

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (date of earliest event reported): August 15, 2000

AMB PROPERTY CORPORATION

(Exact name of registrant as specified in its charter)

<TABLE>

<S>	<C>	<C>
Maryland	001-13545	94-3281941
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(State or other jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

</TABLE>

505 Montgomery Street, San Francisco, California 94111

(Address of principal executive offices) (Zip Code)

415-394-9000

(Registrants' telephone number, including area code)

n/a

(former name or former address, if changed since last report)

ITEM 5. OTHER EVENTS

On August 15, 2000, AMB Property, L.P., in which we are the sole general partner, commenced a medium-term note program for the possible issuance, from time to time, of up to \$4,000,000 of medium-term notes, which will be guaranteed by us, pursuant to a Registration Statement on Form S-3, File No. 333-68283, declared effective by the Securities and Exchange Commission on December 17, 1998, and supplemented by a prospectus supplement dated August 15, 2000. The medium-term notes are issuable pursuant to an Indenture by and among AMB Property, L.P., us and State Street Bank and Trust Company of California, N.A., as trustee, dated as of June 30, 1998, as supplemented by the First Supplemental Indenture, the Second Supplemental Indenture and the Third Supplemental Indenture, each dated as of June 30, 1998, and the Fourth Supplemental Indenture, dated as of August 15, 2000.

On August 15, 2000, we entered into a Distribution Agreement (the form of which is attached hereto as Exhibit 1.1) with AMB Property, L.P., Morgan Stanley & Co. Incorporated, Banc of America Securities LLC, Banc One Capital Markets, Inc., Chase Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities Inc. and Salomon Smith Barney Inc., pursuant to which AMB Property, L.P. appointed each of them as its agent for the purpose of soliciting and receiving offers to purchase the medium-term notes. In addition, any agent may also purchase medium-term notes as principal pursuant to a terms agreement relating to the applicable sale.

We are filing with this current report the Distribution Agreement, the Fourth Supplemental Indenture, which sets forth the terms of the medium-term notes, a form of fixed rate medium-term note and a form of floating rate medium-term note.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits:

<TABLE>

<CAPTION>

Exhibit
Number

Description

<S>	<C>
1.1	Distribution Agreement dated August 15, 2000 by and among AMB Property, L.P., AMB Property Corporation, Morgan Stanley & Co. Incorporated, Banc of America Securities LLC, Banc One Capital Markets, Inc., Chase Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities Inc. and Salomon Smith Barney Inc.
4.1	Fourth Supplemental Indenture, by and among AMB Property, L.P., AMB Property Corporation and State Street Bank and Trust Company of California, N.A., as trustee.
4.2	Form of Fixed Rate Medium-Term Note, attaching the Form of Parent Guarantee.
4.3	Form of Floating Rate Medium-Term Note, attaching the Form of Parent Guarantee.

</TABLE>

2
SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMB Property Corporation,

Date: August 16, 2000

By: /s/ Tamra Browne

Tamra Browne
Vice President and General Counsel

3
EXHIBIT INDEX

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AMB PROPERTY, L.P.

\$400,000,000 MEDIUM TERM NOTES

DUE 9 MONTHS OR MORE FROM DATE OF ISSUE

DISTRIBUTION AGREEMENT

AUGUST 15, 2000

August 15, 2000

Morgan Stanley & Co. Incorporated
Banc of America Securities LLC
Banc One Capital Markets, Inc.
Chase Securities Inc.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
J.P. Morgan Securities Inc.
Salomon Smith Barney Inc.
c/o Morgan Stanley & Co. Incorporated
1585 Broadway
New York, New York 10036

Dear Sirs:

AMB Property, L.P., a Delaware limited partnership (the "OPERATING PARTNERSHIP"), confirms its agreement with each of you with respect to the issue and sale from time to time by the Operating Partnership of up to \$400,000,000 (or the equivalent thereof in one or more foreign currencies or composite currencies) aggregate initial public offering price of its medium-term notes due from 9 months or more from date of issue (the "NOTES"), which amount may be increased from time to time in accordance with the Indenture (as defined below), and which amount is subject to decrease by the amount of any securities of any other series of the Operating Partnership issued after the date hereof pursuant to the Registration Statement (as defined below). The Notes will be issued pursuant to the provisions of an Indenture and the First Supplemental Indenture, the Second Supplemental Indenture and the Third Supplemental Indenture thereto, each dated as of June 30, 1998, and the fourth Supplemental Indenture, dated as of August 15, 2000 (collectively, the "INDENTURE"), and each by and among the Operating Partnership, AMB Property Corporation, a Maryland corporation, the sole general partner of the Operating Partnership and guarantor of the Notes (the "GUARANTOR"), and State Street Bank and Trust Company of California, N.A., as Trustee (the "TRUSTEE"), and will have the maturities, interest rates, redemption provisions, if any, and other terms as set forth in supplements to the Basic Prospectus referred to below.

As used herein, the "COMPANY" shall include the Operating Partnership, the Guarantor and each of the subsidiaries of the Operating Partnership or the Guarantor which is a significant subsidiary as defined in Rule 405 of Regulation C of the Securities Act of 1933, as amended (the "SECURITIES ACT"), as set forth on Schedule I hereto (each, a "SUBSIDIARY," and, collectively, the "SUBSIDIARIES").

The Operating Partnership hereby appoints Morgan Stanley & Co. Incorporated ("MORGAN STANLEY") and Banc of America Securities LLC, Banc One Capital Markets, Inc., Chase Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities Inc. and Salomon Smith Barney Inc. and each other agent set forth on Schedule II hereto (individually, an "AGENT" and collectively, the "AGENTS") as its agents, subject to

Agent agrees to use reasonable best efforts to solicit and receive offers to purchase Notes upon terms acceptable to the Operating Partnership at such times and in such amounts as the Operating Partnership shall from time to time specify. In addition, any Agent may also purchase Notes as principal pursuant to the terms of a terms agreement relating to such sale (a "TERMS AGREEMENT") in accordance with the provisions of Section 2(b) hereof. The Operating Partnership reserves the right to sell Notes through one or more additional agents or directly to certain investment banking firms as underwriters for resale to the public. No commission will be payable to the Agents on any Notes sold through other agents or directly by the Operating Partnership to underwriters. The Operating Partnership has additionally reserved the right to sell Notes to investors on its own behalf in those jurisdictions where it is authorized to do so.

The Operating Partnership and the Guarantor have filed with the Securities and Exchange Commission (the "COMMISSION") a registration statement on Form S-3 (File No. 333- 68283-01), including a prospectus, relating to common stock, preferred stock, depository shares and warrants of the Guarantor and debt securities of the Operating Partnership, including the Notes. Such registration statement, including the exhibits thereto, as amended at the Commencement Date (as hereinafter defined), but excluding the statement of eligibility of the trustee on Form T-1, is hereinafter referred to as the "REGISTRATION STATEMENT." The Operating Partnership proposes to file with the Commission from time to time, pursuant to Rule 424 under the Securities Act, supplements to the prospectus included in the Registration Statement that will describe certain terms of the Notes. The prospectus in the form in which it appears in the Registration Statement is hereinafter referred to as the "BASIC PROSPECTUS." The term "PROSPECTUS" means the Basic Prospectus together with the prospectus supplement dated the date hereof and the pricing supplements referred to therein and issued from time to time (each a "PROSPECTUS SUPPLEMENT") specifically relating to Notes, as filed with, or transmitted for filing to, the Commission pursuant to Rule 424. As used herein, the terms "Basic Prospectus" and "Prospectus" shall include in each case the documents, if any, incorporated by reference therein. The terms "SUPPLEMENT," "AMENDMENT" and "AMEND" as used herein shall include all documents deemed to be incorporated by reference in the Prospectus that are filed subsequent to the date of the Basic Prospectus by the Operating Partnership or the Guarantor with the Commission pursuant to the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT").

1. REPRESENTATIONS AND WARRANTIES. The Operating Partnership and the Guarantor, jointly and severally, represent and warrant to and agree with each Agent as of the Commencement Date, as of each date on which an Agent solicits offers to purchase Notes, as of each date on which the Operating Partnership accepts an offer to purchase Notes (including any purchase by an Agent pursuant to a Terms Agreement), as of each date the Operating Partnership issues and delivers Notes and as of each date the Registration Statement or the Basic Prospectus is amended or supplemented, as follows (it being understood that such representations, warranties and agreements shall be deemed to relate to the Registration Statement, the Basic Prospectus and the Prospectus, each as amended or supplemented to each such date):

2

(a) The Registration Statement has become effective; no stop order suspending the effectiveness of the Registration Statement is in effect, and no proceedings for such purpose are pending before or, to the knowledge of the Operating Partnership and the Guarantor, threatened by the Commission.

(b) Except for statements in such documents which do not constitute part of the Registration Statement or Prospectus pursuant to Rule 412 of Regulation C under the Securities Act, (i) each document, if any, filed or to be filed pursuant to the Exchange Act and incorporated by reference in the Prospectus complied or will comply when so filed in all material respects with the Exchange Act and the applicable rules and regulations of the Commission thereunder, except for the failure to file as exhibits to the documents incorporated by reference amendments to the Operating Partnership's partnership agreement, which amendments have subsequently been incorporated into the Fourth Amended and Restated Amendment of Limited Partnership of the Operating Partnership, which was filed with the Commission on Form 8-K on or prior to the date hereof, (ii) each part of the Registration Statement, when such part became effective, did not contain and each such part, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (iii) the Registration Statement and the Prospectus complied when originally filed, comply and, as amended or supplemented, if applicable, will comply in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder and (iv) the Prospectus does not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not

misleading, except that (A) the representations and warranties set forth in this paragraph 1(b) do not apply to (1) statements or omissions in the Registration Statement or the Prospectus based upon information relating to any Agent furnished to the Operating Partnership in writing by such Agent expressly for use therein, which are the names of the Agents in the first paragraph, the second sentence and last two sentences of the third paragraph and the sixth paragraph under the heading "Supplemental Plan of Distribution", or (2) that part of the Registration Statement that constitutes the Statement of Eligibility (Form T-1) under the Trust Indenture Act of 1939, as amended (the "TRUST INDENTURE ACT"), of the Trustee and (B) the representations and warranties set forth in clauses 1(b) (iii) and 1(b) (iv) above, when made as of the Commencement Date or as of any date on which an Agent solicits offers to purchase Notes or on which the Operating Partnership accepts an offer to purchase Notes, shall be deemed not to cover information concerning an offering of particular Notes to the extent such information will be set forth in a supplement to the Basic Prospectus or the Prospectus Supplement.

(c) The Guarantor has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Maryland, and has all power and authority necessary to own, lease and operate its properties and to conduct the businesses in which it is engaged or proposes to engage as described in the Prospectus and to enter into and perform its obligations under this Distribution Agreement, the Guarantees, the Indenture and any applicable Written Terms Agreement (as hereinafter

3

defined). The Guarantor is duly qualified or registered as a foreign corporation and is in good standing in California and is in good standing in each other jurisdiction in which such qualification or registration is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or be registered or to be in good standing in such other jurisdiction would not result in a material adverse effect on the consolidated financial position, results of operations or business of the Operating Partnership, the Guarantor and their subsidiaries, taken as a whole (a "MATERIAL ADVERSE EFFECT").

(d) The Operating Partnership is a limited partnership duly formed and existing under and by virtue of the laws of the State of Delaware and is in good standing under the Delaware Revised Uniform Limited Partnership Act with partnership power and authority to own, lease and operate its properties, to conduct the business in which it is engaged or proposes to engage as described in the Prospectus and to enter into and perform its obligations under this Distribution Agreement, the Notes, the Indenture, the Calculation Agency Agreement between the Operating Partnership and the Trustee (the "CALCULATION AGENCY AGREEMENT") and any applicable Written Terms Agreement. The Operating Partnership is duly qualified or registered as a foreign partnership and is in good standing in California and is in good standing in each other jurisdiction in which such qualification or registration is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or be registered or to be in good standing in such other jurisdiction would not have Material Adverse Effect. The Guarantor is the sole general partner of the Operating Partnership and owns the percentage interest in the Operating Partnership as set forth or incorporated by reference in the Prospectus.

(e) Each Subsidiary has been, as the case may be, duly incorporated or organized, is validly existing as a partnership, corporation or limited liability company in good standing under the laws of its respective jurisdiction of organization, has the corporate, partnership or other power and authority to own its property and to conduct its business as described in the Prospectus. Each Subsidiary is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a Material Adverse Effect; all of the issued shares of capital stock or other ownership interests of each Subsidiary have been duly and validly authorized and issued, are fully paid and non-assessable and, except as set forth or incorporated by reference in the Prospectus, are owned directly or indirectly by the Operating Partnership or the Guarantor, free and clear of all liens, encumbrances, equities or claims.

(f) Each of the joint venture partnerships or limited liability companies listed on Schedule III hereto (the "JOINT VENTURES") has been duly formed and is validly existing as a limited partnership or limited liability company in good standing under the laws of its state of

organization, with power and authority to own, lease and operate its properties and to conduct the business in which it is engaged. Each Joint Venture is duly qualified or registered as a foreign limited partnership or limited liability

4

company to transact business in each jurisdiction in which such qualification or registration is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or be registered would not have a Material Adverse Effect. The Operating Partnership, the Guarantor or a subsidiary of the Operating Partnership or Guarantor owns the percentage of the partnership or other equity interest in each of the Joint Ventures as set forth on Schedule III hereto (the "JOINT VENTURE INTERESTS"), and each of the Joint Venture Interests is validly issued and fully paid and free and clear of any security interest, mortgage, pledge, lien encumbrance, claim or equity. The Operating Partnership and the Guarantor have no other interests in joint ventures, partnerships or limited liability companies in which unrelated third parties have interests, other than as set forth on Schedule III hereto or the Subsidiaries.

(g) This Distribution Agreement, the Calculation Agency Agreement and any applicable Written Terms Agreement have been duly authorized, executed and delivered by the Operating Partnership and the Guarantor and constitute the valid and binding agreement of each of them, enforceable against them in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and general principles of equity.

(h) The Indenture has been duly qualified under the Trust Indenture Act and has been duly authorized, executed and delivered by the Operating Partnership and the Guarantor and is a valid and binding agreement of each of them, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and general principles of equity.

(i) The Notes have been duly authorized and, when executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the purchasers thereof, will be entitled to the benefits of the Indenture and will be valid and binding obligations of the Operating Partnership, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and general principles of equity.

(j) The guarantees of the Guarantor (the "GUARANTEES") have been duly authorized and, when executed and the Notes are authenticated in accordance with the provisions of the Indenture, will be entitled to the benefits of the Indenture and will be valid and binding obligations of the Guarantor, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and general principles of equity.

(k) The Notes, Guarantees and the Indenture will conform in all material respects to the respective statements relating thereto contained in the Prospectus and will be in substantially the respective forms filed as exhibits to the Registration Statement.

5

(l) All of the issued and outstanding units of the Operating Partnership (the "UNITS") have been duly and validly authorized and issued and conform to the description thereof contained or incorporated by reference in the Prospectus. The Units owned by the Guarantor are owned directly by the Guarantor, free and clear of all liens, encumbrances, equities or claims.

(m) The execution and delivery by the Operating Partnership and the Guarantor of, and the performance by each of the Operating Partnership and the Guarantor of its respective obligations under, this Distribution Agreement, the Notes, the Guarantees, the Indenture, the Calculation Agency Agreement and any applicable Written Terms Agreement and the consummation of the transactions contemplated hereby and thereby, will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement, joint venture agreement, partnership agreement, limited liability company agreement or

any other agreement or instrument to which the Company is a party or by which the Company is bound or to which any of the property or assets of the Company is subject, except for such conflicts, breaches or violations which would not, singly or in the aggregate, have a Material Adverse Effect, (ii) result in any violation of the provisions of the charter, by-laws, certificate of limited partnership, partnership agreement or other organizational documents of the Operating Partnership, the Guarantor or any Subsidiary, as the case may be, or (iii) result in any violation of any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company, except where such noncompliance or violation of any such statute, order, rule or regulation would not, singly or in the aggregate, have a Material Adverse Effect. No consent, approval, authorization or order of, or filing or registration with, any such court or governmental agency or body is required for the execution and delivery by the Operating Partnership and the Guarantor of, and the performance by each of the Operating Partnership and the Guarantor of its respective obligations under, this Distribution Agreement, the Notes, the Guarantees, the Indenture, the Calculation Agency Agreement and any applicable Written Terms Agreement and the consummation of the transactions contemplated hereby and thereby, except for (A) the registration of the Notes under the Securities Act or the rules and regulations thereunder and such consents, approvals, authorizations, registrations or qualifications as may be required under the Securities Act, Exchange Act of 1934, the Trust Indenture Act, or the rules and regulations thereunder, and applicable state and foreign securities laws in connection with issuance, offer and sale of the Notes or (B) consents, approvals, authorizations, orders, filings or registrations that will be completed on or prior to the Commencement Date or in connection with the issuance of Notes.

(n) There are no legal or governmental proceedings pending or, to the knowledge of the Company, threatened, to which the Company is a party or to which any of the properties of the Company is subject that are required to be described in the Registration Statement or the Prospectus and are not so described or incorporated by reference, or any statutes, regulations, contracts or other documents that are required to be described in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement that are not described, incorporated by reference or filed as

6

required, except for the failure to file as exhibits to the documents incorporated by reference amendments to the Operating Partnership's partnership agreement, which amendments have subsequently been incorporated into the Fourth Amended and Restated Amendment of Limited Partnership of the Operating Partnership, which was filed with the Commission on Form 8-K on or prior to the date hereof.

(o) None of the Operating Partnership, the Guarantor or any Subsidiary is, and after giving effect to the offering and sale of the Notes and the application of the proceeds thereof as described in the Prospectus, none will be, an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(p) There has not occurred any material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise, or in the earnings, business or operations of the Operating Partnership, the Guarantor and their subsidiaries, taken as a whole, from that set forth or incorporated by reference in the Prospectus. Subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus, except as described in or contemplated by the Prospectus or a document incorporated therein by reference, (i) the Company has not incurred any liability or obligation, direct or contingent, nor entered into any transaction not in the ordinary course of business that is material with respect to the Operating Partnership, the Guarantor and their subsidiaries, taken as a whole; and (ii) there has not been any change in the capital stock or increase in the short-term debt or long-term debt that is, in either case, material with respect to the Operating Partnership, the Guarantor and their subsidiaries, taken as a whole (excluding Notes issued under the medium term notes program established by this Distribution Agreement and excluding debt resulting from a draw down on the Operating Partnership's credit facility).

(q) Except as otherwise disclosed or incorporated by reference in the Prospectus:

(i) as of June 30, 2000 the Company (directly or indirectly) owned 789 buildings and centers (the "PROPERTIES"), comprised of 780 industrial buildings and 9 retail centers;

(ii) the Company (directly or indirectly) has good and

marketable fee simple title to the land underlying the Properties and good and marketable title to the improvements thereon, other than those improvements located on land which the Company (directly or indirectly) acts as the ground lessor (the "TENANT OWNED IMPROVEMENTS"), and all other assets that are required for the effective operation of such Properties in the manner in which they currently are operated, subject, however, to existing mortgages on such Properties, to utility easements serving such Properties and other immaterial easements, reciprocal easement agreements and licenses, to liens of ad valorem taxes and other assessments not delinquent, to zoning and similar governmental land use matters affecting such Properties that are consistent with the current uses of such Properties, to matters of title not adversely affecting marketability of title to such Properties, other immaterial statutory liens not due and payable, title matters that

7

may be material in character, amount or extent but which do not materially detract from the value, or interfere with the use of, the Properties or otherwise materially impair the business operations being conducted or proposed to be conducted thereon, service marks and trade names used in connection with such Properties, ownership by others of certain items of equipment and other items of personal property that are not material to the conduct of business operations at such Properties and ownership of improvements pursuant to certain valid, existing and enforceable ground leases;

(iii) except as would not have a Material Adverse Effect, with respect to the Properties held through Joint Ventures (the "JOINT VENTURE PROPERTIES"), the Joint Ventures that currently own such Properties have good and marketable fee simple title to the land underlying such Properties, and good and marketable title to the improvements thereon, other than the Tenant Owned Improvements, and all other assets that are required for the effective operation of such Properties in the manner in which they currently are operated, subject to the exceptions set forth in clause (ii) above;

(iv) all liens, charges, encumbrances, claims, or restrictions on or affecting any of the Properties or the assets of the Company which are required to be disclosed in the Prospectus are disclosed or incorporated by reference therein;

(v) neither the Company nor, to the knowledge of the Operating Partnership or the Guarantor, any tenant of any of the Properties is in default under any of the leases pursuant to which the Company, as lessor, leases its Property (and the Company does not know of any event which, but for the passage of time or the giving of notice, or both, would constitute a default under any of such leases) other than such defaults that would not result in a Material Adverse Effect;

(vi) any real property and buildings held under lease by the Company are held by it under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company, except as described in or contemplated by the Prospectus;

(vii) no person has an option or right of first refusal to purchase all or part of any Property or any interest therein which is material to the Operating Partnership, the Guarantor and their subsidiaries, taken as a whole;

(viii) each of the Properties complies with all applicable codes, laws and regulations (including, without limitation, building and zoning codes, laws and regulations and laws relating to access to the Properties), except if and to the extent disclosed or incorporated by reference in the Prospectus and except for such failures to comply that would not individually or in the aggregate result in a Material Adverse Effect;

8

(ix) neither the Operating Partnership nor the Guarantor has knowledge of any pending or threatened condemnation proceedings, zoning change, or other similar proceeding or action that will in any manner affect the size of, use of, improvements on, construction on or access to any of the Properties, except such proceedings or actions that would not have a Material Adverse

Effect; and

(x) except as would not result in a Material Adverse Effect,

(i) the ground leases under which the Company (directly or indirectly) or a Joint Venture holds or uses real property relating to the Properties are in full force and effect, and

(ii) the Company and, to the knowledge of the Company, the Joint Ventures or other named lessees under such leases (A) are not in default in respect of any of the terms or provisions of such leases and (B) have not received notice of the assertion of any claim by anyone adverse to such person's or entity's rights as lessees under such leases, or affecting or questioning such person's or entity's right to the continued possession or use of the Property under such leases or of a default under such leases.

(r) Except as disclosed or incorporated by reference in the Prospectus:

(i) each Property, including, without limitation, the Environment (as defined below) associated with such Property, is free of any Hazardous Substance (as defined below) in violation of any Environmental Law (as defined below) applicable to such Property, except for Hazardous Substances that would not result in a Material Adverse Effect;

(ii) the Company has not caused or suffered to occur any Release (as defined below) of any Hazardous Substance into the Environment on, in, under or from any Property, and no condition exists on, in, under or, to the knowledge of the Company, adjacent to any Property that could result in the incurrence of liabilities or any violations of any Environmental Law applicable to such Property, give rise to the imposition of any Lien (as defined below) under any Environmental Law, or cause or constitute a health, safety or environmental hazard to any property, person or entity, except in each case that would not, singly or in the aggregate, have a Material Adverse Effect;

(iii) neither the Company nor, to the knowledge of the Company, any tenant of any of the Properties has received any written notice of a claim under or pursuant to any Environmental Law applicable to a Property or under common law pertaining to Hazardous Substances on or originating from any Property, except for any such claims which would not, singly or in the aggregate, have a Material Adverse Effect;

9

(iv) neither the Company nor, to the knowledge of the Company, any tenant of any of the Properties has received any written notice from any Governmental Authority (as defined below) claiming any violation of any Environmental Law applicable to a Property that is uncured or unremediated as of the date hereof, except for any such violations which would not, singly or in the aggregate, have a Material Adverse Effect;

(v) no Property is included or, to the knowledge of the Company, proposed for inclusion on the National Priorities List issued pursuant to CERCLA (as defined below) by the United States Environmental Protection Agency (the "EPA"), nor has the Company received any written notice from the EPA or any other Governmental Authority proposing the inclusion of any Property on such list;

(vi) the Company and, to the knowledge of the Company, each tenant at any of the Properties (A) has received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (B) is in compliance with all terms and conditions of any such permit, license or approval, except in each case where such noncompliance, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals would not, singly or in the aggregate, have a Material Adverse Effect; and

(vii) there are no costs or liabilities associated with Environmental Laws (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties) which would, singly or in the aggregate, have a Material Adverse

Effect.

As used herein: "HAZARDOUS SUBSTANCE" shall include, without limitation, any hazardous substance, hazardous waste, toxic or dangerous substance, pollutant, solid waste or similarly designated materials, including, without limitation, oil, petroleum or any petroleum-derived substance or waste, asbestos or asbestos-containing materials, PCBs, pesticides, explosives, radioactive materials, dioxins, urea formaldehyde insulation or any constituent of any such substance, pollutant or waste, including any such substance, pollutant or waste identified or regulated under any Environmental Law (including, without limitation, materials listed in the United States Department of Transportation Optional Hazardous Material Table, 49 C.F.R. Section 172.101, as heretofore amended, or in the EPA's List of Hazardous Substances and Reportable Quantities, 40 C.F.R. Part 302, as heretofore amended); "ENVIRONMENT" shall mean any surface water, drinking water, ground water, land surface, subsurface strata, river sediment, buildings, structures, and ambient, workplace and indoor air; "ENVIRONMENTAL LAW" shall mean the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601 et seq.) ("CERCLA"), the

10

Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. Section 6901, et seq.), the Clean Air Act, as amended (42 U.S.C. Section 7401, et seq.), the Clean Water Act, as amended (33 U.S.C. Section 1251, et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601, et seq.), the Occupational Safety and Health Act of 1970, as amended (29 U.S.C. Section 651, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Section 1801, et seq.), and all other applicable Federal, state and local laws, ordinances, regulations, rules, orders, decisions and permits relating to the protection of the environment or of human health from environmental effects; "GOVERNMENTAL AUTHORITY" shall mean any Federal, state or local governmental office, agency or authority having the duty or authority to promulgate, implement or enforce any Environmental Law; "LIEN" shall mean, with respect to any Property, any mortgage, deed of trust, pledge, security interest, lien, encumbrance, penalty, fine, charge, assessment, judgment or other liability in, on or affecting such Property; and "RELEASE" shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, emanating or disposing of any Hazardous Substance into the Environment, including, without limitation, the abandonment or discard of barrels, containers, tanks (including, without limitation, underground storage tanks) or other receptacles containing or previously containing any Hazardous Substance or any release, emission, discharge or similar term, as those terms are defined or used in any Environmental Law.

(s) Arthur Andersen LLP, who have certified certain financial statements in the Registration Statement, whose report appears in the Prospectus, are independent public accountants as required by the Securities Act and the rules and regulations of the Commission thereunder during the periods covered by the financial statements on which they reported contained in the Prospectus.

(t) The Company is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which they are engaged; the Company has not been refused any insurance coverage sought or applied for; and the Company does not have any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect, except as described in or contemplated by the Prospectus or in a document incorporated by reference in the Prospectus.

(u) The Company possesses all certificates, authorizations and permits issued by the appropriate Federal, state or foreign regulatory authorities necessary to conduct its businesses, and the Company has not received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in a Material Adverse Effect, except as described in or contemplated by the Prospectus or in a document incorporated by reference in the Prospectus.

11

(v) The Company has filed all Federal, state, and local income tax returns which have been required to be filed and has paid all taxes required to be paid and any other assessment, fine or penalty levied against it, to the extent that any of the foregoing is due and payable,

except, in all cases, for any such tax, assessment, fine or penalty that is being contested in good faith (and except in any case in which the failure to so file or pay would not have a Material Adverse Effect).

(w) The financial statements (including the notes thereto) included in the Registration Statement and the Prospectus present fairly the financial position of the respective entity or entities presented therein at the respective dates indicated and the results of their operations for the respective periods specified, and except as otherwise stated or incorporated by reference in the Registration Statement, said financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP") applied on a consistent basis. The supporting schedules included in the Registration Statement present fairly the information required to be stated or incorporated by reference therein. The financial information and data included in the Registration Statement and the Prospectus present fairly the information included therein and have been prepared on a basis consistent with that of the books and records of the respective entities presented therein. Pro forma financial information included or incorporated by reference in the Prospectus has been prepared in accordance with the applicable requirements of Rules 11-01 and 11-02 of Regulation S-X under the Securities Act, and the necessary pro forma adjustments have been properly applied to the historical amounts in the compilation of such information, and, in management's opinion, the assumptions used in the preparation thereof are reasonable and the adjustments used therein are appropriate to give effect to the transactions and circumstances referred to therein.

(x) The Company is currently in compliance with all presently applicable provisions of the Americans with Disabilities Act, except for such noncompliance which would not, singly or in the aggregate, have a Material Adverse Effect, and no failure of the Company to comply with all presently applicable provisions of the Americans with Disabilities Act would have a Material Adverse Effect.

(y) The Guarantor has elected to be taxed as a "real estate investment trust" under the Internal Revenue Code of 1986, as amended (the "CODE"), commencing with its taxable year ended December 31, 1997; the Guarantor has qualified and expects that it will continue to qualify as a "real estate investment trust" under the Code beginning with its taxable year ended December 31, 1997, and will continue to qualify as a "real estate investment trust" under the Code after consummation of the transactions contemplated by the Prospectus; and the Guarantor's present and contemplated operations, assets and income will enable it to meet the requirements for qualification as a "real estate investment trust" under the Code.

(z) Each of the Second Amended and Restated Credit Agreement dated November 26, 1997 among the Operating Partnership and the banks listed therein, the Amendment thereto dated as of May 29, 1998, the Second Amendment thereto made

12

as of September 30, 1998, and the Third Amendment thereto made as of March 22, 1999 (collectively, the "PRIOR CREDIT AGREEMENT"), have been superceded and terminated by all of the parties thereto and no longer have any force or effect and the Company does not have any obligations under or with respect to such agreements.

2. SOLICITATIONS AS AGENT; PURCHASES AS PRINCIPAL.

(a) Solicitations as Agent. In connection with an Agent's actions as agent hereunder, such Agent agrees to use reasonable best efforts to solicit offers to purchase Notes upon the terms and conditions set forth in the Prospectus as then amended or supplemented.

The Operating Partnership reserves the right, in its sole discretion, to instruct the Agents to suspend at any time, for any period of time or permanently, the solicitation of offers to purchase Notes. As soon as practicable, but in any event not later than one business day after written notice from the Operating Partnership, the Agents will forthwith suspend solicitations of offers to purchase Notes from the Operating Partnership until such time as the Operating Partnership has advised the Agents that such solicitation may be resumed. While such solicitation is suspended, the Company shall not be required to deliver any certificates, opinions or letters in accordance with Sections 5(a), 5(b) and 5(c); provided, however, that if the Registration Statement or Prospectus is amended or supplemented during the period of suspension (other than by an amendment or supplement providing solely for a change in the interest rates, redemption provisions, amortization schedules or maturities offered on the Notes or for a change the Agents deem to be immaterial), no Agent shall be required to resume soliciting offers to purchase Notes until the Company

has delivered such certificates, opinions and letters as such Agent may request.

The Operating Partnership agrees to pay to each Agent, as consideration for the sale of each Note resulting from a solicitation made or an offer to purchase received by such Agent, a commission in the form of a discount from the purchase price of such Note equal to the percentage set forth below of the purchase price of such Note:

13

<TABLE>
<CAPTION>

TERM -----	COMMISSION RATE -----
<S>	<C>
From 9 months to less than 1 year	.125%
From 1 year to less than 18 months	.150%
From 18 months to less than 2 years	.200%
From 2 years to less than 3 years	.250%
From 3 years to less than 4 years	.350%
From 4 years to less than 5 years	.450%
From 5 years to less than 6 years	.500%
From 6 years to less than 7 years	.550%
From 7 years to less than 10 years	.600%
From 10 years to less than 15 years	.625%
From 15 years to less than 20 years	.700%
From 20 years to less than 30 years	.750%
From 30 years and beyond	To be Negotiated

</TABLE>

Each Agent shall communicate to the Operating Partnership, orally or in writing, each offer to purchase Notes received by such Agent as agent that in its judgment should be considered by the Operating Partnership. The Operating Partnership shall have the sole right to accept offers to purchase Notes and may reject any offer in whole or in part. Each Agent shall have the right to reject any offer to purchase Notes that it, in its reasonable discretion, considers to be unacceptable, and any such rejection shall not be deemed a breach of its agreements contained herein. Each Agent shall make reasonable best efforts to assist the Operating Partnership in obtaining performance by each purchaser whose offer to purchase Notes has been solicited by such Agent and accepted by the Operating Partnership. The procedural details relating to the issue and delivery of Notes sold by the Agents as agents and the payment therefor shall be as set forth in the Administrative Procedures (as hereinafter defined). All Notes sold through an Agent as agent will be sold at 100% of their principal amount, unless otherwise agreed to by the Operating Partnership and such Agent or provided in the applicable Note or pricing supplement.

(b) Purchases as Principal. Each sale of Notes to an Agent as principal shall be made in accordance with the terms of this Distribution Agreement. In connection with each such sale, the Operating Partnership will enter into a Terms Agreement that will provide for the sale of such Notes to and the purchase thereof by such Agent. Each Terms Agreement will take the form of either (i) a written agreement between such Agent and the Operating Partnership, which, unless otherwise agreed by the Operating Partnership and such Agent, may be substantially in the form of Exhibit A hereto (a "WRITTEN TERMS AGREEMENT"), or (ii) an oral agreement between such Agent

14

and the Operating Partnership confirmed in writing by such Agent to the Operating Partnership.

An Agent's commitment to purchase Notes pursuant to a Terms Agreement shall be deemed to have been made on the basis of the representations and warranties of the Operating Partnership and Guarantor herein contained and shall be subject to the terms and

conditions herein set forth. Each Terms Agreement shall specify the principal amount of Notes to be purchased by such Agent pursuant thereto, the maturity date of such Notes, the price to be paid to the Operating Partnership for such Notes, the interest rate and interest rate formula, if any, applicable to such Notes and any other terms of such Notes. Each purchase of Notes, unless otherwise agreed, shall be at a discount from the principal amount of each such Note equivalent to the applicable commission set forth in Section 2(a) above. Each such Terms Agreement may also specify any requirements for officers' certificates, opinions of counsel and letters from the independent public accountants of the Company pursuant to Section 4 hereof. A Terms Agreement may also specify certain provisions relating to the reoffering of such Notes by such Agent.

Each Terms Agreement shall specify the time and place of delivery of and payment for such Notes. Unless otherwise specified in a Terms Agreement, the procedural details relating to the issue and delivery of Notes purchased by an Agent as principal and the payment therefor shall be as set forth in the Administrative Procedures. Each date of delivery of and payment for Notes to be purchased by an Agent as principal pursuant to a Terms Agreement is referred to herein as a "SETTLEMENT DATE."

Unless otherwise specified in a Terms Agreement, if an Agent is purchasing Notes as principal it may resell such Notes to other dealers. Any such sales may be at a discount, which shall not exceed the amount set forth in the Prospectus Supplement relating to such Notes.

(c) Administrative Procedures. The Agents and the Operating Partnership and Guarantor agree to perform their respective duties and obligations specifically provided to be performed in the Medium-Term Notes Administrative Procedures (attached hereto as Exhibit B) (the "ADMINISTRATIVE PROCEDURES"), as amended from time to time. The Administrative Procedures may be amended only by written agreement of the Operating Partnership, the Guarantor and the Agents.

(d) Delivery. The documents required to be delivered by Section 4 of this Distribution Agreement as a condition precedent to each Agent's obligation to begin soliciting offers to purchase Notes as an agent of the Operating Partnership shall be delivered at the office of Latham & Watkins, counsel for the Operating Partnership and the Guarantor, not later than 9:00 A.M., San Francisco time, on the date hereof, or at such other time and/or place as the Agents and the Operating Partnership and the Guarantor may agree upon in writing, but in no event later than the day prior to the earlier of (i) the date on which the Agents begin soliciting offers to purchase Notes and (ii) the first date on which the Operating Partnership accepts any offer by an Agent to purchase Notes

15

pursuant to a Terms Agreement. The date of delivery of such documents is referred to herein as the "COMMENCEMENT DATE."

(e) Obligations Several. The Operating Partnership and the Guarantor acknowledge that the obligations of the Agents under this Distribution Agreement are several and not joint.

3. AGREEMENTS. The Operating Partnership and the Guarantor agree with each Agent that:

(a) Prior to the termination of the offering of the Notes pursuant to this Distribution Agreement or any Terms Agreement, the Operating Partnership and the Guarantor will not file any Prospectus Supplement relating to the Notes or any amendment to the Registration Statement unless the Operating Partnership and the Guarantor have previously furnished to the Agents copies thereof for their review and will not file any such proposed supplement or amendment to which the Agents reasonably object; provided, however, that (i) the foregoing requirement shall not apply to the filing of documents which are incorporated by reference in the Prospectus and (ii) any Prospectus Supplement that merely sets forth the terms or a description of particular Notes shall only be reviewed and approved by the Agent or Agents offering such Notes. Subject to the foregoing sentence, the Operating Partnership and the Guarantor will promptly cause each Prospectus Supplement to be filed with or transmitted for filing to the Commission in accordance with Rule 424(b) under the Securities Act. The Operating Partnership and the Guarantor will promptly advise the Agents (A) of the filing of any amendment or supplement to the Basic Prospectus (except that notice of the filing of an amendment or supplement to the Basic Prospectus that merely sets forth the terms or a description of particular Notes shall only be given to the Agent or Agents offering such Notes and the Operating Partnership and the Guarantor shall not be required to so advise the Agents of the filing of documents which are incorporated by reference therein), (B) of the filing and effectiveness

of any amendment to the Registration Statement, except for the filing of documents which are incorporated by reference therein, (C) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Basic Prospectus or for any additional information, (D) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the institution or threatening of any proceeding for that purpose and (E) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Notes for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose. The Operating Partnership and the Guarantor will use best efforts to prevent the issuance of any such stop order or notice of suspension of qualification and, if issued, to obtain as soon as possible the withdrawal thereof. If the Basic Prospectus is amended or supplemented as a result of the filing under the Exchange Act of any document incorporated by reference in the Prospectus, no Agent shall be obligated to solicit offers to purchase Notes so long as it is not reasonably satisfied with such document.

16

(b) If, at any time when a prospectus relating to the Notes is required to be delivered under the Securities Act, any event occurs or condition exists as a result of which the Prospectus, as then amended or supplemented, would include an untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in the light of the circumstances when the Prospectus, as then amended or supplemented, is delivered to a purchaser, not misleading, or if, in the opinion of the Agents or in the opinion of the Operating Partnership and the Guarantor, it is necessary at any time to amend or supplement the Prospectus, as then amended or supplemented, to comply with applicable law, the Operating Partnership and the Guarantor will immediately notify the Agents by telephone (with confirmation in writing) to suspend solicitation of offers to purchase Notes and, if so notified by the Operating Partnership and the Guarantor, the Agents shall forthwith suspend such solicitation and cease using the Prospectus, as then amended or supplemented. If the Operating Partnership and the Guarantor shall decide to amend or supplement the Registration Statement or Prospectus, as then amended or supplemented, it shall so advise the Agents promptly by telephone (with confirmation in writing) and, at its expense, shall prepare and cause to be filed promptly with the Commission an amendment or supplement to the Registration Statement or Prospectus, as then amended or supplemented, satisfactory in all respects to the Agents, that will correct such statement or omission or effect such compliance and will supply such amended or supplemented Prospectus to the Agents in such quantities as they may reasonably request. If the documents, certificates, opinions and letters furnished to the Agents pursuant to Sections 3(f), 5(a), 5(b) and 5(c) hereof in connection with the preparation and filing of such amendment or supplement are satisfactory in all respects to the Agents, upon the filing with the Commission of such amendment or supplement to the Prospectus or upon the effectiveness of an amendment to the Registration Statement, the Agents will resume the solicitation of offers to purchase Notes hereunder. Notwithstanding any other provision of this paragraph, until the distribution of any Notes an Agent may own as principal has been completed, if any event described above in this paragraph occurs, the Operating Partnership and the Guarantor will, at their own expense, forthwith prepare and cause to be filed promptly with the Commission an amendment or supplement to the Registration Statement or Prospectus, as then amended or supplemented, satisfactory in all respects to such Agent and the Operating Partnership and the Guarantor, will supply such amended or supplemented Prospectus to such Agent in such quantities as it may reasonably request and shall furnish to such Agent pursuant to Sections 3(f), 5(a), 5(b) and 5(c) hereof such documents, certificates, opinions and letters specified therein in connection with the preparation and filing of such amendment or supplement.

(c) Each of the Operating Partnership and the Guarantor will make generally available to its respective security holders and to the Agents as soon as practicable earning statements that satisfy the provisions of Section 11(a) of the Securities Act and the rules and regulations of the Commission thereunder covering twelve month periods beginning, in each case, not later than the first day of the Operating Partnership's and Guarantor's respective fiscal quarter next following the "effective date" (as defined in Rule 158 under the Securities Act) of the Registration Statement with respect to each sale of Notes. If such fiscal quarter is the last fiscal quarter of the Operating Partnership's and

17

Guarantor's respective fiscal year, such earning statement shall be made

available not later than 90 days after the close of the period covered thereby and in all other cases shall be made available not later than 45 days after the close of the period covered thereby.

(d) The Operating Partnership and the Guarantor will furnish to each Agent, without charge, a signed copy of the Registration Statement, including exhibits and all amendments thereto, and as many copies of the Prospectus, any documents incorporated by reference therein and any supplements and amendments thereto as such Agent may reasonably request.

(e) The Operating Partnership and the Guarantor will endeavor to qualify the Notes and the Guarantees for offer and sale under the securities or Blue Sky laws of such jurisdictions as the Agents shall reasonably request and to maintain such qualifications for as long as the Agents shall reasonably request.

(f) The Operating Partnership and the Guarantor shall furnish to the Agents such relevant documents and certificates of officers of the Company relating to the business, operations and affairs of the Company, the Registration Statement, the Basic Prospectus, any amendments or supplements thereto, the Indenture, the Notes, this Distribution Agreement, the Administrative Procedures, any Terms Agreement and the performance by the Company of its obligations hereunder or thereunder as the Agents may from time to time reasonably request.

(g) The Operating Partnership and Guarantor, as applicable, shall notify the Agents promptly in writing of any downgrading, or of its receipt of any notice of any intended or potential downgrading or of any review for possible change that does not indicate the direction of the possible change, in the rating accorded any of the Operating Partnership's or Guarantor's securities by any "nationally recognized statistical rating organization," as such term is defined for purposes of Rule 436(g) (2) under the Securities Act.

(h) The Operating Partnership and the Guarantor will, whether or not any sale of Notes is consummated, pay all expenses incident to the performance of its obligations under this Distribution Agreement and any Terms Agreement, including: (i) the preparation and filing of the Registration Statement and the Prospectus and all amendments and supplements thereto, (ii) the preparation, issuance and delivery of the Notes and the Guarantees, (iii) the fees and disbursements of the Company's counsel and accountants and of the Trustee and its counsel, (iv) the qualification of the Notes and Guarantees under securities or Blue Sky laws in accordance with the provisions of Section 3(e) hereof, including filing fees and the fees and disbursements of counsel for the Agents in connection therewith and in connection with the preparation of any Blue Sky or Legal Investment Memoranda, (v) the printing and delivery to the Agents in quantities as hereinabove stated of copies of the Registration Statement and all amendments thereto and of the Prospectus and any amendments or supplements thereto, (vi) the printing and delivery to the Agents of copies of any Blue Sky or Legal Investment Memoranda, (vii) any fees charged by rating agencies for the rating of the Notes, (viii) any expenses incurred by the Company in connection with a "road show" presentation to

18

potential investors and (ix) the reasonable fees and disbursements of counsel for the Agents incurred in connection with the offering and sale of the Notes, including any opinions to be rendered by such counsel hereunder, and (x) any out-of-pocket expenses incurred by the Agents; provided that any advertising expenses incurred by the Agents shall have been approved by the Operating Partnership and the Guarantor.

(i) During the period beginning the date of any Terms Agreement and continuing to and including the Settlement Date with respect to such Terms Agreement, neither the Operating Partnership nor the Guarantor will, without such Agent's prior written consent, offer, sell, contract to sell or otherwise dispose of any debt securities of the Operating Partnership or the Guarantor or warrants to purchase debt securities of the Operating Partnership or the Guarantor substantially similar to such Notes (other than (i) the Notes that are to be sold pursuant to such Terms Agreement, (ii) Notes previously agreed to be sold by the Operating Partnership or the Guarantor and (iii) commercial paper issued in the ordinary course of business), except as may otherwise be provided in such Terms Agreement.

4. CONDITIONS OF THE OBLIGATIONS OF THE AGENTS. Each Agent's obligation to solicit offers to purchase Notes as agent of the Operating Partnership, each Agent's obligation to purchase Notes pursuant to any Terms Agreement and the obligation of any other purchaser to purchase Notes will be subject to the accuracy of the representations and warranties on the part of the Operating Partnership and the Guarantor herein, to the accuracy of the statements of the Company's officers made in each certificate furnished pursuant

to the provisions hereof and to the performance and observance by the Company of all covenants and agreements herein contained on its part to be performed and observed (in the case of an Agent's obligation to solicit offers to purchase Notes, at the time of such solicitation, and, in the case of an Agent's or any other purchaser's obligation to purchase Notes, at the time the Operating Partnership accepts the offer to purchase such Notes and at the time of issuance and delivery) and (in each case) to the following additional conditions precedent when and as specified:

(a) Prior to such solicitation or purchase, as the case may be:

(i) there shall not have occurred any change, or any development involving a prospective change, in the condition, financial or otherwise, or in the earnings, business or operations of the Operating Partnership, the Guarantor and their subsidiaries, taken as a whole, from that set forth in the Prospectus, as amended or supplemented (including by incorporation by reference) at the time of such solicitation or at the time such offer to purchase was made, that, in the judgment of the relevant Agent, is material and adverse and that makes it, in the judgment of such Agent, impracticable to market the Notes on the terms and in the manner contemplated by the Prospectus, as so amended or supplemented;

(ii) there shall not have occurred any (A) suspension or material limitation of trading generally on or by, as the case may be, any of the New York Stock Exchange, the American Stock Exchange, the National Association of Securities Dealers, Inc., the Chicago Board Options Exchange, the

19

Chicago Mercantile Exchange or the Chicago Board of Trade, (B) suspension of trading of any securities of the Operating Partnership or the Guarantor on any exchange or in any over-the-counter market, (C) declaration of a general moratorium on commercial banking activities in New York by either Federal or New York State authorities or (D) any outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis that, in the judgment of the relevant Agent, is material and adverse and, in the case of any of the events described in clauses 4(a)(ii)(A) through 4(a)(ii)(D), such event, singly or together with any other such event, makes it, in the judgment of such Agent, impracticable to market the Notes on the terms and in the manner contemplated by the Prospectus, as amended or supplemented (including by incorporation by reference) at the time of such solicitation or at the time such offer to purchase was made; and

(iii) there shall not have occurred any downgrading, nor shall any notice have been given of any intended or potential downgrading or of any review for a possible change that does not indicate the direction of the possible change, in the rating accorded the Operating Partnership, Guarantor or any of their respective securities or the rating outlook for any of them by any "nationally recognized statistical rating organization," as such term is defined for purposes of Rule 436(g)(2) under the Securities Act;

(A) except, in each case described in Section 4(a)(i), 4(a)(ii) or 4(a)(iii) above, as disclosed to the relevant Agent in writing by the Operating Partnership and the Guarantor prior to such solicitation or, in the case of a purchase of Notes, as disclosed to the relevant Agent before the offer to purchase such Notes was made; or

(B) unless in each case described in Section 4(a)(ii) above, the relevant event shall have occurred and been known to the relevant Agent before such solicitation or, in the case of a purchase of Notes, before the offer to purchase such Notes was made.

(b) On the Commencement Date and, if called for by any Terms Agreement, on the corresponding Settlement Date, the relevant Agents shall have received:

(i) An opinion, dated as of such date, of Latham & Watkins, outside counsel for the Operating Partnership and the Guarantor, to the effect that:

(A) the Operating Partnership has been duly formed and is a limited partnership in good standing under the Delaware Revised Uniform Limited Partnership Act, with partnership power and authority to own, lease and operate its properties,

to conduct its business as described in the Prospectus and to enter into and perform its obligations under this Distribution Agreement, the Notes, the Indenture, the Calculation Agency Agreement and any applicable Written Terms Agreement in the form

20

attached as Exhibit A to this Distribution Agreement. Based solely on certificates of public officials, counsel confirms that the Operating Partnership is qualified to do business in the following States: _____;

(B) based solely on certificates of public officials, counsel confirms that the Guarantor is qualified to do business in the following states: _____.

(C) each Subsidiary has been duly formed and is a limited partnership, corporation or limited liability company in good standing under the applicable laws of its jurisdiction, with partnership, corporate or other power and authority to own, lease and operate its properties and to conduct its business as described in the Prospectus, and, based solely on certificates of public officials, such Subsidiaries are qualified to do business in the following states: _____;

(D) the issuance and sale of the Notes by the Operating Partnership and the issuance of the Guarantees by the Guarantor pursuant to this Distribution Agreement, the Indenture and any applicable Written Terms Agreement in the form attached as Exhibit A to this Distribution Agreement and the execution and delivery by the Operating Partnership and the Guarantor of, and the performance on or prior to the date of such opinion by the Operating Partnership and the Guarantor of their respective obligations under, this Distribution Agreement, the Notes, the Guarantees, the Indenture, the Calculation Agency Agreement and any applicable Written Terms Agreement in the form attached as Exhibit A to this Distribution Agreement and the consummation of the transactions contemplated thereby, will not result in the violation by the Operating Partnership of its certificate of limited partnership, the Fourth Amended and Restated Agreement of Limited Partnership of the Operating Partnership dated as of August 10, 2000 or the Revised Uniform Limited Partnership Act of the State of Delaware or the violation by the Operating Partnership or the Guarantor of any federal, New York or California statute, rule or regulation known to counsel to be applicable to the Operating Partnership or the Guarantor (other than federal or state securities laws, which are specifically addressed elsewhere herein) or in the breach or default under any of the agreements (the "MATERIAL AGREEMENTS") listed as material agreements on the exhibit lists to each of the Operating Partnership's and the Guarantor's most recent annual report on Form 10-K, as updated by the Operating Partnership's and the Guarantor's quarterly reports on Form 10-Q for the subsequent quarterly periods; it being understood, however, that counsel need express no opinion with respect to the Credit Agreement dated as of September 27, 1999 among AMB Institutional Alliance Fund I, L.P., AMB Institutional Alliance REIT I, Inc., the lenders and issuing bank party thereto, BT

21

Realty Resources, Inc. and The Chase Manhattan Bank (the "CREDIT AGREEMENT"), the Prior Credit Agreement, the Revolving Credit Agreement dated as of May 24, 2000 among the Operating Partnership and the banks listed therein (the "REVOLVING CREDIT AGREEMENT"), or the Guaranty of Payment made as of May 24, 2000 between the Guarantor and Morgan Guaranty Trust Company of New York, as administrative agent for the banks listed on the signature page of the Revolving Credit Agreement (the "GUARANTY OF PAYMENT"). To the best of counsel's knowledge, no consent, approval, authorization or order of, or filing with, any federal, New York or California court or governmental agency or body or under the Revised Uniform Limited Partnership Act of the State of Delaware is required for the consummation of the issuance and sale of the Notes by the Operating Partnership or the issuance of the Guarantees by the Guarantor pursuant to this Distribution Agreement, the Indenture and any applicable Written Terms Agreement in the form attached as Exhibit A to this Distribution Agreement and the execution and delivery by the

Operating Partnership and the Guarantor of, and the performance on or prior to the date hereof by the Operating Partnership and the Guarantor of their respective obligations under, this Distribution Agreement, the Notes, the Guarantees, the Indenture, the Calculation Agency Agreement and any applicable Written Terms Agreement in the form attached as Exhibit A to this Distribution Agreement and the consummation of the transactions contemplated hereby and thereby, except such as have been or will be obtained under the Securities Act and such as may be required under state securities laws in connection with the issuance and sale of the Notes;

(E) assuming due authorization by the Guarantor on its own behalf and in its capacity as the general partner of the Operating Partnership, this Distribution Agreement has been duly authorized, executed and delivered by the Operating Partnership;

(F) assuming due authorization by the Guarantor on its own behalf and in its capacity as the general partner of the Operating Partnership, when the terms of an applicable Written Terms Agreement are determined by the Guarantor's Board of Directors, the Medium-Term Note Committee of the Guarantor's Board of Directors or an authorized officer of the Guarantor, and when such Written Terms Agreement has been executed by a duly authorized officer of the Guarantor, in its capacity as general partner Operating Partnership, and delivered to the other party thereto by a duly authorized officer of the Guarantor on its own behalf and in its capacity as general partner of the Operating Partnership, any such Written Terms Agreement will have been duly authorized, executed and delivered by the Operating Partnership;

(G) the Indenture has been duly qualified under the Trust Indenture Act and (assuming due authorization by the Guarantor on

22

its own behalf and in its capacity as general partner of the Operating Partnership) has been duly authorized, executed and delivered by the Operating Partnership and (assuming due authorization, execution and delivery by the Trustee) is the legally valid and binding agreement of the Operating Partnership and the Guarantor, enforceable against the Operating Partnership and the Guarantor in accordance with its terms;

(H) assuming due authorization by the Guarantor on its own behalf and in its capacity as the general partner of the Operating Partnership, when the remaining terms of the Notes are determined by the Guarantor's Board of Directors, the Medium-Term Note Committee of the Guarantor's Board of Directors or an authorized officer of the Guarantor, and when executed and authenticated in accordance with the terms of the Indenture and delivered to and paid for by the purchasers thereof in accordance with the terms of this Distribution Agreement and any applicable Written Terms Agreement in the form attached as Exhibit A to this Distribution Agreement, the Notes will have been duly authorized, executed and delivered by, and will be legally valid and binding obligations of the Operating Partnership, enforceable against the Operating Partnership in accordance with their terms and entitled to the benefits of the Indenture;

(I) assuming due authorization by the Guarantor, when the remaining terms of the Notes are determined by the Guarantor's Board of Directors, the Medium Term Note Committee of the Guarantor's Board of Directors or an authorized officer of the Guarantor, and when executed in accordance with the terms of the Indenture and upon due execution, authentication and delivery of the Notes and payment therefor, the Guarantees will be legally valid and binding obligations of the Guarantor, enforceable against the Guarantor in accordance with their terms and entitled to the benefits of the Indenture;

(J) the statements (a) in the Base Prospectus (as updated by the documents incorporated by reference therein) under the captions "Description of Debt Securities," "Description of Certain Provisions of the Partnership Agreement of the Operating Partnership" (as updated by the documents incorporated by reference therein), "Plan of

Distribution," and (b) in the Prospectus Supplement (as updated by the documents incorporated by reference therein) under the captions "Description of Notes" and "Supplemental Plan of Distribution," in each case insofar as such statements constitute summaries of legal matters, are accurate in all material respects;

(K) the statements (a) in the Base Prospectus (as updated by the documents incorporated by reference therein) under the caption "Certain Federal Income Tax Considerations" (as updated by the

23

Prospectus Supplement) and (b) in the Prospectus Supplement (as updated by the documents incorporated by reference therein) under the caption "Certain United States Federal Income Tax Consequences," in each case insofar as such statements constitute summaries of legal matters, are accurate in all material respects;

(L) neither the Operating Partnership, the Guarantor nor any Subsidiary is, and after giving effect to the offering and sale of the Notes and the application of the proceeds thereof as described in the Prospectus, neither the Operating Partnership, the Guarantor nor any Subsidiary will be, an "investment company" as such term is defined in the Investment Company Act of 1940, as amended; and

(M) the Registration Statement and the Prospectus comply as to form in all material respects with the requirements for registration statements on Form S-3 under the Act, the Trust Indenture Act and the rules and regulations of the Commission thereunder; it being understood, however, that counsel need express no opinion with respect to the financial statements, schedules and other financial data included in the Registration Statement or the Prospectus, with respect to the Form T-1 or with respect to the compliance as to form with the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, of the documents incorporated by reference therein. In passing upon the compliance as to form of the Registration Statement and the Prospectus, counsel may assume that the statements made and incorporated by reference in the Registration Statement and the Prospectus are correct and complete.

In addition, such counsel shall state that it has participated in conferences with officers and other representatives of the Operating Partnership and the Guarantor, representatives of the independent public accountants for the Operating Partnership and the Guarantor, and the Agent's representatives, at which the contents of the Registration Statement and the Prospectus and related matters were discussed and, although counsel is not passing upon, and does not assume any responsibility for, the accuracy, completeness or fairness of the statements contained in the Registration Statement and the Prospectus (except as specifically stated in paragraphs K and L above) and has not made any independent check or verification thereof, during the course of such participation, no facts came to such counsel's attention that caused it to believe that the Registration Statement, at the time it became effective, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or that the Prospectus (including the documents incorporated by reference therein), as of its date, contained an untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; it being understood that such counsel need

24

express no belief with respect to the financial statements, schedules and other financial data included in the Registration Statement or the Prospectus or incorporated therein or with respect to the Form T-1.

(ii) An opinion, dated as of such date, of Tamra D. Browne, General Counsel to the Guarantor, to the effect that:

(A) the Guarantor is the sole general partner of the

Operating Partnership;

(B) assuming the due authorization by the Guarantor in its capacity as the sole general partner of the Operating Partnership, the Units held by the Guarantor are as set forth in the Prospectus and have been duly authorized and validly issued. The Units owned by the Guarantor are owned of record directly by the Guarantor and, to the best of counsel's knowledge, are free and clear of all liens and encumbrances;

(C) the issuance and sale of the Notes by the Operating Partnership and the issuance of the Guarantees by the Guarantor pursuant to this Distribution Agreement, the Indenture and any applicable Written Terms Agreement in the form attached as Exhibit A to this Distribution Agreement and the execution and delivery by the Operating Partnership and the Guarantor of, and the performance by the Company on or prior to the date hereof of its obligations under, this Distribution Agreement, the Notes, the Guarantees, the Indenture, the Calculation Agency Agreement and any applicable Written Terms Agreement in the form attached as Exhibit A to this Distribution Agreement and the consummation of the transactions contemplated thereby, will not result in a breach or default under (i) the Revolving Credit Agreement, (ii) the Guaranty of Payment or (iii) the Credit Agreement;

(D) each of the documents incorporated by reference in the Registration Statement and the Prospectus complied as to form in all material respects with the requirements of the Exchange Act and the rules and regulations thereunder, except with respect to the failure to file as exhibits to the documents incorporated by reference amendments to the partnership agreement of the Operating Partnership, which amendments have subsequently been incorporated into the Fourth Amended and Restated Agreement of Limited Partnership of the Operating Partnership, which has been filed with the Commission on Form 8-K on or prior to the Commencement Date; it being understood, however, that counsel expresses no opinion with respect to the financial statements, schedules and other financial data included in the Incorporated Documents; and

(E) to the best of counsel's knowledge, there are no legal or governmental proceedings required to be described in the Registration Statement or the Prospectus that are not so described and

25

there are no contracts or other documents of a character required to be described in the Registration Statement or Prospectus, to be filed as exhibits to the Registration Statement or to be filed under the Exchange Act, if upon such filing they would be incorporated by reference therein that are not described or filed as required, except for the failure to file as exhibits to the documents incorporated by reference amendments to the partnership agreement of the Operating Partnership, which amendments have subsequently been incorporated into the Fourth Amended and Restated Agreement of Limited Partnership of the Operating Partnership, which has been filed with the Commission.

(iii) An opinion, dated as of such date, of Ballard Spahr Andrews & Ingersoll, LLP, special Maryland counsel for the Guarantor, to the effect that:

(A) the Guarantor has been duly incorporated, is validly existing as a corporation in good standing under the laws of the State of Maryland, has the corporate power and authority to own its properties and to conduct its business as described in the Prospectus and to enter into and perform its obligations under this Distribution Agreement, the Guarantees, the Indenture and any applicable Written Terms Agreement delivered in accordance with the terms of this Distribution Agreement and the Indenture;

(B) the issuance of the Notes in accordance with the terms of this Distribution Agreement and the Indenture has been duly authorized by the Guarantor in its capacity as general partner of the Operating Partnership pursuant to all necessary corporate action required under the charter and bylaws of the Guarantor and the Maryland General Corporation Law (the "MGCL"); and when the remaining terms of the issuance and sale of the Notes are determined in accordance

with the terms of this Distribution Agreement and the Indenture by the Board of Directors or Medium Term Note Committee of the Board of Directors of the Guarantor, or by an authorized officer of the Guarantor, on behalf of the Guarantor as general partner of the Operating Partnership and such Notes, each with an executed Guarantee endorsed thereon, are executed and delivered by a duly authorized officer of the Guarantor in its capacity as the general partner of the Operating Partnership, and authenticated, issued and delivered against payment therefor in accordance with the terms of the Indenture and this Distribution Agreement, the Notes will have been duly executed, and, to the best of such counsel's knowledge, delivered by the Guarantor in its capacity as general partner of the Operating Partnership;

(C) the execution and delivery by the Guarantor, in its individual capacity and in its capacity as general partner of the Operating Partnership, of this Distribution Agreement have been duly authorized by

26

all necessary corporate action required under the charter and bylaws of the Guarantor and the MGCL; and this Distribution Agreement has been duly executed and, to the best of such counsel's knowledge, delivered by the Guarantor in its individual capacity and in its capacity as the general partner of the Operating Partnership;

(D) the execution and delivery in accordance with the terms of this Distribution Agreement and the Indenture by the Guarantor, in its individual capacity and in its capacity as general partner of the Operating Partnership, of any applicable Written Terms Agreement have been duly authorized by all necessary corporate action required under the charter and bylaws of the Guarantor and the MGCL; and when the remaining terms of the issuance and sale of the Notes are determined in accordance with the terms of this Distribution Agreement and the Indenture by the Board of Directors or Medium Term Note Committee of the Board of Directors of the Guarantor, or by an authorized officer of the Guarantor, on behalf of the Guarantor as general partner of the Operating Partnership and such Notes, each with an executed Guarantee endorsed thereon, are authenticated, issued and delivered against payment therefor in accordance with the terms of the Indenture and this Distribution Agreement, any applicable Written Terms Agreement executed and, to the best of such counsel's knowledge, delivered on or before a Settlement Date will have been duly executed and delivered by the Guarantor in its individual capacity and in its capacity as the general partner of the Operating Partnership;

(E) the execution and delivery by the Guarantor, in accordance with the terms of this Distribution Agreement and the Indenture in its individual capacity and in its capacity as general partner of the Operating Partnership, of the Indenture, have been duly authorized by all necessary corporate action required under the charter and bylaws of the Guarantor and the MGCL; and the Indenture has been duly executed, and, to the best of such counsel's knowledge, delivered by the Guarantor, in its individual capacity and in its capacity as the general partner of the Operating Partnership;

(F) the execution and delivery by the Guarantor of the Guarantees in accordance with the terms of this Distribution Agreement and the Indenture have been duly authorized by all necessary corporate action required under the charter and bylaws of the Guarantor and the MGCL; and when the remaining terms of the issuance and sale of the Notes are determined in accordance with the terms of this Distribution Agreement and the Indenture by the Board of Directors or Medium Term Note Committee of the Board of Directors of the Guarantor, or by an authorized officer of the Guarantor, on behalf of the Guarantor as general partner of the Operating Partnership and such Notes, each with an

27

executed Guarantee endorsed thereon, are authenticated, issued and delivered against payment therefor in accordance with the terms of the Indenture and this Distribution Agreement, the Guarantees will have been duly executed, and, to the best of such counsel's knowledge, delivered by the

Guarantor, in its individual capacity;

(G) the execution and delivery by the Guarantor of, and the performance by the Guarantor of its obligations under this Distribution Agreement, the Guarantees, the Indenture and any applicable Written Terms Agreement and the consummation of the transactions contemplated hereby and thereby, in each case, in accordance with the terms of this Distribution Agreement and the Indenture, (1) will not contravene any provision of the MGCL, (2) will not result in any violation of the provisions of the charter or by-laws of the Guarantor and (3) will not, to the best of such counsel's knowledge, result in any violation of any order, rule, regulation or decree of any court or governmental agency or authority of the State of Maryland issued under or pursuant to the MGCL and applicable to the properties, assets or businesses owned directly or indirectly by the Guarantor;

(H) no consent, approval, authorization, order of or qualification with any court or governmental agency or authority of the State of Maryland is required to be obtained under the MGCL by the Guarantor, the Operating Partnership or any Subsidiary organized under the laws of the State of Maryland, in connection with the offer, issuance or sale of the Notes, together with the corresponding Guarantees, under this Distribution Agreement and in accordance with the terms hereof and the Indenture, except for such as have been obtained; and

(I) the information in the Prospectus under the captions "Description of Common Stock," "Description of Preferred Stock," "Description of Depositary Shares," "Description of Warrants," and "Certain Provisions of Maryland Law and of Our Charter and Bylaws," to the extent that it constitutes matters of Maryland Law, summaries of legal matters, documents or proceedings, or legal conclusions under Maryland corporate law, has been reviewed by such counsel and is correct in all material respects, the information in the Registration Statement under Item 15 to the extent that it constitutes matters of Maryland Law or a summary of provisions of the charter of the Guarantor has been reviewed by such counsel and is correct in all material respects, and the information in the Prospectus under "Restrictions on Ownership and Transfer of Capital Stock," to the extent that it constitutes a summary of the provisions of the charter of the Guarantor has been reviewed by such counsel and is correct in all material respects.

28

(iv) An opinion, dated as of such date, of Gibson, Dunn & Crutcher LLP, counsel for the Agents, in form and substance satisfactory to the Agents.

The opinions of Latham & Watkins, Counsel to the Guarantor and Ballard Spahr Andrews & Ingersoll described in paragraphs (i), (ii) and (iii) above shall be rendered to the Agents at the request of the Operating Partnership and the Guarantor and shall so state therein.

(c) On the Commencement Date and, if called for by any Terms Agreement, on the corresponding Settlement Date, the relevant Agents shall have received a certificate, dated the Commencement Date or such Settlement Date, as the case may be, in form and substance reasonably satisfactory to such Agents and signed by an executive officer of the Guarantor, on behalf of the Guarantor and on behalf of the Guarantor as General Partner of the Operating Partnership, to the effect set forth in Sections 4(a) (i) and 4(a) (iii) and to the effect that the representations and warranties of the Operating Partnership and the Guarantor contained in this Distribution Agreement are true and correct as of such date and that the Company has complied in all material respects with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied on or before such date.

The officers signing and delivering such certificate may rely upon the best of his or her knowledge as to proceedings threatened.

(d) On the Commencement Date and, if called for by any Terms Agreement, on the corresponding Settlement Date, the relevant Agents shall have received from Arthur Andersen LLP, independent public accountants, a letter or letters, dated the Commencement Date or such Settlement Date, as the case may be, in form and substance satisfactory to such Agents containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters

with respect to the financial statements and certain financial information contained in or incorporated by reference into the Prospectus, as then amended or supplemented.

(e) On the Commencement Date and on each Settlement Date, the Company shall have furnished to the relevant Agents such appropriate further information, certificates and documents as they may reasonably request.

5. ADDITIONAL AGREEMENTS OF THE OPERATING PARTNERSHIP AND THE GUARANTOR.

(a) Each time the Registration Statement or Prospectus is amended or supplemented (including the filing of documents which are incorporated by reference in the Registration Statement or Prospectus but excluding (i) amendments, supplements or the incorporation by reference of documents relating to the terms of a particular issue of the Notes or an offering of securities other than the Notes, (ii) pricing supplements, (iii) amendments or supplements providing solely for a change in the interest rates, redemption provisions, amortization schedules, maturities or similar changes with respect

29

to the Notes, (iv) the filing by the Guarantor of a proxy statement for its annual meeting of shareholders, (v) the filing by the Operating Partnership or the Guarantor of a Current Report on Form 8-K, unless in the Agents' reasonable judgment, the information contained in such report is of such a character that an officer's certificate should be furnished and the Agents so specify in writing, or (iv) amendments or supplements reflecting a change the Agents and the Operating Partnership and the Guarantor deem to be immaterial) or if specified in a Terms Agreement, the Operating Partnership and Guarantor will deliver or cause to be delivered as soon as reasonably practicable to each Agent a certificate signed by an executive officer of the Guarantor, on behalf of the Guarantor and on behalf of the Guarantor as general partner of the Operating Partnership, dated the date of such amendment, supplement or filing of such incorporated document, or the date of delivery specified pursuant to a Terms Agreement, as the case may be, in form reasonably satisfactory to the Agents, to the effect that the statements contained in the certificate referred to in Section 4(c) hereof are true and correct as of the time of such amendment, supplement or filing or specified delivery (except that such statements shall be deemed to relate to the Registration Statement and the Prospectus as amended and supplemented to the time of delivery of such certificate) or, in lieu of such certificate, a certificate signed by an executive officer of the Guarantor, on behalf of the Guarantor and on behalf of the Guarantor as general partner of the Operating Partnership, dated the date of such amendment, supplement or filing or specified delivery, as the case may be, in form reasonably satisfactory to the Agents, of the same tenor as the certificate referred to in Section 4(c) modified as necessary to relate to the Registration Statement and the Prospectus as amended or supplemented to the date of such amendment, supplement or filing or specified delivery.

(b) Each time the Operating Partnership and Guarantor furnish a certificate pursuant to Section 5(a) (excluding the filing of documents which are incorporated by reference in the Registration Statement or Prospectus as a result of the filing by the Operating Partnership or the Guarantor of a Quarterly Report on Form 10-Q, unless any Agent shall otherwise request in writing, and excluding the filing of documents which are incorporated by reference in the Registration Statement or Prospectus as a result of the filing by the Operating Partnership or the Guarantor of a Current Report on Form 8-K) or if specified in a Terms Agreement, the Operating Partnership and Guarantor will furnish or cause to be furnished as soon as reasonably practicable to each Agent written opinions of independent and corporate counsel for the Operating Partnership and Guarantor. Any such opinions shall be dated the date of such amendment, supplement or filing, or the date of delivery specified pursuant to a Terms Agreement, as the case may be, shall be in a form satisfactory to the Agents and shall be of the same tenor as the opinions referred to in Sections 4(b)(i), (ii) and (iii), but modified as necessary to relate to the Registration Statement and the Prospectus as amended and supplemented to the time of delivery of such opinions. In lieu of such opinions, counsel last furnishing such an opinion to an Agent may furnish to each Agent a letter to the effect that such Agent may rely on such last opinion to the same extent as though it were dated the date of such letter (except that statements in such last opinion will be deemed to relate to the Registration Statement and the Prospectus as amended or supplemented to the time of delivery of such letter).

30

(c) Each time the Registration Statement or the Prospectus is amended or supplemented to set forth amended or supplemental financial information or such amended or supplemental information is incorporated by reference in the Prospectus or if specified in a Terms Agreement, the Operating Partnership and Guarantor shall cause its independent public accountants to as soon as reasonably practicable furnish each Agent with a letter, dated the date of such amendment, supplement, or filing or the date of delivery specified pursuant to a Terms Agreement, as the case may be, in form satisfactory to the Agents, of the same tenor as the letter referred to in Section 4(d), with regard to the amended or supplemental financial information included or incorporated by reference in the Registration Statement or the Prospectus as amended or supplemented to the date of such letter.

6. INDEMNITY AND CONTRIBUTION.

(a) The Operating Partnership and the Guarantor jointly and severally agree to indemnify and hold harmless each Agent and each person, if any, who controls any Agent within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereof, or the Prospectus (as amended or supplemented), or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information relating to any Agent furnished to the Operating Partnership and Guarantor in writing by such Agent expressly for use therein and set forth in Section 1(b) hereof.

(b) Each Agent agrees, severally and not jointly, to indemnify and hold harmless the Operating Partnership and the Guarantor, the Guarantor's directors and the officers who sign the Registration Statement and each person, if any, who controls the Operating Partnership or the Guarantor within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnities from the Operating Partnership and the Guarantor to such Agent, but only with reference to information relating to such Agent furnished to the Operating Partnership or the Guarantor in writing by such Agent expressly for use in the Registration Statement, the Prospectus or any amendments or supplements thereto, as set forth in Section 1(b) hereof.

(c) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to either Section 6(a) or 6(b) above, such person (the "INDEMNIFIED PARTY") shall promptly notify the person against whom such indemnity may be sought (the "INDEMNIFYING PARTY") in writing and the indemnifying party, upon request of the indemnified party, shall retain counsel reasonably satisfactory to the indemnified party to

represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the indemnifying party shall not, in respect of the legal expenses of any indemnified party in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all such indemnified parties and that all such fees and expenses shall be reimbursed as they are incurred. Such firm shall be designated in writing by the Agents, in the case of parties indemnified pursuant to Section 6(a), and by the Guarantor, in the case of parties indemnified pursuant to Section 6(b). The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and

against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party in writing to reimburse the indemnified party for fees and expenses of counsel as contemplated by the second and third sentences of this paragraph, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 60 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement. No indemnifying party shall, without the prior written consent of each indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

(d) To the extent the indemnification provided for in Section 6(a) or 6(b) is unavailable to an indemnified party or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Operating Partnership and the Guarantor on the one hand and the Agents on the other hand from the offering of the Notes to which such losses, claims damages or liabilities relates or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Operating Partnership and the Guarantor on the one hand and of the Agents on the other hand in

32

connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Operating Partnership and the Guarantor on the one hand and the Agents on the other hand in connection with such offering of the Notes shall be deemed to be in the same respective proportions as the total net proceeds from such offering of the Notes (before deducting expenses) received by the Operating Partnership or the Guarantor bear to the total discounts and commissions received by the Agents in respect thereof. The relative fault of the Operating Partnership and the Guarantor on the one hand and the Agents on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Operating Partnership and the Guarantor or by the Agents and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Agents' respective obligations to contribute pursuant to this Section 6 are several in the proportion that the principal amount of the Notes the sale of which by or through such Agent gave rise to such losses, claims, damages or liabilities bears to the aggregate principal amount of the Notes the sale of which by or through any Agent gave rise to such losses, claims, damages or liabilities, and not joint.

(e) The Operating Partnership and Guarantor and the Agents agree that it would not be just or equitable if contribution pursuant to this Section 6 were determined by pro rata allocation (even if the Agents were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in Section 6(d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in Section 6(d) shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 6, no Agent shall be required to contribute any amount in excess of the amount by which the total price at which the Notes referred to in Section 6(d) that were offered and sold to the public through such Agent exceeds the amount of any damages that such Agent has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 6 are not exclusive and shall not

limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

(f) The indemnity and contribution provisions contained in this Section 6 and the representations, warranties and other statements of the Company contained in this Distribution Agreement or any Terms Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Distribution Agreement or any such Terms Agreement, (ii) any investigation made by or on behalf of any Agent or any person controlling any Agent or by or on behalf of the Company, the Guarantor's officers or directors or any person controlling the Operating Partnership or the Guarantor and (iii) acceptance of and payment for any of the Notes.

33

7. POSITION OF THE AGENTS. In acting under this Distribution Agreement and in connection with the sale of any Notes by the Operating Partnership (other than Notes sold to an Agent pursuant to a Terms Agreement), each Agent is acting solely as agent of the Operating Partnership and does not assume any obligation towards or relationship of agency or trust with any purchaser of Notes. An Agent shall use its reasonable best efforts to assist the Operating Partnership in obtaining performance by each purchaser whose offer to purchase Notes has been solicited by such Agent and accepted by the Operating Partnership, but such Agent shall not have any liability to the Operating Partnership or the Company in the event any such purchase is not consummated for any reason. If the Operating Partnership shall default in its obligations to deliver Notes to a purchaser whose offer it has accepted, the Operating Partnership shall hold the relevant Agent harmless against any loss, claim, damage or liability arising from or as a result of such default and shall, in particular, pay to such Agent the commission it would have received had such sale been consummated.

8. TERMINATION. This Distribution Agreement may be terminated at any time by the Operating Partnership or, as to any Agent, by the Operating Partnership or such Agent upon the giving of written notice of such termination to the other parties hereto, but without prejudice to any rights, obligations or liabilities of any party hereto accrued or incurred prior to such termination. In the event of such termination with respect to any Agent, this Agreement shall remain in full force and effect with respect to any Agent as to which such termination has not occurred. The termination of this Distribution Agreement shall not require termination of any Terms Agreement, and the termination of any such Terms Agreement shall not require termination of this Distribution Agreement. If this Distribution Agreement is terminated, the provisions of the third paragraph of Section 2(a), Section 2(e), the last sentence of Section 3(b) and Sections 3(c), 3(h), 6, 7, 9, 10 and 13 hereof shall survive; provided that if at the time of termination an offer to purchase Notes has been accepted by the Operating Partnership but the time of delivery to the purchaser or its agent of such Notes has not occurred, the provisions of Sections 1, 2(b), 2(c), 3(a), 3(d), 3(e), 3(f), 3(g), 3(i), and 5 hereof shall also survive until such delivery has been made.

9. NOTICES. All communications hereunder will be in writing and effective only on receipt, and, with respect to any party hereto, will be mailed, delivered or telefaxed and confirmed as follows:

to Morgan Stanley at: 1585 Broadway,
New York, New York, 10036
Attention: Manager, Credit
Department
Telefax number: 212-761-0780

with a copy to: 1585 Broadway,
New York, New York, 10036
Attention: COPS, Manager
Telefax number: 212-761-0780

34

to Banc of America Securities LLC at: 100 North Tryon Street
Charlotte, NC 28255-0001
Attention: Lynn T. McConnell
Telefax number: (704) 388-9939

to Banc One Capital Markets, Inc. at: 1 Banc One Plaza
Chicago, Illinois 60670
Attention: Corporate Securities
Structuring
Telefax number: (312) 732-4773

to Chase Securities Inc. at: 270 Park Avenue, 8th Floor
New York, New York 10017-2070

Attention: Medium-Term Note Desk
Telefax number: (212) 834-6081

to Merrill Lynch, Pierce, Fenner &
Smith Incorporated at:

250 Vesey Street
WFCN-10
New York, New York 10281
Attention: Transaction Management
Group
Telefax number: (212) 449-2234

to J.P. Morgan Securities Inc. at:

60 Wall Street,
New York, New York 10260
Attention: Transactional Execution
Group
Telefax number: (212) 648-5151

to Salomon Smith Barney Inc. at:

388 Greenwich Street
32nd Floor
New York, NY 10013
Attention: Medium Term Note
Department
Telefax number: (212) 816-0949

to the Company at:

505 Montgomery St. Suite 500
San Francisco, California 94111
Attention: General Counsel
Telefax number: (415) 394-9001

with a copy to:

Latham & Watkins
505 Montgomery St. Suite 1900
San Francisco, California 94111
Attention: Jeffery T. Pero and
Laura L. Gabriel
Telefax number: (415) 395-8095

35

10. SUCCESSORS. This Distribution Agreement and any Terms Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers, directors and controlling persons referred to in Section 6 and the purchasers of Notes (to the extent expressly provided in Section 4), and no other person will have any right or obligation hereunder.

11. AMENDMENTS. This Distribution Agreement may be amended or supplemented if, but only if, such amendment or supplement is in writing and is signed by the Operating Partnership, the Guarantor and each Agent; provided that the Operating Partnership may from time to time, on seven days prior written notice to the Agents but without the consent of any Agent, amend this Distribution Agreement to add as a party hereto one or more additional firms registered under the Exchange Act, whereupon each such firm shall become an Agent hereunder on the same terms and conditions as the other Agents that are parties hereto. The Agents shall sign any amendment or supplement giving effect to the addition of any such firm as an Agent under this Distribution Agreement.

12. COUNTERPARTS. This Distribution Agreement may be signed in two or more counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

13. APPLICABLE LAW. This Distribution Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

14. HEADINGS. The headings of the sections of this Distribution Agreement have been inserted for convenience of reference only and shall not be deemed a part of this Distribution Agreement.

36

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us the enclosed duplicate hereof, whereupon this letter and your acceptance shall represent a binding agreement between the Company and you.

Very truly yours,

AMB PROPERTY L.P.

By: AMB Property Corporation,
its General Partner

By: /s/ W. BLAKE BAIRD

Name: W. Blake Baird
Title: President

AMB PROPERTY CORPORATION

By: /s/ W. BLAKE BAIRD

Name: W. Blake Baird
Title: President

The foregoing Distribution Agreement is hereby confirmed and accepted as of the date first above written.

MORGAN STANLEY & CO. INCORPORATED

By: /s/ MICHAEL FUSCO

Name: Michael Fusco
Title: Vice President

BANC OF AMERICA SECURITIES LLC

By: /s/ LILY CHANG

Name: Lily Chang
Title: Principal

BANC ONE CAPITAL MARKETS, INC.

By: /s/ KATHERINE COKIC

Name: Katherine Cokic
Title: Vice President

37

CHASE SECURITIES INC.

By: /s/ THERESE ESPERDY

Name: Therese Esperdy
Title: Managing Director

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

By: /s/ DIANE KENNA

Name: Diane Kenna
Title: Authorized Signatory

J.P. MORGAN SECURITIES INC.

By: /s/ ROB NORDLINGER

Name: /s/ Rob Nordlinger
Title: Vice President

SALOMON SMITH BARNEY INC.

By: /s/ ROBERT DECKEY

Name: Robert Deckey
Title: Director

38

SCHEDULE I

SUBSIDIARIES

MATERIAL SUBSIDIARIES OF THE OPERATING PARTNERSHIP

AMB Property II, L.P., a Delaware limited partnership
 Long Gate, LLC, a Delaware limited liability company

MATERIAL SUBSIDIARIES OF THE GUARANTOR

AMB Property, L.P., a Delaware limited partnership
 AMB Property II, L.P., a Delaware limited partnership
 Long Gate, LLC, a Delaware limited liability company

SCHEDULE II

AGENTS

Morgan Stanley & Co. Incorporated
 Banc of America Securities LLC
 Banc One Capital Markets, Inc.
 Chase Securities Inc.
 Merrill Lynch, Pierce, Fenner & Smith Incorporated
 J.P. Morgan Securities Inc.
 Salomon Smith Barney Inc.

SCHEDULE III

JOINT VENTURES

<TABLE>
 <CAPTION>

JOINT VENTURE (PROPERTIES)	OWNERS	PERCENTAGE
<S>	<C>	<C>
CH-VAF Orlando Joint Venture (Chancellor)	- AMB Property, L.P. - 7575 Chancellor Associates L.P.	90% 10%
Hamilton Lakes/AMB IIF Limited Partnership (Nippon Express)	- Hamilton Lakes Commerce Center #6 Limited Partnership (GP) - AMB Property, L.P. (LP)	27% 73%
Met Phase I 95, Ltd. (Metric Center)	- Met Phase One 95, Ltd. (GP) - AMB Property, L.P.	12.87% 87.15%
AMB/Erie, L.P. (Jamesburg; Minnetonka Industrial; South Point Business Park)	- AMB Property, L.P. (GP) - Erie Indemnity Company (LP) - Erie Indemnity Company as attorney in fact for Erie Insurance Exchange (LP) - Erie Family Life Insurance Company (LP)	50% 5% 40% 5%
AMB Erie Local, L.P. (Corporate Park/Hickory Hill;	- AMB Property II, L.P. (GP) - AMB/Erie, L.P. (LP)	0.1% 99.9%

Garland Industrial)

Sugar Magnolia LLC (Orlando Central Park Development)	- TCC North Florida Development #1, Inc. - AMB Property, L.P.	5% 95%
AMB-TC Southriver Park NJ LLC (South River Park Development)	- Trammell Crow Northeast Development, Inc. - AMB Property, L.P.	5% 95%
Keep Your Day Job LLC (Cabot Business Park Land - Phase I & II)	- Mansfield Land LLC - AMB Property, L.P.	10% 90%
Walstib, L.P. (North Great SW Industrial Park) remainder remainder	- Walstib Venture L.L.C (GP) - TCDFW Development, Ltd. (LP) - AMB Property, L.P. (LP)	\$100,000 5% of 95% of
TC NW Crossing Venture, LLC (Northwest Crossing Distribution Center)	- TC NW Crossing Development, Ltd. - AMB Property, L.P.	5% 95%
Los Angeles Media Tech Center, LLC (LA Media Tech Center)	- AMB/Erie, L.P. - Legacy Partners 2361, L.P.	98% 2%
Dark Starr Limited Partnership (Kendall Mall)	- LEF/Kendall Mall, Ltd. - AMB Property, L.P.	49.9999% 50.0001%
Manhattan Village LLC (Manhattan Village)	- Macerich Manhattan Limited Partnership - AMB Property, L.P.	10% 90%
American Beauty General Partnership (Palm Aire)	- LEF/Palm-Aire, Ltd. - AMB Property, L.P.	49.9999% 50.0001%
St. Stephen Limited Partnership (Plaza at Delray)	- LEF/Delray Mall Ltd. (GP) - AMB Property, L.P. (LP)	49.9999% 50.0001%
Terrapin Station Limited Partnership (Springs Gate)	- LEF/Springs Gate Village, Ltd. (GP) - AMB Property, L.P. (LP)	49.9999% 50.0001%
Built to Last Limited Partnership (Northridge)	- LEF/Northridge Ltd. (GP) - AMB Property, L.P. (LP)	49.9999% 50.0001%
Casey Jones, LLC (Around Lennox)	- AMB Property, L.P. - Alpine Investors, L.P. - Lenox Holdings, LLC	90% 8% 2%

</TABLE>

<TABLE>
<CAPTION>

JOINT VENTURE (PROPERTIES)	OWNERS	PERCENTAGE
<S>	<C>	<C>
AMB Institutional Alliance Fund I, L.P. (Concord Industrial Portfolio; Diablo Industrial Park; Gateway Corporate Center; Gateway North; Bennington Corporate Center; Southfield Logistics Center; JFK Air Cargo Portfolio; Gateway 58; Northbrook Distribution Center)	- AMB Property, L.P. (GP) - AMB Fund Special GP, LLC (Special GP) - AMB Institutional Alliance REIT I, Inc. (LP) - ABM Property, L.P. (LP)	0.1892% 0.0019% 79.9943% 19.8145%

Trammell Crow Company/AMB Air Cargo, L.P. - [Name changed to Fund I Sub OP, L.P.] (DFW Int'l Air Cargo - Phase I; DFW Airfreight Portfolio)	- AMB Property Holding II Corporation (GP)	1%
	- AMB Institutional Alliance Fund I, L.P. (LP)	99%

M.O.R. IV Associates, LLP (Oakridge IV)	- AMB Institutional Alliance Fund I, L.P. (GP)	1%
	- AMB Property II, L.P. (LP)	98%
	- AMB Institutional Alliance Fund I, L.P. (LP)	

M.O.R. VI Associates, LLP (Oakridge VI)	- AMB Institutional Alliance Fund I, L.P. (GP)	1%
	- AMB Property II, L.P. (LP)	1%
	- AMB Institutional Alliance Fund I, L.P. (LP)	98%

TC Aviation DFW, L.P. (DFW Int'l Air Cargo - Phase II)	- TCW Aviation DFW, L.L.C. (GP)	\$150,000
	- TCDFW Development, Ltd. (LP)	5% of remainder
	- AMB Property, L.P. (LP)	1% of remainder
	- AMB Property II, L.P. (LP)	94% of remainder

TCC/AMB Aviation IAH, L.P. (Houston Int'l Air Cargo)	- TCC/AMB Aviation IAH Venture, LLC (GP)	\$115,000
	- Trammell Crow Houston, Ltd.	5% of remainder
	- AMB Property, L.P.	1% of
remainder	- AMB Institutional Alliance Fund I, L.P.	94% of remainder

TCC/AMB Aviation PDX, LLC (Portland Air Cargo)	- TC Portland, Inc.	5%
	- AMB Property, L.P.	95%

Van Nuys Industrial Center, LLC (Van Nuys Industrial)	- [TCC Entity]	5%
	- AMB Property, L.P.	95%

</TABLE>

EXHIBIT A

AMB PROPERTY, L.P.

MEDIUM-TERM NOTES

TERMS AGREEMENT

_____, 2000

AMB PROPERTY, L.P.
505 Montgomery St., Suite 500
San Francisco, California 94556

Attention: General Counsel

Re: Distribution Agreement dated August 15, 2000 (the "Distribution Agreement")

We agree to purchase your Medium-Term Notes having the following terms:

<TABLE>
<CAPTION>
ALL NOTES:

<S>	<C>
Principal Amount:	Settlement Date and Time (Original Issue Date):
Specified Currency:	Maturity Date:
Principal Financial Center:	Trade Date:
Form:	Agent's Commission or Discount:
Exchange Rate Agent:	Net Proceeds to Issuer:
Interest Payment Dates:	Authorized Denomination:

Redemption:
Redemption Commencement Date:
Initial Redemption Percentage:
Annual Redemption Percentage Reduction:

Regular Record Dates:

Discount Note:
Issue Price:
Total Amount of OID:
Yield to Maturity:
Initial Accrual Period:

Repayment:
Optional Repayment Date(s):
Repayment Price:

</TABLE>

<TABLE>
<CAPTION>

<S>
FIXED RATE NOTES:

Interest Rate:

Other/Additional Terms:

<C>
FLOATING RATE NOTES:

Initial Interest Rate:

Calculation Agent:

Interest Rate Basis:

Index Maturity:

Interest Reset Frequency:

Initial Interest Reset Date:

Interest Reset Date(s):

Interest Determination Date(s):

Maximum Interest Rate:

Minimum Interest Rate:

Spread:

Spread Multiplier:

Interest Category:

Other/Additional Terms:

</TABLE>

The provisions of Sections 1, 2(b), 2(c), 3 through 6, and 9 through 13 of the Distribution Agreement and the related definitions are incorporated by reference herein and shall be deemed to have the same force and effect as if set forth in full herein.

This Terms Agreement may be terminated at any time any party upon the giving of written notice of such termination to the other parties hereto, but without prejudice to any rights, obligations or liabilities of any party hereto accrued or incurred prior to such termination. The termination of the Distribution Agreement shall not require termination of this Terms Agreement, and the termination of this Terms Agreement shall not require termination of the Distribution Agreement. This Agreement is also subject to termination on the terms incorporated by reference herein. If this Agreement is terminated, the provisions of Sections 3(h), 6, 9, 10 and 13 of the Distribution Agreement shall survive for the purposes of this Agreement.

The following information, opinions, certificates, letters and documents referred to in Section 4 of the Distribution Agreement will be required:

[NAME OF RELEVANT AGENT(S)]

By: _____
Name:
Title:

Accepted:

AMB PROPERTY, L.P.
By: AMB Property Corporation,
its General Partner

By: _____

Name:
Title:

AMB PROPERTY L.P.
MEDIUM-TERM NOTES
ADMINISTRATIVE PROCEDURES

Explained below are the administrative procedures and specific terms of the offering of Medium-Term Notes (the "NOTES"), on a continuous basis by AMB Property L.P. (the "OPERATING PARTNERSHIP") pursuant to the Distribution Agreement, dated as of August 15, 2000 (the "DISTRIBUTION AGREEMENT") among the Operating Partnership, AMB Property Corporation, a Maryland corporation, the sole general partner of the Operating Partnership and guarantor of the Notes (the "GUARANTOR") and Morgan Stanley & Co. Incorporated, Banc of America Securities LLC, Banc One Capital Markets, Inc., Chase Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities Inc. and Salomon Smith Barney Inc. and each other agent set forth on Schedule II to the Distribution Agreement (the "Agents"). The Notes will be issued under an Indenture and the First Supplemental Indenture, the Second Supplemental Indenture and the Third Supplemental Indenture thereto, each dated as of June 30, 1998, and the Fourth Supplemental Indenture, dated as of August 15, 2000 (collectively, the "INDENTURE"), and each by and among the Operating Partnership, the Guarantor, and State Street Bank and Trust Company of California, N.A., as Trustee (the "TRUSTEE"). In the Distribution Agreement, the Agents have agreed to use reasonable best efforts to solicit purchases of the Notes, and the administrative procedures explained below will govern the issuance and settlement of any Notes sold through an Agent, as agent of the Operating Partnership. An Agent, as principal, may also purchase Notes for its own account, and if requested by such Agent, the Operating Partnership and such Agent will enter into a terms agreement (a "TERMS AGREEMENT"), as contemplated by the Distribution Agreement. The administrative procedures explained below will govern the issuance and settlement of any Notes purchased by an Agent, as principal, unless otherwise specified in the applicable Terms Agreement.

The Trustee will initially be the Registrar, Calculation Agent, Authenticating Agent, Exchange Rate Agent and Paying Agent for the Notes and will perform the duties specified herein. The Operating Partnership may from time to time name other or additional Registrars, Calculation Agents, Authenticating Agents, Exchange Rate Agents and Paying Agents. Each Note will be represented by either a Global Security (as defined below) delivered to the Trustee, as agent for The Depository Trust Company ("DTC"), and recorded in the book-entry system maintained by DTC (a "BOOK-ENTRY NOTE") or a certificate delivered to the holder thereof or a person designated by such holder (a "CERTIFICATED NOTE"). Except as set forth in the Indenture, an owner of a Book-Entry Note will not be entitled to receive a Certificated Note.

Book-Entry Notes, which may be payable only in U.S. dollars, will be issued in accordance with the administrative procedures set forth in Part I hereof as they may subsequently be amended as the result of changes in DTC's operating procedures. Certificated Notes will be issued in accordance with the administrative procedures set forth in Part II hereof. Unless otherwise defined in the Indenture, the Notes or any prospectus supplement relating to the Notes, capitalized terms used herein but not defined herein shall have the meanings given to them in the Distribution Agreement.

Unless otherwise specified by the Operating Partnership, the Agents are to communicate with the Chief Financial Officer regarding offers to purchase Notes and the related settlement details.

PART I: ADMINISTRATIVE PROCEDURES FOR BOOK-ENTRY NOTES

In connection with the qualification of the Book-Entry Notes for eligibility in the book-entry system maintained by DTC, the Trustee will perform the custodial, document control and administrative functions described below, in accordance with its respective obligations under a Letter of Representations from the Operating Partnership, Guarantor and the Trustee to DTC, dated as of August 15, 2000, and a Medium-Term Note Certificate Agreement between the Trustee and DTC, dated August 21, 1989 (the "MTN CERTIFICATE Agreement"), and its obligations as a participant in DTC, including DTC's Same-Day Funds Settlement System ("SDFS").

Issuance: On any date of settlement (as defined under "SETTLEMENT" below) for one or more Book-Entry Notes, the Operating Partnership will issue a single global security in fully registered form without coupons (a "GLOBAL SECURITY") representing up to U.S.

\$400,000,000 principal amount of all such Notes that have the same Original Issue Date, Maturity Date and other terms. Each Global Security will be dated and issued as of the date of its authentication by the Trustee. Each Global Security will bear an "INTEREST ACCRUAL DATE," which will be (i) with respect to an original Global Security (or any portion thereof), its original issuance date and (ii) with respect to any Global Security (or any portion thereof) issued subsequently upon exchange of a Global Security, or in lieu of a destroyed, lost or stolen Global Security, the most recent Interest Payment Date to which interest has been paid or duly provided for on the predecessor Global Security (or if no such payment or provision has been made, the original issuance date of the predecessor Global Security), regardless of the date of authentication of such subsequently issued Global Security. Book-Entry Notes may be payable only in U.S. dollars. No Global Security will represent any Certificated Note.

Denominations: Book-Entry Notes will be issued in principal amounts of U.S. \$1,000 or any amount in excess thereof that is an integral multiple of U.S. \$1,000. Global Securities will be denominated in principal amounts not in excess of U.S. \$400,000,000. If one or more Book-Entry Notes having an aggregate principal amount in excess of \$400,000,000 would, but for the preceding sentence, be represented by a single Global Security, then one Global Security will be issued to represent each U.S. \$400,000,000 principal amount of such Book-Entry Note or Notes and an additional Global Security will be issued to represent any remaining principal amount of such Book-Entry Note or Notes. In such a case, each of the Global Securities representing such Book-Entry Note or Notes shall be assigned the same CUSIP number.

Preparation of If any offer to purchase a Book-Entry Note is accepted by or on behalf of Pricing Supplement the Operating Partnership, the Operating Partnership will prepare a pricing supplement (a "PRICING SUPPLEMENT") reflecting the terms of such Note. The Operating

2

Partnership (i) will arrange to file such Pricing Supplement with the Commission in accordance with the applicable paragraph of Rule 424(b) under the Act and (ii) will, as soon as possible and in any event not later than the date on which such Pricing Supplement is filed with the Commission, deliver the number of copies of such Pricing Supplement to the relevant Agent as such Agent shall request.

In each instance that a Pricing Supplement is prepared, the relevant Agent will affix the Pricing Supplement to Prospectuses prior to their use. Outdated Pricing Supplements, and the Prospectuses to which they are attached (other than those retained for files), will be destroyed.

Settlement: The receipt by the Operating Partnership of immediately available funds in payment for a Book-Entry Note and the authentication and issuance of the Global Security representing such Note shall constitute "settlement" with respect to such Note. All offers accepted by the Operating Partnership will be settled on the third Business Day next succeeding the date of acceptance pursuant to the timetable for settlement set forth below, unless the Operating Partnership and the purchaser agree to settlement on another day, which shall be no earlier than the next Business Day.

Settlement Procedures: Settlement Procedures with regard to each Book-Entry Note sold by the Operating Partnership to or through an Agent (unless otherwise specified pursuant to a Terms Agreement) shall be as follows:

The relevant Agent will advise the Operating Partnership by telephone that such Note is a Book-Entry Note and of the following settlement information:

Principal amount.

Settlement date and time (Original Issue Date).

Specified Currency and Principal Financial Center.

Maturity Date.

Trade Date.

Exchange Rate Agent (if other than State Street Bank & Trust Company of California N.A.).

Agent's commission or discount (if any) determined as provided in the

Distribution Agreement.

Net Proceeds to Issuer.

Authorized Denomination (if other than \$1,000 or integral multiples thereof).

Interest Payment Date(s).

Regular Record Dates.

Redemption or repayment provisions (if any).

3

Whether the Note is an Original Issue Discount Note (an "OID NOTE"), and if it is an OID Note, the total amount of OID, the yield to maturity, the initial accrual period OID.

In the case of a Fixed Rate Note:

the Interest Rate. In the case of a Floating Rate Note:

the Initial Interest Rate (if known at such time).

Calculation Agent (if other than State Street Bank & Trust Company of California, N.A).

Interest Rate Basis which may include:

- CD Rate
- Commercial Paper Rate
- CMT Rate
- EURIBOR
- Federal Funds Rate
- LIBOR
- Prime Rate
- Treasury Rate
- Other

Index Maturity.

Interest Reset Frequency.

Maximum Interest Rate.

Minimum Interest Rate.

Initial Interest Reset Date.

Interest Reset Date(s).

Interest Determinations Date.

Spread and/or Spread Multiplier (if any). Whether the Note is:

a Regular Floating Rate Note a Floating Rate/Fixed Rate Note (in which case the fixed rate commencement date and the fixed interest rate shall be specified) or an Inverse Floating Rate Note (in which case the fixed interest rate shall be specified). Any other applicable terms including the applicability of an Addendum or Other Additional Provisions.

The Operating Partnership will advise the Trustee by telephone or electronic transmission (confirmed in writing at any time on the same date) of the information set forth in Settlement Procedure "A" above. The Trustee will then assign a CUSIP number to the Global Security representing such Note and will notify the Operating Partnership and the relevant Agent of such CUSIP number by telephone as soon as practicable.

4

The Trustee will enter a pending deposit message through DTC's Participant Terminal System, providing the following settlement information to DTC, the relevant Agent and Standard & Poor's Corporation:

The information set forth in Settlement Procedure "A".

The Initial Interest Payment Date for such note, the number of days by which such date succeeds the related DTC Record Date (which in the case of Floating Rate Notes which reset daily or weekly, shall be the date five calendar days immediately preceding the applicable Interest Payment Date and, in the case of other Notes, shall be the Record Date as defined in the Note) and, if known, the amount of interest payable on

such Initial Interest Payment Date.

The CUSIP number of the Global Security representing such Note.

Whether such Global Security will represent any other Book-Entry Note (to the extent known at such time).

The number of participant accounts to be maintained by DTC on behalf of the relevant Agent and the Trustee.

The Trustee will complete and authenticate the Global Security representing such Note.

DTC will credit such note to the Trustee's participant account at DTC.

The Trustee will enter an SDFS deliver order through DTC's participant Terminal System instructing DTC to (i) debit such Note to the Trustee's participant account and credit such Note to the relevant Agent's participant account and (ii) debit such Agent's settlement account and credit the Trustee's settlement account for an amount equal to the price of such Note less such Agent's commission (if any). The entry of such a deliver order shall constitute a representation and warranty by the Trustee to DTC that (a) the Global Security representing such Book-Entry Note has been issued and authenticated and (b) the Trustee is holding such Global Security pursuant to the MTN Certificate Agreement.

Unless the relevant Agent is the end purchaser of such Note, such Agent will enter an SDFS deliver order through DTC's Participant Terminal System instructing DTC (i) to debit such Note to such Agent's participant account and credit such Note to the participant accounts of the Participants with respect to such Note and (ii) to debit the settlement accounts of such Participants and credit the settlement account of such Agent for an amount equal to the price of such Note.

Transfers of funds in accordance with SDFS deliver orders described in Settlement Procedures "F" and "G" will be settled in accordance with SDFS operating procedures in effect on the settlement date.

The Trustee will credit to the account of the Operating Partnership maintained at Bank of America, Dallas, Texas, ABA #111000012, Account # 3750785562, Account Name: AMB Property, LP, or such other account as the Operating Partnership may from time to time

direct, in immediately available funds the amount transferred to the Trustee in accordance with Settlement Procedure "F".

Unless the relevant Agent is the end purchaser of such Note, such Agent will confirm the purchase of such note to the purchaser either by transmitting to the Participants with respect to such Note a confirmation order or orders through DTC's institutional delivery system or by mailing a written confirmation to such purchaser.

Monthly, the Trustee will send to the Operating Partnership, a statement setting forth the principal amount of Notes outstanding as of that date under the Indenture and setting forth a brief description of any sales of which the Operating Partnership has advised the Trustee that have not yet been settled.

Settlement Procedures Timetable: For Sales by the Operating Partnership of Book-Entry Notes to or through an Agent (unless otherwise specified pursuant to a Terms Agreement) for settlement on the first Business Day after the sale date, Settlement Procedures "A" through "J" set forth above shall be completed as soon as possible but not later than the respective times in New York City set forth below:

<TABLE>
<CAPTION>

Settlement Procedure	Time
A	11:00 A.M. on sale date
B	12:00 Noon on sale date
C	2:00 P.M. on sale date
D	9:00 A.M. on settlement date
E	10:00 A.M. on settlement date
F-G	2:00 P.M. on settlement date
H	4:45 P.M. on settlement date
I-J	5:00 P.M. on settlement date

</TABLE>

If a sale is to be settled more than one (1) Business Day after the sale date, Settlement Procedures "A", "B" and "C" shall be completed as soon as practicable but no later than 11:00 A.M., 12:00 Noon and 2:00 P.M., respectively, on the first Business Day after the sale date. If the Initial Interest Rate for a Floating Rate Book-Entry Note has not been determined at the time that Settlement procedure "A" is completed, Settlement Procedures "B" and "C" shall be completed as soon as such rate has been determined but no later than 12:00 Noon and 2:00 P.M., respectively, on the first Business Day before the settlement date. Settlement Procedure "H" is subject to extension in accordance with any extension of Fedwire closing deadlines and in the other events specified in the SDFS operating procedures in effect on the settlement date.

If settlement of a Book-Entry Note is rescheduled or canceled, the Trustee, after receiving notice from the Operating Partnership or the relevant Agent, will deliver to DTC, through DTC's Participant Terminal System, a

6

cancellation message to such effect by no later than 2:00 P.M. on the Business Day immediately preceding the scheduled settlement date.

If the Trustee fails to enter an SDFS deliver order with respect to a Book-Entry Note pursuant to Settlement Procedure "F", the Trustee may deliver to DTC, through DTC's Participant Terminal System, as soon as practicable a withdrawal message instructing DTC to debit such Note to the Trustee's participant account, provided that the Trustee's participant account contains a principal amount of the Global Security representing such Note that is at least equal to the principal amount to be debited. If a withdrawal message is processed with respect to all the Book-Entry Notes represented by a Global Security, the Trustee will mark such Global Security "canceled," make appropriate entries in the Trustee's records and send such canceled Global Security to the Operating Partnership. The CUSIP number assigned to such Global Security shall, in accordance with the procedures of the CUSIP Service Bureau of Standard & Poor's Corporation, be canceled and not immediately reassigned. If a withdrawal message is processed with respect to one or more, but not all, of the Book-Entry Notes represented by a Global Security, the Trustee will exchange such Global Security for two Global Securities, one of which shall represent such Book-Entry Note or Notes and shall be canceled immediately after issuance and the other of which shall represent the remaining Book-Entry Notes previously represented by the surrendered Global Security and shall bear the CUSIP number of the surrendered Global Security.

If the purchase price for any Book-Entry Note is not timely paid to the Participants with respect to such Note by the beneficial purchaser thereof (or a person, including an indirect participant in DTC, acting on behalf of such purchaser), such Participants and, in turn, the relevant Agent may enter SDFS deliver orders through DTC's Participant Terminal System reversing the orders entered pursuant to Settlement Procedures "F" and "C", respectively. Thereafter, the Trustee will deliver the withdrawal message and take the related actions described in the preceding paragraph.

Notwithstanding the foregoing, upon any failure to settle with respect to a Book-Entry Note, DTC may take any actions in accordance with its SDFS operating procedures then in effect.

In the event of a failure to settle with respect to one or more, but not all, of the Book-Entry Notes to have been represented by a Global Security, the Trustee will provide, in accordance with Settlement procedures "D" and "F", for the authentication and issuance of a Global Security representing the Book-Entry Notes to be represented by such Global Security and will make appropriate entries in its records.

7

PART II: ADMINISTRATIVE PROCEDURES FOR CERTIFICATED NOTES

The Trustee will serve as Registrar in connection with the Certificated Notes.

Issuance: Each Certificated Note will be dated and issued as of the date of

its authentication by the Trustee. Each Certificated Note will bear an Original Issue Date, which will be (i) with respect to an original Certificated Note (or any portion thereof), its original issuance date (which will be the settlement date) and (ii) with respect to any Certificated Note (or portion thereof) issued subsequently upon transfer or exchange of a Certificated Note or in lieu of a destroyed, lost or stolen Certificated Note, the original issuance date of the predecessor Certificated Note, regardless of the date of authentication of such subsequently issued Certificated Note.

Preparation of Pricing Settlement: If any offer to purchase a Certificated Note is accepted by or on behalf of the Operating Partnership, the Operating Partnership will prepare a Pricing Supplement reflecting the terms of such Note. The Operating Partnership (i) will arrange to file such Pricing Supplement with the Commission in accordance with the applicable paragraph of Rule 424(b) under the Act and (ii) will, as soon as possible and in any event not later than the date on which such Pricing Supplement is filed with the Commission, deliver the number of copies of such Pricing Supplement to the relevant Agent as such Agent shall request.

In each instance that a Pricing Supplement is prepared, the relevant Agent will affix the Pricing Supplement to Prospectuses prior to their use. Outdated Pricing Supplements, and the Prospectuses to which they are attached (other than those retained for files), will be destroyed.

Settlement: The receipt by the Operating Partnership of immediately available funds in exchange for an authenticated Certificated Note delivered to the relevant Agent and such Agent's delivery of such Note against receipt of immediately available funds shall constitute "settlement" with respect to such Note. All offers accepted by the Operating Partnership will be settled on the third Business Day next succeeding the date of acceptance pursuant to the timetable for settlement set forth below, unless the Operating Partnership and the purchaser agree to settlement on another date, which date shall be no earlier than the next Business Day.

Settlement Procedures: Settlement Procedures with regard to each Certificated Note sold by the Operating Partnership to or through an Agent (unless otherwise specified pursuant to a Terms Agreement) shall be as follows:

- A. The relevant Agent will advise the Operating Partnership by telephone that such Note is a Certificated Note and of the following settlement information:

8

Name in which such Note is to be registered ("REGISTERED HOLDER").

Address of the Registered Holder and address for payment of principal and interest.

Taxpayer identification number of the Registered Holder (if available).

Principal amount.

Settlement date and time (Original Issue Date).

Specified Currency and Principal Financial Center.

Maturity Date.

Trade Date.

Exchange Rate Agent (if other than State Street Bank & Trust Company of California, N.A).

Agent's commission or discount (if any) determined as provided in the Distribution Agreement.

Authorized Denomination (if other than \$1,000 or integral multiples thereof).

Interest Payment Date(s).

Regular Record Dates

Redemption or repayment provisions (if any).

Whether the Note is an Original Issue Discount Note (an "OID NOTE"), and if it is an OID Note, the total amount of OID, the yield to maturity, the initial accrual period OID.

In the case of a Fixed Rate Note:

the Interest Rate. In the case of a Floating Rate Note:

the Initial Interest Rate (if known at such time).

Calculation Agent (if other than State Street Bank & Trust Company of California, N.A).

Interest Rate Basis which may include:

- CD Rate
- Commercial Paper Rate
- CMT Rate
- EURIBOR
- Federal Funds Rate
- LIBOR
- Prime Rate

9

- Treasury Rate
- Other

Index Maturity.

Interest Reset Frequency.

Maximum Interest Rate.

Minimum Interest Rate.

Initial Interest Reset Date.

Interest Reset Date(s).

Interest Determinations Date.

Spread and/or Spread Multiplier (if any). whether the Note is:

a Regular Floating Rate Note a Floating Rate/Fixed Rate Note (in which case the fixed rate commencement date and the fixed interest rate shall be specified) or an Inverse Floating Rate Note (in which case the fixed interest rate shall be specified). Any other applicable terms including the applicability of an Addendum or Other/Additional Provisions.

The Operating Partnership will advise the Trustee by telephone or electronic transmission (confirmed in writing at any time on the same date) of the information set forth in Settlement Procedure "A" above.

The Operating Partnership will have delivered to the Trustee a pre-printed four-ply packet for such Note, which packet will contain the following documents in forms that have been approved by the Operating Partnership, the relevant Agent and the Trustee:

Note with customer confirmation.

Stub One -- For the Trustee.

Stub Two -- For the relevant Agent.

Stub Three -- For the Operating Partnership.

The Trustee will complete such Note and authenticate such Note and deliver it (with the confirmation) and Stubs One and Two to the relevant Agent, and such Agent will acknowledge receipt of the Note by stamping or otherwise marking Stub One and returning it to the Trustee. Such delivery will be made only against such acknowledgment of receipt and evidence that instructions have been given by such Agent for payment to the account of the Operating Partnership at Bank of America, Dallas, Texas, ABA #111000012, Account # 3750785562, Account Name: AMB Property, LP, or to such other account as the Operating Partnership shall have specified to such Agent and the Trustee, in immediately available funds, of an amount equal to the price of such Note less such Agent's commission (if any). In

10

the event that the instructions given by such Agent for payment to the account

of the Operating Partnership are revoked, the Operating Partnership will as promptly as possible wire transfer to the account of such Agent an amount of immediately available funds equal to the amount of such payment made.

Unless the relevant Agent is the end purchaser of such Note, such Agent will deliver such Note (with confirmation) to the customer against payment in immediately available funds. Such Agent will obtain the acknowledgment of receipt of such Note by retaining Stub Two.

The Trustee will send Stub Three to the Operating Partnership by first-class mail. Monthly, the Trustee will also send to the Operating Partnership a statement setting forth the principal amount of the Notes outstanding as of that date under the Indenture and setting forth a brief description of any sales of which the Operating Partnership has advised the Trustee that have not yet been settled.

Settlement Procedures Timetable: For sales by the Operating Partnership of Certificated Notes to or through an Agent (unless otherwise specified pursuant to a Terms Agreement), Settlement Procedures "A" through "F" set forth above shall be completed on or before the respective times in New York City set forth below:

<TABLE>
<CAPTION>

Settlement Procedure -----	Time ----
A.	2:00 P.M. on day before settlement date.
B.	3:00 P.M. on day before settlement date.
C-D.	2:15 P.M. on settlement date.
E.	3:00 P.M. on settlement date.
F.	5:00 P.M. on settlement date.

</TABLE>

11

Failure to Settle: If a purchaser fails to accept delivery of and make payment for any Certificated Note, the relevant Agent will notify the Operating Partnership and the Trustee by telephone and return such Note to the Trustee. Upon receipt of such notice, the Operating Partnership will immediately wire transfer to the account of such Agent an amount equal to the amount credited to the account of the Operating Partnership in accordance with Settlement Procedure D. Such wire transfer will be made on the settlement date, if possible, and in any event not later than the Business Day following the settlement date. If the failure shall have occurred for any reason other than a default by such Agent in the performance of its obligations hereunder and under the Distribution Agreement, then the Operating Partnership will reimburse such Agent or the Trustee, as appropriate, on an equitable basis for its loss of the use of the funds during the period when they were credited to the account of the Operating Partnership. Immediately upon receipt of the Certificated Note in respect of which such failure occurred, the Trustee will mark such Note "cancelled," make appropriate entries in the Trustee's records and send such Note to the Operating Partnership.

12

FOURTH SUPPLEMENTAL INDENTURE

FOURTH SUPPLEMENTAL INDENTURE, dated as of August 15, 2000 (this "Fourth Supplemental Indenture"), among AMB PROPERTY, L.P., a Delaware limited partnership (the "Operating Partnership"), AMB PROPERTY CORPORATION (the "Parent Guarantor") and STATE STREET BANK AND TRUST COMPANY OF CALIFORNIA, N.A., as Trustee hereunder (the "Trustee").

W I T N E S S E T H:

WHEREAS, the Operating Partnership, the Parent Guarantor and the Trustee executed and delivered an Indenture, dated as of June 30, 1998, as supplemented by the First Supplemental Indenture, the Second Supplemental Indenture and the Third Supplemental Indenture, each dated as of June 30, 1998 (as further supplemented hereby, the "Indenture"), to provide for the issuance by the Operating Partnership of notes evidencing its unsecured indebtedness;

WHEREAS, pursuant to Board Resolution, the Operating Partnership has authorized the issuance of up to \$400,000,000 of its Medium Term Notes due nine months or more from the date of issuance (the "Medium Term Notes");

WHEREAS, the Operating Partnership desires to establish the terms of the Medium Term Notes in accordance with Section 301 of the Indenture and to establish the form of the Medium Term Notes in accordance with Section 201 of the Indenture.

ARTICLE 1
TERMS

SECTION 101. TERMS OF SECURITIES. There is hereby established and authorized for issuance by the Operating Partnership a series of Securities (as defined in the Indenture), the terms of which shall be as follows:

(a) The Securities of the series shall be designated "Medium-Term Notes" (the "Notes").

(b) The aggregate principal amount of the Notes that may be authenticated and delivered under the Indenture from time to time (except for Notes authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Notes pursuant to Sections 304, 305, 306, 906, or 1107 of the Indenture) shall be up to \$400,000,000 or the equivalent thereof in other currencies, which amount may be increased from time to time by a Board Resolution or a supplemental indenture to the Indenture or an Officers' Certificate, in either case, pursuant to authority granted under a Board Resolution, and in accordance with Section 301 of the Indenture, and which amount is subject to decrease by the amount of any other debt securities issued after the date hereof pursuant to the Registration Statement No. 333-68283, filed by the Operating Partnership and the Parent Guarantor with the Securities and Exchange Commission.

(c) Each Note shall mature on a date which shall be nine months or more from the date of issue of such Note and shall be specified by an officer of the Parent Guarantor, as general partner of the Operating Partnership, such officer to the Trustee in writing or by telephone

(telephonic instructions to be promptly confirmed in writing) and specified in the applicable pricing supplement.

(d) The interest rate or rates or the method of determination thereof, if any, the date or dates or the method of determination thereof from which such interest shall accrue, the date or dates on which such interest shall be payable, and the regular record date for the interest payable on any interest payment date, in each case for a particular Note, shall each be as specified by an officer of the Parent Guarantor, as general partner of the Operating Partnership, to the Trustee in writing or by telephone (telephonic instructions to be promptly confirmed in writing); provided, however, the interest rate or rates shall in no event be higher than the maximum rate permitted by New York law, as the same may be modified by United States law of general application.

(e) Unless stated to the contrary in the applicable pricing supplement, the payment of principal (and premium, if any) and interest on, a Note on any day, if the Holder of this Note is Depository Trust Company, a New York Corporation (or its nominee or other depository, a "Depository"), will be made in accordance with any applicable provisions of such written agreement between the Operating Partnership, the Trustee and the Depository (or its nominee) as may be in effect from time to time. Otherwise payment of principal (and premium, if any)

and interest on the Notes shall be payable and Notes may be surrendered for the registration of transfer or exchange shall be at the office of the Trustee's affiliate, State Street Bank and Trust Company, at 61 Broadway, 15th Floor, New York, New York 10006; provided, however, that at the option of the Operating Partnership, interest may be paid by check mailed to the address of the person entitled thereto as such address shall appear in the Operating Partnership's security register or by wire transfer to an account maintained by the payee located in the United States. The place where notices or demands to or upon the Operating Partnership in respect of the Notes and the Indenture may be served shall be the Corporate Trust Office of the Trustee at 633 West Fifth Street, 12th Floor, Los Angeles, California 90071.

(f) To receive payment of a U.S. dollar denominated Note upon redemption, if applicable, or at maturity, a Holder must make presentation and surrender of such Note on or before the Redemption Date or Maturity Date, if any, as specified on the face of any Note and in the applicable pricing supplement. To receive payment of a Note denominated in a foreign currency upon redemption or at maturity, a Holder must make presentation and surrender of such Note not less than two Business Days (as defined in the Notes) prior to the Redemption Date or Maturity Date, if any, as specified on the face of any Note and in the applicable pricing supplement. Upon presentation and surrender of a Note denominated in a foreign currency at any time after the date two Business Days prior to the Redemption Date or Maturity Date, if any, as specified on the face of any Note and in the applicable pricing supplement, the Operating Partnership will pay the principal amount (and premium, if any) of such Note, and any interest due upon redemption or at maturity (unless the Redemption Date or Maturity Date is an Interest Payment Date, as specified on the face of the Note and in the applicable pricing supplement), two Business Days after such presentation and surrender.

(g) Unless stated to the contrary on the face of any Note and in the applicable pricing supplement, a Note will not be subject to redemption prior to its Maturity Date. If stated on the face of a Note and in the applicable pricing supplement, such Note will be redeemable in whole or in part at the option of the Operating Partnership, in accordance with Article Eleven of the Indenture and the terms set forth in such Note and the applicable pricing supplement.

2

(h) Unless stated to the contrary on the face of any Note and in the applicable pricing supplement, such Note will not be subject to repayment prior to its Maturity Date. If stated on the face of a Note and in the applicable pricing supplement, such Note will be repayable by the Operating Partnership in whole or in part at the option of the Holder in accordance with the terms set forth in such Note and the applicable pricing supplement.

(i) Unless stated to the contrary on the face of a Note and in the applicable pricing supplement, Notes shall be issuable in denominations of (i) \$1,000 and any amount in excess thereof which is an integral multiple of \$1,000, if the Notes are denominated in U.S. Dollars, and (ii) if the Notes are denominated in a currency other than U.S. Dollars, the Notes will be issuable in a minimum denomination equivalent to U.S. \$1,000, rounded to an integral multiple of 1,000 units of the currency in which the Notes are denominated, and in any larger amount in integral multiples of 1,000 units of that currency. The principal amount of any particular Note shall be determined by an officer of the Parent Guarantor, as general partner of the Operating Partnership, and specified to the Trustee in writing or by telephone (telephonic instructions to be promptly confirmed in writing).

(j) Initially, unless otherwise stated to the contrary on the face of any Note and in the applicable pricing supplement, the Trustee shall be the registrar, transfer agent, authenticating agent, exchange rate agent, calculation agent and paying agent for the Notes. The Operating Partnership may from time to time name other or additional registrars, paying agents, authenticating agents, exchange rate agents, calculation agents or transfer agents..

(k) Unless stated to the contrary on the face of a Note and in the applicable pricing supplement, such Note shall be issuable only in registered form without coupons in book-entry form, represented by one or more global notes recorded in the book-entry system maintained by The Depository Trust Company. If specified on the face thereof, Notes may be issued in certificated form issued to, and registered in the name of, the beneficial owner or its nominee.

(l) The Notes are not convertible into any other security of the Operating Partnership or the Parent Guarantor. The Notes shall constitute senior unsecured and unsubordinated obligations of the

Operating Partnership and will rank equally with all other unsecured and unsubordinated indebtedness of the Operating Partnership from time to time outstanding.

(m) There are no restrictive covenants pertaining to the Notes other than those contained in the Indenture. Unless stated to the contrary on the face of any Note and in the applicable pricing supplement, the holders of the Notes shall have no special rights in addition to those provided in the Indenture upon the occurrence of any particular events. The Notes shall have no additional Events of Default in addition to the Events of Default set forth in Article Five of the Indenture.

(n) The Notes will be unconditionally guaranteed on an unsecured basis by the Parent Guarantor and, if required by Section 1013 of the Indenture, the Subsidiary Guarantors.

SECTION 102. FORM OF NOTES. The Notes shall be in the form of, and shall have the terms set forth in, the specimens thereof attached hereto as Exhibits A and B in fully registered fixed rate and floating rate form, respectively, with applicable blank terms completed and additional terms added to reflect settlement and other specific information, which terms shall be specified by an officer of the Parent Guarantor, as general partner of the Operating Partnership to the Trustee in writing or by

3

telephone (telephonic instructions to be promptly confirmed in writing) and specified in the applicable pricing supplement.

SECTION 103. FORM OF SUBSIDIARY GUARANTEE. The form of the Subsidiary Guarantee which shall be executed if required pursuant to Section 1013 of the Indenture is attached hereto as Exhibit C.

SECTION 104. FORM OF GUARANTEES. There are hereby authorized for issuance by the Parent Guarantor Guarantees (as defined in the Indenture) of the Notes, which Guarantees shall be in the form of, and shall have the terms set forth in, the specimen of "Parent Guarantee" endorsed on the specimen Notes attached hereto as Exhibits A and B.

SECTION 105. PROCEDURES. The Trustee is hereby instructed to authenticate and deliver from time to time the Notes, with Guarantees endorsed thereon, pursuant to the following procedures:

(a) the procedures set forth in the Administrative Procedures attached as Exhibit B to the Distribution Agreement, as amended from time to time; and

(b) each advice of settlement information with respect to any of the Notes issued pursuant to (a) above will be deemed an instruction by the Operating Partnership and the Parent Guarantor to authenticate and deliver such Notes and Guarantees.

ARTICLE II MISCELLANEOUS

SECTION 201. DEFINITIONS. Capitalized terms used but not defined in this Fourth Supplemental Indenture shall have the meanings ascribed thereto in the Indenture.

SECTION 202. CONFIRMATION OF INDENTURE. The Indenture, as heretofore supplemented and amended by this Fourth Supplemental Indenture, is in all respects ratified and confirmed, and the Indenture, this Fourth Supplemental Indenture and all indentures supplemental thereto shall be read, taken and construed as one and the same instrument.

SECTION 203. CONCERNING THE TRUSTEE. The Trustee assumes no duties, responsibilities or liabilities by reason of this Fourth Supplemental Indenture other than as set forth in the Indenture and, in carrying out its responsibilities hereunder, shall have all of the rights, protections and immunities which it possesses under the Indenture.

SECTION 204. GOVERNING LAW. This Fourth Supplemental Indenture, the Indenture and the Medium Term Notes shall be governed by and construed in accordance with the internal laws of the State of New York.

SECTION 205. SEPARABILITY. In case any provision in this Fourth Supplemental Indenture shall for any reason be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 206. COUNTERPARTS. This Fourth Supplemental Indenture may be executed in any number of counterparts each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Fourth Supplemental Indenture to be duly executed as of the day and year first above written.

AMB PROPERTY, L.P.

By: AMB PROPERTY CORPORATION,
as General Partner

By: /s/ W. BLAKE BAIRD

Name: W. Blake Baird

Title: President

AMB PROPERTY CORPORATION

By: /s/ W. BLAKE BAIRD

Name: W. Blake Baird

Title: President

STATE STREET BANK AND TRUST
COMPANY OF CALIFORNIA, N.A., AS TRUSTEE

By: /s/ STEPHEN RIVERO

Name: Stephen Rivero

Title: Vice President

EXHIBIT A

FORM OF FIXED RATE MEDIUM TERM NOTES

A-1

EXHIBIT B

FORM OF FLOATING RATE MEDIUM TERM NOTES

B-1

EXHIBIT C

FORM OF SUBSIDIARY GUARANTEE

FOR VALUE RECEIVED, the undersigned hereby jointly and severally with the Parent Guarantor pursuant to the Parent Guarantee and any other Subsidiary Guarantors under their respective Subsidiary Guarantees, unconditionally guarantees to the Holder of the accompanying Medium Term Note (the "Note") issued by AMB Property, L.P. (the "Operating Partnership") under an Indenture dated as of June 30, 1998 (together with the First Supplemental Indenture, the Second Supplemental Indenture and the Third Supplemental Indenture, each dated as of June 30, 1998 and the Fourth Supplemental Indenture dated as of August 15, 2000, the "Indenture") among the Operating Partnership, AMB Property Corporation, and State Street Bank and Trust Company of California, N.A., as trustee (the "Trustee"), (a) the full and prompt payment of the principal of and premium, if any, on such Note when and as the same shall become due and payable, whether at the Maturity Date (as defined in the Note), by acceleration, by redemption, repurchase or otherwise, and (b) the full and prompt payment of the

interest on such Note when and as the same shall become due and payable, according to the terms of such Note and of the Indenture. In case of the failure of the Operating Partnership punctually to pay any such principal, premium or interest, the undersigned hereby agrees to cause any such payment to be made punctually when and as the same shall become due and payable, whether at the Maturity Date, upon acceleration, by redemption or repayment or otherwise, and as if such payment were made by the Operating Partnership. The undersigned hereby agrees, jointly and severally with the Parent Guarantor pursuant to the Parent Guarantee and any other Subsidiary Guarantors under their respective Subsidiary Guarantees, that its obligations hereunder shall be as principal and not merely as surety, and shall be absolute and unconditional, and shall not be affected, modified or impaired by the following: (a) the failure to give notice to the Guarantors of the occurrence of an Event of Default under the Indenture; (b) the waiver, surrender, compromise, settlement, release or termination of the payment, performance or observance by the Operating Partnership or the Guarantors of any or all of the obligations, covenants or agreements of any of them contained in the Indenture or any Note; (c) the acceleration, extension or any other changes in the time for payment of any principal of or interest or any premium on any Note or for any other payment under the Indenture or of the time for performance of any other obligations, covenants or agreements under or arising out of the Indenture or any Note; (d) the modification or amendment (whether material or otherwise) of any obligation, covenant or agreement set forth in the Indenture or any Note; (e) the taking or the omission of any of the actions referred to in the Indenture and in any of the actions under any Note; (f) any failure, omission, delay or lack on the part of the Trustee to enforce, assert or exercise any right, power or remedy conferred on the Trustee in the Indenture, or any other action or acts on the part of the Trustee or any of the Holders from time to time of any Note; (g) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshaling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or readjustment of, or other similar proceedings affecting the Guarantors or the Operating Partnership or any of the assets of any of them, or any allegation or contest of the validity of this Subsidiary Guarantee in any such proceeding; (h) to the extent permitted by law, the release or discharge by operation of law of the Guarantors from the performance or observance of any obligation, covenant or agreement contained in the Indenture; (i) to the extent permitted by law, the release or discharge by operation of law of the Operating Partnership from the performance or observance of any obligation, covenant or agreement contained in the Indenture; (j) the default or failure of the Operating Partnership Trustee fully to perform any of its obligations set forth in the Indenture or any Note; (k) the invalidity, irregularity or unenforceability of the Indenture or any Note or any part of any thereof; (l) any judicial or governmental action affecting the Operating Partnership or any Note or consent or indulgence granted to the Operating Partnership by the Holders or by the Trustee; or (m) the recovery of any judgment against the Operating Partnership or any action to enforce the same or any other circumstance which might constitute a legal or equitable discharge of a surety or guarantor. The undersigned hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of merger, sale, lease or conveyance of all or substantially all of its assets, insolvency or bankruptcy of any Guarantor or the Operating Partnership, any right to require a proceeding first against any other Guarantor or the Operating Partnership, protest or notice with respect to such Note or the indebtedness evidenced thereby and all demands whatsoever, and covenants that this Subsidiary Guarantee will not be discharged except by complete performance of the obligations contained in such Note and in this Subsidiary Guarantee.

No reference herein to such Indenture and no provision of this Subsidiary Guarantee or of such Indenture shall alter or impair the guarantee of the undersigned, which is absolute and unconditional, of the full and prompt payment of the principal of and premium, if any, and interest on the Note.

THIS SUBSIDIARY GUARANTEE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

C-1

The validity and enforceability of this Subsidiary Guarantee shall not be affected by the fact that it is not affixed to any particular Note.

An Event of Default under the Indenture or any Note shall constitute an event of default under this Subsidiary Guarantee, and shall entitle the Holder of any Note to accelerate the obligations of the undersigned hereunder in the same manner and to the same extent as the obligations of the Operating Partnership.

Notwithstanding any other provision of this Subsidiary Guarantee to the contrary, the undersigned hereby waives any claims or other rights which it may now have or hereafter acquire against any Guarantor or the Operating Partnership that arise from the existence or performance of its obligations under this Subsidiary Guarantee (all such claims and rights are referred to as "Guarantor's Conditional Rights"), including, without limitation, any right of subrogation, reimbursement, exoneration, contribution, or indemnification, any right to

participate in any claim or remedy against any Guarantor or the Operating Partnership, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, by any payment made hereunder or otherwise, including without limitation, the right to take or receive from any Guarantor or the Operating Partnership, directly or indirectly, in cash or other property or by setoff or in any other manner, payment or security on account of such claim or other rights. The undersigned hereby agrees not to exercise any rights which may be acquired by way of contribution under this Subsidiary Guarantee or any other agreement, by any payment made hereunder or otherwise, including, without limitation, the right to take or receive from any other guarantor, directly or indirectly, in cash or other property or by setoff or in any other manner, payment or security on account of such contribution rights. If, notwithstanding the foregoing provisions, any amount shall be paid to the undersigned party on account of any such Guarantor's Conditional Rights and either (i) such amount is paid to such undersigned party at any time when the indebtedness shall not have been paid or performed in full, or (ii) regardless of when such amount is paid to the undersigned, any payment made by any Guarantor or the Operating Partnership to a Holder that is at any time determined to be a Preferential Payment (as defined below), then such amount paid to the undersigned shall be held in trust for the benefit of the Holders and shall forthwith be paid such Holder to be credited and applied upon the indebtedness, whether matured or unmatured. Any such payment is herein referred to as a "Preferential Payment" to the extent any Guarantor or the Operating Partnership makes any payment to Holder in connection with the Note, and any or all of such payment is subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid or paid over to a trustee, receiver or any other entity, whether under any bankruptcy act or otherwise.

To the extent that any of the provisions of the immediately preceding paragraph shall not be enforceable, the undersigned agrees that until such time as the indebtedness has been paid and performed in full and the period of time has expired during which any payment made by any Guarantor or the Operating Partnership or the undersigned to a Holder may be determined to be a Preferential Payment, Guarantor's Conditional Rights to the extent not validly waived shall be subordinate to Holders' right to full payment and performance of the indebtedness and the undersigned shall not enforce any of its respective portion of the Guarantors' Conditional Rights until such time as the indebtedness has been paid and performed in full and the period of time has expired during which any payment made by any Guarantor or the Operating Partnership or the undersigned to Holders may be determined to be a Preferential Payment.

The undersigned's liability (the "Base Guaranty Liability") shall be that amount from time to time equal to the aggregate liability of the undersigned hereunder, but shall be limited to the lesser of (A) the aggregate amount of the obligation as stated in the second sentence of Section 1401 of the Indenture, and (B) the amount, if any, which would not have (i) rendered the undersigned "insolvent" (as such term is defined in Section 101(29) of the Federal Bankruptcy Code and in Section 271 of the Debtor and Creditor Law of the State of New York, as each is in effect at the date of the Indenture) or (ii) left the undersigned with unreasonably small capital at the time this Subsidiary Guarantee was entered into, after giving effect to the incurrence of existing Debt (as defined in the Indenture) immediately prior to such time, provided that, it shall be a presumption in any lawsuit or other proceeding in which the undersigned is a party that the amount guaranteed is the amount set forth in (A) above unless a creditor, or representative of creditors of the undersigned or a trustee in bankruptcy of the undersigned, as debtor in possession, otherwise proves in such a lawsuit that the aggregate liability of the undersigned is limited to the amount set forth in (B). In making any determination as to the solvency or sufficiency of capital of the undersigned in accordance with the previous sentence, the right of the undersigned to contribution from the other Guarantors, to subrogation and any other rights the undersigned may have, contractual or otherwise, shall be taken into account.

C-2

The obligations of the undersigned to the Holder of any Note and to the Trustee pursuant to this Subsidiary Guarantee and the Indenture are expressly set forth in Article 14 of the Indenture and reference is hereby made to the Indenture for the precise terms of the Subsidiary Guarantee and all of the other provisions of the Indenture to which this Subsidiary Guarantee relates.

Capitalized terms in this Subsidiary Guarantee which are not defined herein shall have the meanings assigned to them in the Indenture.

IN WITNESS WHEREOF, the undersigned has caused this Subsidiary Guarantee to be duly executed.

Dated: _____

[NAME OF SUBSIDIARY]

By: _____

C-3

(FACE OF NOTE)

AMB PROPERTY L.P.
MEDIUM-TERM NOTE
(FIXED RATE)

REGISTERED

REGISTERED

UNLESS THIS SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE OPERATING PARTNERSHIP (AS DEFINED BELOW) OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SECURITY ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

<TABLE>

<S>	<C>	<C>
NOTE NO: FXR - _____	CUSIP NO.: _____	PRINCIPAL
AMOUNT: _____		
ORIGINAL ISSUE DATE: _____	REGISTERED HOLDER: _____	SPECIFIED
CURRENCY: _____		
MATURITY DATE: _____	FORM: <input type="checkbox"/> Book-Entry	PRINCIPAL FINANCIAL
CENTER: _____	<input type="checkbox"/> Certificated	(if the Specified Currency
is other than		U.S. dollars or Euro)
TRADE DATE: _____		
EXCHANGE RATE AGENT: _____	AGENT'S DISCOUNT OR COMMISSION: ____ %	AUTHORIZED
DENOMINATION: _____		(if other than \$1,000 or
(if other than State Street Bank and Trust		multiples thereof)
integral		
Company of California, N.A.)	NET PROCEEDS TO ISSUER: _____	
DATES: _____	INTEREST RATE: _____ % per annum	INTEREST PAYMENT
DATES: _____		REGULAR RECORD
REDEMPTION:	REPAYMENT:	DISCOUNT NOTES:
<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> The Note cannot be repaid prior to	Issue
<input type="checkbox"/> The Note cannot be redeemed prior to	maturity	Total Amount of
Price: _____		Yield to
maturity	<input type="checkbox"/> The Note may be repaid prior to	Initial Accrual
OID: _____	maturity at the option of the	
<input type="checkbox"/> The Note may be redeemed at the option of	Holder of the Note	
Maturity: _____	Optional Repayment Date(s): _____	
the Operating Partnership prior to	Repayment Price: _____ %	
Period: _____		
maturity		
Redemption Commencement Date: _____		
Initial Redemption Percentage: _____ %		
Annual Redemption Percentage Reduction: %		
ADDENDUM ATTACHED: <input type="checkbox"/> Yes <input type="checkbox"/> No	OTHER/ADDITIONAL PROVISIONS:	

</TABLE>

AMB PROPERTY, L.P., a Delaware limited partnership (hereinafter called the "Operating Partnership", which term includes any successor under the Indenture referred to below), for value received, hereby promises to pay to the Registered Holder specified on the face hereof, or registered assigns ("Holder"), upon presentation and surrender of this Note, on the Maturity Date specified on the face hereof (except to the extent repaid or redeemed prior to the Maturity Date) the Principal Amount specified on the face hereof in the

Specified Currency specified on the face hereof, and to pay interest thereon at the Interest Rate per annum specified on the face hereof, until the principal hereof is paid or duly made available for payment.

The Operating Partnership will pay interest (other than defaulted interest) on each Interest Payment Date (as defined below), commencing with the first Interest Payment Date next succeeding the Original Issue Date specified on the face hereof, to the person who is the Holder of this Note on the applicable Regular Record Date (as defined below); provided that if the Original Issue Date occurs between a Regular Record Date and an Interest Payment Date, the Operating Partnership will make the first payment of interest on the Interest Payment Date following the next Regular Record Date to the registered owner on that Regular Record Date.

The Operating Partnership will pay interest due on the Maturity Date, Redemption Date (as defined on the reverse hereof) or Repayment Date (as defined on the reverse hereof), as applicable, to the same person to whom it is paying the principal amount; provided that if the Operating Partnership would have made a regular interest payment on the Maturity Date, Redemption Date or Repayment Date, as the case may be, it will make that regular interest payment to the Holder as of the applicable Regular Record Date, even if it is not the same person to whom it is paying the principal amount.

Any such interest not so punctually paid or duly provided for ("Defaulted Interest") will forthwith cease to be payable to the Holder on any Regular Record Date, and shall be paid, at the election of the Operating Partnership, to either (i) to the Holder at the close of business on a special record date (the "Special Record Date") for the payment of such Defaulted Interest to be fixed by the Trustee (as defined on the reverse hereof), notice whereof shall be given to the Holder of this Note by the Trustee not less than 10 calendar days prior to such Special Record Date or (ii) at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which this Note may be listed, and upon such notice as may be required by such exchange, all as more fully provided for in the Indenture.

Unless specified on the face hereof, payments of interest on this Note with respect to any Interest Payment Date, Maturity Date, Redemption Date or Repayment Date, as applicable, will include interest accrued from and including each immediately preceding Interest Payment Date (or from and including the Original Date of Issue if no interest has been paid or duly provided for), to, but excluding, the Interest Payment Date, Maturity Date, Redemption Date or Repayment Date, as the case may be.

If an Interest Payment Date, Maturity Date, Redemption Date or Repayment Date, as applicable, falls on a day that is not a Business Day (as defined below), interest (or interest and principal) will be paid on the next Business Day; provided that interest on the payment will not accrue for the period from the original Interest Payment Date, Maturity Date, Redemption Date or Repayment Date, as the case may be, to the date of such payment on the next Business Day.

Unless otherwise specified on the face hereof, the "Interest Payment Dates" shall be June 30 and December 30 of each year. The "Regular Record Dates" shall be June 15 for a June 30 interest payment date, December 15 for a December 30 interest payment date and the date that is 15 calendar days before any other interest payment date, whether or not those dates are Business Days.

"Business Day" as used herein means any day, other than a Saturday or Sunday, (a) that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close (x) in The City of New York or (y) for notes denominated in a specified currency other than U.S. dollars, Australian dollars or euro, in the principal financial center of the country of the specified currency or (z) for notes denominated in Australian dollars, in Sydney, and (b) for notes denominated in euro, that is also a day on which the Trans-European

Automated Real-time Gross Settlement Express Transfer System, which is commonly referred to as "TARGET," is operating.

Payment of principal (and premium, if any) and interest on, this Note on any day, if the Holder of this Note is DTC (or its nominee or other depository, a "Depository"), will be made in accordance with any applicable provisions of such written agreement between the Operating Partnership, the Trustee and the Depository (or its nominee) as may be in effect from time to time. Otherwise payment of principal (and premium, if any) and interest on, this Note on any day shall be payable and this Note may be surrendered for the registration of transfer or exchange at the Office of the Trustee's affiliate, State Street Bank and Trust Company, at 61 Broadway, 15th Floor, New York, New York 10006; provided, however, that at the option of the Operating Partnership, interest may be paid by check mailed to the address of the Person entitled thereto as such address shall appear in the Operating Partnership's Security Register or by wire transfer, if proper wire instructions are on file with the

Trustee or are received at presentment, to an account maintained by the payee located in the United States. The place where notices or demands to or upon the Operating Partnership in respect of this Note and the Indenture may be served shall be the Corporate Trust Office of the Trustee at 633 West Fifth Street, 12th Floor, Los Angeles, California 90071.

To receive payment of a U.S. dollar denominated Note upon redemption (if applicable) or at maturity, a Holder must make presentation and surrender of such Note on or before the Redemption Date or Maturity Date, as applicable. To receive payment of a Note denominated in a Foreign Currency (as defined on the reverse hereof) upon redemption or at maturity, a Holder must make presentation and surrender of such Note not less than two Business Days prior to the Redemption Date or Maturity Date, as applicable. Upon presentation and surrender of a Note denominated in a Foreign Currency at any time after the date two Business Days prior to the Redemption Date or Maturity Date, as applicable, the Operating Partnership will pay the principal amount (and premium, if any) of such Note, and any interest due upon redemption or at maturity (unless the Redemption Date or Maturity Date is an Interest Payment Date), two Business Days after such presentation and surrender.

For procedures relating to the receipt of payment upon repayment, if applicable, see the reverse hereof.

The Operating Partnership will pay any administrative costs imposed by banks in connection with sending payments by wire transfer, but any tax, assessment or governmental charge imposed upon payments will be borne by the Holders of the Notes in respect of which payments are made.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof and, if so specified on the face hereof, in the Addendum hereto, which further provisions shall for all purposes have the same force and effect as though fully set forth on the face hereof.

This Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or become valid or obligatory for any purpose, until the certificate of authentication hereon shall have been signed by or on behalf of the Trustee under such Indenture.

Notwithstanding the foregoing, if an Addendum is attached hereto or "Other/Additional Provisions" apply to this Note as specified on the face hereof, this Note shall be subject to the terms set forth in such Addendum or such "Other/Additional Provisions."

2

IN WITNESS WHEREOF, the Operating Partnership has caused this Instrument to be duly executed under.

Dated: AMB PROPERTY L.P.

By: AMB PROPERTY CORPORATION,
as General Partner

By: _____
President

TRUSTEE'S CERTIFICATE OF AUTHENTICATION
This is one of the Securities of the series designated and referred to in the within-mentioned Indenture.

STATE STREET BANK AND TRUST
COMPANY OF CALIFORNIA, N.A., as Trustee

By: _____
Authorized Signatory

(REVERSE OF NOTE)

AMB PROPERTY L.P.
MEDIUM-TERM NOTE
(FIXED RATE)

This Note is one of a duly authorized issue of debt securities of the Operating Partnership (hereinafter called the "Securities") of the series hereinafter specified, unlimited in aggregate principal amount, all issued or to be issued under or pursuant to an Indenture dated as of June 30, 1998, among the Operating Partnership, AMB Property Corporation, a Maryland corporation and

general partner of the Operating Partnership (the "Guarantor"), and State Street Bank and Trust Company of California, N.A., as Trustee; to which Indenture and all indentures supplemental thereto (herein collectively called the "Indenture") reference is hereby made for a specification of the rights and limitation of rights thereunder of the Holders of the Securities, the rights and obligations thereunder of the Operating Partnership and the rights, duties and immunities thereunder of the Trustee. The Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may mature at different times, may bear interest (if any) at different rates, may be subject to different redemption or repayment provisions (if any), may be subject to different covenants and defaults and may otherwise vary as provided in the Indenture. This Note is one of a series designated as "Medium-Term Notes" (hereinafter referred to as the "Notes") of the Operating Partnership, of up to \$400,000,000 in aggregate principal amount. All terms used in this Note which are defined in the Indenture and which are not otherwise defined in this Note shall have the meanings assigned to them in the Indenture. The terms of the Notes include those stated in the Indenture and those made a part of the Indenture by reference to the Trust Indenture Act of 1939, as amended. The Notes are subject to all such terms, and the Holders are referred to the Indenture and such Act for a statement of such terms. To the extent any provision of this Note conflicts with the provisions of the Indenture, the provisions of the Indenture shall govern and be controlling.

Unless stated to the contrary on the face hereof, this Note is issuable only in registered form without coupons in Book-Entry form represented by one or more global notes (each a "Global Note") recorded in the book-entry system maintained by the Depository. If specified on the face hereof, this Note is issuable in certificated form issued to, and registered in the name of, the beneficial owner or its nominee (a "Certificated Note").

Unless a different minimum Authorized Denomination is set forth on the face hereof, this Note is issuable in minimum denominations of (i) if the Specified Currency of this Note is US dollars, U.S. \$1,000 and in any larger amount in integral multiples of \$1,000 and (ii) if the Specified Currency of this Note is a currency other than US dollars (a "Foreign Currency"), the equivalent in such Foreign Currency determined in accordance with the Market Exchange Rate (as defined below) for such Foreign Currency on the Business Day immediately preceding the date on which the Operating Partnership accepts an offer to purchase a Note, of U.S. \$1,000 (rounded to an integral multiple of 1,000 units of the Foreign Currency), and in any larger amount in integral multiples of 1,000 units.

If this is a Global Note representing Book-Entry Notes, this Note may be transferred or exchanged only through DTC. In the manner and subject to the limitations provided in the Indenture, if this is a Certificated Note, it may be transferred or exchanged, without charge except for any tax or other governmental charge imposed in relation thereto, for other Notes of authorized denominations for a like aggregate principal amount, at the office or agency of the Operating Partnership in the Borough of Manhattan of The City of New York, or, at the option of the Holder, such office or agency, if any, maintained by the Operating Partnership in the city in which the principal executive offices of the Operating Partnership are located or the city in which the principal corporate trust office of the Trustee is located.

The principal (and premium, if any) and interest on, this Note is payable by the Operating Partnership in the Specified Currency.

If this Note is denominated in a Foreign Currency, in the event that the Foreign Currency is not available for payment at a time at which any payment is required hereunder due to the imposition of exchange controls or other circumstances beyond the control of the Operating Partnership or is no longer used by the government of the country issuing such currency or for the settlement of transactions by public institutions within the international banking community, the Operating Partnership may, in full satisfaction of its obligation to make such payment, make instead

a payment in an equivalent amount of US dollars, determined by the Exchange Rate Agent, as specified on the face hereof, on the basis of the Market Exchange Rate for such Foreign Currency on the second Business Day prior to such payment date or, if such Market Exchange Rate is not then available, on the basis of the most recently available Market Exchange Rate; provided, however, that if such Specified Currency is replaced by a single European currency, the payment of principal of (and premium, if any) or interest, if any, on this Note denominated in such currency shall be effected in the new single European currency in conformity with legally applicable measures taken pursuant to, or by virtue of, the treaty establishing the European Community, as amended by the treaty on European Unity. The "Market Exchange Rate" for the Specified Currency means the noon dollar buying rate in The City of New York for cable transfers for the Specified Currency as certified for customs purposes by (or if not so certified, as otherwise determined by) the Federal Reserve Bank of New York. Any payment made under such circumstances in U.S. dollars or a new single European currency where the required payment is in a Specified Currency other than U.S. dollars or

such single European currency, respectively, will not constitute an Event of Default (as defined in the Indenture).

If the Specified Currency is a composite currency and if such composite currency is unavailable due to the imposition of exchange controls or other circumstances beyond the control of the Operating Partnership, then the Operating Partnership will be entitled to satisfy its obligations to the Holder of this Note by making such payment in U.S. dollars. The amount of each payment in U.S. dollars shall be computed by the Exchange Rate Agent on the basis of the equivalent of the composite currency in U.S. dollars. The component currencies of the composite currency for this purpose (collectively, the "Component Currencies" and each, a "Component Currency") shall be the currency amounts that were components of the composite currency as of the last day on which the composite currency was used. The equivalent of the composite currency in U.S. dollars shall be calculated by aggregating the U.S. dollar equivalents of the Component Currencies. The U.S. dollar equivalent of each of the Component Currencies shall be determined by the Exchange Rate Agent on the basis of the most recently available Market Exchange Rate for each such Component Currency, or as otherwise specified on the face hereof.

If the official unit of any Component Currency is altered by way of combination or subdivision, the number of units of the currency as a Component Currency shall be divided or multiplied in the same proportion. If two or more Component Currencies are consolidated into a single currency, the amounts of those currencies as Component Currencies shall be replaced by an amount in such single currency equal to the sum of the amounts of the consolidated Component Currencies expressed in such single currency. If any Component Currency is divided into two or more currencies, the amount of the original Component Currency shall be replaced by the amounts of such two or more currencies, the sum of which shall be equal to the amount of the original Component Currency.

All determinations referred to above made by the Exchange Rate Agent shall be at its sole discretion and shall, in the absence of manifest error, be conclusive for all purposes and binding on the Holder of this Note.

If a Redemption Commencement Date is specified on the face hereof, this Note may be redeemed, whether or not any other Note is concurrently redeemed, at the option of the Operating Partnership, in whole, or from time to time in part, on any Business Day on or after such Redemption Commencement Date and prior to the Maturity Date, upon mailing by first-class mail, postage prepaid, a notice of such redemption not less than 30 nor more than 60 days prior to the actual date of redemption ("Redemption Date"), to the Holder of this Note at such Holder's address appearing in the Security Register, as provided in the Indenture (provided that, if the Holder of this Note is a Depository or a nominee of a Depository, notice of such redemption shall be given in accordance with any applicable provisions of such written agreement between the Operating Partnership, the Trustee and such Depository (or its nominee) as may be in effect from time to time), at the Redemption Price (as defined below), together in each case with interest accrued to the Redemption Date (subject to the right of the Holder of record on a Regular Record Date to receive interest due on an Interest Payment Date). The "Redemption Price" shall be equal to (i) the Initial Redemption Percentage specified on the face of this Note, as adjusted downward on each anniversary of the Redemption Commencement Date by the Annual Redemption Price Reduction, if any, specified on the face hereof, multiplied by (ii) the unpaid Principal Amount of this Note to be redeemed. In the event of redemption of this Note in part only, a new Note or Notes of this series, and of like tenor, for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

3

If an Optional Repayment Date(s) is specified on the face hereof, this Note will be subject to repayment by the Operating Partnership at the option of the Holder hereof on such Optional Repayment Date(s), in whole or in part in increments of U.S. \$1,000, at the Repayment Price specified on the face hereof, together with unpaid interest accrued hereon to the date of repayment ("Repayment Date"). For this Note to be repaid, this Note must be received, together with the form hereon entitled "Option to Elect Repayment" duly completed, by the Trustee at the corporate trust office of the Trustee's Affiliate, State Street Bank and Trust Company, at 61 Broadway Street, New York, New York (or at such other address of which the Operating Partnership shall from time to time designate and notify Holders of the Notes) at least 30 but not more than 60 days prior to the Repayment Date. Exercise of such repayment option by the Holder hereof will be irrevocable. In the event of repayment of this Note in part only, a new Note of like tenor for the unrepaid portion hereof and otherwise having the same terms as this Note shall be issued in the name of the Holder hereof upon the presentation and surrender hereof.

If this is a Global Note representing Book-Entry Notes, only the Depository may exercise the repayment option in respect of this Note. Accordingly, if this is a Global Security representing Book-Entry Notes and the beneficial owner desires to have all or any portion of the Book-Entry Note represented by this Global Security repaid, the beneficial owner must instruct the participant through which he owns his interest to direct the Depository to

exercise the repayment option on his behalf by delivering this Note and duly completed election form to the Trustee as aforesaid.

If this Note is an Original Issue Discount Note, as specified on the face hereof, the amount payable to the Holder of this Note in the event of redemption, repayment or acceleration of maturity will be equal to the sum of (i) the Issue Price specified on the face hereof (increased by any accruals of the Discount, as defined below) multiplied, in the event of any redemption or repayment of this Note (if applicable), by the Redemption Price or Repayment Price, as the case may be, and (ii) any unpaid interest on this Note accrued from the Original Issue Date to the Redemption Date, Repayment Date or date of acceleration of maturity, as the case may be. The difference between the Issue Price, as specified on the face hereof, and 100% of the principal amount of this Note is referred to herein as the "Discount".

For purposes of determining the amount of Discount that has accrued as of any Redemption Date, Repayment Date or date of acceleration of maturity of this Note, such Discount will be accrued so as to cause the yield on the Note to be constant. The constant yield will be calculated using a 30-day month, 360-day year convention, a compounding period that, except for the Initial Period (as defined below), corresponds to the shortest period between Interest Payment Dates (with ratable accruals within a compounding period) and an assumption that the maturity of this Note will not be accelerated. If the period from the Original Issue Date to the initial Interest Payment Date (the "Initial Period") is shorter than the compounding period for this Note, a proportionate amount of the yield for an entire compounding period will be accrued. If the Initial Period is longer than the compounding period, then such period will be divided into a regular compounding period and a short period, with the short period being treated as provided in the preceding sentence.

In case a default, as defined in the Indenture, shall occur and be continuing with respect to the Notes, the principal amount of all Notes then outstanding under the Indenture may be declared or may become due and payable upon the conditions and in the manner and with the effect provided in the Indenture. The Indenture provides that such declaration may in certain events be annulled by the Holders of a majority in principal amount of the Notes outstanding.

To the extent permitted by, and as provided in, the Indenture, the Operating Partnership may enter into one or more supplements to the Indenture for the purpose of modifying or altering the Indenture, without the consent of any Holders of Notes, for the limited purposes described in the Indenture.

To the extent permitted by, and as provided in, the Indenture, the Operating Partnership may enter into one or more supplements to the Indenture for the purpose of modifying or altering the rights and obligations of the Operating Partnership and the Holders of the Securities (as defined in the Indenture) with the consent of the Holders of not less than a majority in principal amount of all Outstanding Securities (as defined in the Indenture) of any series affected, evidenced as provided in the Indenture.

4

The Indenture contains provisions for legal defeasance and covenant defeasance with respect to the Notes, in each case, upon compliance with certain conditions set forth therein, which provisions apply to the Notes.

The Operating Partnership, the Trustee, any Authenticating Agent, any paying agent and any Security registrar may deem and treat the registered Holder hereof as the absolute owner hereof (whether or not this Note shall be overdue and notwithstanding any notice of ownership or other writing hereon by anyone other than the Operating Partnership or any Security registrar) for the purpose of receiving payment of or on account of the principal hereof (and premium, if any), and interest hereon, and for all other purposes, and none of the Operating Partnership, the Trustee, an Authenticating Agent, a paying agent nor the Security registrar shall be affected by any notice to the contrary. All such payments shall be valid and effectual to satisfy and discharge the liability upon this Note to the extent of the sum or sums so paid.

No recourse under or upon any obligation, covenant or agreement of the Indenture or of this Note, or for any claim based thereon or otherwise in respect thereof, shall be had against any incorporator, partner, stockholder, officer or director, as such, past, present or future, of the Operating Partnership or the Guarantor or of any successor entity, either directly or through the Operating Partnership or the Guarantor, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that the Indenture and this Note are solely corporate obligations, and that no such personal liability whatever shall attach to, or is or shall be incurred by the incorporators, partners, stockholders, officers or directors, as such, of the Operating Partnership or the Guarantor or of any successor entity, or any of them, because of the creation of the indebtedness authorized by the Indenture, or under or by reason of the obligations, covenants or agreements contained in the Indenture or this Note or implied therefrom; and that any and all such personal liability,

either at common law or in equity or by constitution or statute, or any and all such rights and claims against, every such incorporator, partner, stockholder, officer or director, as such, because of the creation of the indebtedness authorized by the Indenture, or under or by reason of the obligations, covenants or agreements contained in the Indenture or this Note or implied therefrom, are, by acceptance of this Note, hereby expressly waived and released as a condition of, and as consideration for, the issue of this Note. In the event of any sale or transfer of its assets and liabilities substantially as an entirety to a successor entity, the predecessor entity may be dissolved and liquidated as more fully set forth in the Indenture.

All U.S. dollar amounts used in or resulting from calculations referred to in this Note shall be rounded to the nearest cent (with one half cent being rounded upwards).

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK.

5

PARENT GUARANTEE

FOR VALUE RECEIVED, the undersigned hereby, jointly and severally with the Subsidiary Guarantors, if any, unconditionally guarantees to the Holder of the accompanying Medium Term Note (the "Note") issued by AMB Property, L.P. (the "Operating Partnership") under an Indenture dated as of June 30, 1998 (together with the First Supplemental Indenture, the Second Supplemental Indenture and the Third Supplemental Indenture, each dated as of June 30, 1998 and the Fourth Supplemental Indenture dated as of August 15, 2000, the "Indenture") among the Operating Partnership, AMB Property Corporation and State Street Bank and Trust Company of California, N.A., as trustee (the "Trustee"), (a) the full and prompt payment of the principal of and premium, if any, on such Note when and as the same shall become due and payable, whether at the Maturity Date (as defined in the Note), by acceleration, by redemption, repurchase or otherwise, and (b) the full and prompt payment of the interest on such Note when and as the same shall become due and payable, according to the terms of such Note and of the Indenture. In case of the failure of the Operating Partnership punctually to pay any such principal, premium or interest, the undersigned hereby agrees to cause any such payment to be made punctually when and as the same shall become due and payable, whether at the Maturity Date, upon acceleration, by redemption or repayment or otherwise, and as if such payment were made by the Operating Partnership. The undersigned hereby agrees, jointly and severally with the Subsidiary Guarantors, if any, that its obligations hereunder shall be as principal and not merely as surety, and shall be absolute and unconditional, and shall not be affected, modified or impaired by the following: (a) the failure to give notice to the Guarantors of the occurrence of an Event of Default under the Indenture; (b) the waiver, surrender, compromise, settlement, release or termination of the payment, performance or observance by the Operating Partnership or the Guarantors of any or all of the obligations, covenants or agreements of either of them contained in the Indenture or any Note; (c) the acceleration, extension or any other changes in the time for payment of any principal of or interest or any premium on any Note or for any other payment under the Indenture or of the time for performance of any other obligations, covenants or agreements under or arising out of the Indenture or any Note; (d) the modification or amendment (whether material or otherwise) of any obligation, covenant or agreement set forth in the Indenture or any Note; (e) the taking or the omission of any of the actions referred to in the Indenture and in any of the actions under any Note; (f) any failure, omission, delay or lack on the part of the Trustee to enforce, assert or exercise any right, power or remedy conferred on the Trustee in the Indenture, or any other action or acts on the part of the Trustee or any of the Holders from time to time of any Note; (g) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshaling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or readjustment of, or other similar proceedings affecting the Guarantors or the Operating Partnership or any of the assets of any of them, or any allegation or contest of the validity of this Parent Guarantee in any such proceeding; (h) to the extent permitted by law, the release or discharge by operation of law of the Guarantors from the performance or observance of any obligation, covenant or agreement contained in the Indenture; (i) to the extent permitted by law, the release or discharge by operation of law of the Operating Partnership from the performance or observance of any obligation, covenant or agreement contained in the Indenture; (j) the default or failure of the Operating Partnership or the Trustee fully to perform any of its obligations set forth in the Indenture or any Note; (k) the invalidity, irregularity or unenforceability of the Indenture or any Note or any part of any thereof; (l) any judicial or governmental action affecting the Operating Partnership or any Note or consent or indulgence granted to the Operating Partnership by the Holders or by the Trustee; or (m) the recovery of any judgment against the Operating Partnership or any action to enforce the same or any other circumstance which might constitute a legal or equitable discharge of a surety or guarantor. The undersigned hereby waives diligence, presentment, demand of payment, filing of claims with a court in the

event of merger, sale, lease or conveyance of all or substantially all of its assets, insolvency or bankruptcy of any Guarantor or the Operating Partnership, any right to require a proceeding first against any other Guarantor or the Operating Partnership, protest or notice with respect to such Note or the indebtedness evidenced thereby and all demands whatsoever, and covenants that this Parent Guarantee will not be discharged except by complete performance of the obligations contained in such Note and in this Parent Guarantee.

No reference herein to such Indenture and no provision of this Parent Guarantee or of such Indenture shall alter or impair the guarantee of the undersigned, which is absolute and unconditional, of the full and prompt payment of the principal of and premium, if any, and interest on the Note.

THIS PARENT GUARANTEE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK.

This Parent Guarantee shall not be valid or obligatory for any purpose until the certificate of authentication on the Note shall have been executed by the Trustee under the Indenture referred to above by the manual signature of one of its authorized officers. The validity and enforceability of this Parent Guarantee shall not be affected by the fact that it is not affixed to any particular Note.

An Event of Default under the Indenture or any Note shall constitute an event of default under this Parent Guarantee, and shall entitle the Holder of the Note to accelerate the obligations of the undersigned hereunder in the same manner and to the same extent as the obligations of the Operating Partnership.

Notwithstanding any other provision of this Parent Guarantee to the contrary, the undersigned hereby waives any claims or other rights which it may now have or hereafter acquire against any other Guarantor or the Operating Partnership that arise from the existence or performance of its obligations under this Parent Guarantee (all such claims and rights are referred to as "Guarantor's Conditional Rights"), including, without limitation, any right of subrogation, reimbursement, exoneration, contribution, or indemnification, any right to participate in any claim or remedy against any Guarantor or the Operating Partnership, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, by any payment made hereunder or otherwise, including without limitation, the right to take or receive from any Guarantor or the Operating Partnership, directly or indirectly, in cash or other property or by setoff or in any other manner, payment or security on account of such claim or other rights. The undersigned hereby agrees not to exercise any rights which may be acquired by way of contribution under this Parent Guarantee or any other agreement, by any payment made hereunder or otherwise, including, without limitation, the right to take or receive from any other guarantor, directly or indirectly, in cash or other property or by setoff or in any other manner, payment or security on account of such contribution rights. If, notwithstanding the foregoing provisions, any amount shall be paid to the undersigned on account of the Guarantor's Conditional Rights and either (i) such amount is paid to such undersigned party at any time when the indebtedness shall not have been paid or performed in full, or (ii) regardless of when such amount is paid to such undersigned party, any payment made by any Guarantor or the Operating Partnership to a Holder that is at any time determined to be a Preferential Payment (as defined below), then such amount paid to the undersigned shall be held in trust for the benefit of such Holder and shall forthwith be paid such Holder to be credited and applied upon the indebtedness, whether matured or unmatured. Any such payment is herein referred to as a "Preferential Payment" to the extent any Guarantor or the Operating Partnership makes any payment to such Holder in connection with the Note, and any or all of such payment is subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid or paid over to a trustee, receiver or any other entity, whether under any bankruptcy act or otherwise.

To the extent that any of the provisions of the immediately preceding paragraph shall not be enforceable, the undersigned agrees that until such time as the indebtedness has been paid and performed in full and the period of time has expired during which any payment made by any Guarantor, the Operating Partnership or the undersigned to a Holder may be determined to be a Preferential Payment, Guarantor's Conditional Rights to the extent not validly waived shall be subordinate to Holders' right to full payment and performance of the indebtedness and the undersigned shall not enforce any of Guarantor's Conditional Rights until such time as the indebtedness has been paid and performed in full and the period of time has expired during which any payment made by any Guarantor, the Operating Partnership or the undersigned to Holders may be determined to be a Preferential Payment.

The obligations of the undersigned to the Holder of the Note and to the Trustee pursuant to this Parent Guarantee and the Indenture are expressly set forth in Article 14 of the Indenture and reference is hereby made to the Indenture for the precise terms of this Parent Guarantee and all of the other provisions of the Indenture to which this Parent Guarantee relates.

Capitalized terms used in this Parent Guarantee which are not defined herein shall have the meanings assigned to them in the Indenture.

IN WITNESS WHEREOF, the undersigned has caused this Parent Guarantee to be duly executed.

Dated: _____

AMB PROPERTY CORPORATION

By: _____

Name:
Title:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto:

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE: _____

(Please print or typewrite name and address of Assignee, including postal zip code of assignee)

this Note and all rights thereunder, hereby irrevocably constituting and appointing:

Attorney, to transfer this Note on the books of the Trustee, with full power of substitution in the premises.

Dated: _____

Notice: The signature(s) on this Assignment must correspond with the name(s) as written upon the face of this Note in every particular, without alteration or enlargement or any change whatsoever.

OPTION TO ELECT REPAYMENT

The undersigned hereby requests and irrevocably instructs the Operating Partnership to repay the within Note on the Optional Repayment Date specified on the face hereof occurring at least 30 but not more than 60 days after the date of receipt of the within Note by the Trustee at the corporate trust office of the Trustee's Affiliate, State Street Bank and Trust Company, at 61 Broadway Street, New York, New York (or at such other addresses of which the Operating Partnership shall notify the registered holders of the Note of this series).

- () In whole
- () In part equal to \$_____ (must be a whole multiple of \$1,000 and the remaining principal amount must be at least \$1,000; or if the Note is denominated in a Foreign Currency, rounded integrals of 1,000 units of the Foreign Currency and the remaining principal amount must be at least 1,000 units of the Foreign Currency)

at a price equal to the Repayment Price, determined in accordance with the terms of the Note.

Signature:

Please print or type name and address:

 Notice: The signature on this Option
 to Elect Repayment must
 correspond with the name as
 written upon the face of the
 within instrument in every
 particular without alteration
 or enlargement or any change
 whatever.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM--as tenants in common	UNIF GIFT MIN ACT--	<u> </u> Custodian
		(Cust) (Minor)
TEN ENT--as tenants by the entireties	Under Uniform Gifts to Minors Act	<u> </u>
		(State)
JT TEN--as joint tenants with right of survivorship and not as tenants in common		

Additional abbreviations may also be used though not in the above list.

(FACE OF NOTE)

AMB PROPERTY L.P.
MEDIUM-TERM NOTE
(FLOATING RATE)

REGISTERED

REGISTERED

UNLESS THIS SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE OPERATING PARTNERSHIP (AS DEFINED BELOW) OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SECURITY ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

<TABLE>

<S> NOTE NO: FLR - _____ AMOUNT: _____ -----	<C> CUSIP NO.: _____	<C> PRINCIPAL
ORIGINAL ISSUE DATE: _____ CURRENCY: _____	REGISTERED HOLDER: _____	SPECIFIED
MATURITY DATE: _____ CENTER: _____ is other than TRADE DATE: _____	FORM: _ Book-Entry _ Certificated	PRINCIPAL FINANCIAL (if the Specified Currency U.S. Dollars or Euro)
CALCULATION AGENT: _____ DENOMINATION: _____ (if other than State Street Bank and Trust integral Company of California, N.A.)	AGENT'S DISCOUNT OR COMMISSION: _____ % NET PROCEEDS TO ISSUER: _____	AUTHORIZED multiples thereof)
EXCHANGE RATE AGENT: _____ DATES: _____ (if other than State Street Bank and Trust Company of California, N.A.) DATES: _____	INITIAL INTEREST RATE: _____ % per annum	INTEREST PAYMENT REGULAR RECORD
INTEREST RATE BASIS: _ CD Rate Monthly _ Commercial Paper Rate Quarterly _ CMT Rate (Telerate Page 7052 unless months of: _____ otherwise _____ designated below) month of _____ _ Designated CMT Telerate Page: _____ _ Designated CMT Maturity Index: _____ (if other than two years)	INDEX MATURITY: _ Daily _ 5 Year _ 1 Month _ 7 Year _ 3 Months _ 10 Year _ 6 Months _ 20 Year _ 1 Year _ 30 Year _ 2 Year _ Other _ 3 Year	INTEREST RESET FREQUENCY: _ Daily _ _ Weekly _ _ Semi-annually during the _____ and _ Annually during the
_ EURIBOR RATE: _____ % _ Federal Funds Rate _ LIBOR RATE: _____ % Designated LIBOR Page: _ LIBOR Reuters Page: _____	SPREAD: _ + _ - _____ Basis Points	MAXIMUM INTEREST MINIMUM INTEREST
DATE: _____ _ LIBOR Telerate Page: _____ Index Currency: _____	and /or SPREAD MULTIPLIER: _____	INITIAL INTEREST RESET
DATE(S): _____ _ Prime Rate		INTEREST RESET
_ Treasury Rate DATE(S): _____ _ Other (see attached)		INTEREST DETERMINATION
REDEMPTION: _ The Note cannot be redeemed prior to Note maturity Rate Note _ The Note may be redeemed at the option of Commencement Date: _____	REPAYMENT: _ The Note cannot be repaid prior to maturity _ The Note may be repaid prior to	INTEREST CATEGORY: _ Regular Floating Rate _ Floating Rate/Fixed _ Fixed Rate

the Operating Partnership prior to	maturity at the option of the	<input type="checkbox"/> Fixed Interest
Rate: _____ %		
maturity	Holder of the Note	<input type="checkbox"/> Inverse Floating Rate
Redemption Commencement Date: _____	Optional Repayment Date(s): _____	<input type="checkbox"/> Fixed Interest
Rate: _____ %		
Initial Redemption Percentage: _____ %	Repayment Price: _____ %	
Annual Redemption Percentage		
Reduction: _____ %		

DISCOUNT NOTES: Yes No ADDENDUM ATTACHED: Yes No OTHER/ADDITIONAL PROVISIONS:

Issue Price: _____

Total Amount of OID: _____

Yield to Maturity: _____

</TABLE>

Initial Accrual Period: _____

2

AMB PROPERTY, L.P., a Delaware limited partnership (hereinafter called the "Operating Partnership", which term includes any successor under the Indenture referred to below), for value received, hereby promises to pay to the Registered Holder specified on the face hereof or registered assigns ("Holder"), upon presentation and surrender of this Note, on the Maturity Date specified on the face hereof (except to the extent repaid or redeemed prior to the Maturity Date) the Principal Amount specified on the face hereof in the Specified Currency specified on the face hereof, and to pay interest thereon at the Initial Interest Rate per annum specified on the face hereof until the Initial Interest Reset Date specified on the face hereof and, thereafter, at the rate determined in accordance with the provisions on the reverse hereof, depending on the Interest Rate Basis specified on the face hereof, until the principal hereof is paid or duly made available for payment.

The Operating Partnership will pay interest (other than defaulted interest) on each Interest Payment Date, (as defined below) commencing with the first Interest Payment Date next succeeding the Original Issue Date specified on the face hereof, to the person who is the Holder of this Note on the applicable Regular Record Date (as defined below); provided that if the Original Issue Date occurs between a Regular Record Date and an Interest Payment Date, the Operating Partnership will make the first payment of interest on the Interest Payment Date following the next Regular Record Date to the registered owner on that Regular Record Date. Unless otherwise specified on the face hereof, the "Regular Record Date" with respect to this Note shall be the fifteenth calendar day immediately preceding the related Interest Payment Date or Dates, whether or not such date shall be a Business Day (as defined below).

The Operating Partnership will pay interest due on the Maturity Date, Redemption Date (as defined on the reverse hereof) or Repayment Date (as defined on the reverse hereof), as applicable, to the same person to whom it is paying the principal amount; provided that if the Operating Partnership would have made a regular interest payment on the Maturity Date, Redemption Date or Repayment Date, as the case may be, it will make that regular interest payment to the Holder as of the applicable Regular Record Date, even if it is not the same person to whom it is paying the principal amount.

Any such interest not so punctually paid or duly provided for ("Defaulted Interest") will forthwith cease to be payable to the Holder on any Regular Record Date, and shall be paid, at the election of the Operating Partnership, to either (i) to the Holder at the close of business on a special record date (the "Special Record Date") for the payment of such Defaulted Interest to be fixed by the Trustee (as defined on the reverse hereof), notice whereof shall be given to the Holder of this Note by the Trustee not less than 10 calendar days prior to such Special Record Date or (ii) at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which this Note may be listed, and upon such notice as may be required by such exchange, all as more fully provided for in the Indenture.

Unless specified on the face hereof, payments of interest on this Note with respect to any Interest Payment Date, Maturity Date, Redemption Date or Repayment Date, as applicable, will include interest accrued from and including each immediately preceding Interest Payment Date (or from and including the Original Date of Issue if no interest has been paid or duly provided for), to, but excluding, the Interest Payment Date, Maturity Date, Redemption Date or Repayment Date, as the case may be. However, in case the interest rate on this Note is reset daily or weekly, unless otherwise specified on the face hereof,

the interest payments will include interest accrued only from, but excluding, the Regular Record Date through which interest has been paid (or from and including the Original Issue Date, if no interest has been paid with respect to this Note) through and including the Regular Record Date next preceding the applicable Interest Payment Date, except that the interest payment on the Maturity Date, Redemption Date or Repayment Date, as applicable, will include interest accrued to, but excluding, the Maturity Date, Redemption Date or Repayment Date, as the case may be.

1

Payment of principal (and premium, if any) and interest on, this Note on any day, if the Holder of this Note is DTC (or its nominee or other depository, a "Depository"), will be made in accordance with any applicable provisions of such written agreement between the Operating Partnership, the Trustee and the Depository (or its nominee) as may be in effect from time to time. Otherwise payment of principal (and premium, if any) and interest on, this Note on any day shall be payable and this Note may be surrendered for the registration of transfer or exchange at the Office of the Trustee's affiliate, State Street Bank and Trust Company, at 61 Broadway, 15th Floor, New York, New York 10006; provided, however, that at the option of the Operating Partnership, interest may be paid by check mailed to the address of the Person entitled thereto as such address shall appear in the Operating Partnership's Security Register or by wire transfer, if proper wire instructions are on file with the Trustee or are received at presentment, to an account maintained by the payee located in the United States. The place where notices or demands to or upon the Operating Partnership in respect of this Note and the Indenture may be served shall be the Corporate Trust Office of the Trustee at 633 West Fifth Street, 12th Floor, Los Angeles, California 90071.

To receive payment of a U.S. dollar denominated Note upon redemption (if applicable) or at maturity, a Holder must make presentation and surrender of such Note on or before the Redemption Date or Maturity Date, as applicable. To receive payment of a Note denominated in a Foreign Currency (as defined on the reverse hereof) upon redemption or at maturity, a Holder must make presentation and surrender of such Note not less than two Business Days prior to the Redemption Date or Maturity Date, as applicable. Upon presentation and surrender of a Note denominated in a Foreign Currency at any time after the date two Business Days prior to the Redemption Date or Maturity Date, as applicable, the Operating Partnership will pay the principal amount (and premium, if any) of such Note, and any interest due upon redemption or at maturity (unless the Redemption Date or Maturity Date is an Interest Payment Date), two Business Days after such presentation and surrender.

For procedures relating to the receipt of payment upon repayment, if applicable, see the reverse hereof.

The Calculation Agent (which shall be State Street Bank and Trust Company of California, N.A. unless otherwise specified on the face hereof, and which may be changed by the Operating Partnership from time to time) will generally determine the Initial Interest Rate as if the Original Issue Date of the Note were an Interest Reset Date. The Interest Reset Dates and Interest Payment Dates, each specified on the face hereof, are determined by the frequency with which the interest rate resets (the "Interest Reset Frequency"). Interest will be payable, in the case of Notes which reset daily, weekly or monthly, on the third Wednesday of each month or on the third Wednesday of each March, June, September and December of each year, as specified on the face hereof; in the case of Notes which reset quarterly, on the third Wednesday of March, June, September and December of each year; in the case of Notes which reset semi-annually, on the third Wednesday of the two months of each year specified on the face hereof; and in the case of Notes which reset annually, on the third Wednesday of the month specified on the face hereof (each an "Interest Payment Date"), and in each case, on the Maturity Date.

The Calculation Agent will compute the interest for each day in the applicable interest period by dividing the interest rate applicable to each such day by (i) 360 in the case of CD Rate Notes, Commercial Paper Rate Notes, EURIBOR Notes, Federal Funds Rate Notes, LIBOR Notes or Prime Rate Notes, or (ii) by the actual number of days in the year in the case of CMT Rate Notes or Treasury Rate Notes. The interest factor for Notes for which the interest rate is calculated with reference to two or more Interest Rate Bases (as described below) will be calculated in each period in the same manner as if only the lowest of the applicable Interest Rates Bases applied.

2

Except as specified on the face hereof, the Interest Reset Frequency on this Note will be daily, weekly, monthly, quarterly, semi-annually or annually, as specified on the face hereof. Except as specified on the face hereof, if this Note resets daily, the Interest Reset Date will be each Business Day; if this Note resets weekly, the Interest Reset Date will be the Wednesday of each week (with the exception of weekly reset Treasury Rate Notes, which reset Tuesday of each week except as provided below); if this Note resets monthly, the Interest

Reset Date will be the third Wednesday of each month; if this Note resets quarterly, the Interest Reset Date will be the third Wednesday of each March, June, September and December of each year; if this Note resets semi-annually, the Interest Reset Date will be the third Wednesday of each of the two months of each year specified on the face hereof; and if this Note resets annually, the Interest Reset Date will be the third Wednesday of the month of each year as specified on the face hereof.

The interest rate in effect on each day that is not an Interest Reset Date will be the interest rate determined as of the Interest Determination Date (as specified on the face hereof) pertaining to the immediately preceding Interest Reset Date and the interest rate in effect on any day that is an Interest Reset Date will be the interest rate determined as of the Interest Determination Date pertaining to such Interest Reset Date; provided, however, that the interest rate in effect for the period, if any, from the Original Issue Date to the Initial Interest Reset Date will be the Initial Interest Rate; provided, further, that if this Note is a Floating Rate/Fixed Rate Note the interest rate in effect for the period commencing on the Fixed Rate Commencement Date specified on the face hereof to the Maturity Date shall be the Fixed Interest Rate specified on the face hereof or, if no interest rate is specified, the interest rate in effect on the day immediately preceding the Fixed Rate Commencement Date.

If any Interest Reset Date would otherwise be a day that is not a Business Day, the Interest Reset Date shall be postponed to the next succeeding day that is a Business Day, except that in the case of a LIBOR Note or a Note for which LIBOR is an applicable Interest Rate Basis and such Business Day falls in the next succeeding calendar month, such Interest Reset Date will be the immediately preceding Business Day. In addition, if the Treasury Rate is an applicable Interest Rate Basis and an auction falls on the day that would be an Interest Reset Date, then the Interest Reset Date will be postponed to the first Business Day after the auction.

If an Interest Payment Date (other than the Maturity Date, Redemption Date or Repayment Date) for this Note falls on a day that is not a Business Day, the Interest Payment Date will be postponed to the next Business Day. However, if the postponement would cause the Interest Payment Date for a LIBOR-based Note to be in the next calendar month, the Interest Payment Date will be moved to the immediately preceding Business Day. If the Maturity Date or Redemption Date or Repayment Date, if any, for a Note falls on a day that is not a Business Day, principal and interest will be paid on the next Business Day; provided that interest on the payment will not accrue for the period from the original Interest Payment Date, Maturity Date or Redemption Date or Repayment Date, as the case may be, to the date of such payment on the next Business Day.

"Business Day" as used herein means any day, other than a Saturday or Sunday, (a) that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close (x) in The City of New York or (y) for notes denominated in a specified currency other than U.S. dollars, Australian dollars or euro, in the principal financial center of the country of the specified currency or (z) for notes denominated in Australian dollars, in Sydney, and (b) for notes denominated in euro, that is also a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System, which is commonly referred to as "TARGET," is operating.

The Calculation Agent shall calculate the interest rate on this Note on or before each Calculation Date (as defined below) and, upon request, provide the Holder of this Note the interest rate (the "Floating

Interest Rate") then in effect and, if different, the Floating Interest Rate which will become effective as a result of a determination made for the next Interest Reset Date with respect to this Note. The Calculation Agent's determination of any Floating Interest Rate will be final and binding in the absence of manifest error. Unless otherwise specified on the face hereof or in an Addendum hereto, the "Calculation Date", where applicable, pertaining to any Interest Determination Date will be the earlier of (a) the tenth calendar day after such Determination Date, or if any such day is not a Business Day, the next succeeding Business Day, or (b) the Business Day immediately preceding the applicable Interest Payment Date or Maturity Date, as the case may be.

Interest on this Note will be calculated by reference to the Interest Rate Basis or Bases, specified on the face hereof, (a) plus or minus the Spread, if any, specified on the face hereof, and/or (b) multiplied by the Spread Multiplier, if any, specified on the face hereof. The Interest Rate Basis may be one or more of: (1) the CD Rate, (2) the CMT Rate, (3) the Commercial Paper Rate, (4) the Federal Funds Rate, (5) LIBOR, (6) the Treasury Rate, (7) the Prime Rate or (8) such other Interest Rate Basis or interest rate formula as is specified on the face hereof. The "Index Maturity" is the period to maturity of the instrument or obligation with respect to which the related Interest Rate Basis or Bases are calculated. Except as otherwise provided herein, all percentages resulting from any interest rate calculation will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with

five one-millionths of a percentage point rounded upwards (e.g., 9.876545% (or .09876545) would be rounded to 9.87655% (or .0987655)), and all amounts used in or resulting from such calculation will be rounded to the nearest cent or, in the case of a foreign currency or composite currency, to the nearest unit (with one-half cent being rounded upward).

Notwithstanding the other provisions herein, the Floating Interest Rate hereon which may accrue during any interest period shall not be greater than the Maximum Interest Rate, if any, or less than the Minimum Interest Rate, if any, each as set forth on the face hereof, and, in addition, the Floating Interest Rate shall in no event be higher than the maximum rate permitted by New York law, as the same may be modified by United States law of general application.

The interest rate borne by this Note will be determined as follows:

(i) Unless the Interest Category of this Note is specified on the face hereof as a "Floating Rate/Fixed Rate Note" or an "Inverse Floating Rate Note", this Note shall be designated as a "Regular Floating Rate Note" and, except as set forth below or on the face hereof, shall bear interest at the rate determined by reference to the applicable Interest Rate Basis or Bases (a) plus or minus the Spread, if any, and/or (b) multiplied by the Spread Multiplier, if any, in each case as specified on the face hereof. Commencing on the Initial Interest Reset Date, the rate at which interest on this Note shall be payable shall be reset as of each Interest Rate Date specified on the face hereof; provided, however, that the interest rate in effect for the period, if any, from the Original Issue Date to the Initial Interest Reset Date shall be the Initial Interest Rate.

(ii) If the Interest Category of this Note is specified on the face hereof as a "Floating Rate/Fixed Rate Note", then, except as set forth below or on the face hereof, this Note shall bear interest at the rate determined by reference to the applicable Interest Rate Basis or Bases (a) plus or minus the Spread, if any, and/or (b) multiplied by the Spread Multiplier, if any. Commencing on the Initial Interest Reset Date, the rate at which interest on this Note shall be payable shall be reset as of each Interest Reset Date; provided, however, that (y) the interest rate in effect for the period, if any, from the Original Issue Date to the Initial Interest Reset Date shall be the Initial Interest Rate and (z) the interest rate in effect for the period commencing on the Fixed Rate Commencement Date specified on the face hereof to the Maturity Date shall be the Fixed Interest Rate specified on the

4

face hereof or, if no such Fixed Interest Rate is specified, the interest rate in effect hereon on the day immediately preceding the Fixed Rate Commencement Date.

(iii) If the Interest Category of this Note is specified on the face hereof as an "Inverse Floating Rate Note", then, except as set forth below or on the face hereof, this Note shall bear interest at the Fixed Interest Rate minus the rate determined by reference to the applicable Interest Rate Basis or Bases (a) plus or minus the Spread, if any, and/or (b) multiplied by the Spread Multiplier, if any; provided, however, that, unless otherwise specified on the face hereof, the interest rate hereon shall not be less than zero. Commencing on the Initial Reset Date, the rate at which interest on this Note shall be payable shall be reset as of each Interest Reset Date; provided, however, that the interest rate in effect for the period, if any, from the Original Issue Date to the Initial Interest Reset Date shall be the Initial Interest Rate.

Determination of CD Rate.

"CD rate" means, for any Interest Determination Date, the rate on that date for negotiable certificates of deposit having the Index Maturity specified on the face hereof as published by the Board of Governors of the Federal Reserve System in "Statistical Release H.15(519), Selected Interest Rates," or any successor publication of the Board of Governors of the Federal Reserve System ("H.15(519)") under the heading "CDs (Secondary Market)."

The following procedures will be followed if the CD rate cannot be determined as described above:

- If the above rate is not published in H.15(519) by 9:00 a.m., New York City time, on the Calculation Date, the CD rate will be the rate on that Interest Determination Date set forth in the daily update of H.15(519), available through the world wide website of the Board of Governors of the Federal Reserve System at <http://www.bog.frb.fed.us/releases/h15/update>, or any successor site or publication, which is commonly referred to as the "H.15 Daily Update," for the Interest Determination Date for certificates of deposit having the Index Maturity specified on the

face hereof, under the caption "CDs (Secondary Market)."

- If the above rate is not yet published in either H.15(519) or the H.15 Daily Update by 3:00 p.m., New York City time, on the Calculation Date, the Calculation Agent will determine the CD rate to be the arithmetic mean of the secondary market offered rates as of 10:00 a.m., New York City time, on that Interest Determination Date of three leading nonbank dealers in negotiable U.S. dollar certificates of deposit in The City of New York selected by the Calculation Agent, after consultation with the Operating Partnership, for negotiable certificates of deposit of major United States money center banks of the highest credit standing in the market for negotiable certificates of deposit with a remaining maturity closest to the Index Maturity specified on the face hereof in an amount that is representative for a single transaction in that market at that time.

- If the dealers selected by the Calculation Agent are not quoting as set forth above, the CD rate will remain the CD rate for the immediately preceding Interest Reset Period, or, if there was no Interest Reset Period, the rate of interest payable will be the Initial Interest Rate.

Determination of CMT Rate.

The "CMT rate" means, for any Interest Determination Date, the rate displayed on the Designated CMT Telerate Page, as defined below, under the caption "... Treasury Constant Maturities ... Federal Reserve Board Release H.15... Mondays Approximately 3:45 p.m.," under the column for the Designated CMT Maturity Index, as defined below, for:

5

(1) the rate on that Interest Determination Date, if the Designated CMT Telerate Page is 7051; and

(2) the week or the month, as applicable, ended immediately preceding the week in which the related Interest Determination Date occurs, if the Designated CMT Telerate Page is 7052.

The following procedures will be followed if the CMT rate cannot be determined as described above:

- If that rate is no longer displayed on the relevant page, or if not displayed by 3:00 p.m., New York City time, on the related Calculation Date, then the CMT rate will be the Treasury Constant Maturity rate for the Designated CMT Maturity Index as published in the relevant H.15(519).

- If the rate described in the immediately preceding sentence is no longer published, or if not published by 3:00 p.m., New York City time, on the related Calculation Date, then the CMT rate will be the Treasury Constant Maturity rate for the Designated CMT Maturity Index or other United States Treasury rate for the Designated CMT Maturity Index on the Interest Determination Date as may then be published by either the Board of Governors of the Federal Reserve System or the United States Department of the Treasury that the Calculation Agent determines to be comparable to the rate formerly displayed on the Designated CMT Telerate Page and published in the relevant H.15(519).

- If the information described in the immediately preceding sentence is not provided by 3:00 p.m., New York City time, on the related Calculation Date, then the Calculation Agent will determine the CMT rate to be a yield to maturity, based on the arithmetic mean of the secondary market closing offer side prices as of approximately 3:30 p.m., New York City time, on the Interest Determination Date, reported, according to their written records, by three leading primary United States government securities dealers, which is referred to as a "reference dealer," in The City of New York, which may include an agent or other affiliates of ours, selected by the Calculation Agent as described in the following sentence. The Calculation Agent will select five reference dealers, after consultation with the Operating Partnership, and will eliminate the highest quotation or, in the event of equality, one of the highest, and the lowest quotation or, in the event of equality, one of the lowest, for the most recently issued direct noncallable fixed rate obligations of the United States, which are commonly referred to as "Treasury notes," with an original maturity of approximately the Designated CMT Maturity Index and a remaining term to maturity of not less than that Designated CMT Maturity Index minus one year. If two Treasury notes with an original maturity as described above have remaining

terms to maturity equally close to the Designated CMT Maturity Index, the quotes for the Treasury note with the shorter remaining term to maturity will be used.

- If the Calculation Agent cannot obtain three Treasury notes quotations as described in the immediately preceding sentence, the Calculation Agent will determine the CMT rate to be a yield to maturity based on the arithmetic mean of the secondary market offer side prices as of approximately 3:30 p.m., New York City time, on the Interest Determination Date of three reference dealers in The City of New York, selected using the same method described in the immediately preceding sentence, for Treasury notes with an original maturity equal to the number of years closest to but not less than the Designated CMT Maturity Index and a remaining term to maturity closest to the Designated CMT Maturity Index and in an amount of at least \$100,000,000.
- If three or four (and not five) of the reference dealers are quoting as described above, then the CMT rate will be based on the arithmetic mean of the offer prices obtained and neither the highest nor the lowest of those quotes will be eliminated.
- If fewer than three reference dealers selected by the Calculation Agent are quoting as described above, the CMT rate will be the CMT rate for the immediately preceding Interest Reset Period, or, if there was no Interest Reset Period, the rate of interest payable will be the Initial Interest Rate.

6

"Designated CMT Telerate Page" means the display on Bridge Telerate, Inc., or any successor service, on the page designated on the face hereof or any other page as may replace that page on that service for the purpose of displaying Treasury Constant Maturities as reported in H.15(519). If no page is specified on the face hereof, the Designated CMT Telerate Page will be 7052, for the most recent week.

"Designated CMT Maturity Index" means the original period to maturity of the U.S. Treasury securities, which is either 1, 2, 3, 5, 7, 10, 20 or 30 years, specified in an applicable pricing supplement for which the CMT rate will be calculated. If no maturity is specified on the face hereof, the Designated CMT Maturity Index will be two years.

Determination of Commercial Paper Rate.

The "commercial paper rate" means, for any Interest Determination Date, the money market yield, calculated as described below, of the rate on that date for commercial paper having the Index Maturity specified on the face hereof, as that rate is published in H.15(519), under the heading "Commercial Paper -- Nonfinancial."

The following procedures will be followed if the commercial paper rate cannot be determined as described above:

- If the above rate is not published by 9:00 a.m., New York City time, on the Calculation Date, then the commercial paper rate will be the money market yield of the rate on that Interest Determination Date for commercial paper of the Index Maturity specified on the face hereof as published in the H.15 Daily Update under the heading "Commercial Paper -- Nonfinancial."
- If by 3:00 p.m., New York City time, on that Calculation Date the rate is not yet published in either H.15(519) or the H.15 Daily Update, then the Calculation Agent will determine the commercial paper rate to be the money market yield of the arithmetic mean of the offered rates as of 11:00 a.m., New York City time, on that Interest Determination Date of three leading dealers of commercial paper in The City of New York selected by the Calculation Agent, after consultation with the Operating Partnership, for commercial paper of the Index Maturity specified on the face hereof, placed for an industrial issuer whose bond rating is "AA," or the equivalent, from a nationally recognized statistical rating agency.
- If the dealers selected by the Calculation Agent are not quoting as mentioned above, the commercial paper rate for that Interest Determination Date will remain the commercial paper rate for the immediately preceding Interest Reset Period, or, if there was no Interest Reset Period, the rate of interest payable will be the Initial Interest Rate.

The "money market yield" will be a yield calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where "D" refers to the applicable per year rate for commercial paper quoted on a bank discount basis and expressed as a decimal and "M" refers to the actual number of days in the interest period for which interest is being calculated.

EURIBOR Notes

"EURIBOR" means, for any Interest Determination Date, the rate for deposits in euros as sponsored, calculated and published jointly by the European Banking Federation and ACI - The Financial Market Association, or any company established by the joint sponsors for purposes of compiling and publishing those rates, for the Index Maturity specified in the applicable pricing supplement as that rate appears on the

7

display on Bridge Telerate, Inc., or any successor service, on page 248 or any other page as may replace page 248 on that service, which is commonly referred to as "Telerate Page 248," as of 11:00 a.m. (Brussels time).

The following procedures will be followed if the rate cannot be determined as described above:

- If the above rate does not appear, the Calculation Agent will request the principal Euro-zone office of each of four major banks in the Euro-zone interbank market, as selected by the Calculation Agent, after consultation with the Operating Partnership, to provide the Calculation Agent with its offered rate for deposits in euros, at approximately 11:00 a.m. (Brussels time) on the interest determination date, to prime banks in the Euro-zone interbank market for the Index Maturity specified in the applicable pricing supplement commencing on the applicable Interest Reset Date, and in a principal amount not less than the equivalent of U.S.\$1 million in euro that is representative of a single transaction in euro, in that market at that time. If at least two quotations are provided, EURIBOR will be the arithmetic mean of those quotations.
- If fewer than two quotations are provided, EURIBOR will be the arithmetic mean of the rates quoted by four major banks in the Euro-zone, as selected by the Calculation Agent, after consultation with the Operating Partnership, at approximately 11:00 a.m. (Brussels time), on the applicable Interest Reset Date for loans in euro to leading European banks for a period of time equivalent to the Index Maturity specified in the applicable pricing supplement commencing on that Interest Reset Date in a principal amount not less than the equivalent of U.S.\$1 million in euro.
- If the banks so selected by the Calculation Agent are not quoting as mentioned in the previous bullet point, the EURIBOR rate in effect for the applicable period will be the same as EURIBOR for the immediately preceding Interest Reset Period, or, if there was no Interest Reset Period, the rate of interest will be the Initial Interest Rate.

"Euro-zone" means the region comprised of member states of the European Union that adopt the single currency in accordance with the treaty establishing the European Community, as amended by the treaty on European Union.

Determination of Federal Funds Rate.

The "federal funds rate" means, for any Interest Determination Date, the rate on that date for federal funds as published in H.15(519) under the heading "Federal Funds (Effective)" as displayed on Bridge Telerate, Inc., or any successor service, on page 120 or any other page as may replace the applicable page on that service, which is commonly referred to as "Telerate Page 120."

The following procedures will be followed if the federal funds rate cannot be determined as described above:

- If the above rate is not published by 9:00 a.m., New York City time, on the Calculation Date, the federal funds rate will be the rate on that Interest Determination Date as published in the H.15 Daily Update under the heading "Federal Funds/Effective Rate."
- If that rate is not yet published in either H.15(519) or the H.15 Daily Update by 3:00 p.m., New York City time, on the Calculation Date, the Calculation Agent will determine the federal funds rate

to be the arithmetic mean of the rates for the last transaction in overnight federal funds by each of three leading brokers of federal funds transactions in The City of New York selected by the Calculation Agent, after consultation with the Operating Partnership, prior to 9:00 a.m., New York City time, on that Interest Determination Date.

8

- If the brokers selected by the Calculation Agent are not quoting as mentioned above, the federal funds rate relating to that Interest Determination Date will remain the federal funds rate for the immediately preceding Interest Reset Period, or, if there was no Interest Reset Period, the rate of interest payable will be the Initial Interest Rate.

Determination of LIBOR.

The Calculation Agent will determine "LIBOR" for each Interest Determination Date as follows:

- As of the Interest Determination Date, LIBOR will be either:
 - if "LIBOR Reuters" is specified on the face hereof, the arithmetic mean of the offered rates for deposits in the index currency having the Index Maturity designated on the face hereof, commencing on the second London banking day immediately following that Interest Determination Date, that appear on the Designated LIBOR Page, as defined below, as of 11:00 a.m., London time, on that Interest Determination Date, if at least two offered rates appear on the Designated LIBOR Page; except that if the specified Designated LIBOR Page, by its terms provides only for a single rate, that single rate will be used; or
 - if "LIBOR Telerate" is specified on the face hereof, the rate for deposits in the index currency having the Index Maturity designated on the face hereof, commencing on the second London banking day immediately following that Interest Determination Date or, if pounds sterling is the index currency, commencing on that Interest Determination Date, that appears on the Designated LIBOR Page at approximately 11:00 a.m., London time, on that Interest Determination Date.
 - If (1) fewer than two offered rates appear and "LIBOR Reuters" is specified on the face hereof, or (2) no rate appears and the applicable pricing supplement specifies either (x) "LIBOR Telerate" or (y) "LIBOR Reuters" and the Designated LIBOR Page by its terms provides only for a single rate, then the Calculation Agent will request the principal London offices of each of four major reference banks in the London interbank market, as selected by the Calculation Agent after consultation with the Operating Partnership, to provide the Calculation Agent with its offered quotation for deposits in the index currency for the period of the Index Maturity specified on the face hereof commencing on the second London banking day immediately following the Interest Determination Date or, if pounds sterling is the index currency, commencing on that Interest Determination Date, to prime banks in the London interbank market at approximately 11:00 a.m., London time, on that Interest Determination Date and in a principal amount that is representative of a single transaction in that index currency in that market at that time.
 - If at least two quotations are provided, LIBOR determined on that Interest Determination Date will be the arithmetic mean of those quotations. If fewer than two quotations are provided, LIBOR will be determined for the applicable interest reset date as the arithmetic mean of the rates quoted at approximately 11:00 a.m., London time, or some other time specified on the face hereof, in the applicable principal financial center for the country of the index currency on that interest reset date, by three major banks in that principal financial center selected by the Calculation Agent, after consultation with the Operating Partnership, for loans in the index currency to leading European banks, having the Index Maturity specified on the face hereof and in a principal amount that is representative of a single transaction in that index currency in that market at that time.
 - If the banks so selected by the Calculation Agent are not quoting as mentioned in the previous bullet point, LIBOR in effect for the applicable period will be the same as LIBOR for the immediately preceding Interest Reset Period, or, if there was no Interest Reset Period, the rate of interest payable will be the Initial Interest Rate.

The "index currency" means the currency specified on the face hereof as the currency for which LIBOR will be calculated, or, if the euro is substituted for that currency, the index currency will be the euro. If that currency is not specified on the face hereof, the index currency will be U.S. dollars.

9

"Designated LIBOR Page" means either (a) if "LIBOR Reuters" is designated on the face hereof, the display on the Reuters Monitor Money Rates Service for the purpose of displaying the London interbank rates of major banks for the applicable index currency or its designated successor, or (b) if "LIBOR Telerate" is designated on the face hereof, the display on Bridge Telerate Inc., or any successor service, on the page specified on the face hereof, or any other page as may replace that page on that service, for the purpose of displaying the London interbank rates of major banks for the applicable index currency.

If neither LIBOR Reuters nor LIBOR Telerate is specified on the face hereof, LIBOR for the applicable index currency will be determined as if LIBOR Telerate were specified, and, if the U.S. dollar is the index currency, as if Page 3750, had been specified.

Determination of Prime Rate.

The "prime rate" means, for any Interest Determination Date, the rate on that date as published in H.15(519) under the heading "Bank Prime Loan."

The following procedures will be followed if the prime rate cannot be determined as described above:

- If the rate is not published prior to 9:00 a.m., New York City time, on the Calculation Date, then the prime rate will be the rate on that Interest Determination Date as published in H.15 Daily Update under the heading "Bank Prime Loan."
- If the rate is not published prior to 3:00 p.m., New York City time, on the Calculation Date in either H.15(519) or the H.15 Daily Update, then the Calculation Agent will determine the prime rate to be the arithmetic mean of the rates of interest publicly announced by each bank that appears on the Reuters Screen USPRIME 1 Page, as defined below, as that bank's prime rate or base lending rate as in effect for that Interest Determination Date.
- If fewer than four rates appear on the Reuters Screen USPRIME 1 Page for that Interest Determination Date, the Calculation Agent will determine the prime rate to be the arithmetic mean of the prime rates quoted on the basis of the actual number of days in the year divided by 360 as of the close of business on that Interest Determination Date by at least three major banks in The City of New York selected by the Calculation Agent, after consultation with the Operating Partnership.
- If the banks selected are not quoting as mentioned above, the prime rate will remain the prime rate for the immediately preceding Interest Reset Period, or, if there was no Interest Reset Period, the rate of interest payable will be the Initial Interest Rate.

"Reuters Screen USPRIME 1 Page" means the display designated as page "USPRIME 1" on the Reuters Monitor Money Rates Service, or any successor service, or any other page as may replace the USPRIME 1 Page on that service for the purpose of displaying prime rates or base lending rates of major United States banks.

Determination of Treasury Rate.

"Treasury rate" means:

- the rate from the auction held on the applicable Interest Determination Date, which is referred to as the "auction," of direct obligations of the United States, which are commonly referred to as "Treasury Bills," having the Index Maturity specified on the face hereof as that rate appears under the caption "INVESTMENT RATE" on the display on Bridge Telerate, Inc., or any successor service, on page 56 or any other page as may replace page 56 on that service, which is referred to as "Telerate Page 56," or

10

page 57 or any other page as may replace page 57 on that service, which is referred to as "Telerate Page 57," or

- if the rate described in the first bullet point is not published by 3:00 p.m., New York City time, on the Calculation Date, the

bond equivalent yield of the rate for the applicable Treasury Bills as published in the H.15 Daily Update, or other recognized electronic source used for the purpose of displaying the applicable rate, under the caption "U.S. Government Securities/Treasury Bills/Auction High," or

- if the rate described in the second bullet point is not published by 3:00 p.m., New York City time, on the related Calculation Date, the bond equivalent yield of the auction rate of the applicable Treasury Bills, announced by the United States Department of the Treasury, or
- in the event that the rate referred to in the third bullet point is not announced by the United States Department of the Treasury, or if the auction is not held, the bond equivalent yield of the rate on the applicable Interest Determination Date of Treasury Bills having the Index Maturity specified on the face hereof published in H.15(519) under the caption "U.S. Government Securities/Treasury Bills/Secondary Market," or
- if the rate referred to in the fourth bullet point is not so published by 3:00 p.m., New York City time, on the related Calculation Date, the rate on the applicable Interest Determination Date of the applicable Treasury Bills as published in H.15 Daily Update, or other recognized electronic source used for the purpose of displaying the applicable rate, under the caption "U.S. Government Securities/Treasury Bills/Secondary Market," or
- if the rate referred to in the fifth bullet point is not so published by 3:00 p.m., New York City time, on the related Calculation Date, the rate on the applicable Interest Determination Date calculated by the Calculation Agent as the bond equivalent yield of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 p.m., New York City time, on the applicable Interest Determination Date, of three primary United States government securities dealers, which may include the agent or its affiliates, selected by the Calculation Agent, for the issue of Treasury Bills with a remaining maturity closest to the Index Maturity specified on the face hereof, or
- if the dealers selected by the Calculation Agent are not quoting as mentioned in the sixth bullet point, the Treasury rate for the immediately preceding Interest Reset Period, or, if there was no Interest Reset Period, the rate of interest payable will be the Initial Interest Rate.

The "bond equivalent yield" means a yield calculated in accordance with the following formula and expressed as a percentage:

$$\text{Bond Equivalent Yield} = \frac{D \times N}{360 - (D \times M)} \times 100$$

where "D" refers to the applicable per annum rate for Treasury Bills quoted on a bank discount basis, "N" refers to 365 or 366, as the case may be, and "M" refers to the actual number of days in the interest period for which interest is being calculated.

The Operating Partnership will pay any administrative costs imposed by banks in connection with sending payments by wire transfer, but any tax, assessment or governmental charge imposed upon payments will be borne by the Holders of the Notes in respect of which payments are made.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof and, if so specified on the face hereof, in the Addendum hereto, which further provisions shall for all purposes have the same force and effect as though fully set forth on the face hereof.

This Note shall not be entitled to any benefit under the Indenture referred to on the reverse hereof, or become valid or obligatory for any purpose, until the certificate of authentication hereon shall have been signed by or on behalf of the Trustee under such Indenture.

Notwithstanding the foregoing, if an Addendum is attached hereto or "Other/Additional Provisions" apply to this Note as specified on the face hereof, this Note shall be subject to the terms set forth in such Addendum or such "Other/Additional Provisions."

IN WITNESS WHEREOF, the Operating Partnership has caused this Instrument to be duly executed.

Dated: AMB PROPERTY L.P.

By: AMB PROPERTY CORPORATION,
as General Partner

By: _____
President

TRUSTEE'S CERTIFICATE OF AUTHENTICATION
This is one of the Securities of the series designated and referred to in the within-mentioned Indenture.

STATE STREET BANK AND TRUST
COMPANY OF CALIFORNIA, N.A., as Trustee

By: _____
Authorized Signatory

(REVERSE)

AMB PROPERTY L.P.
MEDIUM-TERM NOTE
(FLOATING RATE)

This Note is one of a duly authorized issue of debt securities of the Operating Partnership (hereinafter called the "Securities") of the series hereinafter specified, unlimited in aggregate principal amount, all issued or to be issued under or pursuant to an Indenture dated as of June 30, 1998, among the Operating Partnership, AMB Property Corporation, a Maryland corporation and general partner of the Operating Partnership (the "Guarantor"), and State Street Bank and Trust Company of California, N.A., as Trustee; to which Indenture and all indentures supplemental thereto (herein collectively called the "Indenture") reference is hereby made for a specification of the rights and limitation of rights thereunder of the Holders of the Securities, the rights and obligations thereunder of the Operating Partnership and the rights, duties and immunities thereunder of the Trustee. The Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may mature at different times, may bear interest (if any) at different rates, may be subject to different redemption or repayment provisions (if any), may be subject to different covenants and defaults and may otherwise vary as provided in the Indenture. This Note is one of a series designated as "Medium-Term Notes" (hereinafter referred to as the "Notes") of the Operating Partnership, of up to \$400,000,000 in aggregate principal amount. All terms used in this Note which are defined in the Indenture and which are not otherwise defined in this Note shall have the meanings assigned to them in the Indenture. The terms of the Notes include those stated in the Indenture and those made a part of the Indenture by reference to the Trust Indenture Act of 1939, as amended. The Notes are subject to all such terms, and the Holders are referred to the Indenture and such Act for a statement of such terms. To the extent any provision of this Note conflicts with the provisions of the Indenture, the provisions of the Indenture shall govern and be controlling.

Unless stated to the contrary on the face hereof, this Note is issuable only in registered form without coupons in Book-Entry form represented by one or more global notes (each a "Global Note") recorded in the book-entry system maintained by the Depository. If specified on the face hereof, this Note is issuable in certificated form issued to, and registered in the name of, the beneficial owner or its nominee (a "Certificated Note").

Unless a different minimum Authorized Denomination is set forth on the face hereof, this Note is issuable in minimum denominations of (i) if the Specified Currency of this Note is US dollars, U.S. \$1,000 and in any larger amount in integral multiples of \$1,000 and (ii) if the Specified Currency of this Note is a currency other than US dollars (a "Foreign Currency"), the equivalent in such Foreign Currency determined in accordance with the Market Exchange Rate (as defined below) for such Foreign Currency on the Business Day immediately preceding the date on which the Operating Partnership accepts an offer to purchase a Note, of U.S. \$1,000 (rounded to an integral multiple of 1,000 units of the Foreign Currency), and in any larger amount in integral multiples of 1,000 units.

If this is a Global Note representing Book-Entry Notes, this Note may be transferred or exchanged only through DTC. In the manner and subject to the limitations provided in the Indenture, if this is a Certificated Note, it may be transferred or exchanged, without charge except for any tax or other governmental charge imposed in relation thereto, for other Notes of authorized denominations for a like aggregate principal amount, at the office or agency of the Operating Partnership in the Borough of Manhattan of The City of New York, or, at the option of the Holder, such office or agency, if any, maintained by the Operating Partnership in the city in which the principal executive offices of the

Operating Partnership are located or the city in which the principal corporate trust office of the Trustee is located.

The principal (and premium, if any) and interest on, this Note is payable by the Operating Partnership in the Specified Currency.

If this Note is denominated in a Foreign Currency, in the event that the Foreign Currency is not available for payment at a time at which any payment is required hereunder due to the imposition of exchange controls or other circumstances beyond the control of the Operating Partnership or is no longer used by the government of the country issuing such currency or for the settlement of transactions by public institutions within the international banking community, the Operating Partnership may, in full satisfaction of its obligation to make such payment, make instead a payment in an equivalent amount of US dollars, determined by the Exchange Rate Agent, as specified on the face hereof, on the basis of the Market Exchange Rate for such Foreign Currency on the second Business Day prior to such payment date or, if such Market Exchange Rate is not then available, on the basis of the most recently available Market Exchange Rate; provided, however, that if such Specified Currency is replaced by a single European currency, the payment of principal of (and premium, if any) or interest, if any, on this Note denominated in such currency shall be effected in the new single European currency in conformity with legally applicable measures taken pursuant to, or by virtue of, the treaty establishing the European Community, as amended by the treaty on European Unity. The "Market Exchange Rate" for the Specified Currency means the noon dollar buying rate in The City of New York for cable transfers for the Specified Currency as certified for customs purposes by (or if not so certified, as otherwise determined by) the Federal Reserve Bank of New York. Any payment made under such circumstances in U.S. dollars or a new single European currency where the required payment is in a Specified Currency other than U.S. dollars or such single European currency, respectively, will not constitute an Event of Default (as defined in the Indenture).

If the Specified Currency is a composite currency and if such composite currency is unavailable due to the imposition of exchange controls or other circumstances beyond the control of the Operating Partnership, then the Operating Partnership will be entitled to satisfy its obligations to the Holder of this Note by making such payment in U.S. dollars. The amount of each payment in U.S. dollars shall be computed by the Exchange Rate Agent on the basis of the equivalent of the composite currency in U.S. dollars. The component currencies of the composite currency for this purpose (collectively, the "Component Currencies" and each, a "Component Currency") shall be the currency amounts that were components of the composite currency as of the last day on which the composite currency was used. The equivalent of the composite currency in U.S. dollars shall be calculated by aggregating the U.S. dollar equivalents of the Component Currencies. The U.S. dollar equivalent of each of the Component Currencies shall be determined by the Exchange Rate Agent on the basis of the most recently available Market Exchange Rate for each such Component Currency, or as otherwise specified on the face hereof.

If the official unit of any Component Currency is altered by way of combination or subdivision, the number of units of the currency as a Component Currency shall be divided or multiplied in the same proportion. If two or more Component Currencies are consolidated into a single currency, the amounts of those currencies as Component Currencies shall be replaced by an amount in such single currency equal to the sum of the amounts of the consolidated Component Currencies expressed in such single currency. If any Component Currency is divided into two or more currencies, the amount of the original Component Currency shall be replaced by the amounts of such two or more currencies, the sum of which shall be equal to the amount of the original Component Currency.

All determinations referred to above made by the Exchange Rate Agent shall be at its sole discretion and shall, in the absence of manifest error, be conclusive for all purposes and binding on the Holder of this Note.

If a Redemption Commencement Date is specified on the face hereof, this Note may be redeemed, whether or not any other Note is concurrently redeemed, at the option of the Operating Partnership, in whole, or from time to time in part,

on any Business Day on or after such Redemption Commencement Date and prior to the Maturity Date, upon mailing by first-class mail, postage prepaid, a notice of such redemption not less than 30 nor more than 60 days prior to the actual date of redemption ("Redemption Date"), to the Holder of this Note at such Holder's address appearing in the Security Register, as provided in the Indenture (provided that, if the Holder of this Note is a Depository or a nominee of a Depository, notice of such redemption shall be given in accordance with any applicable provisions of such written agreement between the Operating Partnership, the Trustee and such Depository (or its nominee) as may be in effect from time to time), at the Redemption Price (as defined below), together in each case with interest accrued to the Redemption Date (subject to the right of the Holder of record on a Regular Record Date to receive interest due on an Interest Payment Date). The "Redemption Price" shall be equal to (i) the Initial Redemption Percentage specified on the face of this Note, as adjusted downward on each anniversary of the Redemption Commencement Date by the Annual Redemption Price Reduction, if any, specified on the face hereof, multiplied by (ii) the unpaid Principal Amount of this Note to be redeemed. In the event of redemption of this Note in part only, a new Note or Notes of this series, and of like tenor, for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

If an Optional Repayment Date(s) is specified on the face hereof, this Note will be subject to repayment by the Operating Partnership at the option of the Holder hereof on such Optional Repayment Date(s), in whole or in part in increments of U.S. \$1,000, at the Repayment Price specified on the face hereof, together with unpaid interest accrued hereon to the date of repayment ("Repayment Date"). For this Note to be repaid, this Note must be received, together with the form hereon entitled "Option to Elect Repayment" duly completed, by the Trustee at the corporate trust office of the Trustee's Affiliate, State Street Bank and Trust Company, at 61 Broadway Street, New York, New York (or at such other address of which the Operating Partnership shall from time to time designate and notify Holders of the Notes) at least 30 but not more than 60 days prior to the Repayment Date. Exercise of such repayment option by the Holder hereof will be irrevocable. In the event of repayment of this Note in part only, a new Note of like tenor for the unrepaid portion hereof and otherwise having the same terms as this Note shall be issued in the name of the Holder hereof upon the presentation and surrender hereof.

If this is a Global Note representing Book-Entry Notes, only the Depository may exercise the repayment option in respect of this Note. Accordingly, if this is a Global Security representing Book-Entry Notes and the beneficial owner desires to have all or any portion of the Book-Entry Note represented by this Global Security repaid, the beneficial owner must instruct the participant through which he owns his interest to direct the Depository to exercise the repayment option on his behalf by delivering this Note and duly completed election form to the Trustee as aforesaid.

If this Note is an Original Issue Discount Note, as specified on the face hereof, the amount payable to the Holder of this Note in the event of redemption, repayment or acceleration of maturity will be equal to the sum of (i) the Issue Price specified on the face hereof (increased by any accruals of the Discount, as defined below) multiplied, in the event of any redemption or repayment of this Note (if applicable), by the Redemption Price or Repayment Price, as the case may be, and (ii) any unpaid interest on this Note accrued from the Original Issue Date to the Redemption Date, Repayment Date or date of

4

acceleration of maturity, as the case may be. The difference between the Issue Price, as specified on the face hereof, and 100% of the principal amount of this Note is referred to herein as the "Discount".

For purposes of determining the amount of Discount that has accrued as of any Redemption Date, Repayment Date or date of acceleration of maturity of this Note, such Discount will be accrued so as to cause the yield on the Note to be constant. The constant yield will be calculated using a 30-day month, 360-day year convention, a compounding period that, except for the Initial Period (as defined below), corresponds to the shortest period between Interest Payment Dates (with ratable accruals within a compounding period) and an assumption that the maturity of this Note will not be accelerated. If the period from the Original Issue Date to the initial Interest Payment Date (the "Initial Period") is shorter than the compounding period for this Note, a proportionate amount of the yield for an entire compounding period will be accrued. If the Initial Period is longer than the compounding period, then such period will be divided into a regular compounding period and a short period, with the short period being treated as provided in the preceding sentence.

In case a default, as defined in the Indenture, shall occur and be continuing with respect to the Notes, the principal amount of all Notes then outstanding under the Indenture may be declared or may become due and payable upon the conditions and in the manner and with the effect provided in the Indenture. The Indenture provides that such declaration may in certain events be annulled by the Holders of a majority in principal amount of the Notes outstanding.

To the extent permitted by, and as provided in, the Indenture, the Operating Partnership may enter into one or more supplements to the Indenture for the purpose of modifying or altering the Indenture, without the consent of any Holders of Notes, for the limited purposes described in the Indenture.

To the extent permitted by, and as provided in, the Indenture, the Operating Partnership may enter into one or more supplements to the Indenture for the purpose of modifying or altering the rights and obligations of the Operating Partnership and the Holders of the Securities (as defined in the Indenture) with the consent of the Holders of not less than a majority in principal amount of all Outstanding Securities (as defined in the Indenture) of any series affected, evidenced as provided in the Indenture.

The Indenture contains provisions for legal defeasance and covenant defeasance with respect to the Notes, in each case, upon compliance with certain conditions set forth therein, which provisions apply to the Notes.

The Operating Partnership, the Trustee, any Authenticating Agent, any paying agent and any Security registrar may deem and treat the registered Holder hereof as the absolute owner hereof (whether or not this Note shall be overdue and notwithstanding any notice of ownership or other writing hereon by anyone other than the Operating Partnership or any Security registrar) for the purpose of receiving payment of or on account of the principal hereof (and premium, if any), and interest hereon, and for all other purposes, and none of the Operating Partnership, the Trustee, an Authenticating Agent, a paying agent nor the Security registrar shall be affected by any notice to the contrary. All such payments shall be valid and effectual to satisfy and discharge the liability upon this Note to the extent of the sum or sums so paid.

No recourse under or upon any obligation, covenant or agreement of the Indenture or of this Note, or for any claim based thereon or otherwise in respect thereof, shall be had against any

5

incorporator, partner, stockholder, officer or director, as such, past, present or future, of the Operating Partnership or the Guarantor or of any successor entity, either directly or through the Operating Partnership or the Guarantor, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that the Indenture and this Note are solely corporate obligations, and that no such personal liability whatever shall attach to, or is or shall be incurred by the incorporators, partners, stockholders, officers or directors, as such, of the Operating Partnership or the Guarantor or of any successor entity, or any of them, because of the creation of the indebtedness authorized by the Indenture, or under or by reason of the obligations, covenants or agreements contained in the Indenture or this Note or implied therefrom; and that any and all such personal liability, either at common law or in equity or by constitution or statute, or any and all such rights and claims against, every such incorporator, partner, stockholder, officer or director, as such, because of the creation of the indebtedness authorized by the Indenture, or under or by reason of the obligations, covenants or agreements contained in the Indenture or this Note or implied therefrom, are, by acceptance of this Note, hereby expressly waived and released as a condition of, and as consideration for, the issue of this Note. In the event of any sale or transfer of its assets and liabilities substantially as an entirety to a successor entity, the predecessor entity may be dissolved and liquidated as more fully set forth in the Indenture.

All U.S. dollar amounts used in or resulting from calculations referred to in this Note shall be rounded to the nearest cent (with one half cent being rounded upwards).

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK.

6

PARENT GUARANTEE

FOR VALUE RECEIVED, the undersigned hereby, jointly and severally with the Subsidiary Guarantors, if any, unconditionally guarantees to the Holder of the accompanying Medium Term Note (the "Note") issued by AMB Property, L.P. (the "Operating Partnership") under an Indenture dated as of June 30, 1998 (together with the First Supplemental Indenture, the Second Supplemental Indenture and the Third Supplemental Indenture, each dated as of June 30, 1998 and the Fourth Supplemental Indenture dated as of August 15, 2000, the "Indenture") among the Operating Partnership, AMB Property Corporation and State Street Bank and Trust Company of California, N.A., as trustee (the "Trustee"), (a) the full and prompt payment of the principal of and premium, if any, on such Note when and as the same shall become due and payable, whether at the Maturity Date (as defined in the Note), by acceleration, by redemption, repurchase or otherwise, and (b) the full and prompt payment of the interest on such Note when and as the same shall

become due and payable, according to the terms of such Note and of the Indenture. In case of the failure of the Operating Partnership punctually to pay any such principal, premium or interest, the undersigned hereby agrees to cause any such payment to be made punctually when and as the same shall become due and payable, whether at the Maturity Date, upon acceleration, by redemption or repayment or otherwise, and as if such payment were made by the Operating Partnership. The undersigned hereby agrees, jointly and severally with the Subsidiary Guarantors, if any, that its obligations hereunder shall be as principal and not merely as surety, and shall be absolute and unconditional, and shall not be affected, modified or impaired by the following: (a) the failure to give notice to the Guarantors of the occurrence of an Event of Default under the Indenture; (b) the waiver, surrender, compromise, settlement, release or termination of the payment, performance or observance by the Operating Partnership or the Guarantors of any or all of the obligations, covenants or agreements of either of them contained in the Indenture or any Note; (c) the acceleration, extension or any other changes in the time for payment of any principal of or interest or any premium on any Note or for any other payment under the Indenture or of the time for performance of any other obligations, covenants or agreements under or arising out of the Indenture or any Note; (d) the modification or amendment (whether material or otherwise) of any obligation, covenant or agreement set forth in the Indenture or any Note; (e) the taking or the omission of any of the actions referred to in the Indenture and in any of the actions under any Note; (f) any failure, omission, delay or lack on the part of the Trustee to enforce, assert or exercise any right, power or remedy conferred on the Trustee in the Indenture, or any other action or acts on the part of the Trustee or any of the Holders from time to time of any Note; (g) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshaling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or readjustment of, or other similar proceedings affecting the Guarantors or the Operating Partnership or any of the assets of any of them, or any allegation or contest of the validity of this Parent Guarantee in any such proceeding; (h) to the extent permitted by law, the release or discharge by operation of law of the Guarantors from the performance or observance of any obligation, covenant or agreement contained in the Indenture; (i) to the extent permitted by law, the release or discharge by operation of law of the Operating Partnership from the performance or observance of any obligation, covenant or agreement contained in the Indenture; (j) the default or failure of the Operating Partnership or the Trustee fully to perform any of its obligations set forth in the Indenture or any Note; (k) the invalidity, irregularity or unenforceability of the Indenture or any Note or any part of any thereof; (l) any judicial or governmental action affecting the Operating Partnership or any Note or consent or indulgence granted to the Operating Partnership by the Holders or by the Trustee; or (m) the recovery of any judgment against the Operating Partnership or any action to enforce the same or any other circumstance which might constitute a legal or equitable discharge of a surety or guarantor. The undersigned hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of merger, sale, lease or conveyance of all or substantially all of its

assets, insolvency or bankruptcy of any Guarantor or the Operating Partnership, any right to require a proceeding first against any other Guarantor or the Operating Partnership, protest or notice with respect to such Note or the indebtedness evidenced thereby and all demands whatsoever, and covenants that this Parent Guarantee will not be discharged except by complete performance of the obligations contained in such Note and in this Parent Guarantee.

No reference herein to such Indenture and no provision of this Parent Guarantee or of such Indenture shall alter or impair the guarantee of the undersigned, which is absolute and unconditional, of the full and prompt payment of the principal of and premium, if any, and interest on the Note.

THIS PARENT GUARANTEE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK.

This Parent Guarantee shall not be valid or obligatory for any purpose until the certificate of authentication on the Note shall have been executed by the Trustee under the Indenture referred to above by the manual signature of one of its authorized officers. The validity and enforceability of this Parent Guarantee shall not be affected by the fact that it is not affixed to any particular Note.

An Event of Default under the Indenture or any Note shall constitute an event of default under this Parent Guarantee, and shall entitle the Holder of the Note to accelerate the obligations of the undersigned hereunder in the same manner and to the same extent as the obligations of the Operating Partnership.

Notwithstanding any other provision of this Parent Guarantee to the contrary, the undersigned hereby waives any claims or other rights which it may now have or hereafter acquire against any other Guarantor or the Operating Partnership that arise from the existence or performance of its obligations under this Parent Guarantee (all such claims and rights are referred to as "Guarantor's Conditional Rights"), including, without limitation, any right of

subrogation, reimbursement, exoneration, contribution, or indemnification, any right to participate in any claim or remedy against any Guarantor or the Operating Partnership, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, by any payment made hereunder or otherwise, including without limitation, the right to take or receive from any Guarantor or the Operating Partnership, directly or indirectly, in cash or other property or by setoff or in any other manner, payment or security on account of such claim or other rights. The undersigned hereby agrees not to exercise any rights which may be acquired by way of contribution under this Parent Guarantee or any other agreement, by any payment made hereunder or otherwise, including, without limitation, the right to take or receive from any other guarantor, directly or indirectly, in cash or other property or by setoff or in any other manner, payment or security on account of such contribution rights. If, notwithstanding the foregoing provisions, any amount shall be paid to the undersigned on account of the Guarantor's Conditional Rights and either (i) such amount is paid to such undersigned party at any time when the indebtedness shall not have been paid or performed in full, or (ii) regardless of when such amount is paid to such undersigned party, any payment made by any Guarantor or the Operating Partnership to a Holder that is at any time determined to be a Preferential Payment (as defined below), then such amount paid to the undersigned shall be held in trust for the benefit of such Holder and shall forthwith be paid such Holder to be credited and applied upon the indebtedness, whether matured or unmatured. Any such payment is herein referred to as a "Preferential Payment" to the extent any Guarantor or the Operating Partnership makes any payment to such Holder in connection with the Note, and any or all of such payment is subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid or paid over to a trustee, receiver or any other entity, whether under any bankruptcy act or otherwise.

To the extent that any of the provisions of the immediately preceding paragraph shall not be enforceable, the undersigned agrees that until such time as the indebtedness has been paid and performed in full and the period of time has expired during which any payment made by any Guarantor, the Operating Partnership or the undersigned to a Holder may be determined to be a Preferential Payment, Guarantor's Conditional Rights to the extent not validly waived shall be subordinate to Holders' right to full payment and performance of the indebtedness and the undersigned shall not enforce any of Guarantor's Conditional Rights until such time as the indebtedness has been paid and performed in full and the period of time has expired during which any payment made by any Guarantor, the Operating Partnership or the undersigned to Holders may be determined to be a Preferential Payment.

The obligations of the undersigned to the Holder of the Note and to the Trustee pursuant to this Parent Guarantee and the Indenture are expressly set forth in Article 14 of the Indenture and reference is hereby made to the Indenture for the precise terms of this Parent Guarantee and all of the other provisions of the Indenture to which this Parent Guarantee relates.

Capitalized terms used in this Parent Guarantee which are not defined herein shall have the meanings assigned to them in the Indenture.

IN WITNESS WHEREOF, the undersigned has caused this Parent Guarantee to be duly executed.

Dated: _____

AMB PROPERTY CORPORATION

By: _____

Name:
Title:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto:

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE: _____

(Please print or typewrite name and address of Assignee, including postal

