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Cook County Recorder 79.00

AMENDED AND RESTATED DECLARATION OF TRUST OF AMERICAN INDUSTRIAL PROPERTIES REIT



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Pursuant to the provisions of Section 23 of the Texas Real Estate Investment Trust Act, the undersigned real estate investment trust adopts this Amended and Restated Declaration of Trust which accurately sets forth the Declaration of Trust and all amendments in effect through the date hereof. This Amended and Restated Declaration of Trust was adopted by the Shareholders of the Trust on August 31, 1993 pursuant to the affirmative vote of the holders of at least two-thirds of the outstanding Shares of the Trust.

ARTICLE ONE

The name of the trust (the "Trust") is American Industrial Properties REIT. An assumed name certificate setting forth such name has been filed in the manner prescribed by law.

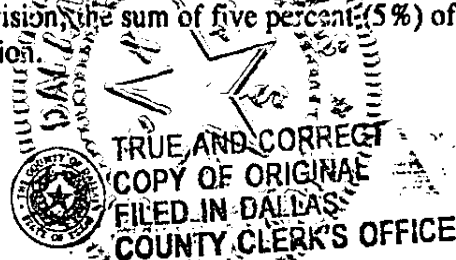
ARTICLE TWO

The Trust is formed pursuant to the Texas Real Estate Investment Trust Act and has the following as its purpose:

To purchase, hold, lease, manage, sell, exchange, develop, subdivide and improve real property and interests in real property, and in general, to carry on any other business and do any other acts in connection with the foregoing and to have and exercise all powers conferred by the laws of the State of Texas upon real estate investment trusts formed under the Texas Real Estate Investment Trust Act, and to do any or all of the things hereinafter set forth to the same extent as natural persons might or could do. The term "real property" and the term "interests in real property" for the purposes stated herein shall not include severed mineral, oil or gas royalty interests.

ARTICLE THREE

As to any real property of any character, major capital improvements must be made within fifteen (15) years of purchase or the property must be sold. Such major capital improvements must equal or exceed the purchase price of such real property if the same is unimproved property at the time of purchase or property outside the corporate limits of a city, town or village. Any citizen of the State of Texas may force compliance with this provision by filing suit in any district court of the State of Texas and shall receive from the Trust if the Trust is forced to sell a real property interest under this provision, the sum of five percent (5%) of the sale price of such real property interest as compensation.



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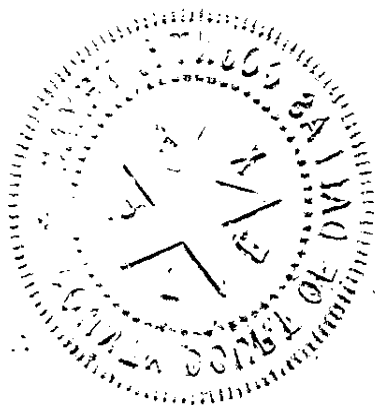
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ARTICLE FOUR

The address of the principal office and place of business of the Trust is 6220 North Beltline, Suite 205, Irving, Texas 75063.

ARTICLE FIVE

The names and mailing addresses of the Trust Managers are as follows:

<u>NAME</u>	<u>MAILING ADDRESS</u>
W. H. Bricker*	D. S. Energy Services, Inc. Bent Tree One, Suite 350 16475 Dallas Parkway Dallas, Texas 75248
George P. Jenkins	485 Ridgewood Avenue Glen Ridge, New Jersey 07028
Charles W. Wolcott*	6220 North Beltline Suite 205 Irving, Texas 75063

* Resident Trust Managers.

ARTICLE SIX

The period of the Trust's duration is not to exceed 15 years. The Trust may be sooner terminated by the vote of the holders of at least a majority of the voting power of the outstanding Shares.

ARTICLE SEVEN

The Trust shall have authority to issue 10,000,000 shares, par value \$0.10 per share, of beneficial interest (the "Shares"). All of the Shares shall be equal in all respects to every other such Share, and shall have no preference, conversion, exchange or preemptive rights.

ARTICLE EIGHT

The Trust shall issue Shares only for money or property actually received.

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ARTICLE NINE

The Trust Managers shall hold all money and property received for the issuance of Shares for the benefit of the owner of such Shares.

ARTICLE TEN

The Trust will not commence operations until the beneficial ownership of Shares is held by 100 or more persons with no 5 persons owning more than 50% of the total number of outstanding Shares. The word "person" in the immediately preceding sentence shall not include corporations.

ARTICLE ELEVEN

The Trust shall not engage in any businesses that do not further the purpose of a real estate investment trust formed pursuant to the Texas Real Estate Investment Trust Act, as such purpose is set forth at Article Two hereof.

ARTICLE TWELVE

Cumulative voting for the election of Trust Managers is prohibited, except that in any election of Trust Managers on or after the date on which the Trust becomes aware that any 30% Shareholder (as defined below) has become a 30% Shareholder, there shall be cumulative voting for the election of Trust Managers so that any holder of Shares may cumulate the voting power represented by his Shares and give one candidate a number of votes equal to the number of Trust Managers to be elected multiplied by the number of votes of which such Shares are entitled, or distribute such votes on the same principle among as many candidates for election as such holder of Shares determines. For the purposes of this Article Twelve, a "30% Shareholder" shall mean any person who or which is the beneficial owner, directly or indirectly, of 30% or more of the outstanding Shares. Any Shareholder who intends to cumulate his votes pursuant to this Article Twelve must give written notice to the Trust Managers of his intention on or before the day preceding the election at which such Shareholder intends to cumulate his votes. The cumulative voting right provided by this Article Twelve shall be suspended at such time as there is no person who beneficially owns more than 30% of the outstanding Shares.

ARTICLE THIRTEEN

Except as otherwise expressly provided in this Article Thirteen, Business Combinations (as defined herein) between the Trust and a beneficial holder of 10% or more of the Trust's outstanding Shares (an "Interested Shareholder") shall be approved by the affirmative vote of the holders of at least 80% of the voting power of the outstanding Shares.

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"Business Combination", as used herein, means (i) any liquidation, merger or consolidation of the Trust with or into an Interested Shareholder or a corporation, which after the merger or consolidation would be an associate or affiliate of an Interested Shareholder, (ii) any sale, lease, exchange, transfer or other disposition, (in one transaction or a series of transactions), of all or any "Substantial Part" (as defined herein) of the assets of the Trust to an Interested Shareholder, (iii) the issuance of any securities (other than by way of pro rata distribution to all Shareholders) of the Trust to an Interested Shareholder or (iv) any agreement, contract or other arrangement providing for any of the foregoing transactions. The term "Substantial Part", as used herein, means more than 10% of the book value of the total assets of any person or entity as of the end of its most recent fiscal year ending prior to the time the determination is being made.

The voting requirements outlined above will not apply if (i) at the time the Business Combination is consummated and during the preceding 12 months the Trust beneficially owned a majority of the outstanding equity securities of the Interested Shareholder, (ii) the Business Combination was approved by a majority of the Trust Managers who at the time such approval was given were not affiliates or nominees of the Interested Shareholder and were Trust Managers prior to the time the Interested Shareholder became an Interested Shareholder (the "Disinterested Trust Managers") or are successors of Disinterested Trust Managers who are not affiliates or nominees of the Interested Shareholder and who were recommended to succeed a Disinterested Trust Manager by a majority of the Disinterested Trust Managers, or (iii) the consideration to be received by the holders of the outstanding Shares is at least equal to the greater of the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid by the Interested Shareholder for any Shares (a) within the two-year period immediately prior to the first public announcement of the proposal of the Business Combination or (b) in a transaction in which it became an Interested Shareholder, and is cash or the same form of consideration as the Interested Shareholder paid to acquire the largest number of Shares previously acquired by it.

ARTICLE FOURTEEN

The Trust Managers may from time to time declare, and the Trust may pay, dividends on its outstanding Shares in cash or property, except that no dividend shall be declared or paid when the Trust is unable to pay its debts as they become due in the usual course of its business, or when the payment of such dividend would result in the Trust being unable to pay its debts as they become due in the usual course of business.

ARTICLE FIFTEEN

A holder of Shares shall not be personally or individually liable in any manner whatsoever for any debt, act, omission or contractual obligation incurred by the Trust or the Trust Managers. All written contracts to which the Trust is a party shall include a provision that the Shareholders shall not be personally liable thereon. A holder of Shares shall be under no obligation to the Trust or to its creditors with respect to such Shares other than the obligation

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to pay to the Trust the full amount of the consideration for which such Shares were issued or to be issued. Upon the payment of such consideration, such Shares shall be non-assessable by the Trust.

ARTICLE SIXTEEN

No Trust Manager or Trust Officer shall be liable for (i) any claims or damages that may result from his acts in the discharge of any duty imposed or power conferred upon him by the Texas Real Estate Investment Trust Act, this Declaration of Trust, or the By-Laws of the Trust, if, in the exercise of ordinary care, he acted in good faith and in reliance upon the written opinion of any attorney for the Trust or (ii) any act, omission, loss, damage or expense arising from the performance of his duty to the Trust, except for acts, omissions, losses, damages or expenses arising from his own willful misfeasance, malfeasance or negligence. The Trust shall reimburse, indemnify and hold harmless the Trust Managers and the Trust Officers to the full extent lawful, from and against any and all losses, claims, damages or liabilities of any nature whatsoever in respect to or arising from any acts or omissions of any of them, except with respect to losses, claims, damages or liabilities in respect to or arising out of any Trust Manager's or Trust Officer's gross negligence or willful misconduct.

ARTICLE SEVENTEEN

A Trust Manager may be removed by the vote or written consent of the holders of a majority of the outstanding shares, and may be removed at a special meeting of the Shareholders called for such purpose pursuant to the Trust's By-Laws.

ARTICLE EIGHTEEN

A majority of the Trust Managers shall be Independent Trust Managers. "Independent Trust Managers" as used herein means a Trust Manager who (i) does not perform any services for the Trust (except in the capacity as a Trust Manager) whether as an agent, advisor, consultant, employee, property manager, or in any other capacity whatsoever (other than as Trust Manager), and (ii) is not an "affiliate" of any person or entity that performs any services for the Trust (other than as a Trust Manager). "Affiliate" as used herein means any individual, corporation, partnership, trust, unincorporated organization, association or other entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with any person or entity that performs any services for the Trust (other than as a Trust Manager).

ARTICLE NINETEEN

The Independent Trust Managers shall have a fiduciary duty to the Shareholders of the Trust to supervise the relationship of the Trust and the property managers. The following matters must be acted upon or approved by at least a majority of the Independent Trust Managers:

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(a) Reviews, to be made at least annually, of the Trust's investment policies to determine that the policies being followed by the Trust at any time are in the best interests of the Trust's Shareholders;

(b) The taking of reasonable steps to ensure that (i) the Trust prepares for each fiscal year ending after the Trust's initial public offering of Shares an annual report concerning its operations containing financial statements prepared in accordance with generally accepted accounting principles which are audited and reported on by independent certified public accountants, (ii) such annual reports are mailed or delivered to each Shareholder of record as of a record date after the end of such fiscal year, and (iii) annual meetings of the Shareholders of the Trust are held within a reasonable period following delivery of the annual report;

(c) Termination of any advisory contract between the Trust and any advisor or any property management agreement between the Trust and a property manager, all such contracts to be terminable by a majority of the Independent Trust Managers;

(d) Determinations, to be made at least annually, that the compensation that the Trust contracts to pay to any advisor or property manager is reasonable in relation to the nature and quality of services performed, and that the provisions of such contracts are being carried out;

(e) Approvals by a majority of the Independent Trust Managers and disclosures to the Trust's Shareholders, which shall be required with respect to any borrowings by the Trust which would cause the aggregate borrowings of the Trust to exceed an amount equal to 300% of the Trust's Net Assets (as such term is defined in the Trust's By-Laws);

(f) Determinations as to whether in determining the value of real property to be acquired by the Trust such determination is to be made by a qualified independent real estate appraiser; and

(g) Determinations, which shall be a prerequisite to any investment by the Trust in a junior mortgage loan, that such loan is (i) either (A) adequately secured on the basis of the equity of the borrower in the property underlying such investment, or (B) a financing device entered into by the Trust to establish the priority of its capital investment over the capital investment of others investing with the Trust in a real estate project, and (ii) not and may not be made subordinate to a mortgage held by a Trust Manager of the Trust.

ARTICLE TWENTY

The Independent Trust Managers shall determine at least annually that the total fees and expenses of the Trust are reasonable and in accordance with the provisions of the Trust's By-Laws pertaining to such fees and expenses.



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ARTICLE TWENTY-ONE

This Declaration of Trust may be amended from time to time by the affirmative vote of the holders of at least two-thirds of the outstanding Shares, except that (i) Article Six hereof (relating to the duration of the Trust); (ii) Article Eleven hereof (relating to the prohibition against engaging in non-real estate investment trust businesses); and (iii) Article Thirteen hereof (relating to the approval of Business Combinations) may not be amended or repealed, and provisions inconsistent therewith may not be adopted, except by the affirmative vote of the holders of at least 80% of the outstanding Shares.

IN WITNESS WHEREOF, the undersigned and the Trust Managers hereinabove named, do hereby execute this Amended and Restated Declaration of Trust as of the 31st day of August, 1993.

William H. Gruber
Trust Manager

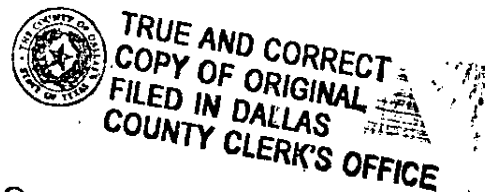
THE STATE OF Texas)
)
COUNTY OF Dallas)

I, KAREN W. HAYFIELD, Notary Public in and for DALLAS County, TEXAS, do hereby certify that on this 2nd day of September, personally appeared before me, WILLIAM H. GRUBER, who being by me first duly sworn, declared that he is the person who signed the foregoing document as Trust Manager, and that the statements therein contained are true.



Karen W. Hayfield
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

My Commission Expires:
08/06/96



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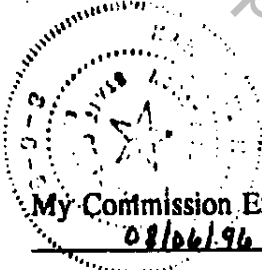
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[Handwritten Signature]

Trust Manager

THE STATE OF Texas)
)
COUNTY OF Dallas)

I, KAREN W. HATFIELD, Notary Public in and for DALLAS County, TEXAS, do hereby certify that on this 2nd day of September, personally appeared before me, CHARLES W. WILCOFF, who being by me first duly sworn, declared that he is the person who signed the foregoing document as Trust Manager, and that the statements therein contained are true.



Karen W. Hatfield
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

My Commission Expires:
08/06/96

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George P. Jenkins
 Trust Manager

THE STATE OF NY
 COUNTY OF NY

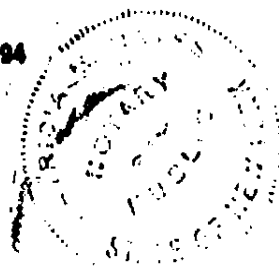
I, Patricia M. Hayes, Notary Public in and for NY County, NY, do hereby certify that on this 3rd day of September personally appeared before me, George P. Jenkins, who being by me first duly sworn, declared that he is the person who signed the foregoing document as Trust Manager, and that the statements therein contained are true.

Patricia M. Hayes
 NOTARY PUBLIC IN AND FOR
 THE STATE OF NY

My Commission Expires:
January 13, 1994

PATRICIA M. HAYES
 Notary Public, State of New York
 No. 24-4990822
 Qualified in Kings County
 Commission Expires January 13, 1994

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RETURN TO:
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 ADDRESS: 1717 MAIN 43RD
 CITY: DALLAS TX 75201

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STAFF RECORDS DIVISION
 1000 MAIN ST. 4TH FLOOR
 DALLAS, TEXAS 75202

COUNTY CLERK, Dallas County, Texas
 SEP 8 1983
 COUNTY OF DALLAS
 I hereby certify that the above and foregoing is a full, true, and correct photographic copy of the original record now in my lawful custody and possession, filed on the date stamped thereon and as the same is recorded in the Recorder's Records in my office under the volume and page stamped thereon. I hereby certify on this volume and page stamped thereon.

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THE STATE OF TEXAS }
 COUNTY OF DALLAS }

I hereby certify that the above and foregoing is a full, true, and correct photographic copy of the original record now in my lawful custody and possession, filed on the date stamped thereon and as the same is recorded in the Recorder's Records in my office under the volume and page stamped thereon. I hereby certify on this volume and page stamped thereon.



JAN 5 1988
 COUNTY CLERK, Dallas County, Texas
 Deputy

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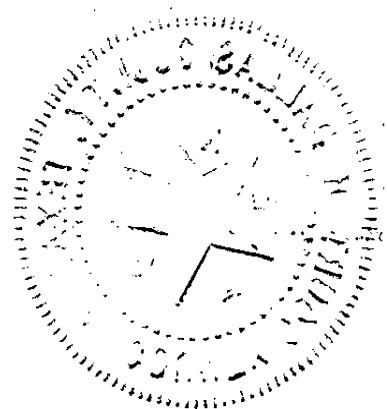
DALLAS COUNTY
 COUNTY CLERK
 E. J. ...

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CHICAGO TITLE INSURANCE COMPANY

ORDER NUMBER: 1401 007841984 D1
STREET ADDRESS: 2727 HIGGINS ROAD
CITY: ELK GROVE COUNTY: COOK
TAX NUMBER: 08-26-410-003-0000

LEGAL DESCRIPTION:

LOTS 32 AND 33 IN CENTEX INDUSTRIAL PARK UNIT NO. 6, BEING A SUBDIVISION IN SECTIONS 26 AND 35, TOWNSHIP 41 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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