	\$ 195,370
Rental expenses and real estate taxes	\$ 80,025	\$ 66,390	\$ 61,367	\$ 58,437	\$ 55,826
Property net operating income <sup>(5)</sup>	\$ 206,193	\$ 170,449	\$ 150,169	\$ 131,967	\$ 136,843
Total operating expenses	\$ 237,741	\$ 200,972	\$ 189,951	\$ 178,400	\$ 170,204
Loss from continuing operations	\$ (9,251)	\$ (28,540)	\$ (42,503)	\$ (44,618)	\$ (34,624)
Income from discontinued operations	\$ 26,723	\$ 11,800	\$ 13,660	\$ 1,551	\$ 12,911
Gain on dispositions of real estate interests	\$ 31	\$	\$	\$ 13	\$ 5
Net income (loss) attributable to OP Unitholders	\$ 16,883	\$ (16,468)	\$ (27,885)	\$ (42,524)	\$ (21,539)
<b>Earnings per OP Unit Basic and Diluted:</b>					
Loss from continuing operations	\$ (0.03)	\$ (0.10)	\$ (0.16)	\$ (0.19)	\$ (0.16)
Income from discontinued operations	0.08	0.04	0.05	0.01	0.06
Net income (loss) attributable to OP Unitholders	\$ 0.05	\$ (0.06)	\$ (0.11)	\$ (0.18)	\$ (0.10)
Weighted average OP Units outstanding, basic and diluted	317,848	278,189	267,901	238,763	223,560
<b>Amounts Attributable to OP Unitholders:</b>					
Loss from continuing operations	\$ (9,840)	\$ (28,268)	\$ (41,545)	\$ (44,075)	\$ (34,450)
Income from discontinued operations <sup>(1)</sup>	26,723	11,800	13,660	1,551	12,911
Net income (loss) attributable to OP Unitholders	16,883	(16,468)	(27,885)	(42,524)	(21,539)
Distributed and undistributed earnings allocated to participating securities	(692)	(524)	(443)	(480)	(436)
Adjusted net income (loss) attributable to OP Unitholders	\$ 16,191	\$ (16,992)	\$ (28,328)	\$ (43,004)	\$ (21,975)
<b>OP Unit Distributions:</b>					
OP Unit cash distributions, declared	\$ 90,352	\$ 79,459	\$ 75,849	\$ 67,380	\$ 68,428
OP Unit cash distributions, declared per unit	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.30
<b>Other Data:</b>					
Consolidated operating square feet	61,896	58,132	58,099	56,652	52,910
Consolidated operating buildings	395	399	408	390	375
Total consolidated buildings square feet	63,172	61,410	58,255	57,777	56,847
Total consolidated buildings	400	409	409	398	394



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	<b>For the Years Ended December 31,</b>				
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
	(amounts in thousands, except per share data and building count)				
<b>Balance Sheet Data:</b>					
Net investment in real estate	\$ 3,141,877	\$ 2,910,613	\$ 2,711,027	\$ 2,647,186	\$ 2,576,410
Total assets	\$ 3,265,963	\$ 3,057,199	\$ 2,793,298	\$ 2,719,889	\$ 2,644,292
Senior unsecured notes	\$ 1,122,407	\$ 1,025,000	\$ 935,000	\$ 786,000	\$ 625,000
Mortgage notes	\$ 290,960	\$ 317,314	\$ 317,783	\$ 425,359	\$ 511,715
Total liabilities	\$ 1,598,771	\$ 1,583,640	\$ 1,389,183	\$ 1,319,051	\$ 1,220,659
<b>Cash Flow Data:</b>					
Net cash provided by operating activities	\$ 152,893	\$ 118,956	\$ 106,482	\$ 91,002	\$ 109,749
Net cash used in investing activities	\$ (301,058)	\$ (299,138)	\$ (177,823)	\$ (138,334)	\$ (17,673)
Net cash provided by (used in) financing activities	\$ 167,695	\$ 180,044	\$ 66,845	\$ 45,542	\$ (92,637)
<b>Funds From Operations:<sup>(2)</sup></b>					
Net income (loss) attributable to OP Unitholders	\$ 16,883	\$ (16,468)	\$ (27,885)	\$ (42,524)	\$ (21,539)
<b>Adjustments:</b>					
Real estate related depreciation and amortization	137,120	126,687	128,989	115,904	111,250
Equity in (earnings) loss of unconsolidated joint ventures, net	(2,405)	(1,087)	2,556	2,986	(2,698)
Equity in FFO of unconsolidated joint ventures	10,152	10,312	4,732	4,001	11,807
Loss on business combinations				395	10,325
Impairment losses on depreciable real estate <sup>(4)</sup>	13,279	11,422	10,160	8,012	681
Gain on dispositions of real estate interests	(33,650)	(13,383)	(12,030)	(2,091)	(1,354)
Gain on dispositions of non-depreciable real estate	31			13	783
Noncontrolling interest in above adjustments	(787)	(1,397)	(1,716)	(54)	(72)
FFO attributable to OP Unitholders basic and diluted	140,623	116,086	104,806	86,642	109,183
<b>Adjustments:</b>					
Impairment losses on non-depreciable real estate <sup>(3)</sup>				3,992	300
Debt modification costs				1,136	
Acquisition costs <sup>(3)</sup>	3,578	1,975	1,902	1,228	
FFO, as adjusted, attributable to OP Unitholders, basic and diluted <sup>(2)(4)</sup> :	\$ 144,201	\$ 118,061	\$ 106,708	\$ 92,998	\$ 109,483
FFO per OP Unit basic and diluted	\$ 0.44	\$ 0.41	\$ 0.39	\$ 0.36	\$ 0.48

FFO as adjusted, per OP Unit basic and diluted <sup>(2)(4)</sup> :	\$ 0.45	\$ 0.42	\$ 0.40	\$ 0.39	\$ 0.49
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FFO weighted average OP Units outstanding:

OP Units	317,848	278,189	267,901	238,763	223,560
Participating securities	2,462	1,896	1,601	1,689	1,535

FFO weighted average OP Units and participating securities outstanding basic:

outstanding basic:	320,310	280,085	269,502	240,452	225,095
Dilutive unit equivalents	893	623	449	357	189

FFO weighted average OP Units outstanding diluted:

outstanding diluted:	321,203	280,708	269,951	240,809	225,284
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**Table of Contents****DCT Industrial Trust Inc.**

The consolidated balance sheet data as of December 31, 2013 and 2012 and the consolidated statement of operations data for the years ended December 31, 2013, 2012 and 2011 have been derived from the historical consolidated financial statements of DCT Industrial Trust Inc. audited by Ernst & Young LLP, an independent registered public accounting firm, whose report with respect thereto is incorporated by reference in this prospectus. The consolidated balance sheet data as of December 31, 2011, 2010 and 2009 and the consolidated statement of operations data for each of the years ended December 31, 2010 and 2009 have been derived from the historical consolidated financial statements of DCT Industrial Trust Inc., not included in or incorporated by reference in this prospectus.

	<b>For the Years Ended December 31,</b>				
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
	(amounts in thousands, except per share data and building count)				
<b>Operating Data:</b>					
Rental revenues	\$ 286,218	\$ 236,839	\$ 211,536	\$ 190,404	\$ 192,669
Total revenues	\$ 289,005	\$ 240,898	\$ 215,827	\$ 194,537	\$ 195,370
Rental expenses and real estate taxes	\$ 80,025	\$ 66,390	\$ 61,367	\$ 58,437	\$ 55,826
Property net operating income <sup>(5)</sup>	\$ 206,193	\$ 170,449	\$ 150,169	\$ 131,967	\$ 136,843
Total operating expenses	\$ 237,741	\$ 200,972	\$ 189,951	\$ 178,400	\$ 170,204
Loss from continuing operations	\$ (9,251)	\$ (28,540)	\$ (42,503)	\$ (44,618)	\$ (34,624)
Income from discontinued operations	\$ 26,723	\$ 11,800	\$ 13,660	\$ 1,551	\$ 12,911
Gain on dispositions of real estate interests	\$ 31	\$	\$	\$ 13	\$ 5
Net income (loss) attributable to common stockholders	\$ 15,870	\$ (15,086)	\$ (25,250)	\$ (37,830)	\$ (18,585)
<b>Earnings per Common Share Basic and Diluted:</b>					
Loss from continuing operations	\$ (0.03)	\$ (0.10)	\$ (0.16)	\$ (0.18)	\$ (0.16)
Income from discontinued operations	0.08	0.04	0.05	0.00	0.06
Net income (loss) attributable to common stockholders	\$ 0.05	\$ (0.06)	\$ (0.11)	\$ (0.18)	\$ (0.10)
Weighted average common shares outstanding, basic and diluted	298,769	254,831	242,591	212,412	192,900
<b>Amounts Attributable to Common Stockholders:</b>					
Loss from continuing operations	\$ (9,250)	\$ (25,896)	\$ (37,621)	\$ (39,212)	\$ (29,725)
Income from discontinued operations <sup>(1)</sup>	25,120	10,810	12,371	1,382	11,140
Net income (loss) attributable to common stockholders	15,870	(15,086)	(25,250)	(37,830)	(18,585)
Distributed and undistributed earnings allocated to participating securities	(692)	(524)	(443)	(480)	(436)
	\$ 15,178	\$ (15,610)	\$ (25,693)	\$ (38,310)	\$ (19,021)



Adjusted net income (loss) attributable to  
common stockholders

**Common Share Distributions:**

Common share cash distributions, declared	\$ 85,079	\$ 73,200	\$ 68,789	\$ 60,110	\$ 59,364
Common share cash distributions, declared per share	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.30

**Other Data:**

Consolidated operating square feet	61,896	58,132	58,099	56,652	52,910
Consolidated operating buildings	395	399	408	390	375
Total consolidated buildings square feet	63,172	61,410	58,255	57,777	56,847
Total consolidated buildings	400	409	409	398	394

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	<b>For the Years Ended December 31,</b>				
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
	(amounts in thousands, except per share data and building count)				
<b>Balance Sheet Data:</b>					
Net investment in real estate	\$ 3,141,877	\$ 2,910,613	\$ 2,711,027	\$ 2,647,186	\$ 2,576,410
Total assets	\$ 3,265,963	\$ 3,057,199	\$ 2,793,298	\$ 2,719,889	\$ 2,644,292
Senior unsecured notes	\$ 1,122,407	\$ 1,025,000	\$ 935,000	\$ 786,000	\$ 625,000
Mortgage notes	\$ 290,960	\$ 317,314	\$ 317,783	\$ 425,359	\$ 511,715
Total liabilities	\$ 1,598,771	\$ 1,583,640	\$ 1,389,183	\$ 1,319,051	\$ 1,220,659
<b>Cash Flow Data:</b>					
Net cash provided by operating activities	\$ 152,893	\$ 118,956	\$ 106,482	\$ 91,002	\$ 109,749
Net cash used in investing activities	\$ (301,058)	\$ (299,138)	\$ (177,823)	\$ (138,334)	\$ (17,673)
Net cash provided by (used in) financing activities	\$ 167,695	\$ 180,044	\$ 66,845	\$ 45,542	\$ (92,637)
<b>Funds From Operations:<sup>(2)</sup></b>					
Net income (loss) attributable to common stockholders	\$ 15,870	\$ (15,086)	\$ (25,250)	\$ (37,830)	\$ (18,585)
<b>Adjustments:</b>					
Real estate related depreciation and amortization	137,120	126,687	128,989	115,904	111,250
Equity in (earnings) loss of unconsolidated joint ventures, net	(2,405)	(1,087)	2,556	2,986	(2,698)
Equity in FFO of unconsolidated joint ventures	10,152	10,312	4,732	4,001	11,807
Loss on business combinations				395	10,325
Impairment losses on depreciable real estate <sup>(4)</sup>	13,279	11,422	10,160	8,012	681
Gain on dispositions of real estate interests	(33,650)	(13,383)	(12,030)	(2,091)	(1,354)
Gain on dispositions of non-depreciable real estate	31			13	783
Noncontrolling interest in the operating partnership's share of the above adjustments	(8,211)	(12,522)	(14,252)	(13,426)	(17,907)
FFO attributable to OP Unitholders	8,437	9,743	9,901	8,678	14,881
FFO attributable to OP Unitholders basic and diluted	140,623	116,086	104,806	86,642	109,183
<b>Adjustments:</b>					
Impairment losses on non-depreciable real estate <sup>(3)</sup>				3,992	300
Debt modification costs				1,136	
Acquisition costs <sup>(3)</sup>	3,578	1,975	1,902	1,228	
	\$ 144,201	\$ 118,061	\$ 106,708	\$ 92,998	\$ 109,483

FFO, as adjusted, attributable to OP  
Unitholders, basic and diluted<sup>(2)</sup>:

FFO per common share and unit basic and diluted	\$ 0.44	\$ 0.41	\$ 0.39	\$ 0.36	\$ 0.48
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FFO as adjusted, per common share and unit basic and diluted <sup>(3)(4)</sup> :	\$ 0.45	\$ 0.42	\$ 0.40	\$ 0.39	\$ 0.49
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FFO weighted average common shares and units outstanding:					
Common shares	298,769	254,831	242,591	212,412	192,900
Participating securities	2,462	1,896	1,601	1,689	1,535
Units	19,079	23,358	25,310	26,351	30,660

FFO weighted average common shares, participating securities and units outstanding basic:					
	320,310	280,085	269,502	240,452	225,095
Dilutive common stock equivalents	893	623	449	357	189

FFO weighted average common shares and units outstanding diluted:					
	321,203	280,708	269,951	240,809	225,284

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- (1) Includes gain on dispositions of real estate interests.
- (2) We believe that net income attributable to unitholders, as defined by GAAP, is the most appropriate earnings measure. However, we consider funds from operations ( FFO ), as defined by the National Association of Real Estate Investment Trusts ( NAREIT ), to be a useful supplemental non-GAAP measure of DCT Industrial s operating performance. NAREIT developed FFO as a relative measure of performance of an equity REIT in order to recognize that the value of income-producing real estate historically has not depreciated on the basis determined under GAAP. FFO is generally defined as net income attributable to unitholders, calculated in accordance with GAAP, plus real estate-related depreciation and amortization, less gains from dispositions of operating real estate held for investment purposes, plus impairment losses on depreciable real estate and impairments of in substance real estate investments in investees that are driven by measureable decreases in the fair value of the depreciable real estate held by the unconsolidated joint ventures and adjustments to derive our pro rata share of FFO of unconsolidated joint ventures. We exclude gains and losses on business combinations and include the gains or losses from dispositions of properties which were acquired or developed with the intention to sell or contribute to an investment fund in our definition of FFO. Although the NAREIT definition of FFO predates the guidance for accounting for gains and losses on business combinations, we believe that excluding such gains and losses is consistent with the key objective of FFO as a performance measure. We also present FFO excluding acquisition costs, debt modification costs and impairment losses on properties which are not depreciable. We believe that FFO excluding acquisition costs, debt modification costs and impairment losses on non-depreciable real estate is useful supplemental information regarding our operating performance as it provides a more meaningful and consistent comparison of our operating performance and allows investors to more easily compare our operating results. Readers should note that FFO captures neither the changes in the value of our properties that result from use or market conditions, nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of our properties, all of which have real economic effect and could materially impact our results from operations. NAREIT s definition of FFO is subject to interpretation, and modifications to the NAREIT definition of FFO are common. Accordingly, our FFO may not be comparable to other REITs FFO and FFO should be considered only as a supplement to net income as a measure of our performance.
- (3) Excluding amounts attributable to noncontrolling interests.
- (4) Under NAREIT s definition of FFO, impairment write-downs of depreciable real estate should be excluded in calculating NAREIT FFO. In addition, impairments of in substance real estate investments in investees that are driven by measureable decreases in the fair value of the depreciable real estate held by the unconsolidated joint ventures should be excluded in determining NAREIT FFO.
- (5) Property net operating income, or property NOI, is defined as rental revenues, including reimbursements, less rental expenses and real estate taxes, which excludes depreciation, amortization, impairment, casualty gains, general and administrative expenses, loss on business combinations and interest expense. We consider property NOI to be an appropriate supplemental performance measure because property NOI reflects the operating performance of our properties and excludes certain items that are not considered to be controllable in connection with the management of the property such as depreciation, amortization, impairment, general and administrative expenses, interest income and interest expense. However, property NOI should not be viewed as an alternative measure of our financial performance since it excludes expenses which could materially impact our results of operations. Further, our property NOI may not be comparable to that of other real estate companies, as they may use different methodologies for calculating property NOI. Therefore, we believe net income, as defined by GAAP, to be the most appropriate measure to evaluate our overall financial performance.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND  
RESULTS OF OPERATIONS**

**Overview**

DCTOP is an entity through which DCT, a fully-integrated and self-managed REIT, and our sole general partner, conducts all of its operations and owns all of its assets. We are engaged in the business of owning, operating, acquiring and developing high-quality bulk distribution and light industrial properties in high volume distribution markets in the United States ( U.S. ). As of December 31, 2013 DCT owned an approximate 94.8% ownership interest in DCTOP.

Our primary business objectives are to maximize long-term growth in Funds From Operations, or FFO, as defined in Selected Consolidated Financial Data, net asset value of our portfolio and total shareholder returns. In our pursuit of these long-term objectives, we seek to:

maximize cash flows from existing properties;

deploy capital into high quality acquisitions and development opportunities which meet our asset, location and financial criteria; and

recycle capital by selling assets that no longer fit our investment criteria and reinvesting the proceeds into higher growth opportunities.

**Outlook**

We seek to maximize long-term earnings growth and value within the context of overall economic conditions, primarily through increasing occupancy, rents and operating income at existing properties and acquiring and developing high-quality properties with attractive operating income and value growth prospects. Fundamentals for industrial real estate continue to improve in response to general improvement in the economy as well as trends that particularly favor industrial assets, including the growth of e-commerce and United States based manufacturing. We expect moderate economic growth to continue throughout 2014, which should result in continued positive demand for warehouse space as companies expand and upgrade their distribution and production platforms.

In response to positive net absorption and lower market vacancy levels, rental rates are increasing in most of our markets, although they generally remain below peak levels. Rental concessions, such as free rent, have also declined in all markets. Consistent with recent experience and based on current market conditions, we expect average net effective rental rates on new leases signed in 2014 to be higher than the rates on expiring leases. As positive net absorption of warehouse space continues, we expect the rental rate environment to continue to improve.

New development has begun to increase in certain markets where fundamentals have improved, however construction is below current levels of net absorption in most markets and well below peak levels. We expect that the operating environment will continue to be favorable for landlords with meaningful improvement of rental and occupancy rates.

We expect same store net operating income to be higher in 2014 than it was in 2013, primarily as a result of higher occupancy in 2014 and the impact of increasing rental rates on leases signed in 2014 compared to expiring leases.

In terms of capital investment, we will continue to pursue the acquisition of well-located distribution facilities at prices where we can apply our leasing experience and market knowledge to generate attractive returns. Going forward, we will pursue the acquisition of buildings and land and consider selective development of new buildings in markets where we perceive demand and market rental rates will provide attractive financial returns.

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We anticipate having sufficient liquidity to fund our operating expenses, including costs to maintain our properties and distributions, though we may finance investments, including acquisitions and developments, with the issuance of new common shares, proceeds from asset sales or through additional borrowings. Please see *Liquidity and Capital Resources* for additional discussion.

## **Inflation**

Although the U.S. economy has recently experienced a slight decrease in inflation rates, and a wide variety of industries and sectors are affected differently by changing commodity prices, inflation has not had a significant impact on us in our markets. Most of our leases require the customers to pay their share of operating expenses, including common area maintenance, real estate taxes and insurance, thereby reducing our exposure to increases in costs and operating expenses resulting from inflation. In addition, most of our leases expire within five years which enables us to replace existing leases with new leases at then-existing market rates.

## **Summary of Significant Transactions During 2013**

*Significant transactions for the year ended December 31, 2013*

### *Acquisitions*

During the year ended December 31, 2013, we acquired 38 buildings totaling approximately 7.1 million square feet. These properties were acquired for a total purchase price of \$359.5 million, excluding our existing ownership of 3.6% in the seven properties previously held by TRT-DCT Venture I (see *Notes to the Consolidated Financial Statements, Note 4 Investment in and Advances to Unconsolidated Joint Ventures* for further detail).

During the year ended December 31, 2013, we acquired five land parcels for future development which total approximately 128.6 acres located in the Southern California, Seattle, Miami, and Houston markets for a total purchase price of \$40.5 million.

**Table of Contents***Development Activities*

During 2013, we continued to expand our development activities. The table below represents a summary of our consolidated development activity as of December 31, 2013:

Project	Market	Number		Percent Owned	Cumulative Costs at 12/31/2013 (in thousands)	Projected Investment (in thousands)	Projected Completion Date <sup>(1)</sup>	Percent Leased	
		Acres	Buildings						
<b>Development Activities</b>									
<b>Projects in Lease Up</b>									
DCT Airtex Industrial Center	Houston	13	1	267	100%	\$ 12,161	\$ 14,983	Q4-2013	100%
DCT 55	Chicago	33	1	604	100%	26,218	28,318	Q4-2012	66%
<b>Total</b>		<b>46</b>	<b>2</b>	<b>871</b>	<b>100%</b>	<b>\$ 38,379</b>	<b>\$ 43,301</b>		<b>77%</b>
<b>Under Construction</b>									
DCT Beltway Tanner Business Center	Houston	11	1	133	100%	\$ 10,201	\$ 15,153	Q1-2014	0%
8th & Vineyard B	So. California	4	1	99	91%	5,243	6,197	Q1-2014	0%
DCT Summer South Distribution Center	Seattle	9	1	188	100%	9,194	13,060	Q1-2014	0%
DCT White River Corporate Center Phase I	Seattle	30	1	649	100%	23,051	42,433	Q2-2014	0%
Slover Logistics Center II	So. California	28	1	610	100%	24,241	37,496	Q1-2014	100%
DCT Auburn 44	Seattle	3	1	49	100%	3,341	4,547	Q1-2014	100%
DCT Rialto Logistics Center	So. California	42	1	928	100%	21,480	59,523	Q3-2014	0%
<b>Total</b>		<b>127</b>	<b>7</b>	<b>2,656</b>	<b>100%</b>	<b>\$ 96,751</b>	<b>\$ 178,409</b>		<b>25%</b>
<b>Build-to-Suit for Sale</b>									
8th & Vineyard A	So. California	6	1	130	91%	\$ 7,773	\$ 8,703	Q1-2014	N/A
<b>Total</b>		<b>6</b>	<b>1</b>	<b>130</b>	<b>91%</b>	<b>\$ 7,773</b>	<b>\$ 8,703</b>		
<b>Total Development Activities</b>		<b>179</b>	<b>10</b>	<b>3,657</b>	<b>99%</b>	<b>\$ 142,903</b>	<b>\$ 230,413</b>		<b>38%</b>

<sup>(1)</sup> The completion date represents the date of building shell completion or estimated date of shell completion. Construction was completed during the second quarter of 2013 on the Dulles Summit build-to-suit project. We recognized development profits, net of tax of approximately \$0.3 million for the year ended December 31, 2013



related to the development of the Dulles Summit build-to-suit project. As of December 31, 2013, we had one build-to-suit for sale project, 8<sup>th</sup> and Vineyard A, under contract. Due to the terms of the contract, timing of payments and the sale recognition criteria of GAAP, no profit was recognized in 2013. The construction and sale were completed in January 2014, at which time the development profit was recognized.

*Dispositions*

During the year ended December 31, 2013, we sold 51 operating properties, totaling approximately 6.8 million square feet, to third-parties for combined gross proceeds of approximately \$265.8 million. This included the disposition of our entire portfolio of Mexico assets consisting of 15 buildings totaling 1.7 million square feet, for gross proceeds of approximately \$82.7 million.

We recognized gains of approximately \$33.6 million on the disposition of 36 operating properties and recognized an impairment loss of approximately \$13.3 million on the disposition of a portfolio in Dallas.

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### *Significant Activity with Joint Ventures*

During May 2013, we purchased the remaining 96.4% interest in seven properties from TRT-DCT JV I for additional consideration of \$82.8 million. Additionally, we sold one of the properties during 2013 and the remaining six properties were consolidated as of December 31, 2013.

### *Debt Activity*

During February 2013, we entered into an amendment with our syndicated bank group whereby we extended and increased our existing \$175.0 million senior unsecured term loan to \$225.0 million for a period of five years, extended our existing \$300.0 million senior unsecured line of credit for a period of four years and received a commitment for an additional \$175.0 million senior unsecured term loan with a term of two years. We closed on the additional \$175.0 million in March 2013, which was used to refinance a scheduled June 2013 maturity of \$175.0 million of other senior unsecured debt.

During October 2013, we issued \$275.0 million aggregate principal amount of 4.50% senior notes due 2023 at 99.038% of face value in a private placement for net proceeds of approximately \$269.6 million after offering costs. We primarily used the net proceeds to repay a \$15.9 million mortgage note that was scheduled to mature in October 2013, a \$50.0 million senior unsecured note that was scheduled to mature in January of 2014 and our \$175.0 million senior unsecured term loan that was scheduled to mature in February 2015, which were pre-payable without prepayment penalties.

### *Equity activity*

On May 29, 2013, DCT registered a third continuous equity offering program, to replace its continuous equity offering program previously registered on November 20, 2012. Pursuant to this offering, DCT may sell up to 20 million shares of common stock from time-to-time through May 29, 2016 in at-the-market offerings or certain other transactions. During the year ended December 31, 2013, approximately 13.8 million were issued shares through the second and third continuous equity offering programs at an average price of \$7.37 per share for proceeds of \$100.4 million, net of offering expenses. The proceeds from the sale of shares were contributed to DCTOP in exchange for an equal number of OP Units in the DCTOP and were used for general corporate purposes, including funding acquisitions and repaying debt. As of December 31, 2013, 16.6 million shares remain available to be issued under the current offering.

On August 13, 2013, DCT issued 23.0 million shares of common stock in a public offering at a price of \$7.20 per share for proceeds of \$158.2 million, net of offering expenses, used for acquisitions, development activities, repayment of amounts under our senior unsecured revolving credit facility and other general purposes. The proceeds from the sale of shares were contributed to DCTOP in exchange for an equal number of OP Units in DCTOP.

## **Critical Accounting Policies and Estimates**

### **General**

Our discussion and analysis of financial condition and results of operations is based on our Consolidated Financial Statements which have been prepared in accordance with United States generally accepted accounting principles ( GAAP ). The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities and contingencies as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. We evaluate our assumptions and estimates on an on-going basis. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The following

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discussion pertains to accounting policies management believes are most critical to the portrayal of our financial condition and results of operations that require management's most difficult, subjective or complex estimates.

### **Revenue Recognition**

We record rental revenues on a straight-line basis under which contractual rent increases are recognized evenly over the lease term. Certain properties have leases that provide for customer occupancy during periods where no rent is due or where minimum rent payments change during the term of the lease. Accordingly, we record receivables from customers that we expect to collect over the remaining lease term, which are recorded as a straight-line rent receivable. When we acquire a property, the terms of existing leases are considered to commence as of the acquisition date for the purposes of this calculation.

Tenant recovery income includes payments and amounts due from customers pursuant to their leases for real estate taxes, insurance and other recoverable property operating expenses and is recognized as Rental revenues during the same period the related expenses are incurred.

We maintain an allowance for estimated losses that may result from the inability of our customers to make required payments. This estimate requires significant judgment related to the lessees ability to fulfill their obligations under the leases. If a customer is insolvent or files for bankruptcy protection and fails to make contractual payments beyond any allowance, we may recognize additional bad debt expense in future periods equal to the net outstanding balances, which include amounts recognized as straight-line revenue not realizable until future periods.

In connection with property acquisitions qualifying as business combinations, we may acquire leases with rental rates above or below the market rental rates. Such differences are recorded as an intangible lease asset or liability and amortized to Rental revenues over the reasonably assured term of the related leases. The unamortized balances of these assets and liabilities associated with the early termination of leases are fully amortized to their respective revenue line items in our Consolidated Statements of Operations over the shorter of the expected life of such assets and liabilities or the remaining lease term.

### **Capitalization of Costs**

We capitalize costs directly related to the development, pre-development, redevelopment or improvement of our investment in real estate, referred to as capital projects and other activities included within this paragraph. Costs associated with our capital projects are capitalized as incurred. If the project is abandoned, these costs are expensed during the period in which the project is abandoned. Costs considered for capitalization include, but are not limited to, construction costs, interest, real estate taxes and insurance, if appropriate. We capitalize indirect costs such as personnel, office, and administrative expenses that are directly related to our development projects based on an estimate of the time spent on the construction and development activities. These costs are capitalized only during the period in which activities necessary to ready an asset for its intended use are in progress and such costs are incremental and identifiable to a specific activity to get the asset ready for its intended use. We determine when the capitalization period begins and ends through communication with project and other managers responsible for the tracking and oversight of individual projects. In the event that the activities to ready the asset for its intended use are suspended, the capitalization period will cease until such activities are resumed. In addition, we capitalize initial direct costs incurred for successful origination of new leases. Costs incurred for maintaining and repairing our properties, which do not extend their useful lives, are expensed as incurred.

Interest is capitalized based on actual capital expenditures from the period when development or redevelopment commences until the asset is ready for its intended use, at the weighted average borrowing rates in effect during the

period. We also capitalize interest on our qualifying investments in unconsolidated joint ventures based on the average capital invested in a venture during the period when the venture has activities in progress necessary to commence its planned principal operations, at our weighted average borrowing rate during

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the period. A qualifying investment is an investment in an unconsolidated joint venture provided that our investee's activities include the use of funds to acquire qualifying assets, such as development or predevelopment activities, and planned principal operations have not commenced.

### **Investment in Properties**

We record the assets, liabilities and noncontrolling interests associated with property acquisitions which qualify as business combinations at their respective acquisition date fair values which are derived using a market, income or replacement cost approach, or a combination thereof. Acquisition related costs associated with business combinations are expensed as incurred. As defined by GAAP, a business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants. We generally do not consider acquisitions of land or unoccupied buildings to be business combinations. Rather, these transactions are treated as asset acquisitions and recorded at cost.

The fair value of identifiable tangible assets such as land, building, building and land improvements and tenant improvements is determined on an as-if-vacant basis which requires significant judgment by management. Management considers estimates such as the replacement cost of such assets, appraisals, property condition reports, comparable market rental data and other related information in determining the fair value of the tangible assets. The recorded fair value of intangible lease assets or liabilities includes the value associated with leasing commissions, legal and other costs, as well as the estimated period necessary to lease such property and lease commencement. An intangible asset or liability resulting from in-place leases that are above or below the market rental rates are valued based upon management's estimates of prevailing market rates for similar leases. Intangible lease assets or liabilities are amortized over the reasonably assured lease term of the remaining in-place leases as an adjustment to Rental revenues or Real estate related depreciation and amortization depending on the nature of the intangible. The difference between the fair value and the face value of debt assumed in connection with an acquisition is recorded as a premium or discount and amortized to Interest expense over the life of the debt assumed. The valuation of assumed liabilities is based on our estimate of the current market rates for similar liabilities in effect at the acquisition date.

We have certain properties which we have acquired or removed from service with the intention to redevelop the property. Buildings under redevelopment require significant construction activities prior to being placed back into service. We generally do not depreciate properties classified as redevelopment until the date that the redevelopment properties are ready for their intended use.

Real estate, including land, building, building and land improvements, and tenant improvements, leasing costs and intangible lease assets and liabilities are stated at historical cost less accumulated depreciation and amortization, unless circumstances indicate that the cost cannot be recovered, in which case, the carrying value of the property is reduced to estimated fair value. Our estimate of the useful life of our assets is evaluated upon acquisition and when circumstances indicate a change in the useful life, which requires significant judgment regarding the economic obsolescence of tangible and intangible assets.

### **Impairment of Properties**

Investments in properties classified as held for use are carried at cost and evaluated for impairment at least annually and whenever events or changes in circumstances indicate that the carrying amounts of these assets may not be recoverable. As we selectively dispose of non-strategic assets and redeploy the proceeds into higher growth assets, our intended hold period may change due to our intention to sell or otherwise dispose of an asset. As a result, we would assess whether that asset is impaired. Depending on the carrying value of the property at that time and the amount that

we estimate we would receive on disposal, we may record an impairment loss. Other indicators include the point at which we deem a building to be held for sale or when a building remains vacant significantly longer than expected.

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For investments in properties that we intend to hold long-term, the recoverability is based on estimated future undiscounted cash flows. If the asset carrying value is not recoverable on an undiscounted cash flow basis, the amount of impairment is measured as the difference between the carrying value and the fair value of the asset and is reflected in Impairment losses on the Consolidated Statements of Operations. The determination of fair value of real estate assets to be held for use is derived using the discounted cash flow method and involves a number of management assumptions relating to future economic events that could materially affect the determination of the ultimate value, and therefore, the carrying amounts of our real estate. Such assumptions are management's estimates and include, but are not limited to, projected vacancy rates, rental rates, property operating expenses and capital expenditures. The capitalization rate is also a significant driving factor in determining the property valuation and requires management's judgment of factors such as market knowledge, market supply and demand factors, historical experience, lease terms, customer's financial strength, economy, demographics, environment, property location, visibility, age, physical condition and expected return requirements, among other things. The aforementioned factors are taken as a whole by management in determining the valuation of investment property. The valuation is sensitive to the actual results of many of these uncertain factors, either individually or taken as a whole. Should the actual results differ from management's estimates, the valuation could be negatively affected and may result in additional impairments recorded in the Consolidated Financial Statements.

Investments in properties classified as held for sale are recorded at the lower of their carrying amount or fair value (typically estimated based on the contracted sales price) less costs to sell. Impairment of assets held for sale is a component of Income from discontinued operations in the Consolidated Statements of Operations and is further detailed in Notes to Consolidated Financial Statements Note 15 Discontinued Operations and Assets Held for Sale.

## **Impairment of Investments in and Advances to Unconsolidated Joint Ventures**

We evaluate investments in and advances to unconsolidated joint ventures for impairment whenever events or changes in circumstances indicate that there may be an other-than-temporary decline in value. To do so, we calculate the estimated fair value of the investment using a market, income or replacement cost approach, or combination thereof. The amount of impairment recognized, if any, would be the excess of the investment's carrying amount over its estimated fair value. We consider various factors to determine if a decline in the value of the investment is other-than-temporary, which include but are not limited to, the age of the venture, our intent and ability to retain our investment in the entity, the financial condition and long-term prospects of the entity, expected term of the investment and the relationships with the other joint venture partners and its lenders. If we believe that the decline in the fair value is temporary, no impairment is recorded. The aforementioned factors are taken as a whole by management in determining the valuation of our investment. Should the actual results differ from management's estimates, the valuation could be negatively affected and may result in additional impairments in the Consolidated Financial Statements.

## **Results of Operations**

### **Summary of the year ended December 31, 2013 compared to the year ended December 31, 2012**

As of December 31, 2013, we owned interests in, managed or had under development approximately 75.5 million square feet of properties leased to approximately 900 customers, including 12.3 million square feet of unconsolidated properties on behalf of four institutional capital management joint venture partners and we consolidated 395 operating properties, two redevelopment properties, two development properties and one property which was held for sale. As of December 31, 2012, we consolidated 399 operating properties, four redevelopment properties, three development properties and three properties which were held for sale.



**Comparison of the year ended December 31, 2013 to the year ended December 31, 2012**

The following table illustrates the changes in rental revenues, rental expenses and real estate taxes, property net operating income, other revenue and other income (loss) and other expenses for the year ended December 31, 2013 compared to the year ended December 31, 2012. Our same store portfolio includes all

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operating properties that we owned for the entirety of both the current and prior year reporting periods for which the operations had been stabilized. We generally consider buildings stabilized when occupancy reaches 90%. Non-same store operating properties include properties not meeting the same-store criteria and exclude development and redevelopment properties. The same store portfolio for the periods presented totaled 321 operating properties and was comprised of 48.6 million square feet. A discussion of these changes follows the table (in thousands):

	Year Ended December 31,		\$ Change	Percent Change
	2013	2012		
<b>Rental Revenues</b>				
Same store, excluding revenues related to early lease terminations	\$ 233,191	\$ 226,927	\$ 6,264	2.8%
Non-same store operating properties	51,073	9,175	41,898	456.7%
Development and redevelopment	652	185	467	252.4%
Revenues related to early lease terminations	1,302	552	750	135.9%
<b>Total rental revenues</b>	<b>286,218</b>	<b>236,839</b>	<b>49,379</b>	<b>20.8%</b>
<b>Rental Expenses and Real Estate Taxes</b>				
Same store	67,010	63,908	3,102	4.9%
Non-same store operating properties	12,784	2,249	10,535	468.4%
Development and redevelopment	231	233	(2)	-0.9%
<b>Total rental expenses and real estate taxes</b>	<b>80,025</b>	<b>66,390</b>	<b>13,635</b>	<b>20.5%</b>
<b>Property Net Operating Income<sup>(1)</sup></b>				
Same store, excluding revenues related to early lease terminations	166,181	163,019	3,162	1.9%
Non-same store operating properties	38,289	6,926	31,363	452.8%
Development and redevelopment	421	(48)	469	977.1%
Revenues related to early lease terminations	1,302	552	750	135.9%
<b>Total property net operating income</b>	<b>206,193</b>	<b>170,449</b>	<b>35,744</b>	<b>21.0%</b>
<b>Other Revenue and Other Income (Loss)</b>				
Development profit	268	307	(39)	-12.7%
Institutional capital management and other fees	2,787	4,059	(1,272)	-31.3%
Equity in earnings of unconsolidated joint ventures, net	2,405	1,087	1,318	121.3%
Interest and other income	274	85	189	222.4%
Casualty and involuntary conversion gain	296	1,174	(878)	-74.8%
<b>Total other revenue and other income</b>	<b>6,030</b>	<b>6,712</b>	<b>(682)</b>	<b>-10.2%</b>
<b>Other Expenses</b>				
Real estate related depreciation and amortization	130,002	109,993	20,009	18.2%

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Interest expense	63,394	69,274	(5,880)	-8.5%
General and administrative	28,010	25,763	2,247	8.7%
Income tax expense and other taxes	68	671	(603)	-89.9%
Total other expenses	221,474	205,701	15,773	7.7%
Income from discontinued operations	26,723	11,800	14,923	126.5%
Net (income) loss attributable to noncontrolling interests	(589)	272	(861)	-316.5%
Net income (loss) attributable to OP Unitholders	\$ 16,883	\$ (16,468)	\$ 33,351	202.5%

- (1) For a discussion as to why we view property net operating income to be an appropriate supplemental performance measure and a reconciliation of our property net operating income to our reported Loss from Continuing Operations, see Selected Consolidated Financial Data.

**Table of Contents***Rental Revenues and Leasing Activity*

Rental revenues, which are comprised of base rent, straight-line rent, amortization of above and below market rent intangibles, tenant recovery income, other rental revenues and early lease termination fees, increased \$49.4 million for the year ended December 31, 2013 compared to the same period in 2012, primarily due to the following changes:

\$43.1 million increase in our non-same store rental revenues including development and redevelopment properties, primarily as a result of an increase in the number of properties and an increase in average occupancy year over year. Since December 31, 2012, we acquired 38 operating properties, six properties for development and completed development of five properties.

\$6.3 million increase in total revenue in our same store portfolio due primarily to the following:

\$6.7 million increase in base rent primarily resulting from increased rental rates and a 100 basis point increase in average occupancy year over year;

\$3.2 million increase in operating expense recoveries related to a higher average occupancy; and

\$1.3 million increase in other rental revenues primarily related to increases in amortization of below market rent and other rents; which was partially offset by

\$5.0 million decrease in straight-line rental revenue as a result of fewer rent concessions.

The following table illustrates the components of our consolidated rental revenues for the years ended December 31, 2013 and 2012 (in thousands):

	<b>Year Ended December 31,</b>		<b>\$</b>
	<b>2013</b>	<b>2012</b>	<b>Change</b>
Base rent	\$ 212,045	\$ 176,798	\$ 35,247
Straight-line rent	5,335	6,254	(919)
Amortization of above and below market rent intangibles	1,581	826	755
Tenant recovery income	63,829	51,695	12,134
Other rental income	2,126	714	1,412
Revenues related to early lease terminations	1,302	552	750
<b>Total rental revenues</b>	<b>\$ 286,218</b>	<b>\$ 236,839</b>	<b>\$ 49,379</b>

The following table provides a summary of our leasing activity for the year ended December 31, 2013:

	<b>Number of Leases Signed</b>	<b>Square Feet Signed<sup>(1)</sup></b> (in thousands)	<b>Net Effective Rent Per Square Foot<sup>(2)</sup></b>	<b>GAAP Basis Rent Growth<sup>(3)</sup></b>	<b>Weighted Average Lease Term<sup>(4)</sup></b> (in months)	<b>Turnover Costs Per Square Foot<sup>(5)</sup></b>	<b>Weighted Average Retention<sup>(6)</sup></b>
Year to date 2013	299	13,836	\$ 4.37	6.60%	53	\$ 1.77	72.0%

(1) Excludes month to month leases.

(2) Net effective rent is the average base rent calculated in accordance with GAAP, over the term of the lease.

(3) GAAP basis rent growth is an annual ratio of the change in net effective rent (including straight-line rent adjustments as required by GAAP) compared to the net effective rent of the comparable lease. Leases where there were no prior comparable leases, due to extended downtime, or materially different lease structures and short-term lease of less than 12 months, are excluded.

(4) The lease term is in months. Assumes no exercise of lease renewal options, if any.

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- (5) Turnover costs are comprised of the costs incurred or capitalized for improvements of vacant and renewal spaces, as well as the commissions paid and costs capitalized for leasing transactions. Turnover costs per square foot represent the total turnover costs expected to be incurred on the leases signed during the period and does not reflect actual expenditures for the period.
- (6) Represents the percentage of customers renewing their respective leases weighted by average square feet. During the year ended December 31, 2013, we signed 102 leases with free rent, which were for 5.8 million square feet of property with total concessions of \$6.6 million.

*Rental Expenses and Real Estate Taxes*

Rental expenses and real estate taxes increased \$13.6 million for the year ended December 31, 2013 compared to the same period in 2012, primarily due to:

\$10.5 million increase in rental expenses and real estate taxes related to the properties acquired and development and redevelopment properties placed into operation during the period ended December 31, 2013; and

\$3.1 million increase in rental expenses and real estate taxes year over year in our same store portfolio, which was primarily due to increases in property taxes, snow removal, management fees and bad debt expense.

*Other Revenue and Other Income (Loss)*

Total other revenue and other income (loss) decreased \$0.7 million for the year ended December 31, 2013 as compared to the same period in 2012, primarily due to:

\$1.3 million decrease in institutional capital management fees as a result of a decrease in assets under management due to the sale of properties from our unconsolidated joint ventures; and

\$0.9 million decrease in casualty gains related to amounts received from insurance companies during 2012 for casualty events at certain properties; partially offset by

\$1.3 million increase in equity in earnings of unconsolidated joint ventures primarily as a result of an increase in occupancy in three of our joint ventures.

*Other Expenses*

Other expenses increased \$15.8 million for the year ended December 31, 2013 as compared to the same period in 2012, primarily as a result of:

\$20.0 million increase in depreciation and amortization expense, resulting from real estate acquisitions and capital additions; and

\$2.2 million increase in general and administrative expenses primarily related to higher acquisition costs and personnel costs, partially offset by an increase in capitalized overhead as a result of increased development, leasing and other capital activities; partially offset by

\$5.9 million decrease in interest expense as a result of the \$175.0 million term loan paid down in March 2013, lower borrowings on our revolving line of credit, hedging ineffectiveness of \$0.7 million during 2012 and an increase in capitalized interest in 2013 related to increased development activities.

*Income from Discontinued Operations*

Income from discontinued operations increased \$14.9 million for the year ended December 31, 2013 as compared to the same period in 2012. This increase is primarily related to the gain on dispositions totaling \$33.6 million partially offset by impairment charges of \$13.3 million recorded on sales of properties during 2013, as

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compared to gain on dispositions totaling \$13.4 million partially offset by impairment charges of \$11.4 million recorded on sales of properties during 2012. Additionally, the increase was offset by lower operating and other income from properties sold or held for sale in 2013 compared to 2012.

**Summary of the year ended December 31, 2012 compared to the year ended December 31, 2011**

As of December 31, 2012, we consolidated 399 operating properties, four redevelopment properties, three development properties and three properties which were held for sale. As of December 31, 2011, we consolidated 408 operating properties and one redevelopment property.



**Table of Contents****Comparison of the year ended December 31, 2012 to the year ended December 31, 2011**

The following table illustrates the changes in rental revenues, rental expenses and real estate taxes, property net operating income, other revenue and other income (loss) and other expenses for the year ended December 31, 2012 compared to the year ended December 31, 2011. Our same store portfolio includes all operating properties that we owned for the entirety of both the current and prior year reporting periods for which the operations had been stabilized. We generally consider buildings stabilized when occupancy reaches 90%. The same store portfolio for the periods presented totaled 288 buildings comprised of approximately 44.6 million square feet. A discussion of these changes follows the table (in thousands):

	<b>Year Ended December 31,</b>			<b>Percent Change</b>
	<b>2012</b>	<b>2011</b>	<b>\$ Change</b>	
<b>Rental Revenues</b>				
Same store, excluding revenues related to early lease terminations	\$ 203,850	\$ 199,023	\$ 4,827	2.4%
Non-same store operating properties	32,252	11,899	20,353	171.0%
Development and redevelopment	185		185	100.0%
Revenues related to early lease terminations	552	614	(62)	-10.1%
<b>Total rental revenues</b>	<b>236,839</b>	<b>211,536</b>	<b>25,303</b>	<b>12.0%</b>
<b>Rental Expenses and Real Estate Taxes</b>				
Same store	57,486	57,344	142	0.2%
Non-same store operating properties	8,672	3,882	4,790	123.4%
Development and redevelopment	232	141	91	64.5%
<b>Total rental expenses and real estate taxes</b>	<b>66,390</b>	<b>61,367</b>	<b>5,023</b>	<b>8.2%</b>
<b>Property Net Operating Income<sup>(1)</sup></b>				
Same store, excluding revenues related to early lease terminations	146,364	141,679	4,685	3.3%
Non-same store operating properties	23,580	8,017	15,563	194.1%
Development and redevelopment	(47)	(141)	94	66.7%
Revenues related to early lease terminations	552	614	(62)	-10.1%
<b>Total property net operating income</b>	<b>170,449</b>	<b>150,169</b>	<b>20,280</b>	<b>13.5%</b>
<b>Other Revenue and Other Income (Loss)</b>				
Development profit	307		307	100.0%
Institutional capital management and other fees	4,059	4,291	(232)	-5.4%
Equity in earnings (loss) of unconsolidated joint ventures, net	1,087	(2,556)	3,643	142.5%
Interest and other income (expense)	85	(93)	178	191.4%
Casualty and involuntary conversion gain	1,174		1,174	100.0%
<b>Total other revenue and other income</b>	<b>6,712</b>	<b>1,642</b>	<b>5,070</b>	<b>308.8%</b>

<b>Other Expenses</b>				
Real estate related depreciation and amortization	109,993	103,333	6,660	6.4%
Interest expense	69,274	63,645	5,629	8.8%
General and administrative	25,763	25,251	512	2.0%
Impairment losses on investments in unconsolidated joint ventures		1,953	(1,953)	-100.0%
Income tax expense and other taxes	671	132	539	408.3%
<b>Total other expenses</b>	<b>205,701</b>	<b>194,314</b>	<b>11,387</b>	<b>5.9%</b>
Income from discontinued operations	11,800	13,660	(1,860)	-13.6%
Net loss attributable to noncontrolling interests	272	958	(686)	-71.6%
Net loss attributable to OP Unitholders	\$ (16,468)	\$ (27,885)	\$ 11,417	40.9%

- (1) For a discussion as to why we view property net operating income to be an appropriate supplemental performance measure and a reconciliation of our property net operating income to our reported Loss from Continuing Operations, see Selected Consolidated Financial Data

**Table of Contents***Rental Revenues*

Rental revenues, which are comprised of base rent, straight-line rent, amortization of above and below market rent intangibles, tenant recovery income, early lease termination fees and other rental revenues, increased \$25.3 million for the year ended December 31, 2012 compared to the same period in 2011, primarily due to the following changes:

\$20.5 million increase in our non-same store rental revenues including development and redevelopment properties, primarily as a result of an increase in the number of properties and an increase in average occupancy year over year. Since December 31, 2011, we acquired 29 operating properties, four redevelopment properties and completed development or redevelopment of three properties.

\$4.8 million increase in total revenue in our same store portfolio due primarily to the following:

\$4.8 million increase in base rent primarily resulting from increased rental rates and a 140 basis point increase in average occupancy year over year; and

\$3.5 million increase in operating expense recoveries related to a higher average occupancy; which was partially offset by

\$3.2 million decrease in straight-line rental revenue as a result of fewer rent concessions; and

\$0.2 million decrease in early lease termination fees.

The following table illustrates the components of our consolidated rental revenues for the years ended December 31, 2012 and 2011 (in thousands):

	<b>Year Ended December 31,</b>		<b>\$ Change</b>
	<b>2012</b>	<b>2011</b>	
Base rent	\$ 176,798	\$ 157,885	\$ 18,913
Straight-line rent	6,254	8,301	(2,047)
Amortization of above and below market rent intangibles	826	387	439
Tenant recovery income	51,695	43,579	8,116
Other rental income	714	770	(56)
Revenues related to early lease terminations	552	614	(62)
<b>Total rental revenues</b>	<b>\$ 236,839</b>	<b>\$ 211,536</b>	<b>\$ 25,303</b>

The following table provides a summary of our leasing activity for the year ended December 31, 2012:

	<b>Number of Leases Signed</b>	<b>Square Feet Signed<sup>(1)</sup></b> (in thousands)	<b>Net Effective Rent Per Square Foot<sup>(2)</sup></b>	<b>GAAP Basis Rent Growth<sup>(3)</sup></b>	<b>Weighted Average Lease Term<sup>(4)</sup></b> (in months)	<b>Turnover Costs Per Square Foot<sup>(5)</sup></b>	<b>Weighted Average Retention<sup>(6)</sup></b>
Year to date 2012	305	15,492	\$ 3.81	4.60%	56	\$ 1.83	73.4%

(1) Excludes month to month leases.

(2) Net effective rent is the average base rent calculated in accordance with GAAP, over the term of the lease.

(3) GAAP basis rent growth is an annual ratio of the change in net effective rent (including straight-line rent adjustments as required by GAAP) compared to the net effective rent of the comparable lease. Leases where there were no prior comparable leases, due to extended downtime, or materially different lease structures and short-term lease of less than 12 months, are excluded.

(4) The lease term is in months. Assumes no exercise of lease renewal options, if any.

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- (5) Turnover costs are comprised of the costs incurred or capitalized for improvements of vacant and renewal spaces, as well as the commissions paid and costs capitalized for leasing transactions. Turnover costs per square foot represent the total turnover costs expected to be incurred on the leases signed during the period and does not reflect actual expenditures for the period.
- (6) Represents the percentage of customers renewing their respective leases weighted by average square feet.

*Rental Expenses and Real Estate Taxes*

Rental expenses and real estate taxes increased \$5.0 million for the year ended December 31, 2012 compared to the same period in 2011, primarily due to a \$4.9 million increase in rental expenses and real estate taxes related to the properties acquired and development and redevelopment properties placed into operation during the period.

*Other Revenue and Other Income (Loss)*

Total other revenue and other income (loss) increased \$5.1 million for the year ended December 31, 2012 as compared to the same period in 2011, primarily due to:

\$3.6 million increase in equity in earnings (loss) of unconsolidated joint ventures primarily as a result of an increase in occupancy in two of our joint ventures, as well as gains recognized on the sale of two properties in our joint ventures; and

\$1.2 million increase in casualty gains related to amounts received from insurance companies subsequent to December 31, 2012 for casualty events at certain properties.

*Other Expenses*

Other expenses increased \$11.4 million for the year ended December 31, 2012 as compared to the same period in 2011, primarily as a result of:

\$6.7 million increase in real estate depreciation and amortization expense resulting from real estate acquisitions and capital additions;

\$5.6 million increase in interest expense primarily related to higher average borrowings and \$0.7 million related to hedge ineffectiveness recognized during the year ended December 31, 2012 related to our settled hedge liability (see Notes to the Consolidated Financial Statements Note 6 Financial Instruments and Hedging Activities for further detail related to the hedge activity); and

\$0.5 million increase in general and administrative expenses, primarily related to an increase in acquisition costs for the increased number of properties acquired during 2012; which were partially offset by

\$2.0 million decrease in impairment losses on unconsolidated joint ventures related to an impairment recorded in 2011 on a property sold in an unconsolidated joint venture.

*Income from Discontinued Operations*

Income from discontinued operations decreased \$1.9 million for the year ended December 31, 2012 as compared the same period in 2011. This change is primarily the result of a casualty gain recorded in 2011 on a property subsequently sold as well as higher net gains on properties sold in 2011.

**Segment Summary for the years ended December 31, 2013, 2012 and 2011**