
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(MARK ONE)

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000

OR

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

COMMISSION FILE NUMBER 001-13545

AMB PROPERTY CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

<TABLE>

<S>		<C>	
	MARYLAND		94-3281941
	(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)		(IRS EMPLOYER IDENTIFICATION NO.)

	PIER 1, BAY 1, SAN FRANCISCO, CALIFORNIA		94111
	(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)		(ZIP CODE)

</TABLE>

(415) 394-9000
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

<TABLE>

<S>		<C>	
	COMMON STOCK, \$.01 PAR VALUE		NEW YORK STOCK EXCHANGE
	8 1/2% SERIES A CUMULATIVE		(NAME OF EXCHANGE ON WHICH REGISTERED)
	REDEEMABLE PREFERRED STOCK		
	(TITLE OF CLASS)		

</TABLE>

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT: NONE

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

The aggregate market value of common shares held by non-affiliates of the registrant (based upon the closing sale price on the New York Stock Exchange) on March 20, 2001, was approximately \$2,071,869,589.

As of March 20, 2001, there were 84,222,341 shares of the Registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Part III incorporates by reference the Registrant's Proxy Statement for its Annual Meeting of Stockholders which the Registrant anticipates will be filed no later than 120 days after the end of its fiscal year pursuant to Regulation 14A.

PART I

ITEM 1. BUSINESS

GENERAL

AMB Property Corporation, a Maryland corporation, is one of the leading owners and operators of industrial real estate nationwide. As of December 31, 2000, AMB owned, managed, and had renovation and development projects totaling 92 million square feet and 1,005 buildings in 27 metropolitan markets. Of this, we owned and operated 862 industrial buildings and eight retail centers, totaling approximately 77.0 million rentable square feet. As of December 31, 2000, these properties were 96.3% leased. As of December 31, 2000, through our subsidiary, AMB Investment Management, Inc., we also managed industrial buildings and retail centers, totaling approximately 4.4 million rentable square feet on behalf of various institutional investors. In addition, we have invested in 36 industrial buildings, totaling approximately 4.0 million rentable square feet, through an unconsolidated joint venture.

Through our subsidiary, AMB Property, L.P., a Delaware limited partnership, we are engaged in the acquisition, ownership, operation, management, renovation, expansion, and development of primarily industrial properties in target markets nationwide. We refer to AMB Property, L.P. as the operating partnership. As of December 31, 2000, we owned an approximate 93.5% general partnership interest in the operating partnership, excluding preferred units. As the sole general partner of the operating partnership, we have the full, exclusive, and complete responsibility and discretion in the day-to-day management and control of the operating partnership.

Through the operating partnership, we enter into co-investment joint ventures with institutional investors. These co-investment joint ventures provide us with an additional source of capital to fund certain acquisitions and developments and renovation projects and increase our return on invested capital as a result of certain fees paid to us. As of December 31, 2000, we had investments in two co-investment joint ventures, which are consolidated for financial reporting purposes.

The operating partnership is the managing general partner of AMB Institutional Alliance Fund I, L.P. and, together with one of our other affiliates, owns, as of December 31, 2000, approximately 21% of the partnership interests in the Alliance Fund I. The Alliance Fund I is a co-investment partnership between us and AMB Institutional Alliance REIT I, Inc., a limited partner of the Alliance Fund I, which includes 15 institutional investors as stockholders and is engaged in the acquisition, ownership, operation, management, renovation, expansion, and development of primarily industrial buildings in target markets nationwide. As of December 31, 2000, the Alliance Fund I had received equity contributions from third party investors totaling \$169.0 million, which, when combined with anticipated debt financings and our investment, creates a total planned capitalization of \$410.0 million.

We are self-administered and self-managed and expect that we have qualified and will continue to qualify as a real estate investment trust for federal income tax purposes beginning with the year ending December 31, 1997. As a self-administered and self-managed real estate investment trust, our own employees perform our administrative and management functions, rather than our relying on an outside manager for these services. The principal executive office of AMB Property Corporation and the operating partnership is located at Pier 1, Bay 1, San Francisco, CA 94111, and our telephone number is (415) 394-9000. We also maintain a regional office in Boston, Massachusetts.

Unless the context otherwise requires, the terms "we," "us," and "our" refer to AMB Property Corporation, the operating partnership and the other controlled subsidiaries, and the references to AMB Property Corporation include the operating partnership and the other controlled subsidiaries. The following marks are our registered trademarks: AMB(R); Customer Alliance Partners(R); Customer Alliance Program(R); Development Alliance Partners(R); Development Alliance Program(R); eSpace(R); Institutional Alliance Partners(R); Institutional Alliance Program(R); Management Alliance Partners(R); Management Alliance Program(R); UPREIT Alliance Partners(R); and UPREIT Alliance Program(R). The following marks are our

1

unregistered trademarks: Broker Alliance Partners(TM); Broker Alliance Program(TM); HTD(TM); High Throughput Distribution(TM); iSpace(TM); Strategic Alliance Partners(TM); and Strategic Alliance Programs(TM).

TRANSACTION SUMMARY

During 2000, we invested \$730.0 million in operating properties, consisting of 145 industrial buildings aggregating approximately 10.5 million square feet. Of this, \$185.6 million in operating properties was acquired by the Alliance Fund I, consisting of 44 industrial buildings aggregating approximately 2.6 million square feet. In 2000, we disposed of one retail center and 25 industrial buildings and re-invested approximately \$175.7 million in 145 industrial buildings, aggregating approximately 10.5 million rentable square feet.

We had 33 industrial buildings and one retail center that were held for divestiture as of December 31, 2000. During 2000, we disposed of 25 industrial buildings and one retail center, aggregating approximately 2.5 million rentable square feet, for an aggregate price of \$175.7 million. Over the next few years,

we intend to dispose of non-strategic assets and redeploy the resulting capital into properties that better fit our current investment focus.

As of December 31, 2000, we had in our development pipeline 19 industrial projects, which will total approximately 5.5 million square feet and have a total estimated investment of \$305.9 million upon completion. We also had three retail projects in our development pipeline, which will total approximately 0.5 million square feet and have a total estimated investment of \$76.3 million upon completion. As of December 31, 2000, we had funded an aggregate of \$226.5 million and will need to fund an estimated additional \$155.7 million in order to complete projects currently under construction.

BUSINESS STRATEGIES

Investment Strategy

Our investment strategy is to become a leading provider of High Throughput Distribution, or HTD, properties located near key passenger and cargo airports, highway systems, and ports in major metropolitan areas, such as Atlanta, Chicago, Dallas/Fort Worth, Northern New Jersey/New York City, the San Francisco Bay Area, Southern California, Miami, and Seattle. Within each of our markets, we focus our investments in in-fill submarkets. In-fill sub-markets are characterized by supply constraints on the availability of land for competing projects.

High Throughput Distribution facilities are designed to serve the high-speed, high-value freight handling needs of today's supply chain, as opposed to functioning as long-term storage facilities. We believe that the rapid growth of the airfreight business and the outsourcing of supply chain management to third party logistics companies are indicative of the changes that are occurring in the supply chain and the manner in which goods are distributed. In addition, we believe that inventory levels as a percentage of final sales are falling and that goods are moving more rapidly through the supply chain. As a result, we intend to focus our investment activities primarily on industrial properties that we believe will benefit from these changes.

Operating Strategy

We are a full-service real estate company with in-house expertise in acquisitions, development and redevelopment, asset management and leasing, finance and accounting, and market research. We have long-standing relationships with many real estate management and development firms across the country, our Strategic Alliance Partners.

We believe that real estate is fundamentally a local business and that the most effective way for us to operate is by forging alliances with service providers in every market. We believe that these collaborations allow us to: 1) leverage our national presence with the local market expertise of brokers, developers, and property managers; 2) improve the operating efficiency and flexibility of our national portfolio; 3) strengthen customer satisfaction and retention; and 4) provide a continuous pipeline of growth.

2

We believe that our partners give us local market expertise and enormous flexibility allowing us to focus on our core competencies: developing and refining our strategic approach to real estate investment and management and raising private capital to finance growth and enhance returns to shareholders.

FINANCING STRATEGY

To maintain financial flexibility and facilitate the rapid deployment of capital over market cycles, we intend to operate with a debt-to-total market capitalization ratio of approximately 45% or less, although our organizational documents do not limit the amount of indebtedness that we may incur. Additionally, we intend to continue to structure our balance sheet to maintain investment-grade ratings. We also intend to keep the majority of our assets unencumbered to facilitate such ratings. As of December 31, 2000, our debt-to-total market capitalization ratio was 37.9% and our debt-to-total book capitalization ratio was 44.6%.

We have a \$500 million unsecured revolving credit agreement that currently bears interest at a rate equal to LIBOR plus 75 basis points. We use available borrowings under our unsecured credit facility for property acquisitions, developments, and for general corporate purposes. As of December 31, 2000, the available borrowings under our unsecured credit facility were \$284.0 million (excluding potential expansion capacity). See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources" and "Item 14. Note 6 of Notes to Consolidated Financial Statements" included in this report.

Currently, our principal sources of working capital and funding for acquisitions, development, expansion, and renovation of our properties include: 1) cash flow from operations; 2) borrowings under our unsecured credit facility; 3) other forms of secured or unsecured debt financing; 4) proceeds from equity

or debt offerings by us or the operating partnership (including issuances of units in the operating partnership or its subsidiaries); and 5) proceeds from divestitures of properties. Additionally, our co-investment program will also serve as a significant source of capital for acquisitions and developments.

GROWTH STRATEGIES

AMB Investment Management

AMB Investment Management, Inc. provides real estate investment management services on a fee basis to clients. The operating partnership holds all of the non-voting preferred stock of AMB Investment Management, which represents a 95% economic interest. All of the common stock of AMB Investment Management, Inc., which represents a 5% economic interest, is owned by our current or former executive officers and a former executive officer of AMB Investment Management, Inc.. AMB Investment Management, Inc. conducts its operations through AMB Investment Management Limited Partnership, a Maryland limited partnership, of which it is the sole general partner. We intend to grow this business through our co-investment program.

We co-invest with clients of AMB Investment Management, Inc., to the extent such clients newly commit investment capital, through partnerships, limited liability companies, or joint ventures. We currently use a co-investment formula with each client whereby we will own at least a 20% interest in all ventures. We currently have two co-investments. The first is a separate account co-investment venture, in which we own a 50% interest, with total gross book value at December 31, 2000, of \$214.1 million. The second is a co-investment fund, AMB Institutional Alliance Fund I, L.P., in which we owned at December 31, 2000, a 21% interest, with total gross book value at December 31, 2000, of \$339.5 million. In general, we control all significant operating and investment decisions of our co-investment entities.

Headlands Realty Corporation

Headlands Realty Corporation conducts a variety of businesses that include incremental income programs, such as our Customer Assist Program and, to a limited extent, development projects available for sale to third parties. The operating partnership holds all of the non-voting preferred stock of Headlands Realty Corporation, which represents a 95% economic interest. All of the common stock of Headlands Realty

3

Corporation, which represents a 5% economic interest, is owned by some of our current and former executive officers and a director of Headlands Realty Corporation.

Growth Through Operations

We seek to generate internal growth through rent increases on existing space and renewal on re-tenanted space, by maintaining a high occupancy rate of our properties and by controlling expenses by capitalizing on the economies of owning, operating, and growing a large national portfolio. As of December 31, 2000, our industrial properties and retail centers were 96.4% leased and 93.2% leased, respectively. During the 12 months ended December 31, 2000, we increased average base rental rates (on a cash basis) by 26.5% from the expiring rent for that space, on leases entered into or renewed during such period, representing approximately 12.1 million rentable square feet. Annualized base rent represents the monthly contractual amount under existing leases at the end of the year, multiplied by 12. This amount excludes expense reimbursements, rental abatements, and percentage rents.

Growth Through Acquisitions and Capital Redeployment

We believe that our significant acquisition experience, our alliance-based operating strategy, and our extensive network of property acquisition sources will continue to provide opportunities for external growth. We believe that our relationship with third party local property management firms through our Management Alliance Program also will create acquisition opportunities as such managers market properties on behalf of sellers. Our operating structure also enables us to acquire properties through our UPREIT Alliance Program in exchange for limited partnership units in the operating partnership, thereby enhancing our attractiveness to owners and developers seeking to transfer properties on a tax-deferred basis. In addition to acquisitions, we seek to redeploy capital from non-strategic assets into properties that better fit our current investment focus.

We are generally in various stages of negotiations for a number of acquisitions and dispositions, which may include acquisitions and dispositions of individual properties, acquisitions of large multi-property portfolios, and acquisitions of other real estate companies. There can be no assurance that we will consummate any of these acquisitions. Such transactions, if we consummate them, may be material individually or in the aggregate. Sources of capital for acquisitions may include undistributed cash flow from operations, borrowings under the credit facility, other forms of secured or unsecured debt financing,

issuances of debt or equity securities by us or the operating partnership (including issuances of units in the operating partnership or its subsidiaries), proceeds from divestitures of properties, and assumption of debt related to the acquired properties.

Growth Through Development

We believe that renovation and expansion of value-added properties and development of well-located, high-quality industrial properties should continue to provide us with attractive opportunities for increased cash flow and a higher rate of return than we may obtain from the purchase of fully leased, renovated properties. Value-added properties are typically characterized as properties with available space or near-term leasing exposure, undeveloped land acquired in connection with another property that provides an opportunity for development, or properties that are well-located but require redevelopment or renovation. Value-added properties require significant management attention or capital investment to maximize their return. We have developed the in-house expertise to create value through acquiring and managing value-added properties and believe that our national market presence and expertise will enable us to continue to generate and capitalize on these opportunities. Through our Development Alliance Program, we have established strategic alliances with national and regional developers to enhance our development capabilities.

The multidisciplinary backgrounds of our employees provide us with the skills and experience to capitalize on strategic renovation, expansion, and development opportunities. Several of our officers have extensive experience in real estate development, both with us and with national development firms. We generally pursue development projects in joint ventures with local developers. This way, we leverage the development skill, access to opportunities, and capital of such developers, transferring a significant amount of

4

the development risk to them and eliminating the need and expense of an in-house development staff. Under a typical joint venture agreement with a Development Alliance Partner, we would fund 95% of the construction costs and our partner would fund 5%. Upon completion, we generally would purchase our partner's interest in the joint venture.

As of December 31, 2000, we had committed to invest \$278.5 million to develop an estimated 5.9 million rentable square feet. Approximately \$243.4 million of this investment is through our Development Alliance Program. See Item 2. Properties -- "Operating and Leasing Statistics -- Development Pipeline."

5

BUSINESS RISKS

See: "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations -- Business Risks" for a complete discussion of the various risks that could adversely affect us.

ITEM 2. PROPERTIES

The properties that we owned as of December 31, 2000, are divided into two operating divisions, consisting of 27 identifiable markets. We have provided this breakdown for external reporting purposes only. It reflects the key markets of interest to our stockholders and does not reflect how we are operationally managed. See "Item 14. Note 14 of Notes to Consolidated Financial Statements" for segment information related to our operations.

INDUSTRIAL PROPERTIES

At December 31, 2000, we owned 862 industrial buildings aggregating approximately 75.8 million rentable square feet, located in 27 markets nationwide. Our industrial properties accounted for \$414.3 million, or 96.3%, of our total annualized base rent at December 31, 2000. Our industrial properties were 96.4% leased to over 2,850 customers, the largest of which accounted for no more than 1.3% of our annualized base rent from our industrial properties.

Property Characteristics. Our industrial properties, which consist primarily of warehouse distribution facilities suitable for single or multiple customers, are typically comprised of multiple buildings. The following table identifies characteristics of our typical industrial buildings:

<TABLE>
<CAPTION>

	TYPICAL BUILDING	TYPICAL RANGE
<S>	<C>	<C>
Rentable square feet.....	100,000	75,000 - 200,000
Clear height.....	24 ft	16 - 32 ft.
Building depth.....	200 ft	120 - 300 ft.
Truck court depth.....	110 ft	90 - 130 ft.
Loading dock & grade.....	Dock or Dock & Grade	

Parking spaces per 1,000 square feet.....	1.0	0.5 - 2.0
Doors per 1,000 square feet.....	0.2	0.1 - 2.0
Square footage per tenant.....	35,000	15,000 - 150,000
Office finish.....	8%	3% - 20%
Site coverage.....	40%	35% - 50%

</TABLE>

Lease Terms. Our industrial properties are typically subject to lease on a "triple net basis," in which customers pay their proportionate share of real estate taxes, insurance, and operating costs, or subject to leases on a "modified gross basis," in which customers pay expenses over certain threshold levels. Lease terms typically range from three to ten years, with an average of six years, excluding renewal options. The majority of the industrial leases do not include renewal options.

Overview of Major Target Markets. Our industrial properties are located near key passenger and air cargo airports, key interstate highways, and ports in major metropolitan areas, such as Atlanta, Chicago, Dallas/Fort Worth, Northern New Jersey, the San Francisco Bay Area, Southern California, Miami, and Seattle. We believe our industrial properties' strategic location, transportation network and infrastructure, and large consumer and manufacturing bases support strong demand for industrial space. According to statistics published by CB Richard Ellis/Torto Wheaton Research, the national hub markets listed below are six of the nation's eight largest warehouse markets and, as of December 31, 2000, comprised 43.2% of the warehouse inventory of the 47 industrial markets tracked. According to statistics published by Regional Financial Associates, as of December 31, 2000, the combined population of these markets was 45.6 million and the amount of per capita warehouse space was 22.7% above the average for those 47 industrial markets.

6

Within these metropolitan areas, our industrial properties are concentrated in locations with limited new construction opportunities within established, relatively large submarkets, which we believe should provide a higher rate of occupancy and rent growth than properties located elsewhere. These in-fill locations are typically near major passenger and air cargo facilities, seaports or convenient to major highways and rail lines, and are proximate to a diverse labor pool. There is typically broad demand for industrial space in these centrally located submarkets due to a diverse mix of industries and types of industrial uses, including warehouse distribution, light assembly and manufacturing. We generally avoid locations at the periphery of metropolitan areas where there are fewer supply constraints. Small metropolitan areas or cities without a heavy concentration of warehouse activity typically have few, if any, supply-constrained locations (those areas typified by significant population densities, a limited number of existing industrial customers and a low availability of land which could be developed into competitive space for additional industrial customers).

INDUSTRIAL MARKET OPERATING STATISTICS

As of December 31, 2000, we operated in six hub markets, in addition to 21 other markets nationwide. The following table represents properties in which we own a fee simple interest or a controlling interest (consolidated), and excludes properties in which we only own a non-controlling interest (unconsolidated) and properties under development.

<TABLE>
<CAPTION>

TOTAL HUB MARKETS	NO. NEW		SAN		SOUTHERN		
	ATLANTA	CHICAGO	DALLAS/ FT. WORTH	JERSEY/ NEW YORK	FRANCISCO BAY AREA	CALIFORNIA	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Square feet owned.....	5,140,876	7,497,472	5,933,777	5,985,300	8,771,331	9,553,425	
42,882,181							
Occupancy Percentage.....	98.0%	94.6%	92.5%	95.8%	99.8%	96.9%	
96.5%							
Annualized base rent.....	\$ 21,327	\$ 29,662	\$ 24,597	\$ 35,905	\$ 76,625	\$ 48,840	\$
236,956							
Annualized base rent per square foot.....	\$ 4.23	\$ 4.18	\$ 4.48	\$ 6.26	\$ 8.75	\$ 5.28	\$
5.73							
Lease expirations as a percentage of ABR:							
2001.....	17.5%	14.1%	14.5%	19.5%	11.9%	12.8%	
14.0%							
2002.....	17.2%	13.6%	18.8%	9.3%	12.7%	13.1%	
13.4%							
2003.....	15.1%	24.9%	20.0%	14.6%	13.1%	15.8%	
16.0%							
Weighted average lease terms							

Original.....	4.9 years	7.7 years	5.8 years	7.1 years	5.4 years	6.8 years	6.3
years							
Remaining.....	3.2 years	3.9 years	3.3 years	3.7 years	3.3 years	4.0 years	3.6
years							
Tenant Retention (Year-to-date).....	67.5%	66.1%	58.9%	67.6%	54.8%	53.8%	
60.1%							
Rent increases on renewals and rollovers.....	6.5%	7.9%	10.3%	13.7%	70.5%	17.7%	
32.6%							
Same store cash basis NOI growth.....	6.1%	5.6%	9.7%	0.2%	22.3%	4.4%	
11.3%							
Square feet owned in same store pool.....	3,196,631	6,855,380	4,622,049	2,162,051	6,162,270	4,887,057	
27,885,438							

<CAPTION>

	TOTAL OTHER MARKETS	TOTAL
	-----	-----
<S>	<C>	<C>
Square feet owned.....	32,913,808	75,795,989
Occupancy Percentage.....	96.3%	96.4%
Annualized base rent.....	\$ 177,356	\$ 414,312
Annualized base rent per square foot.....	\$ 5.60	\$ 5.67
Lease expirations as a percentage of ABR:		
2001.....	19.2%	16.0%
2002.....	15.7%	14.3%
2003.....	14.2%	15.3%
Weighted average lease terms		
Original.....	6.6 years	6.4 years
Remaining.....	3.4 years	3.5 years
Tenant Retention (Year-to-date).....	57.3%	59.0%
Rent increases on renewals and rollovers.....	11.6%	25.6%
Same store cash basis NOI growth.....	4.7%	8.5%
Square feet owned in same store pool.....	24,259,912	52,145,350

</TABLE>

- (1) We also have a majority ownership interest in 36 industrial buildings totaling an aggregate of approximately 4.0 million square feet in the Chicago market through its investment in an unconsolidated joint venture.
- (2) Excludes properties purchased or developed after December 31, 1998.

INDUSTRIAL PROPERTY SUMMARY

As of December 31, 2000, our 862 industrial buildings were diversified across 27 markets nationwide. The average age of our industrial properties is 17 years (since the property was built or substantially renovated), which we believe should result in lower operating costs over the long term. The following table represents properties in which we own a fee simple interest or a controlling interest (consolidated), and excludes properties in which we only own a non-controlling interest (unconsolidated).

<TABLE>

<CAPTION>

NUMBER INDUSTRIAL PROPERTIES LEASES	NUMBER OF BUILDINGS	TOTAL RENTABLE SQUARE FEET	PERCENTAGE OF TOTAL RENTABLE SQUARE FEET	PERCENTAGE LEASED	ANNUALIZED BASE RENT (000'S) (1)	PERCENTAGE OF TOTAL ANNUALIZED BASE RENT	OF
-----	-----	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>	
<C>							
HUB MARKETS:							
Atlanta.....	48	5,140,876	6.8%	98.0%	\$ 21,327	5.1%	
152							
Chicago.....	82	7,497,472	9.9	94.6	29,662	7.2	
176							
Dallas/Ft. Worth.....	71	5,933,777	7.8	92.5	24,597	5.9	
242							
Northern New Jersey/New York City.....	69	5,985,300	7.9	95.8	35,905	8.7	

240	San Francisco Bay Area.....	121	8,771,331	11.6	99.8	76,625	18.5
350	Southern California.....	121	9,553,425	12.6	96.9	48,840	11.8
293		---	-----	-----	-----	-----	-----
-----	Subtotal/Weighted Average...	512	42,882,181	56.6	96.5	236,956	57.2
1,453	OTHER MARKETS:						
	Austin.....	8	1,075,316	1.4	100.0	8,588	2.1
28	Baltimore/Washington D.C.	63	4,140,720	5.5	98.8	30,920	7.5
297	Boston.....	40	4,788,548	6.2	99.8	22,172	5.4
65	Charlotte.....	12	831,974	1.1	99.0	3,894	0.9
34	Cincinnati.....	6	811,693	1.1	100.0	2,742	0.7
13	Columbus.....	2	465,433	0.6	100.0	1,410	0.3
2	Dayton.....	5	125,575	0.2	88.3	792	0.2
9	Houston.....	26	2,420,513	3.2	91.6	8,298	2.0
126	Jacksonville.....	1	50,200	0.1	57.9	202	0.0
5	Kansas City.....	2	159,249	0.2	89.4	1,602	0.4
11	Memphis.....	17	1,883,845	2.5	82.8	8,408	2.0
49	Miami.....	47	4,342,361	5.7	97.2	32,718	7.9
220	Minneapolis.....	42	4,441,147	5.9	95.8	17,577	4.2
205	Nashville.....	2	375,317	0.5	100.0	1,074	0.3
5	New Orleans.....	5	411,689	0.5	95.7	1,859	0.4
48	Newport News.....	1	60,215	0.1	100.0	717	0.2
3	Orlando.....	19	1,845,494	2.4	94.7	7,093	1.7
80	Philadelphia.....	1	83,148	0.1	90.8	1,743	0.4
19	Portland.....	5	676,104	0.9	98.4	2,805	0.7
10	San Diego.....	5	276,167	0.4	92.1	1,984	0.5
17	Seattle.....	41	3,649,100	4.8	96.9	20,758	5.0
157		---	-----	-----	-----	-----	-----
-----	Subtotal/Weighted Average...	350	32,913,808	43.4	96.3	177,356	42.8
1,403		---	-----	-----	-----	-----	-----
-----	Total/Weighted Average.....	862	75,795,989	100.0%	96.4%	\$414,312	100.0%
2,856		===	=====	=====	=====	=====	=====
=====							

<CAPTION>

INDUSTRIAL PROPERTIES	ANNUALIZED BASE RENT PER LEASED SQUARE FOOT
-----	-----
<S>	<C>
HUB MARKETS:	
Atlanta.....	\$ 4.23
Chicago.....	4.18
Dallas/Ft. Worth.....	4.48
Northern New Jersey/New York City.....	6.26
San Francisco Bay Area.....	8.75
Southern California.....	5.28

Subtotal/Weighted Average...	5.73
OTHER MARKETS:	
Austin.....	7.99
Baltimore/Washington D.C.	7.53
Boston.....	4.64

Charlotte.....	4.73
Cincinnati.....	3.38
Columbus.....	3.03
Dayton.....	7.14
Houston.....	3.74
Jacksonville.....	6.95
Kansas City.....	11.25
Memphis.....	5.39
Miami.....	7.75
Minneapolis.....	4.13
Nashville.....	2.86
New Orleans.....	4.72
Newport News.....	11.91
Orlando.....	4.06
Philadelphia.....	23.09
Portland.....	4.22
San Diego.....	7.80
Seattle.....	5.87

Subtotal/Weighted Average...	5.60

Total/Weighted Average.....	\$ 5.67
	=====

</TABLE>

(1) Annualized base rent represents the monthly contractual amount under existing leases at December 31, 2000, multiplied by 12. This amount excludes expense reimbursements and rental abatements.

8

INDUSTRIAL PROPERTY LEASE EXPIRATIONS

The following table summarizes the lease expirations for our industrial properties for leases in place as of December 31, 2000, without giving effect to the exercise of renewal options or termination rights, if any, at or prior to the scheduled expirations.

<TABLE>
<CAPTION>

YEAR OF LEASE EXPIRATION(1)	RENTABLE SQUARE FEET	ANNUALIZED BASE RENT (000S) (2)	PERCENTAGE OF ANNUALIZED BASE RENT
-----	-----	-----	-----
<S>	<C>	<C>	<C>
2001 (3) (4).....	12,805,291	\$ 74,373	16.0%
2002.....	12,525,395	66,209	14.3
2003.....	13,027,351	70,840	15.3
2004.....	10,180,364	61,426	13.2
2005.....	9,515,495	62,256	13.4
2006.....	4,555,886	25,398	5.5
2007.....	3,439,674	22,604	4.9
2008.....	1,968,841	14,812	3.2
2009.....	2,798,547	16,122	3.5
2010.....	2,721,071	32,038	6.9
Thereafter.....	1,865,629	17,683	3.8
	-----	-----	-----
Total/Weighted Average.....	75,403,544	\$463,761	100.0%
	=====	=====	=====

</TABLE>

(1) Schedule includes executed leases that commence after December 31, 2000. Schedule excludes leases expiring December 31, 2000.

(2) Calculated as monthly rent at expiration multiplied by 12.

(3) Includes 1,640,579 square feet of month-to-month leases.

(4) Includes leases expiring January 1, 2001, through December 31, 2001.

9

CUSTOMER INFORMATION

Largest Property Customers. Our 25 largest property customers by annualized base rent are set forth in the table below.

<TABLE>
<CAPTION>

NUMBER OF	AGGREGATE RENTABLE	PERCENTAGE OF AGGREGATE LEASED	ANNUALIZED BASE RENT	PERCENTAGE OF AGGREGATE ANNUALIZED
--------------	-----------------------	--------------------------------------	-------------------------	--

INDUSTRIAL CUSTOMER NAME(1)	LEASES	SQUARE FEET	SQARE FEET(2)	(000S)	BASE RENT(3)
<S>	<C>	<C>	<C>	<C>	<C>
Federal Express Corporation.....	22	464,593	0.6%	\$ 5,374	1.3%
Webvan Group, Inc.....	5	1,021,819	1.4	5,080	1.2
Harmonic Inc.....	3	246,864	0.3	4,253	1.0
International Paper Company.....	8	443,106	0.6	3,452	0.8
CNF Transportation, Inc.....	7	536,170	0.7	2,902	0.7
Wells Fargo Bank NA.....	4	302,290	0.4	2,782	0.7
United States Postal Service.....	7	475,255	0.7	2,107	0.5
Air Express International.....	8	280,659	0.4	2,101	0.5
Ultrabrand Fiber Optics, Inc.....	1	47,417	0.1	1,915	0.5
Alza Corporation.....	4	129,449	0.2	1,908	0.5
Shaw Industries.....	4	399,004	0.5	1,821	0.4
Sage Enterprises.....	4	245,289	0.3	1,781	0.4
Rite Aid.....	2	524,840	0.7	1,778	0.4
Home Depot USA, Inc.....	4	476,026	0.7	1,777	0.4
Tech Data.....	2	224,019	0.3	1,775	0.4
Adaptive Broadband Corporation.....	1	41,472	0.1	1,742	0.4
Corvis Corporation.....	4	142,283	0.2	1,703	0.4
FMI International LLC.....	1	315,000	0.4	1,701	0.4
Dell USA, LP.....	2	285,000	0.4	1,700	0.4
C&S Wholesale Grocers, Inc.....	4	167,813	0.2	1,634	0.4
Cosmair.....	1	303,843	0.4	1,595	0.4
Calvin Klein Jeanswear.....	1	326,500	0.4	1,585	0.4
Boeing Company.....	4	223,745	0.3	1,536	0.4
Wakefern Food Corporation.....	3	419,901	0.6	1,533	0.4
Boise Cascade Corporation.....	3	400,655	0.6	1,506	0.4
Total/Weighted Average.....		8,443,642	11.0%	\$57,041	13.3%

</TABLE>

(1) Tenant(s) may be a subsidiary of or an entity affiliated with the named customer.

(2) Computed as aggregate rentable square feet divided by the aggregate leased square feet of our industrial and retail properties.

(3) Computed as annualized base rent divided by the aggregate annualized base rent of our industrial and retail properties.

10

RETAIL PROPERTIES

At December 31, 2000, we owned eight retail centers aggregating approximately 1.2 million rentable square feet. Our retail properties accounted for \$15.9 million, or 3.7%, of annualized base rent at December 31, 2000. Our retail properties were 93.2% leased to over 170 customers. Our retail properties have an average age of two years since built, expanded, or renovated.

During 2000, we sold one retail center, totaling approximately 0.4 million rentable square feet. As of December 31, 2000, we had one retail center, aggregating approximately 0.3 million rentable square feet, which we held for divestiture.

RETAIL PROPERTY SUMMARY

The following table sets forth the rentable square footage of our retail centers as of December 31, 2000, and represents properties in which we own a fee simple interest or a controlling interest (consolidated), and excludes properties in which we only own a non-controlling interest (unconsolidated).

<TABLE>

<CAPTION>

RETAIL PROPERTIES	TOTAL RENTABLE SQUARE FEET	PERCENTAGE LEASED	ANNUALIZED BASE RENT (000'S) (1)	NUMBER OF LEASES	ANNUALIZED BASE RENT PER LEASED SQUARE FOOT(2)
<S>	<C>	<C>	<C>	<C>	<C>
Around Lenox.....	121,348	83.1%	\$ 2,118	15	\$21.00
Howard & Western S.C.(4).....	88,798	74.0	858	8	13.07
Kendall Mall(3)(6).....	278,759	93.8	4,540	45	17.36
Mazzeo Drive.....	88,420	100.0	717	1	8.11
Northridge Plaza(3)(4).....	173,919	92.5	2,226	30	13.84
Palm Aire(3)(4).....	125,946	95.4	1,537	26	12.80
Springs Gate(3)(5).....	n/a	n/a	n/a	n/a	n/a
The Plaza at Delray(3).....	331,863	99.4	3,916	46	11.87
Total/Weighted Average.....	1,209,053	93.2%	\$15,912	171	\$14.11

</TABLE>

- (1) Annualized base rent means the monthly contractual amount under existing leases at December 31, 2000, multiplied by 12. This amount excludes expense reimbursements, rental abatements, and percentage rents.
- (2) Calculated as total Annualized Base Rent divided by total rentable square feet actually leased as of December 31, 2000.
- (3) We hold an interest in this property through a joint venture interest in a limited partnership.
- (4) This property is being redeveloped. All calculations are based on rentable square feet existing as of December 31, 2000.
- (5) This property consists of land held for future development.
- (6) This property is being held for divestiture as of December 31, 2000.

11

OPERATING AND LEASING STATISTICS

TOTAL PORTFOLIO SUMMARY

The following table summarizes key operating and leasing statistics for all of our properties as of and for the year ended December 31, 2000.

OPERATING AND LEASING STATISTICS (1)

<TABLE>
<CAPTION>

	INDUSTRIAL	RETAIL	TOTAL
	-----	-----	-----
<S>	<C>	<C>	<C>
Square feet owned at December 31, 2000(2)...	75,795,989	1,209,053	77,005,042
Occupancy percentage at December 31, 2000.....	96.4%	93.2%	96.3%
Weighted average lease term:			
Original.....	6.4 years	13.8 years	6.5 years
Remaining.....	3.5 years	10.1 years	3.6 years
Tenant retention:			
-- Year-to-date (13.3 million SF expired).....	59.0%	45.1%	58.9%
Rent increases on renewals and rollovers:			
-- Year-to-date (12.1 million SF leased).....	25.6%	202.6%	26.5%
Second generation tenant improvements and leasing commissions per sq. ft.(3):			
-- Year-to-date:			
Renewals.....	\$ 1.25	\$ 0.20	\$ 1.24
Re-tenanted.....	2.27	0.07	2.23
Weighted average.....	\$ 1.86	\$ 0.09	\$ 1.84
	=====	=====	=====
Recurring capital expenditures:			
-- Year-to-date:			
Tenant improvements.....	\$ 10,237	\$ 1,387	\$ 11,624
Lease commissions.....	17,679	--	17,679
Building improvements.....	11,031	239	11,270
Total.....	\$ 38,947	\$ 1,626	\$ 40,573
	=====	=====	=====

</TABLE>

- (1) Includes all consolidated operating properties and excludes industrial development and renovation projects.
- (2) In addition to owned square feet as of December 31, 2000, we manage, through our subsidiary, AMB Investment Management, Inc., 3.7 million, 0.6 million, and 0.1 million additional square feet of industrial, retail, and other properties, respectively. We also have an investment in 4.0 million square feet of industrial properties through our investment in an unconsolidated joint venture.
- (3) Consists of all leases renewing or re-tenanting with lease terms greater than one year.

12

SAME STORE SUMMARY

The following table summarizes key operating and leasing statistics for our

same store properties as of and for the year ended December 31, 2000. For an explanation of our same store properties, see "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Results of Operations."

<TABLE>
<CAPTION>

	INDUSTRIAL	RETAIL	TOTAL
	-----	-----	-----
<S>	<C>	<C>	<C>
Square feet in same store pool.....	52,145,350	367,179	52,512,529
% of total square feet.....	68.8%	30.4%	68.2%
Occupancy percentage at December 31, 2000.....	96.8%	95.3%	96.7%
at December 31, 1999.....	96.2%	97.8%	96.2%
Tenant retention:			
-- Year-to-date (11.0 million SF expired).....	59.2%	18.9%	58.9%
Rent increases on renewals and rollovers:			
-- Year-to-date (9.8 million SF leased).....	27.0%	215.0%	28.0%
Cash basis net operating income growth %			
increase(1)			
-- Year-to-date: Revenues.....	7.3%	1.7%	7.2%
Expenses.....	3.5%	3.9%	3.5%
NOI.....	8.5%	1.0%	8.4%

</TABLE>

(1) Net operating income, or NOI, consists of rental revenues, including reimbursements and excluding straight-line rents, less property level operating expenses.

HISTORICAL OCCUPANCY RATES, AVERAGE BASE RENTS, RENT INCREASES, AND TENANT RETENTION RATES

The following table sets forth weighted average occupancy rates and average base rents based on square feet leased of our industrial properties and retail centers as of and for the periods presented. The following table also sets forth information relating to tenant retention rates and average rent increases (cash basis) on renewal and re-tenanted space for our industrial properties and retail properties for the periods presented.

<TABLE>
<CAPTION>

	INDUSTRIAL	RETAIL	TOTAL
	-----	-----	-----
<S>	<C>	<C>	<C>
OCCUPANCY RATES:			
2000.....	96.4%	93.2%	96.3%
1999.....	95.9%	92.4%	95.9%
1998.....	96.0%	94.6%	95.8%
ANNUALIZED BASE RENT PER SQUARE FOOT(1):			
2000.....	\$5.67	\$14.12	n/a
1999.....	\$4.89	\$13.19	n/a
1998.....	\$4.55	\$11.98	n/a
RENTAL INCREASES:			
2000.....	25.6%	202.6%	26.5%
1999.....	12.9%	6.8%	12.5%
1998.....	14.6%	13.3%	14.3%
TENANT RETENTION RATES:			
2000.....	59.0%	45.1%	58.9%
1999.....	72.0%	40.8%	72.0%
1998.....	74.8%	84.1%	75.4%

</TABLE>

(1) Annualized base rent per square foot represents the total annualized contractual base rental revenue for the period divided by the average occupied square feet leased at December 31.

RECURRING TENANT IMPROVEMENTS AND LEASING COMMISSIONS PER SQUARE FOOT LEASED

The table below summarizes for our industrial properties and retail properties, separately, the recurring tenant improvements and leasing commissions per square feet leased for the years ended December 31. The recurring tenant improvements and leasing commissions represent costs incurred to lease space after the initial lease term of the initial customer, excluding costs incurred to relocate customers as part of a re-tenanting strategy. The tenant improvements and leasing commissions set forth below are not necessarily indicative of future tenant improvements and leasing commissions.

<TABLE>
<CAPTION>

	2000	1999	1998	WEIGHTED AVERAGE
--	------	------	------	---------------------

	<C>	<C>	<C>	<C>
<S>				
INDUSTRIAL PROPERTIES:				
Expenditures per renewed square foot leased.....	\$1.25	\$1.22	\$0.92	\$1.14
Expenditures per re-tenanted square foot leased.....	2.27	2.74	2.08	2.37
Weighted average.....	\$1.86	\$1.64	\$1.10	\$1.62
RETAIL PROPERTIES:				
Expenditures per renewed square foot leased.....	\$0.20	\$1.26	\$1.34	\$1.22
Expenditures per re-tenanted square foot leased.....	0.07	2.55	9.99	2.92
Weighted average.....	\$0.09	\$1.37	\$2.64	\$1.69
TOTAL PROPERTIES:				
Expenditures per renewed square foot leased.....	\$1.24	\$1.22	\$0.95	\$1.14
Expenditures per re-tenanted square foot leased.....	2.23	2.74	2.47	2.38
Weighted average.....	\$1.84	\$1.64	\$1.18	\$1.62

14

DEVELOPMENT PIPELINE

The following table sets forth the properties owned by us as of December 31, 2000, which were undergoing renovation, expansion, or new development. No assurance can be given that any of such projects will be completed on schedule or within budgeted amounts.

INDUSTRIAL DEVELOPMENT AND RENOVATION DELIVERIES
(DOLLARS IN THOUSANDS)

<TABLE>						
<CAPTION>						
OUR OWNERSHIP	PROJECT	LOCATION	DEVELOPMENT ALLIANCE PARTNER (TM)	ESTIMATED STABILIZATION DATE	ESTIMATED TOTAL INVESTMENT	ESTIMATED SQUARE FEET AT COMPLETION
PERCENTAGE						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
2001 DELIVERIES						
50%	1. Pico Rivera (Phase I).....	Pico Rivera, CA	Majestic Realty	February	\$ 24,300	520,000
21%	2. Northbrook Distribution Center(1).....	Suwanee, GA	Seefried Properties	March	5,700	150,000
100%	3. Edgewater Industrial Center(1).....	Oakland, CA	None	March	21,500	397,000
95%	4. DFW II/Air Cargo.....	Dallas, TX	Trammell Crow Company	May	18,100	189,000
49%	5. LA Media Tech Center.....	Los Angeles, CA	Legacy Partners	June	40,800	399,000
100%	6. Port Northwest Industrial Park (PhI).....	Houston, TX	Dienna Nelson Augustine	December	12,400	368,000
95%	7. Portland Air Cargo.....	Portland, OR	Trammell Crow Company	December	11,800	160,000
Total 2001 Deliveries.....					134,600	2,183,000
71%	% Pre-leased/ funded-to-date.....				107,700 (2)	56%
2002 DELIVERIES						
	8. Cabot Business Park		National Development			

(Lot 1-2).....		of NE			
90%	Mansfield, MA		January	15,300	118,000
9. Van Nuys (Phase I).....		Trammell Crow Company			
	Van Nuys, CA		February	34,800	490,000
95%					
10. Dulles Airport park (Phase I).....	Dulles, VA	Seefried Properties	February	12,100	168,000
21%					
11. Southfield Logistics Center(1).....	Forest Park, GA	None	March	16,800	795,000
21%					
12. Carson Town Center, NE.....	Carson, CA	Mar Ventures	April	11,200	176,000
95%					
13. Suwanee Creek (Phase IV).....	Atlanta, GA	Seefried Properties	June	7,700	230,000
100%					
14. Monte Vista Spectrum.....	Chino, CA	Majestic Realty	June	23,200	577,000
50%					
15. Dulles Airport park (Phase II).....	Dulles, VA	Seefried Properties	July	5,700	77,000
21%					
16. Dulles Airport park (Phase III).....	Dulles, VA	Seefried Properties	November	6,200	84,000
21%					
17. Houston Air Cargo.....	Houston, TX	Trammell Crow Company	December	11,400	156,000
19%					
---				-----	-----
Total 2002 Deliveries.....				144,400	2,871,000
61%					
% Pre-leased/ funded-to-date.....				47,800 (2)	24%
2003 DELIVERIES					
18. Carson Town Center, SE.....	Carson, CA	Mar Ventures	March	21,500	329,000
95%					
19. Dulles Airport park (Phase IV).....	Dulles, VA	Seefried Properties	June	5,400	71,000
21%					
---				-----	-----
Total 2003 Deliveries.....					26,900
400,000					
				-----	-----
% Pre-leased/ funded-to-date.....				7,400 (2)	0%
Total Scheduled Deliveries(3).....				\$305,900	5,454,000
% Pre-leased/ funded-to-date.....				162,900 (2)	35%

</TABLE>

(1) Represents a renovation project.

(2) As of December 31, 2000, our share of such amounts funded to date was \$76.5 million, \$29.0 million, and \$5.9 million, respectively, for a total of \$111.4 million funded to date.

(3) Excludes 250 acres of land and other acquisition-related costs totaling approximately \$23.1 million.

<TABLE>
<CAPTION>

ESTIMATED OUR

ESTIMATED

ESTIMATED

OWNERSHIP			DEVELOPMENT	STABILIZATION	SQUARE FEET AT	TOTAL
PROJECT (1)	LOCATION		ALLIANCE PARTNER (TM)	DATE	COMPLETION	
INVESTMENT (1)	PERCENTAGE					
<S>	<C>		<C>	<C>	<C>	<C>
<C>						
2001 DELIVERIES						
1. Northridge.....	Fort Lauderdale, FL		Lefmark	September	258,000	\$ 41,300
100%						
2. Around Lenox.....	Atlanta, GA		Alpine Partners	October	121,000	24,900
90%						
3. Howard & Western....	Chicago, IL		None	October	89,000	10,100
100%						
Total Scheduled Deliveries.....					468,000	\$
76,300	97%					
% Pre-leased/ funded-to-date...					84%	
63,600(2)						

(1) Excludes 39 acres of land and other acquisition costs totaling \$13.2 million, which represents future phases of current projects which have not been committed to, or for which final project planning has not been completed, and other land inventory.

(2) As of December 31, 2000, our share of amounts funded to date was \$61.5 million.

HEADLANDS REALTY CORPORATION (1)
DEVELOPMENT PROJECTS HELD FOR SALE
(DOLLARS IN THOUSANDS)

ESTIMATED			DEVELOPMENT	STABILIZATION	SQUARE FEET AT	TOTAL
PROJECT (2)	MARKET		ALLIANCE PARTNER (TM)	DATE	COMPLETION	
INVESTMENT (3)						
<S>	<C>		<C>	<C>	<C>	<C>
2001 DELIVERIES						
1. Cabot Business Park.....	Boston		National Development	April	98,000	\$
8,200						
2. Watertown Business	Boston		of NE Campanelli	August	201,000	
Park.....						
41,400						
Total 2001 Deliveries.....					299,000	
49,600						
% Pre-leased/ funded-to-date....					100%	
23,000						
2003 DELIVERIES						
3. Carson Town Center SW....	Southern California		Mar Ventures	March	412,000	
20,300						
% Pre-leased/ funded-to-date....					0%	
10,500						
Total Scheduled Deliveries.....					711,000	
\$69,900						
% Pre-leased/ funded-to-date....					42%	
33,500						

<CAPTION>

HEADLAND'S

PROJECT (2)	OWNERSHIP PERCENTAGE
-----	-----
<S>	<C>
2001 DELIVERIES	
1. Cabot Business Park.....	100%
2. Watertown Business Park.....	95%

Total 2001 Deliveries.....	96%
	===
% Pre-leased/ funded-to-date....	
2003 DELIVERIES	
3. Carson Town Center SW....	95%
% Pre-leased/ funded-to-date....	
Total Scheduled Deliveries.....	96%
	===
% Pre-leased/ funded-to-date....	

</TABLE>

- -----
- (1) Headlands Realty Corporation is one of our subsidiaries, in which we own a 95% economic interest.
 - (2) Headlands Realty Corporation currently intends to sell these properties within two years of completion.
 - (3) Includes land at market value and development fees and cost reimbursements that will be paid to us.

PROPERTIES HELD THROUGH JOINT VENTURES, LIMITED LIABILITY COMPANIES AND PARTNERSHIPS

Consolidated:

As of December 31, 2000, we held interests in joint ventures, limited liability companies, and partnerships with certain unaffiliated third parties through, which are consolidated in our consolidated financial statements. In certain cases such agreements provide that we are a limited partner or that the other party to the joint venture is principally responsible for day-to-day management of the property (although in all such cases, we have approval rights with respect to significant decisions involving the underlying properties). Under the agreements governing the joint ventures, we and the other party to the joint venture may be required to make additional capital contributions, and subject to certain limitations, the joint ventures may incur additional debt. Such agreements also impose certain restrictions on the transfer of joint venture interests by us or the other party to the joint venture and provide certain rights to us or the other party to the joint venture to sell its interest to the joint venture or to the other joint venture partner on terms specified in the agreement. All of the joint ventures terminate in 2024 or later, but may end earlier if a joint venture ceases to hold any interest in or have any obligations relating to the property held by the joint venture.

16

INDUSTRIAL CONSOLIDATED JOINT VENTURES
(DOLLARS IN THOUSANDS)

<TABLE>
<CAPTION>

PARTNERS' SHARE OF NOI	OUR OWNERSHIP PERCENTAGE	SQUARE FEET (1)	GROSS BOOK VALUE (2)	DEBT	JV PARTNERS'	JV
					SHARE OF DEBT	--
-----	-----	-----	-----	-----	-----	---
<S>	<C>	<C>	<C>	<C>	<C>	<C>
OPERATING PROPERTIES:						
SEPARATE ACCOUNT CO-INVESTORS (3)						
50%	1. Corporate Park/Hickory Hill.....	50%	858,322	\$ 27,697	\$ 16,325	\$ 8,162
50	2. Garland Industrial.....	50	1,020,523	35,304	19,600	9,800
50	3. Jamesburg.....	50	821,712	47,656	23,376	11,688
50	4. Minnetonka Industrial.....	50	515,915	29,301	12,286	6,143
50	5. South Point Business Park.....	50	343,536	22,043	10,725	5,363

50		--	-----	-----	-----	-----
--	Subtotal.....	50	3,560,008	162,001	82,312	41,156
50	ALLIANCE FUND I(4)					
79	6. Concord Industrial Portfolio.....	21	246,098	17,407	10,050	7,940
79	7. Diablo Industrial Park.....	21	294,255	15,318	9,900	7,821
79	8. Gateway Corporate Center.....	21	433,330	41,996	27,000	21,330
79	9. Gateway North.....	21	266,476	25,101	14,000	11,060
79	10. Oakland Ridge IV.....	21	51,664	3,276	--	--
79	11. Oakland Ridge VI.....	21	113,169	6,690	--	--
79	12. DFW International Air Cargo (Phase I).....	21	232,873	20,149	--	--
79	13. Bennington Corporate Center.....	21	81,824	10,861	--	--
79	14. DFW Airfreight Portfolio.....	21	272,795	9,700	--	--
79	15. JFK Air Cargo Portfolio.....	21	372,885	41,294	19,679	15,546
79	16. Gateway 58.....	21	123,912	13,203	--	--
79	17. Seattle Airport Industrial.....	21	41,657	2,580	--	--
79	18. Atlantic Distribution Center.....	21	180,000	6,239	4,000	3,160
79	19. Beacon Centre.....	21	422,566	29,661	17,861	14,110
69	20. TechRidge Corporate Center (Phase I)...	31	340,076	25,411	15,500	10,695
79	21. Harris Business Center.....	21	718,704	45,796	28,000	22,120
--	Subtotal.....	21	4,192,284	314,682	145,990	113,782
5	OTHER JOINT VENTURES					
5	22. North Great SW Industrial Park.....	95	215,000	10,673	--	--
5	23. North West Crossing Distribution Center.....	95	178,000	7,061	--	--
5	24. Orlando Central Park (Phase I).....	95	306,000	5,531	--	--
5	25. South River Park (Phases I and II).....	95	626,000	28,092	--	--
27	26. Hamilton Parkway (Nippon Express).....	73	148,941	6,361	--	--
13	27. Metric Center.....	87	397,440	44,521	--	--
10	28. Chancellor.....	90	201,600	6,477	2,796	280
5	29. AFCO Portfolio.....	95	896,767	97,775	41,131	2,056
--	Subtotal.....	92	2,969,748	206,491	43,927	2,336
8	Total Operating Properties.....		10,722,040	683,174	272,229	157,274
	DEVELOPMENT ALLIANCE JOINT VENTURES (5):					
	ALLIANCE FUND I(6)					
79	30. Southfield Logistics Center.....	21	795,000	14,226	--	--
79	31. Northbrook Distribution Center.....	21	244,000	5,804	--	--
79	32. Dulles Airport Park (Phases I-IV).....	21	400,000	4,411	--	--
74	33. Houston Air Cargo.....	26	156,000	394	--	--
--	Subtotal.....	21	1,595,000	24,835	--	--
	OTHER DEVELOPMENT ALLIANCE JOINT VENTURES					
51	34. LA Media Tech Center.....	49	399,000	52,058	19,782	10,089

10	35. Cabot Business Park (Phases I & II)....	90	284,000	23,664	--	--
5	36. DFW II Air Cargo.....	95	189,000	12,638	--	--
5	37. Portland Air Cargo.....	95	159,500	6,822	--	--
5	38. Van Nuys (Phase I).....	95	490,000	17,582	--	--
5	39. Carson Town Center, (NE & SE).....	95	505,000	9,775	--	--
--		--	-----	-----	-----	-----
26	Subtotal.....	74	2,026,500	122,539	19,782	10,089
			-----	-----	-----	-----
	Total Development Alliances.....		3,621,500	147,374	19,782	10,089
			-----	-----	-----	-----
	TOTAL INDUSTRIAL CONSOLIDATED JOINT VENTURES.....		14,343,540	\$830,548	\$292,011	\$167,363
			=====	=====	=====	=====

</TABLE>

17

-
- (1) For development properties, this represents estimated square feet at completion of development for committed phases of development and renovation projects.
 - (2) Represents the book value of the property (before accumulated depreciation) owned by the joint venture entity and excludes net other assets.
 - (3) These properties are owned by a single co-investment partnership between an institutional investor (50%) and us (50%). The institutional investor is a client of AMB Investment Management.
 - (4) Represents properties held by the Alliance Fund I, which is a co-investment partnership between the Alliance REIT I (79%) and us (21%). The Alliance REIT I is a client of AMB Investment Management.
 - (5) Excludes investments in 86.2 acres of land and other pre-development costs related to future phases of current projects, which have not been committed to, or for which final planning has not been completed.
 - (6) Represents a partnership between a Development Alliance Partner (5%) and the Alliance Fund I (95%), in which we have a 21% interest.

RETAIL CONSOLIDATED JOINT VENTURES
(DOLLARS IN THOUSANDS)

<TABLE>
<CAPTION>

PROPERTIES	MARKET	SQUARE FEET (1)	GROSS BOOK VALUE (2)	DEBT	JV PARTNERS' SHARE OF DEBT	JV PARTNERS' SHARE OF NOI
-----	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
DEVELOPMENT ALLIANCE JOINT VENTURES						
1. Around Lenox.....	Atlanta	120,000	\$ 20,391	\$10,012	\$ 1,000	10%
2. Northridge Plaza.....	Miami	259,000	38,205	--	--	0%
3. Palm Aire.....	Miami	133,000	19,425	7,145	1,022	0%
4. Springs Gate(4).....	Miami	--	16,918	--	--	0%
		-----	-----	-----	-----	-----
Subtotal.....		512,000	94,939	17,157	2,022	
OTHER JOINT VENTURES						
5. Kendall Mall(3).....	Miami	278,759	40,862	23,975	9,998	29%
6. Plaza Delray.....	Miami	331,863	37,925	22,557	4,534	2%
		-----	-----	-----	-----	-----
Subtotal.....		610,622	78,787	46,532	14,532	
		-----	-----	-----	-----	-----
Total.....		1,122,622	\$173,726	\$63,689	\$16,554	
		=====	=====	=====	=====	=====

</TABLE>

-
- (1) For development properties, this represents estimated square feet at completion of development project.
 - (2) Represents the book value of the property (before accumulated depreciation) owned by the joint venture entity and excludes net other assets.
 - (3) Included as part of retail properties held for divestiture.
 - (4) Represents 39 acres of land for future phases of current projects which have

not been committed to, or for which final project planning has not been completed.

We account for all of the above investments on a consolidated basis for financial reporting purposes because of our ability to exercise control over significant aspects of the investment, as well as our significant economic interest in the investments. See "Item 14. Note 2 of the Notes to Consolidated Financial Statements."

Unconsolidated:

As of December 31, 2000, we held interests in three equity investment joint ventures that are unconsolidated in our financial statements. The management and control over significant aspects of these investments are with the third party joint venture partner. In addition, as of December 31, 2000, we held two mortgage investments from which we receive interest income.

18

UNCONSOLIDATED JOINT VENTURES
AND MORTGAGE INVESTMENTS
(DOLLARS IN THOUSANDS)

<TABLE>
<CAPTION>

PROPERTIES	MARKET	TOTAL SQUARE FEET	OUR TOTAL INVESTMENT	OUR OWNERSHIP PERCENTAGE	OUR SHARE OF DEBT
-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
OPERATING JOINT VENTURES					
1. Elk Grove Du Page.....	Chicago	4,046,721	\$59,447	56%	\$16,333
DEVELOPMENT ALLIANCE JOINT VENTURES (1)					
2. Pico Rivera.....	Southern California	850,000	18,806	50%	12,469
3. Monte Vista Spectrum.....	Southern California	576,000	2,179	50%	--
		-----	-----		-----
Total.....		5,472,721	\$80,432		\$28,802
		=====	=====		=====

</TABLE>

<TABLE>
<CAPTION>

PROPERTIES	MARKET	MATURITY	MORTGAGE RECEIVABLE	RATE
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
MORTGAGE INVESTMENT				
1. Pier 1.....	SF Bay Area	March 1001	\$ 36,969	11.00%
2. Manhattan Village Shopping Center.....	Southern California	September 2001	79,000	8.75%

Total.....			\$115,969	
			=====	

</TABLE>

--
(1) Represents estimated square feet at completion of development project.

SECURED DEBT

As of December 31, 2000, we had \$930.4 million of indebtedness, net of unamortized premiums, secured by deeds of trust on 77 properties. As of December 31, 2000, the total gross investment value of those properties secured by debt was \$2.0 billion. Of the \$930.4 million of secured indebtedness, \$361.8 was joint venture debt. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources" and "Item 14. Note 6 of Notes to Consolidated Financial Statements" included in this report. We believe that as of December 31, 2000, the value of the properties securing the respective obligations in each case exceeded the principal amount of the outstanding obligations.

ITEM 3. LEGAL PROCEEDINGS

In the normal course of business, we are involved in legal actions relating to the ownership and operations of our properties. We do not expect the liabilities, if any, that may ultimately result from such legal actions to have a materially adverse effect on our consolidated financial position, results of operations, or cash flows.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

19

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED SHAREHOLDER MATTERS

Our common stock began trading on the New York Stock Exchange on November 21, 1997, under the symbol "AMB." Set forth below are the high and low sales prices per share of our common stock, as reported on the NYSE composite tape, and the distribution per share paid by us during the period from January 1, 1998, through December 31, 2000.

<TABLE>
<CAPTION>

	YEAR ----	HIGH -----	LOW -----	DISTRIBUTION -----
<S>		<C>	<C>	<C>
2000				
1st Quarter.....		\$21.50	\$19.25	\$0.37
2nd Quarter.....		23.63	21.25	0.37
3rd Quarter.....		24.94	23.00	0.37
4th Quarter.....		26.06	23.25	0.37
1999				
1st Quarter.....		22.94	20.50	0.35
2nd Quarter.....		23.50	20.56	0.35
3rd Quarter.....		23.00	20.00	0.35
4th Quarter.....		21.13	18.13	0.35
1998				
1st Quarter.....		24.94	23.38	0.34
2nd Quarter.....		25.00	22.38	0.34
3rd Quarter.....		25.81	22.69	0.34
4th Quarter.....		25.00	20.94	0.34

</TABLE>

20

ITEM 6. SELECTED FINANCIAL AND OTHER DATA

SELECTED COMPANY AND PREDECESSOR FINANCIAL AND OTHER DATA

The following table sets forth selected consolidated historical financial and other data for AMB Property Corporation and its predecessor on an historical basis for the years ended December 31, 2000, 1999, 1998, 1997, and 1996. Prior to November 26, 1997 (our initial public offering date), AMB Property Corporation's predecessor provided real estate investment management services to institutional investors.

<TABLE>
<CAPTION>

	AS OF AND FOR THE YEARS ENDED DECEMBER 31,				
	PREDECESSOR (3)		PRO FORMA (1)	HISTORICAL (2)	
	2000	1999	1997	1997	1997
<S>	<C>	<C>	<C>	<C>	<C>
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)					
OPERATING DATA					
Total revenues.....	\$ 477,707	\$ 448,183	\$ 358,887	\$ 284,674	\$ 56,062
\$23,991					
Income from operations before minority					
Interests.....	159,699	158,851	123,750	103,903	18,885
7,140					
Net income available to common					
stockholders.....	113,282	167,603	108,954	99,508	18,228
7,003					
Net income per common share:					
Basic(4).....	1.35	1.94	1.27	1.16	1.39
1.38					
Diluted(4).....	1.35	1.94	1.26	1.15	1.38
1.38					
Adjusted net income per share					
(diluted) (5).....	1.33	1.23	1.26	1.15	1.38
1.38					
Dividends per common share.....	1.48	1.40	1.37	1.37	0.13
OTHER DATA					
EBITDA(6).....	\$ 349,353	\$ 318,319	\$ 252,353	\$ 195,218	
Funds from operations(7).....	208,651	191,147	170,407	147,409	
Cash flows provided by (used in):					
Operating activities.....	261,175	190,391	177,180	131,621	
Investing activities.....	(726,499)	63,732	(793,366)	(607,768)	
Financing activities.....	452,370	(240,721)	604,202	553,199	

BALANCE SHEET DATA

Investments in real estate at cost.....	\$4,026,597	\$3,249,452	\$3,369,060	\$2,442,999
\$ --				
Total assets.....	4,425,626	3,621,550	3,562,885	2,506,255
7,085				
Total consolidated debt(8).....	1,836,276	1,270,037	1,368,196	685,652
--				
Our share of total debt.....	1,681,161	1,168,218	1,348,107	672,945
--				
Stockholders' equity.....	1,767,930	1,829,259	1,765,360	1,668,030
6,300				

</TABLE>

-
- (1) Pro forma 1997 financial and other data has been prepared as if our formation transactions, our initial public offering, and certain property acquisitions and divestitures in 1997 had occurred on January 1, 1997.
 - (2) The historical 1997 results represent our predecessor's historical financial and other data for the period January 1, 1997, through November 25, 1997. The financial and other data of AMB Property Corporation and the properties acquired in our formation transactions have been included from November 26, 1997 to December 31, 1997.
 - (3) Represents our predecessor's historical financial and other data for the year ended December 31, 1996. Our predecessor operated as an investment manager prior to November 26, 1997.
 - (4) Basic and diluted net income per share equals the net income available to common stockholders divided by 83,697,170 and 84,155,306 shares, respectively, for 2000; 86,271,862 and 86,347,487 shares, respectively, for 1999; 85,876,383 and 86,235,176 shares, respectively, for 1998; and pro forma net income divided by 85,874,513 and 86,156,556 shares, respectively, for 1997.
 - (5) Adjusted net income per share represents net income before gain on property dispositions, extraordinary items, and other one-time items. One-time items related to depreciation expense on assets held for sale.
 - (6) EBITDA is computed as income from operations before divestiture of properties and minority interests plus interest expense, income taxes, and depreciation and amortization. We believe that in addition to cash flows and net income, EBITDA is a useful financial performance measure for assessing the operating performance of an equity real estate investment trust because, together with net income and cash flows, EBITDA provides investors with an additional basis to evaluate the ability of a real estate investment trust to incur and service debt and to fund acquisitions and other capital expenditures. Includes an adjustment to reflect our pro rata share of EBITDA in an unconsolidated joint venture. EBITDA is not a measurement of operating performance calculated in accordance with accounting principles generally accepted in the United States and should not be considered as a substitute for operating income, net income, cash flows from operations, or other statement of operations or cash flow data prepared in accordance with accounting principles generally accepted in the United States. EBITDA may not be indicative of our historical operating results, nor be predictive of potential future results. While EBITDA is frequently used as a measure of operations and the ability to meet debt service requirements, it is not necessarily comparable to other similarly titled captions of other real estate investment trusts.
 - (7) Funds from Operations, or FFO, is defined as income from operations before minority interest, gains or losses from sale of real estate, and extraordinary losses plus real estate depreciation and adjustment to derive our pro rata share of the FFO of unconsolidated joint ventures, less minority interests' pro rata share of the FFO of consolidated joint ventures and perpetual preferred stock dividends. In accordance with the National Association of Real Estate Investment Trust White Paper on funds from operations, we include the effects of straight-line rents in funds from operations. We believe that funds from operations is an appropriate measure of performance for an equity real estate investment trust. While funds from operations is a relevant and widely used measure of operating performance of real estate investment trusts, it does not represent cash flow from operations or net income as defined by accounting principles generally accepted in the United States and it should not be considered as an alternative to these indicators in evaluating liquidity or operating performance. Further, funds from operations as disclosed by other real estate investment trusts may not be comparable.
 - (8) Secured debt includes unamortized debt premiums of approximately \$9.9 million, \$10.1 million, \$15.2 million, and \$18.3 million as of December 31, 2000, 1999, 1998, and 1997, respectively. See Notes 2 and 6 of the Notes to Consolidated Financial Statements.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our consolidated financial condition and results of operations in conjunction with the Notes to Consolidated Financial Statements. Statements contained in this discussion that are not historical facts may be forward-looking statements. You can identify forward-looking statements by the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," "seeks," "approximately," "intends," "plans," "pro forma," "estimates", or "anticipates" or the negative of these words and phrases or similar words or phrases. You can also identify forward-looking statements by discussions of strategy, plans, or intentions. Forward-looking statements involve numerous risks and uncertainties and you should not rely upon them as predictions of future events. There is no assurance that the events or circumstances reflected in forward-looking statements will be achieved or occur. Forward-looking statements are necessarily dependent on assumptions, data, or methods that may be incorrect or imprecise and we may not be able to realize them.

The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements:

- defaults or non-renewal of leases by tenants;
- increased interest rates and operating costs;
- our failure to obtain necessary outside financing;
- difficulties in identifying properties to acquire and in effecting acquisitions;
- our failure to successfully integrate acquired properties and operations;
- our failure to divest of properties that we have contracted to sell or to timely reinvest proceeds from any such divestitures;
- risks and uncertainties affecting property development and construction (including construction delays, cost overruns, our inability to obtain necessary permits, and public opposition to these activities);
- our failure to qualify and maintain our status as a real estate investment trust under the Internal Revenue Code of 1986;
- environmental uncertainties;
- risks related to natural disasters;
- financial market fluctuations;
- risks arising from the California energy shortage;
- changes in real estate and zoning laws; and
- increases in real property tax rates.

Our success also depends upon economic trends generally, including interest rates, income tax laws, governmental regulation, legislation, population changes, and those risk factors discussed in the section entitled "Business Risks" in this report. We caution you not to place undue reliance on forward-looking statements, which reflect our analysis only and speak as of the date of this report or as of the dates indicated in the statements.

GENERAL

We commenced operations as a fully integrated real estate company in connection with the completion of our initial public offering on November 26, 1997, and elected to be taxed as a real estate investment trust under Sections 856 through 860 of the Internal Revenue Code of 1986 with our initial tax return for the year ended December 31, 1997. AMB Property Corporation and the operating partnership were formed shortly before the consummation of our initial public offering.

RESULTS OF OPERATIONS

The analysis below includes changes attributable to acquisitions, development activity, and divestitures and the changes resulting from properties that we owned during both the current and prior year reporting periods, excluding development properties prior to being stabilized (defined as the earlier of 90% leased or 12 months after receipt of the certificate of occupancy). We refer to these properties as the same store properties. For the comparison between 2000 and 1999, the same store properties consisted of properties aggregating approximately 52.5 million square feet. The properties

acquired in 1999 consisted of 154 buildings, aggregating approximately 8.4 million square feet, and the properties acquired during 2000 consisted of 145 buildings, aggregating approximately 10.5 million square feet. In 1999, property divestitures consisted of 30 retail centers and 15 industrial buildings, aggregating approximately 6.6 million square feet, and property divestitures during 2000 consisted of 25 industrial buildings and one retail center, aggregating approximately 2.5 million square feet. Our future financial condition and results of operations, including rental revenues, may be impacted by the acquisition of additional properties and dispositions. Our future revenues and expenses may vary materially from their historical rates.

YEARS ENDED DECEMBER 31, 2000 AND 1999 (DOLLARS IN MILLIONS)

<TABLE>

<CAPTION>

RENTAL REVENUES	2000	1999	\$ CHANGE	% CHANGE
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Same store.....	\$314.4	\$293.3	\$ 21.1	7.2%
1999 acquisitions.....	85.1	41.0	44.1	107.6%
2000 acquisitions.....	28.0	--	28.0	--
Developments.....	7.0	4.2	2.8	66.7%
Divestitures.....	19.5	90.4	(70.9)	(78.4)%
Straight-line rents.....	10.2	10.8	(0.6)	(5.6)%
	-----	-----	-----	-----
Total.....	\$464.2	\$439.7	\$ 24.5	5.6%
	=====	=====	=====	=====

</TABLE>

The growth in rental revenues in same store properties resulted primarily from the incremental effect of cash rental rate increases, fixed rent increases on existing leases, increases in occupancy and reimbursement of expenses, partially offset by a decrease in straight-line rents. During 2000, the same store base rents increase on renewals and rollovers (cash basis) was 28.0% on 9.8 million square feet leased.

<TABLE>

<CAPTION>

INVESTMENT MANAGEMENT AND OTHER INCOME	2000	1999	\$ CHANGE	% CHANGE
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Equity earnings in unconsolidated joint ventures.....	\$ 5.2	\$4.7	\$0.5	10.6%
Investment management and other income.....	8.3	3.8	4.5	118.4%
	-----	-----	-----	-----
Total.....	\$13.5	\$8.5	\$5.0	58.8%
	=====	=====	=====	=====

</TABLE>

The \$4.5 million increase in investment management and other income was due primarily to increased Alliance Fund I acquisition fees, interest income, and development fees, partially offset by the write-down of one of our investments in other companies.

<TABLE>

<CAPTION>

PROPERTY OPERATING EXPENSES	2000	1999	\$ CHANGE	% CHANGE
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Rental expenses.....	\$ 50.6	\$ 51.7	\$ (1.1)	(2.1)%
Real estate taxes.....	57.2	56.2	1.0	1.8%
	-----	-----	-----	-----
Property operating expenses.....	\$107.8	\$107.9	\$ (0.1)	(0.1)%
	=====	=====	=====	=====
Same store.....	\$ 72.1	\$ 69.6	\$ 2.5	3.6%
1999 acquisitions.....	20.4	12.2	8.2	67.2%
2000 acquisitions.....	7.7	--	7.7	--
Developments.....	2.5	1.8	0.7	38.9%
Divestitures.....	5.1	24.3	(19.2)	(79.0)%
	-----	-----	-----	-----
Total.....	\$107.8	\$107.9	\$ (0.1)	(0.1)%
	=====	=====	=====	=====

</TABLE>

23

The change in same store properties' operating expenses primarily relates to increases in real estate taxes of \$2.0 million for 2000, partially offset by decreases in insurance of \$0.6 million.

<TABLE>

<CAPTION>

OTHER EXPENSES	2000	1999	\$ CHANGE	% CHANGE
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>

Interest expense.....	\$ 90.3	\$ 88.7	\$ 1.6	1.8%
Depreciation expense.....	96.3	67.5	28.8	42.7%
General and administrative expense.....	23.7	25.2	(1.5)	(6.0)%
	-----	-----	-----	-----
Total.....	\$210.3	\$181.4	\$28.9	15.9%
	=====	=====	=====	=====

</TABLE>

The increase in interest expense was due primarily to the increase in the outstanding balance under our unsecured credit facility. The increase in depreciation expense was primarily due to lower than normal depreciation expense in 1999 and increases in our investments in real estate. Under the required accounting for assets held for sale, we discontinued depreciation of a substantial portion of our retail portfolio after we committed to dispose of a portion of the portfolio in March 1999. The decrease in general and administrative expenses was due to increased allocations to our investment management group, partially offset by increased personnel costs.

YEARS ENDED DECEMBER 31, 1999 AND 1998 (DOLLARS IN MILLIONS)

<TABLE>
<CAPTION>

RENTAL REVENUES	1999	1998	\$ CHANGE	% CHANGE
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Same store.....	\$212.9	\$206.1	\$ 6.8	3.3%
1998 acquisitions.....	117.8	55.9	61.9	110.7%
1999 acquisitions.....	35.4	--	35.4	--
Developments.....	33.0	28.4	4.6	16.2%
Divestitures.....	40.6	64.3	(23.7)	(36.9)%
	-----	-----	-----	-----
Total.....	\$439.7	\$354.7	\$ 85.0	24.0%
	=====	=====	=====	=====

</TABLE>

The growth in rental revenues in same store properties resulted primarily from the incremental effect of cash rental rate increases, changes in occupancy rates, and reimbursement of expenses, partially offset by a decrease in straight-line rents. During 1999, the increase in base rents (cash basis) for same store properties was 12.7% on 6.8 million square feet leased.

<TABLE>
<CAPTION>

INVESTMENT MANAGEMENT AND OTHER INCOME	1999	1998	\$ CHANGE	% CHANGE
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Equity earnings in unconsolidated joint ventures.....	\$4.7	\$2.7	\$2.0	74.1%
Investment management and other income.....	3.8	1.5	2.3	153.3%
	-----	-----	-----	-----
Total.....	\$8.5	\$4.2	\$4.3	102.4%
	=====	=====	=====	=====

</TABLE>

The \$4.3 million increase in investment management and other income was due primarily to earnings from our equity investment in our unconsolidated joint ventures, Alliance Fund I acquisition fees, and an increase in interest income as a result of higher cash balances.

<TABLE>
<CAPTION>

PROPERTY OPERATING EXPENSES AND REAL ESTATE TAXES	1999	1998	\$ CHANGE	% CHANGE
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Rental expenses.....	\$ 51.7	\$40.2	\$11.5	28.6%
Real estate taxes.....	56.2	48.2	8.0	16.6%
	-----	-----	-----	-----
Property operating expenses.....	\$107.9	\$88.4	\$19.5	22.1%
	=====	=====	=====	=====
Same store.....	\$ 50.2	\$50.1	\$ 0.1	0.2%
1998 acquisitions.....	27.3	12.6	14.7	116.7%
1999 acquisitions.....	9.3	--	9.3	--
Developments.....	9.5	7.9	1.6	20.3%
Divestitures.....	11.6	17.8	(6.2)	(34.8)%
	-----	-----	-----	-----
Total.....	\$107.9	\$88.4	\$19.5	22.1%
	=====	=====	=====	=====

</TABLE>

The change in same store properties' operating expenses primarily relates to increases in real estate taxes of \$1.0 million for 1999, partially offset by decreases in insurance of \$0.9 million. Internal asset management costs of \$7.7 million for 1998 were reclassified from property operating expenses to general

and administrative expenses to conform with the 1999 presentation.

<TABLE>

<CAPTION>

OTHER EXPENSES	1999	1998	\$ CHANGE	% CHANGE
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Interest expense.....	\$ 88.7	\$ 69.7	\$19.0	27.3%
Depreciation expense.....	67.5	57.4	10.1	17.6%
General and administrative expense.....	25.2	19.6	5.6	28.6%
	-----	-----	-----	-----
Total.....	\$181.4	\$146.7	\$34.7	23.7%
	=====	=====	=====	=====

</TABLE>

The increase in interest expense was primarily due to higher interest rates and a full year of interest expense in 1999 attributable to our \$400.0 million unsecured senior debt securities. The increase in depreciation expense was primarily due to our real estate acquisitions in 1998 and 1999, partially offset by the discontinuation of depreciation on held-for-sale retail assets. Internal management costs of \$7.7 million for 1998 were reclassified from property operating expenses to general and administrative expenses to conform with the 1999 presentation. The increase in general and administrative expenses was primarily attributable to additional staffing that resulted from growth in our portfolio and the change in our accounting policy for capitalizing internal acquisition costs. Effective during the second quarter of 1998, we changed our policy to expense all internal acquisition costs in accordance with EITF 97-11.

LIQUIDITY AND CAPITAL RESOURCES

We currently expect that our principal sources of working capital and funding for acquisitions, development, expansion, and renovation of properties will include cash flow from operations, borrowings under our unsecured credit facility, other forms of secured or unsecured financing, proceeds from equity or debt offerings by us or the operating partnership (including issuances of limited partnership units in the operating partnership or its subsidiaries), and net proceeds from divestitures of properties. Additionally, our co-investment program will also serve as a source of capital for acquisitions and developments. We believe that our sources of working capital and our ability to access private and public debt and equity capital are adequate for us to meet our liquidity requirements for the foreseeable future.

Capital Resources

Property Divestitures. In 2000, we sold 25 industrial buildings and one retail center for an aggregate price of \$175.7 million. These divestitures resulted in an aggregate net gain of \$7.0 million. The joint venture that sold the retail center carries an 8.75% interest only mortgage note receivable in the principal amount of \$79.0 million. This mortgage note has a one-year term and has a one-year extension option.

Properties Held for Divestiture. We have decided to divest ourselves of 33 industrial buildings and one retail center, which are not in our core markets or which do not meet our strategic objectives. The divestitures of the properties are subject to negotiation of acceptable terms and other customary conditions. As of December 31, 2000, the net carrying value of the properties held for divestiture was \$197.1 million.

Credit Facilities. In May 2000, the operating partnership entered into a new \$500.0 million unsecured revolving credit agreement, which replaced its previous \$500.0 million credit facility, which matured in November 2000. We are the guarantor of the operating partnership's obligations under the credit facility. Our credit facility is with Morgan Guaranty Trust Company of New York, as administrative agent, and a syndicate of 12 other banks. The new credit facility matures in May 2003, has a one-year extension option, and is subject to a 15 basis point annual facility fee. The operating partnership has the ability to increase available borrowings up to \$700.0 million by adding additional banks to the facility or obtaining the agreement of existing banks to increase their commitments. We use our unsecured credit facility principally for acquisitions and for general working capital requirements. Borrowings under our credit facility currently bear interest at LIBOR plus 75 basis points. At December 31, 2000, the outstanding balance on our unsecured credit facility

was \$216.0 million and it bore interest at a weighted average rate of 7.5%. Monthly debt service payments on our credit facility are interest only. The total amount available under our credit facility fluctuates based upon the borrowing base, as defined in the agreement governing the credit facility. At December 31, 2000, the remaining amount available under our unsecured credit facility was \$284.0 million (excluding the additional \$200.0 million of potential additional capacity).

In addition, we had an \$80.0 million unsecured credit facility held through our investment in the Alliance Fund I. The debt was secured by the unfunded

capital commitments of the third party investors in the Alliance REIT I, a limited partner of the Alliance Fund I. Since there are no remaining unfunded capital commitments, the Alliance Fund I paid off the outstanding balance and closed this credit facility in the third quarter.

Equity. On September 1, 2000, AMB Property II, L.P., one of our subsidiaries, issued and sold 840,000 8.125% Series H Cumulative Redeemable Preferred Limited Partnership Units at a price of \$50.00 per unit in a private placement. Distributions are cumulative from the date of issuance and payable quarterly in arrears at a rate per unit equal to \$4.0625 per annum. The Series H Preferred Units are redeemable by AMB Property II, L.P. on or after September 1, 2005, subject to certain conditions, for cash at a redemption price equal to \$50.00 per unit, plus accumulated and unpaid distributions thereon, if any, to the redemption date. The Series H Preferred Units are exchangeable, at specified times and subject to certain conditions, on a one-for-one basis, for shares of our Series H Preferred Stock. AMB Property II, L.P. used the net proceeds of \$41.0 million to repay advances from the operating partnership and to make a loan to the operating partnership. The operating partnership used the funds to partially repay borrowings under its unsecured credit facility and for general corporate purposes. The loan bears interest at 8.0% per annum and is payable on demand.

On August 29, 2000, AMB Property II, L.P. issued and sold 20,000 7.95% Series G Cumulative Redeemable Preferred Limited Partnership Units at a price of \$50.00 per unit in a private placement. Distributions are cumulative from the date of issuance and payable quarterly in arrears at a rate per unit equal to \$3.975 per annum. The Series G Preferred Units are redeemable by AMB Property II, L.P. on or after August 29, 2005, subject to certain conditions, for cash at a redemption price equal to \$50.00 per unit, plus accumulated and unpaid distributions thereon, if any, to the redemption date. The Series G Preferred Units are exchangeable, at specified times and subject to certain conditions, on a one-for-one basis, for shares of our Series G Preferred Stock. AMB Property II, L.P. used the net proceeds of \$1.0 million to repay advances from the operating partnership. The operating partnership used the funds for general corporate purposes.

On March 22, 2000, AMB Property II, L.P. issued and sold 397,439 7.95% Series F Cumulative Redeemable Preferred Limited Partnership Units at a price of \$50.00 per unit in a private placement. Distributions are cumulative from the date of issuance and payable quarterly in arrears at a rate per unit equal to \$3.975 per annum. The Series F Preferred Units are redeemable by AMB Property II, L.P. on or after March 22, 2005, subject to certain conditions, for cash at a redemption price equal to \$50.00 per unit, plus accumulated and unpaid distributions thereon, if any, to the redemption date. The Series F Preferred Units are exchangeable, at specified times and subject to certain conditions, on a one-for-one basis, for shares of our Series F Preferred Stock. AMB Property II, L.P. loaned the net proceeds of \$19.6 million to the operating partnership. The operating partnership used the funds to partially repay borrowings under its unsecured credit facility and for general corporate purposes. The loan bears interest at 7.0% per annum and is payable upon demand.

At the time of our initial public offering, 4,237,750 shares of common stock, known as performance shares, were placed in escrow by certain of our investors, which were subject to advisory agreements with our predecessor that included incentive fee provisions. On January 7, 2000, 2,771,824 shares of common stock were released from escrow to these investors and 1,465,926 shares of common stock were returned to us and cancelled. The cancelled shares of common stock represent indirect interests in the operating partnership that were reallocated from us (thereby decreasing the number of shares of common stock outstanding) to other unitholders who had an ownership interest in our predecessor, including certain of our executive officers (thereby increasing the number of limited partnership units owned by partners other than us). The total

26

number of outstanding partnership units did not change as a result of this reallocation. This reallocation did not change the amount of fully diluted shares of common stock and limited partnership units outstanding.

In November 2000, the operating partnership issued an aggregate of 94,771 limited partnership units with an aggregate value of approximately \$2.2 million to three limited partnerships. These limited partnership units were issued in partial consideration for the acquisition of properties. Holders of the limited partnership units may redeem part or all of their limited partnership units for cash or, at our election, exchange their limited partnership units for shares of our common stock on a one-for-one basis. During 2000, 34,046 limited partnership units were redeemed for cash and 206,423 limited partnership units were redeemed for shares of our common stock.

Our board of directors has approved a stock repurchase program for the repurchase of up to \$100.0 million worth of our common stock. During 2000, we did not repurchase any shares of our common stock. Our stock repurchase program expires in December 2001.

Debt. At December 31, 2000, the aggregate principal amount of our secured

debt was \$930.4 million, excluding unamortized debt premiums of \$9.9 million. The secured debt bears interest at rates varying from 4.0% to 10.4% per annum (with a weighted average rate of 7.9%) and final maturity dates ranging from April 2001 to June 2023. All of the secured debt bears interest at fixed rates, except for two loans with an aggregate principal amount of \$29.8 million as of December 31, 2000, which bear interest at variable rates. As of December 31, 2000, the estimated fair value of the secured debt was \$956.1 million.

In 2000, the operating partnership commenced a medium-term note program for the issuance of up to \$400.0 million in principal amount of medium-term notes, which will be guaranteed by us. As of December 31, 2000, the operating partnership had issued \$280.0 million of medium-term notes under this program and in January 2001, the operating partnership issued an additional \$25.0 million of medium term notes, leaving \$95.0 million available for issuance under this program. In December 2000, the operating partnership issued and sold \$150.0 million of the notes under this program to Morgan Stanley Dean Witter and J. P. Morgan as principals. We have guaranteed the notes, which mature on December 15, 2005, and bear interest at 7.2% per annum. The operating partnership used the net proceeds of \$148.9 million for general corporate purposes, to partially repay indebtedness, and for the acquisition and development of properties. In October 2000, the operating partnership issued and sold \$75.0 million of the notes under this program to Morgan Stanley Dean Witter and J. P. Morgan as principals. We have guaranteed the notes, which mature on November 1, 2010, and bear interest at 8.0% per annum. The operating partnership used the net proceeds of \$74.5 million for general corporate purposes, to partially repay indebtedness, and for the acquisition and development of properties. In August and September 2000, the operating partnership issued and sold \$55.0 million of the notes under this program to Morgan Stanley Dean Witter as principal. We have guaranteed the notes, which mature on August 20, 2007, and bear interest at 7.925% per annum. The operating partnership used the net proceeds of \$54.8 million for general corporate purposes, to partially repay indebtedness, and for the acquisition and development of properties.

In order to maintain financial flexibility and facilitate the rapid deployment of capital through market cycles, we presently intend to operate with a debt-to-total market capitalization ratio of approximately 45% or less. Additionally, we presently manage our capitalization in order to maintain an investment grade rating on our senior unsecured debt. In spite of these policies, our organizational documents do not contain any limitation on the amount of indebtedness that we may incur. Accordingly, our board of directors could alter or eliminate these policies.

The tables below summarize our debt maturities and capitalization as of December 31, 2000 (dollars in thousands, except for share and per share amounts):

<TABLE>
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DEBT					
	OUR SECURED DEBT (1)	JOINT VENTURE DEBT (1)	SENIOR DEBT SECURITIES	CREDIT FACILITY	TOTAL DEBT
<S>	<C>	<C>	<C>	<C>	<C>
2001.....	\$ 14,071	\$ 35,087	\$ --	\$ --	\$ 49,158
2002.....	29,182	46,044	--	--	75,226
2003.....	72,675	7,134	--	216,000	295,809
2004.....	71,147	20,357	--	--	91,504
2005.....	64,194	30,015	250,000	--	344,209
2006.....	116,022	33,991	--	--	150,013
2007.....	32,181	19,705	55,000	--	106,886
2008.....	106,604	36,011	175,000	--	317,615
2009.....	5,176	25,969	--	--	31,145
2010.....	52,780	65,499	75,000	--	193,279
2011.....	1,311	15,645	--	--	16,956
Thereafter.....	3,307	26,311	125,000	--	154,618
Subtotal.....	568,650	361,768	680,000	216,000	1,826,418
Unamortized premiums.....	9,858	--	--	--	9,858
Total consolidated debt.....	578,508	361,768	680,000	216,000	1,836,276
Our share of unconsolidated joint venture debt(1).....	--	28,802	--	--	28,802
Total debt.....	578,508	390,570	680,000	216,000	1,865,078
Joint venture partners' share of consolidated joint venture debt.....	--	(183,917)	--	--	(183,917)
Our share of total debt.....	\$578,508	\$ 206,653	\$680,000	\$216,000	\$1,681,161

Weighed average interest rate.....	7.9%(2)	7.4%	7.3%	7.5%	7.6%
Weighed average maturity (in years).....	5.4(2)	9.4	7.4	2.4	6.3

- (1) All of the secured debt bears interest at fixed rates, except for two loans with an aggregate principal amount of \$29.8 million, which bear interest at variable rates (weighted average interest rate of 8.2% at December 31, 2000).
- (2) The weighted average interest rate and weighted average maturity for the two unconsolidated joint venture debts were 7.3% and 4.4 years, respectively.

<TABLE>
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MARKET EQUITY

SECURITY	SHARES/UNITS OUTSTANDING	MARKET PRICE	MARKET VALUE
Common stock.....	84,138,751	\$25.81	\$2,171,832
Common limited partnership units.....	5,827,917	25.81	150,433
Total.....	89,966,668		\$2,322,265

</TABLE>

28

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PREFERRED STOCK AND UNITS

SECURITY	DIVIDEND RATE	LIQUIDATION PREFERENCE	REDEMPTION PROVISIONS
Series A Preferred Stock.....	8.50%	\$100,000	July 2003
Series B Preferred Units.....	8.63	65,000	November 2003
Series C Preferred Units.....	8.75	110,000	November 2003
Series D Preferred Units.....	7.75	79,767	May 2004
Series E Preferred Units.....	7.75	11,022	August 2004
Series F Preferred Units.....	7.95	19,872	March 2005
Series G Preferred Units.....	7.95	1,000	August 2005
Series H Preferred Units.....	8.13	42,000	September 2005
Total/Weighted Average.....	8.36%	\$428,661	

</TABLE>

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CAPITALIZATION RATIOS

Total debt-to-total market capitalization.....	40.4%
Our share of total debt-to-total market capitalization.....	37.9%
Total debt plus preferred-to-total market capitalization....	49.7%
Our share of total debt plus preferred-to-total market capitalization.....	47.6%
Our share of total debt-to-total book capitalization.....	44.6%

</TABLE>

Liquidity

As of December 31, 2000, we had approximately \$20.4 million in cash and cash equivalents and \$284.0 million of additional available borrowings under our credit facility. We intend to use: 1) cash from operations; 2) borrowings under our credit facility; 3) other forms of secured and unsecured financing; 4) proceeds from any future debt or equity offerings by us or the operating partnership (including issuances of limited partnership units in the operating partnership or its subsidiaries); 5) proceeds from divestitures of properties, and 6) private capital to fund acquisitions, development activities, and capital expenditures and provide for general working capital requirements.

The following table sets forth the dividend payments that were declared in 2000 and in 1999:

<TABLE>
<CAPTION>

SECURITY	PAYING ENTITY	2000	1999
<S>	<C>	<C>	<C>

Common Stock	AMB Property Corporation.....	\$1.48	\$1.40
OP Units	AMB Property, L.P.	\$1.48	\$1.40
Series A Preferred Stock	AMB Property Corporation.....	\$2.13	\$2.13
Series A Preferred Units	AMB Property, L.P.	\$2.13	\$2.13
Series B Preferred Units	AMB Property, L.P.	\$4.31	\$4.31
Series C Preferred Units	AMB Property II, L.P.	\$4.38	\$4.38
Series D Preferred Units	AMB Property II, L.P.	\$3.88	\$2.48
Series E Preferred Units	AMB Property II, L.P.	\$3.88	\$1.30
Series F Preferred Units	AMB Property II, L.P.	\$3.09	n/a
Series G Preferred Units	AMB Property II, L.P.	\$1.35	n/a
Series H Preferred Units	AMB Property II, L.P.	\$1.30	n/a

</TABLE>

For the year ended December 31, 2000, approximately 82% of our common dividend was classified as ordinary taxable income and approximately 18% represented capital gains. We had no return of capital. We currently intend to payout 100% of our taxable income, including capital gains, each year in the form of dividends and distributions and to have no return of capital for federal income tax purposes.

The anticipated size of our distributions, using only cash from operations, will not allow us to retire all of our debt as it comes due. Therefore, we intend to also repay maturing debt with net proceeds from future debt

29

or equity financings or property divestitures. However, we may not be able to obtain future financings on favorable terms or at all.

Capital Commitments

In addition to recurring capital expenditures and costs to renew or re-tenant space, as of December 31, 2000, we are developing and renovating 19 industrial projects representing a total estimated investment of \$305.9 million upon completion and three retail projects representing a total estimated investment of \$76.3 million upon completion. Of this total, \$162.9 million had been funded as of December 31, 2000, and approximately \$143.0 million is estimated to be required to complete current and planned projects. We expect to fund these expenditures with cash from operations, borrowings under our credit facility, debt or equity issuances, and net proceeds from property divestitures. We have no other material capital commitments.

During the year ended December 31, 2000, we invested \$730.0 million in 145 operating industrial buildings, aggregating approximately 10.5 million rentable square feet. We funded these acquisitions and initiated development and renovation projects through borrowings under our credit facility, cash, debt and equity issuances, and net proceeds from property divestitures.

30

FUNDS FROM OPERATIONS

In addition to net income and adjusted net income, we believe that funds from operations, or FFO, as defined by the National Association of Real Estate Investment Trusts, is an appropriate supplemental measure of performance for an equity real estate investment trust. While funds from operations is a relevant and widely used measure of operating performance of real estate investment trusts, it does not represent cash flow from operations or net income as defined by accounting principles generally accepted in the United States and it should not be considered as an alternative to those indicators in evaluating liquidity or operating performance. Further, funds from operations as disclosed by other real estate investment trusts may not be comparable.

The following table reflects the calculation of funds from operations for the fiscal years ended December 31 (dollars in thousands, except share and per share data):

<TABLE>

<CAPTION>

	2000	1999	1998
	-----	-----	-----
<S>	<C>	<C>	<C>
Income from operations before minority interests.....	\$ 159,699	\$ 158,851	\$ 123,750
Real estate related depreciation and amortization:			
Total depreciation and amortization.....	96,258	67,505	57,464
Furniture, fixtures, and equipment depreciation and ground lease amortization.....	(1,114)	(1,002)	(463)
FFO attributable to minority interests(1)(2):			
Separate account co-investors.....	(4,935)	(5,148)	(3,828)
Alliance Fund I.....	(7,752)	(804)	--
Other joint venture partners.....	(2,368)	(2,230)	(2,071)
Adjustments to derive FFO in unconsolidated			

joint venture(3):			
Our share of net income.....	(5,212)	(4,701)	(1,750)
Our share of FFO.....	7,188	6,677	2,739
Series A preferred stock dividends.....	(8,500)	(8,500)	(3,639)
Series B, C, D, E, F, G, & H preferred unit distributions.....	(24,613)	(19,501)	(1,795)
	-----	-----	-----
FFO(1).....	\$ 208,651	\$ 191,147	\$ 170,407
	=====	=====	=====
Weighted average common shares and units:			
Basic.....	89,566,375	90,792,310	89,493,394
	=====	=====	=====
Diluted(4).....	90,024,511	90,867,934	89,852,187
	=====	=====	=====

</TABLE>

- -----
- (1) Funds from operations, or FFO, is defined as income from operations before minority interest, gains or losses from sale of real estate, and extraordinary items plus real estate depreciation and adjustment to derive our pro rata share of the funds from operations of unconsolidated joint ventures, less minority interests' pro rata share of the funds from operations of consolidated joint ventures and perpetual preferred stock dividends. In accordance with the NAREIT White Paper on funds from operations, we include the effects of straight-line rents in funds from operations. Further, we do not adjust funds from operations to eliminate the effects of non-recurring charges.
- (2) Represents FFO attributable to minority interest in consolidated joint ventures for the period presented, which has been computed as minority interests' share of net income plus minority interests' share of real estate-related depreciation and amortization of the consolidated joint ventures for such period. These minority interests are not convertible into shares of common stock.
- (3) Represents our pro rata share of FFO in unconsolidated joint ventures for the period presented, which has been computed as our share of net income plus our share of real estate-related depreciation and amortization of the unconsolidated joint ventures for such period.
- (4) Includes the dilutive effect of stock options.

31

BUSINESS RISKS

Our operations involve various risks that could have adverse consequences to us. These risks include, among others:

GENERAL REAL ESTATE RISKS

THERE ARE FACTORS OUTSIDE OF OUR CONTROL THAT AFFECT THE PERFORMANCE AND VALUE OF OUR PROPERTIES

Real property investments are subject to varying degrees of risk. The yields available from equity investments in real estate depend on the amount of income earned and capital appreciation generated by the related properties as well as the expenses incurred in connection with the properties. If our properties do not generate income sufficient to meet operating expenses, including debt service and capital expenditures, then our ability to pay dividends to our stockholders could be adversely affected. Income from, and the value of, our properties may be adversely affected by the general economic climate, local conditions such as oversupply of industrial space, or a reduction in demand for industrial space, the attractiveness of our properties to potential customers, competition from other properties, our ability to provide adequate maintenance and insurance, and an increase in operating costs. In addition, revenues from properties and real estate values are also affected by factors such as the cost of compliance with regulations, the potential for liability under applicable laws (including changes in tax laws), interest rate levels, and the availability of financing. Our income would be adversely affected if a significant number of customers were unable to pay rent or if we were unable to rent our industrial space on favorable terms. Certain significant expenditures associated with an investment in real estate (such as mortgage payments, real estate taxes, and maintenance costs) generally do not decline when circumstances cause a reduction in income from the property.

WE MAY BE UNABLE TO RENEW LEASES OR RELET SPACE AS LEASES EXPIRE

We are subject to the risks that leases may not be renewed, space may not be relet, or the terms of renewal or reletting (including the cost of required renovations) may be less favorable than current lease terms. Leases on a total of 15.6% of our properties (based on annualized base rent) as of December 31, 2000, will expire on or prior to December 31, 2001. In addition, numerous properties compete with our properties in attracting customers to lease space, particularly with respect to retail centers. The number of competitive

commercial properties in a particular area could have a material adverse effect on our ability to lease space in our properties and on the rents that we are able to charge. Our financial condition, results of operations, cash flow, and our ability to pay dividends on, and the market price of, our stock could be adversely affected if we are unable to promptly relet or renew the leases for all or a substantial portion of expiring leases, if the rental rates upon renewal or reletting is significantly lower than expected, or if our reserves for these purposes prove inadequate.

REAL ESTATE INVESTMENTS ARE ILLIQUID

Because real estate investments are relatively illiquid, our ability to vary our portfolio promptly in response to economic or other conditions is limited. The limitations in the Internal Revenue Code and related regulations on a real estate investment trust holding property for sale may affect our ability to sell properties without adversely affecting dividends to our stockholders. The relative illiquidity of our holdings and Internal Revenue Code prohibitions and related regulations could impede our ability to respond to adverse changes in the performance of our investments and could adversely affect our financial condition, results of operations, cash flow, and our ability to pay dividends on, and the market price of, our stock.

A SIGNIFICANT NUMBER OF OUR PROPERTIES ARE LOCATED IN CALIFORNIA

Our properties located in California as of December 31, 2000, represented approximately 24.2% of the aggregate square footage of our properties as of December 31, 2000, and 29.6% of our annualized base rent. Annualized base rent means the monthly contractual amount under existing leases at December 31, 2000, multiplied by 12. This amount excludes expense reimbursements and rental abatements. Our revenue from, and the value of, our properties located in California may be affected by a number of factors, including local

32

real estate conditions (such as oversupply of or reduced demand for industrial properties) and the local economic climate. Business layoffs, downsizing, industry slowdowns, changing demographics, and other factors may adversely impact the local economic climate. A downturn in either the California economy or in California real estate conditions could adversely affect our financial condition, results of operations, cash flow, and our ability to pay dividends on, and the market price of, our stock. Certain of our properties are also subject to possible loss from seismic activity.

RISING ENERGY COSTS AND POWER OUTAGES IN CALIFORNIA MAY HAVE AN ADVERSE EFFECT ON OUR OPERATIONS AND REVENUE

Problems associated with deregulation of the electricity industry in California have resulted in intermittent service interruptions and significantly higher costs in some areas. Properties located within municipalities that either do not produce their own power or have not entered into long-term, fixed-price contracts may be subject to intermittent service interruptions or significant rate increases from their utility providers. Most of our properties located in California are subject to leases that require our tenants to pay all utility costs. The remainder of our California leases provide that tenants will reimburse us for utility costs in excess of a base year amount. Although we have not experienced any material losses resulting from electric deregulation, it is possible that some of our tenants will not fulfill their lease obligations and reimburse us for their share of any significant rate increases and that we will not be able to retain or replace our tenants if energy problems in California continue.

OUR PROPERTIES ARE CURRENTLY CONCENTRATED IN THE INDUSTRIAL SECTOR

Our properties are currently concentrated predominantly in the industrial real estate sector. Our concentration in a certain property type may expose us to the risk of economic downturns in this sector to a greater extent than if our portfolio also included other property types. As a result of such concentration, economic downturns in the industrial real estate sector could have an adverse effect on our financial condition, results of operations, cash flow, and ability to pay dividends on, and the market price of, our stock.

SOME POTENTIAL LOSSES ARE NOT COVERED BY INSURANCE

We carry comprehensive liability, fire, extended coverage, and rental loss insurance covering all of our properties, with policy specifications and insured limits that we believe are adequate and appropriate under the circumstances given relative risk of loss, the cost of such coverage, and industry practice. There are, however, certain losses that are not generally insured because it is not economically feasible to insure against them, including losses due to riots or acts of war. Certain losses such as losses due to floods or seismic activity may be insured subject to certain limitations including large deductibles or co-payments and policy limits. If an uninsured loss or a loss in excess of insured limits occurs with respect to one or more of our properties, then we could lose the capital we invested in the properties, as well as the anticipated future revenue from the properties and, in the case of debt, which is with

recourse to us, we would remain obligated for any mortgage debt or other financial obligations related to the properties. Moreover, as the general partner of the operating partnership, we will generally be liable for all of the operating partnership's unsatisfied obligations other than non-recourse obligations. Any such liability could adversely affect our financial condition, results of operations, cash flow, and ability to pay dividends on, and the market price of, our stock.

A number of our properties are located in areas that are known to be subject to earthquake activity, including California where, as of December 31, 2000, 247 industrial buildings aggregating approximately 18.6 million rentable square feet (representing 24.2% of our properties based on aggregate square footage and 29.6% based on annualized base rent) are located. We carry replacement cost earthquake insurance on all of our properties located in areas historically subject to seismic activity, subject to coverage limitations and deductibles that we believe are commercially reasonable. This insurance coverage also applies to the properties managed by AMB Investment Management, with a single aggregate policy limit and deductible applicable to those properties and our properties. The operating partnership owns 100% of the non-voting preferred stock of AMB Investment Management. Through an annual analysis prepared by outside consultants, we evaluate our earthquake insurance coverage in light of current industry practice and determine the appropriate amount of

33

earthquake insurance to carry. We may incur material losses in excess of insurance proceeds and we may not be able to continue to obtain insurance at commercially reasonable rates.

WE ARE SUBJECT TO RISKS AND LIABILITIES IN CONNECTION WITH PROPERTIES OWNED THROUGH JOINT VENTURES, LIMITED LIABILITY COMPANIES, AND PARTNERSHIPS

As of December 31, 2000, we had ownership interests in 30 joint ventures, limited liability companies, or partnerships with third parties, as well as interests in three unconsolidated entities. As of December 31, 2000, we owned approximately 15.5 million square feet (excluding the three unconsolidated joint ventures) of our properties through these entities. We may make additional investments through these ventures in the future and presently plan to do so with clients of AMB Investment Management, Inc. and certain Development Alliance Partners, who share certain approval rights over major decisions. Partnership, limited liability company, or joint venture investments may involve risks such as the following:

- our partners, co-members, or joint venturers might become bankrupt (in which event we and any other remaining general partners, members, or joint venturers would generally remain liable for the liabilities of the partnership, limited liability company, or joint venture);
- our partners, co-members, or joint venturers might at any time have economic or other business interests or goals that are inconsistent with our business interests or goals;
- our partners, co-members, or joint venturers may be in a position to take action contrary to our instructions, requests, policies, or objectives, including our current policy with respect to maintaining our qualification as a real estate investment trust; and
- agreements governing joint ventures, limited liability companies, and partnerships often contain restrictions on the transfer of a joint venturer's, member's, or partner's interest or "buy-sell" or other provisions, which may result in a purchase or sale of the interest at a disadvantageous time or on disadvantageous terms.

We will, however, generally seek to maintain sufficient control of our partnerships, limited liability companies, and joint ventures to permit us to achieve our business objectives. Our organizational documents do not limit the amount of available funds that we may invest in partnerships, limited liability companies, or joint ventures. The occurrence of one or more of the events described above could have an adverse effect on our financial condition, results of operations, cash flow, and ability to pay dividends on, and the market price of, our stock.

WE MAY BE UNABLE TO CONSUMMATE ACQUISITIONS ON ADVANTAGEOUS TERMS

We intend to continue to acquire primarily industrial properties. Acquisitions of properties entail risks that investments will fail to perform in accordance with expectations. Estimates of the costs of improvements necessary for us to bring an acquired property up to market standards may prove inaccurate. In addition, there are general investment risks associated with any new real estate investment. Further, we anticipate significant competition for attractive investment opportunities from other major real estate investors with significant capital including both publicly traded real estate investment trusts and private institutional investment funds. We expect that future acquisitions will be financed through a combination of borrowings under our unsecured credit facility, proceeds from equity or debt offerings by us or the operating partnership (including issuances of limited partnership units by the operating

partnership or its subsidiaries), and proceeds from property divestitures, which could have an adverse effect on our cash flow. We may not be able to acquire additional properties. Our inability to finance any future acquisitions on favorable terms or the failure of acquisitions to conform with our expectations or investment criteria, or our failure to timely reinvest the proceeds from property divestitures could adversely affect our financial condition, results of operations, cash flow, and ability to pay dividends on, and the market price of, our stock.

34

WE MAY BE UNABLE TO COMPLETE RENOVATION AND DEVELOPMENT ON ADVANTAGEOUS TERMS

The real estate development business, including the renovation and rehabilitation of existing properties, involves significant risks. These risks include the following:

- we may not be able to obtain financing on favorable terms for development projects and we may not complete construction on schedule or within budget, resulting in increased debt service expense and construction costs and delays in leasing such properties and generating cash flow;
- we may not be able to obtain, or we may experience delays in obtaining, all necessary zoning, land-use, building, occupancy, and other required governmental permits and authorizations;
- new or renovated properties may perform below anticipated levels, producing cash flow below budgeted amounts;
- substantial renovation as well as new development activities, regardless of whether or not they are ultimately successful, typically require a substantial portion of management's time and attention that could divert management's time from our day-to-day operations; and
- activities that we finance through construction loans involve the risk that, upon completion of construction, we may not be able to obtain permanent financing or we may not be able to obtain permanent financing on advantageous terms.

These risks could have an adverse effect on our financial condition, results of operations, cash flow, and ability to pay dividends on, and the market price of, our stock.

WE MAY BE UNABLE TO COMPLETE DIVESTITURES ON ADVANTAGEOUS TERMS

We intend to dispose of properties from time to time that do not conform with our current investment strategy or that we have otherwise determined should be divested, including, as of December 31, 2000, 33 industrial buildings and one retail center, which are held for divestiture. Our ability to dispose of properties on advantageous terms is dependent upon factors beyond our control, including competition from other owners (including other real estate investment trusts) that are attempting to dispose of industrial and retail properties and the availability of financing on attractive terms for potential buyers of our properties. Our inability to dispose of properties on favorable terms or our inability to redeploy the proceeds of property divestitures in accordance with our investment strategy could adversely affect our financial condition, results of operations, cash flow, and ability to pay dividends on, and the market price of, our stock.

DEBT FINANCING

WE COULD INCUR MORE DEBT

We operate with a policy of incurring debt, either directly or through our subsidiaries, only if upon such incurrence our debt-to-total market capitalization ratio would be approximately 45% or less. The aggregate amount of indebtedness that we may incur under our policy varies directly with the valuation of our capital stock and the number of shares of capital stock outstanding. Accordingly, we would be able to incur additional indebtedness under our policy as a result of increases in the market price per share of our common stock or other outstanding classes of capital stock, and future issuance of shares of our capital stock. In spite of this policy, our organizational documents do not contain any limitation on the amount of indebtedness that we may incur. Accordingly, our board of directors could alter or eliminate this policy. If we change this policy, then we could become more highly leveraged, resulting in an increase in debt service that could adversely affect our financial condition, results of operations, cash flow, and ability to pay dividends on, and the market price of, our stock.

35

SCHEDULED DEBT PAYMENTS COULD ADVERSELY AFFECT OUR FINANCIAL CONDITION

We are subject to risks normally associated with debt financing, including the risks that cash flow will be insufficient to pay dividends to our

stockholders, that we will be unable to refinance existing indebtedness on our properties (which in all cases will not have been fully amortized at maturity) and that the terms of refinancing will not be as favorable as the terms of existing indebtedness.

As of December 31, 2000, we had total debt outstanding of approximately \$1.8 billion including:

- \$930.4 million of secured indebtedness (excluding unamortized debt premiums) with an average maturity of 5.4 years and a weighted average interest rate of 7.9%;
- \$216.0 million outstanding under our unsecured \$500.0 million credit facility with a maturity date of May 2003 and an interest rate of LIBOR plus 75 basis points (a weighted average interest rate of 7.5% as of December 31, 2000); and
- \$680.0 million aggregate principal amount of unsecured senior debt securities with maturities between 2005 and 2018 and a weighted average interest rate of 7.3%.

We guarantee the operating partnership's obligations with respect to the senior debt securities referenced above. If we are unable to refinance or extend principal payments due at maturity or pay them with proceeds of other capital transactions, then we expect that our cash flow will not be sufficient in all years to pay dividends to our stockholders and to repay all such maturing debt. Furthermore, if prevailing interest rates or other factors at the time of refinancing (such as the reluctance of lenders to make commercial real estate loans) result in higher interest rates upon refinancing, then the interest expense relating to that refinanced indebtedness would increase. This increased interest expense would adversely affect our financial condition, results of operations, cash flow, and ability to pay dividends on, and the market price of, our stock. In addition, if we mortgage one or more of our properties to secure payment of indebtedness and we are unable to meet mortgage payments, then the property could be foreclosed upon or transferred to the mortgagee with a consequent loss of income and asset value. A foreclosure on one or more of our properties could adversely affect our financial condition, results of operations, cash flow, and ability to pay dividends on, and the market price of, our stock.

RISING INTEREST RATES COULD ADVERSELY AFFECT OUR CASH FLOW

As of December 31, 2000, we had approximately \$216.0 million outstanding under our unsecured credit facility. In addition, we may incur other variable rate indebtedness in the future. Increases in interest rates on this indebtedness could increase our interest expense, which would adversely affect our financial condition, results of operations, cash flow, and ability to pay dividends on, and the market price of, our stock. Accordingly, we may in the future engage in transactions to limit our exposure to rising interest rates.

WE ARE DEPENDENT ON EXTERNAL SOURCES OF CAPITAL

In order to qualify as a real estate investment trust under the Internal Revenue Code, we are required each year to distribute to our stockholders at least 95% (90% for years beginning on or after January 1, 2001) of our real estate investment trust taxable income (determined without regard to the dividends-paid deduction and by excluding any net capital gain) and we are subject to tax on our income to the extent it is not distributed. Because of this distribution requirement, we may not be able to fund all future capital needs, including capital needs in connection with acquisitions, from cash retained from operations. As a result, to fund capital needs, we rely on third party sources of capital, which we may not be able to obtain on favorable terms or at all. Our access to third party sources of capital depends upon a number of factors, including: 1) general market conditions; 2) the market's perception of our growth potential; 3) our current and potential future earnings and cash distributions; and 4) the market price of our capital stock. Additional debt financing may substantially increase our leverage.

WE COULD DEFAULT ON CROSS-COLLATERALIZED AND CROSS-DEFAULTED DEBT

As of December 31, 2000, we had 18 non-recourse secured loans, which are cross-collateralized by 20 properties. As of December 31, 2000, we had approximately \$240.9 million (not including unamortized debt premium) outstanding on these loans. If we default on any of these loans, then we will be required to repay the aggregate of all indebtedness, together with applicable prepayment charges, to avoid foreclosure on all the cross-collateralized properties within the applicable pool. Foreclosure on our properties, or our inability to refinance our loans on favorable terms, could adversely impact our financial condition, results of operations, cash flow, and ability to pay dividends on, and the market price of, our stock. In addition, our credit facility and the senior debt securities of the operating partnership contain certain cross-default provisions, which are triggered in the event that our other material indebtedness is in default. These cross-default provisions may

require us to repay or restructure the credit facility and the senior debt securities in addition to any mortgage or other debt that is in default, which could adversely affect our financial condition, results of operations, cash flow, and ability to pay dividends on, and the market price of, our stock.

CONTINGENT OR UNKNOWN LIABILITIES COULD ADVERSELY AFFECT OUR FINANCIAL CONDITION

Our predecessors have been in existence for varying lengths of time up to 18 years. At the time of our formation we acquired the assets of these entities subject to all of their potential existing liabilities. There may be current liabilities or future liabilities arising from prior activities that we are not aware of and therefore have not disclosed in this report. We assumed these liabilities as the surviving entity in the various merger and contribution transactions that occurred at the time of our formation. Existing liabilities for indebtedness generally were taken into account in connection with the allocation of the operating partnership's limited partnership units or shares of our common stock in the formation transactions, but no other liabilities were taken into account for these purposes. We do not have recourse against our predecessors or any of their respective stockholders or partners or against any individual account investors with respect to any unknown liabilities. Unknown liabilities might include the following:

- liabilities for clean-up or remediation of undisclosed environmental conditions;
- claims of customers, vendors, or other persons dealing with our predecessors prior to the formation transactions that had not been asserted prior to the formation transactions;
- accrued but unpaid liabilities incurred in the ordinary course of business;
- tax liabilities; and
- claims for indemnification by the officers and directors of our predecessors and others indemnified by these entities.

Certain customers may claim that the formation transactions gave rise to a right to purchase the premises that they occupy. We do not believe any such claims would be material and, to date, no such claims have been filed. See "-- Government Regulations -- We Could Encounter Costly Environmental Problems" below regarding the possibility of undisclosed environmental conditions potentially affecting the value of our properties. Undisclosed material liabilities in connection with the acquisition of properties, entities and interests in properties, or entities could adversely affect our financial condition, results of operations, cash flow, and ability to pay dividends on, and the market price of, our stock.

CONFLICTS OF INTEREST

SOME OF OUR EXECUTIVE OFFICERS ARE INVOLVED IN OTHER REAL ESTATE ACTIVITIES AND INVESTMENTS

Some of our executive officers own interests in real estate-related businesses and investments. These interests include minority ownership of Institutional Housing Partners, L.P., a residential housing finance company, and ownership of AMB Development, Inc. and AMB Development, L.P., developers that own property not suitable for ownership by us. AMB Development, Inc. and AMB Development, L.P. have agreed not to initiate any new development projects following our initial public offering in November 1997. These entities have also agreed that they will not make any further investments in industrial properties other than

37

those currently under development at the time of our initial public offering. AMB Development, Inc. and AMB Development, L.P. continue to use the name "AMB" pursuant to royalty-free license arrangements. The continued involvement in other real estate-related activities by some of our executive officers and directors could divert management's attention from our day-to-day operations. Most of our executive officers have entered into non-competition agreements with us pursuant to which they have agreed not to engage in any activities, directly or indirectly, in respect of commercial real estate, and not to make any investment in respect of industrial real estate, other than through ownership of not more than 5% of the outstanding shares of a public company engaged in such activities or through the existing investments referred to in this report. State law may limit our ability to enforce these agreements.

We could also, in the future, subject to the unanimous approval of the disinterested members of the board of directors with respect to such transaction, acquire property from executive officers, enter into leases with executive officers, or engage in other related activities in which the interests pursued by the executive officers may not be in the best interests of our stockholders.

CERTAIN OF OUR EXECUTIVE OFFICERS AND DIRECTORS MAY HAVE CONFLICTS OF INTEREST

WITH US IN CONNECTION WITH OTHER PROPERTIES THAT THEY OWN OR CONTROL

As of December 31, 2000, AMB Development, L.P. owns interests in 10 retail development projects in the U.S., eight of which are single free-standing Walgreens drugstores and two are Walgreens drugstores plus shop buildings, which are less than 10,000 feet. In addition, Messrs. Abbey, Moghadam, and Burke, each a founder and director, own less than 1% interests in two partnerships that own office buildings in various markets; these interests have negligible value. Luis A. Belmonte, an executive officer, owns less than a 10% interest, representing an estimated value of \$150,000, in a limited partnership, which owns an office building located in Oakland, California.

In addition, several of our executive officers individually own:

- less than 1% interests in the stocks of certain publicly-traded real estate investment trusts;
- certain interests in and rights to developed and undeveloped real property located outside the United States; and
- certain other de minimus holdings in equity securities of real estate companies.

Thomas W. Tusher, a member of our board of directors, is a limited partner in a partnership in which Messrs. Abbey, Moghadam, and Burke are general partners and which owns a 75% interest in an office building. Mr. Tusher owns a 20% interest in the partnership, valued at approximately \$1.2 million. Messrs. Abbey, Moghadam, and Burke each have a 26.7% interest in the partnership, each valued at approximately \$1.6 million.

We believe that the properties and activities set forth above generally do not directly compete with any of our properties. However, it is possible that a property in which an executive officer or director, or an affiliate of an executive officer or director, has an interest may compete with us in the future if we were to invest in a property similar in type and in close proximity to that property. In addition, the continued involvement by our executive officers and directors in these properties could divert management's attention from our day-to-day operations. Our policy prohibits us from acquiring any properties from our executive officers or their affiliates without the approval of the disinterested members of our board of directors with respect to that transaction.

OUR ROLE AS GENERAL PARTNER OF THE OPERATING PARTNERSHIP MAY CONFLICT WITH THE INTERESTS OF STOCKHOLDERS

As the general partner of the operating partnership, we have fiduciary obligations to the operating partnership's limited partners, the discharge of which may conflict with the interests of our stockholders. In addition, those persons holding limited partnership units will have the right to vote as a class on certain amendments to the partnership agreement of the operating partnership and individually to approve certain amendments that would adversely affect their rights. The limited partners may exercise these voting rights in a manner that conflicts with the interests of our stockholders. In addition, under the terms of the operating

38

partnership's partnership agreement, holders of limited partnership units will have certain approval rights with respect to certain transactions that affect all stockholders but which they may not exercise in a manner that reflects the interests of all stockholders.

OUR DIRECTORS, EXECUTIVE OFFICERS, AND SIGNIFICANT STOCKHOLDERS COULD ACT IN A MANNER THAT IS NOT IN THE BEST INTEREST OF ALL STOCKHOLDERS

As of March 20, 2001, our three largest stockholders, Cohen & Steers Capital Management, Inc. (with respect to various client accounts for which Cohen & Steers Capital Management, Inc. serves as investment advisor), European Investors Inc. (with respect to various client accounts for which European Investors Inc. serves as investment advisor), and Capital Research and Management Company (with respect to various client accounts for which Capital Research and Management Company serves as investment advisor) beneficially owned approximately 18.3% of our outstanding common stock. In addition, our executive officers and directors beneficially owned approximately 5.1% of our outstanding common stock as of March 20, 2001, and will have influence on our management and operation and, as stockholders, will have influence on the outcome of any matters submitted to a vote of our stockholders. This influence might be exercised in a manner that is inconsistent with the interests of other stockholders. Although there is no understanding or arrangement for these directors, officers, and stockholders and their affiliates to act in concert, these parties would be in a position to exercise significant influence over our affairs if they choose to do so.

WE COULD INVEST IN REAL ESTATE MORTGAGES

We may invest in mortgages, and may do so as a strategy for ultimately acquiring the underlying property. In general, investments in mortgages include the risks that borrowers may not be able to make debt service payments or pay principal when due, that the value of the mortgaged property may be less than the principal amount of the mortgage note secured by the property and that interest rates payable on the mortgages may be lower than our cost of funds to acquire these mortgages. In any of these events, our funds from operations and our ability to pay dividends on, and the market price of, our stock could be adversely affected.

GOVERNMENT REGULATIONS

Many laws and governmental regulations are applicable to our properties and changes in these laws and regulations, or their interpretation by agencies and the courts, occur frequently.

COSTS OF COMPLIANCE WITH AMERICANS WITH DISABILITIES ACT

Under the Americans with Disabilities Act, places of public accommodation must meet certain federal requirements related to access and use by disabled persons. Compliance with the Americans with Disabilities Act might require us to remove structural barriers to handicapped access in certain public areas where such removal is "readily achievable." If we fail to comply with the Americans with Disabilities Act, then we might be required to pay fines to the government or damages to private litigants. The impact of application of the Americans with Disabilities Act to our properties, including the extent and timing of required renovations, is uncertain. If we are required to make unanticipated expenditures to comply with the Americans with Disabilities Act, then our cash flow and the amounts available for dividends to our stockholders may be adversely affected.

WE COULD ENCOUNTER ENVIRONMENTAL PROBLEMS

Federal, state, and local laws and regulations relating to the protection of the environment impose liability on a current or previous owner or operator of real estate for contamination resulting from the presence or discharge of hazardous or toxic substances or petroleum products at the property. A current or previous owner may be required to investigate and clean up contamination at or migrating from a site. These laws typically impose liability and clean-up responsibility without regard to whether the owner or operator knew of or caused the presence of the contaminants. Even if more than one person may have been responsible for the contamination, each person covered by the environmental laws may be held responsible for all of the clean-up

39

costs incurred. In addition, third parties may sue the owner or operator of a site for damages based on personal injury, property damage, or other costs, including investigation and clean-up costs, resulting from environmental contamination present at or emanating from that site.

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

Some of our properties are leased or have been leased, in part, to owners and operators of businesses that use, store, or otherwise handle petroleum products or other hazardous or toxic substances. These operations create a potential for the release of petroleum products or other hazardous or toxic substances. Some of our properties are adjacent to or near other properties that have contained or currently contain petroleum products or other hazardous or toxic substances. In addition, certain of our properties are on, are adjacent to, or are near other properties upon which others, including former owners or tenants of the properties, have engaged or may in the future engage in activities that may release petroleum products or other hazardous or toxic substances. From time to time, we may acquire properties, or interests in properties, with known adverse environmental conditions where we believe that the environmental liabilities associated with these conditions are quantifiable and the acquisition will yield a superior risk-adjusted return. Environmental issues for each property are evaluated and quantified prior to acquisition. The costs of environmental investigation, clean-up, and monitoring are underwritten into the cost of the acquisition and appropriate environmental insurance is obtained for the property. In connection with certain divested properties, we have agreed to remain responsible for, and to bear the cost of, remediating or monitoring certain environmental conditions on the properties.

All of our properties were subject to a Phase I or similar environmental assessments by independent environmental consultants at the time of acquisition.

Phase I assessments are intended to discover and evaluate information regarding the environmental condition of the surveyed property and surrounding properties and include an historical review, a public records review, an investigation of the surveyed site and surrounding properties, and preparation and issuance of a written report. We may perform additional Phase II testing if recommended by the independent environmental consultant. Phase II testing may include the collection and laboratory analysis of soil and groundwater samples, completion of surveys for asbestos-containing building materials, and any other testing that the consultant considers prudent in order to test for the presence of hazardous materials.

None of the environmental assessments of our properties has revealed any environmental liability that we believe would have a material adverse effect on our financial condition or results of operations taken as a whole. Furthermore, we are not aware of any such material environmental liability. Nonetheless, it is possible that the assessments do not reveal all environmental liabilities and that there are material environmental liabilities of which we are unaware or that known environmental conditions may give rise to liabilities that are materially greater than anticipated. Moreover, the current environmental condition of our properties may be affected by tenants, the condition of land, operations in the vicinity of the properties (such as releases from underground storage tanks), or by third parties unrelated to us. If the costs of compliance with existing or future environmental laws and regulations exceed our budgets for these items, then our financial condition, results of operations, cash flow, and ability to pay dividends on, and the market price of, our stock could be adversely affected.

OUR FINANCIAL CONDITION COULD BE ADVERSELY AFFECTED IF WE FAIL TO COMPLY WITH OTHER REGULATIONS

Our properties are also subject to various federal, state, and local regulatory requirements such as state and local fire and life safety requirements. If we fail to comply with these requirements, then we might incur fines by governmental authorities or be required to pay awards of damages to private litigants. We believe that

40

our properties are currently in substantial compliance with all such regulatory requirements. However, these requirements may change or new requirements may be imposed, which could require significant unanticipated expenditures by us. Any such unanticipated expenditures could have an adverse effect on our financial condition, results of operations, cash flow, and ability to pay dividends on, and the market price of, our stock.

FEDERAL INCOME TAX RISKS

OUR FAILURE TO QUALIFY AS A REAL ESTATE INVESTMENT TRUST WOULD HAVE SERIOUS ADVERSE CONSEQUENCES TO STOCKHOLDERS

We elected to be taxed as a real estate investment trust under Sections 856 through 860 of the Internal Revenue Code commencing with our taxable year ended December 31, 1997. We currently intend to operate so as to qualify as a real estate investment trust under the Internal Revenue Code and believe that our current organization and method of operation comply with the rules and regulations promulgated under the Internal Revenue Code to enable us to continue to qualify as a real estate investment trust. However, it is possible that we have been organized or have operated in a manner that would not allow us to qualify as a real estate investment trust, or that our future operations could cause us to fail to qualify. Qualification as a real estate investment trust requires us to satisfy numerous requirements (some on an annual and quarterly basis) established under highly technical and complex Internal Revenue Code provisions for which there are only limited judicial and administrative interpretations, and involves the determination of various factual matters and circumstances not entirely within our control. For example, in order to qualify as a real estate investment trust, we must derive at least 95% of our gross income in any year from qualifying sources. In addition, we must pay dividends to stockholders aggregating annually at least 95% (90% for years beginning on or after January 1, 2001) of our real estate investment trust taxable income (determined without regard to the dividends paid deduction and by excluding capital gains) and must satisfy specified asset tests on a quarterly basis. These provisions and the applicable treasury regulations are more complicated in our case because we hold our assets in partnership form. Legislation, new regulations, administrative interpretations, or court decisions could significantly change the tax laws with respect to qualification as a real estate investment trust or the federal income tax consequences of such qualification. However, we are not aware of any pending tax legislation that would adversely affect our ability to operate as a real estate investment trust.

If we fail to qualify as a real estate investment trust in any taxable year, then we will be required to pay federal income tax (including any applicable alternative minimum tax) on our taxable income at regular corporate rates. Unless we are entitled to relief under certain statutory provisions, we would be disqualified from treatment as a real estate investment trust for the four taxable years following the year during which we lost qualification. If we

lose our real estate investment trust status, then our net earnings available for investment or distribution to stockholders would be significantly reduced for each of the years involved. In addition, we would no longer be required to make distributions to our stockholders.

WE MAY INVEST IN HIGHLY SPECULATIVE EARLY-STAGE COMPANIES THAT MAY JEOPARDIZE OUR STATUS AS A REAL ESTATE INVESTMENT TRUST

We believe that our investments in highly speculative early-stage companies have been structured so that we currently qualify as a real estate investment trust under the Internal Revenue Code. However, if the value of these investments, either individually or in the aggregate, appreciates significantly, then these investments may adversely affect our ability to continue to qualify as a real estate investment trust, unless we are able to restructure or dispose of our holdings on a timely basis. As of December 31, 2000, we had invested approximately \$16.0 million in early-stage companies. See "-- Our Failure to Qualify as a Real Estate Investment Trust Would Have Serious Adverse Consequences to Stockholders" and "-- We May Invest in Highly Speculative Early-Stage Companies in which We May Lose Our Entire Investment."

WE PAY SOME TAXES

Even if we qualify as a real estate investment trust, we will be required to pay certain state and local taxes on our income and property. In addition, we will be required to pay federal and state income tax on the net

41

taxable income, if any, from the activities conducted through AMB Investment Management and Headlands Realty Corporation (which we discuss below under "-- AMB Investment Management and Headlands Realty Corporation").

CERTAIN PROPERTY TRANSFERS MAY GENERATE PROHIBITED TRANSACTION INCOME

From time to time, we may transfer or otherwise dispose of some of our properties. Under the Internal Revenue Code, any gain resulting from transfers of properties that we hold as inventory or primarily for sale to customers in the ordinary course of business would be treated as income from a prohibited transaction. We would be required to pay a 100% penalty tax on that income. Since we acquire properties for investment purposes, we believe that any transfer or disposal of property by us would not be deemed by the Internal Revenue Service to be a prohibited transaction with any resulting gain allocable to us being subject to a 100% penalty tax. However, whether property is held for investment purposes is a question of fact that depends on all the facts and circumstances surrounding the particular transaction. The IRS may contend that certain transfers or disposals of properties by us are prohibited transactions. While we believe that the IRS would not prevail in any such dispute, if the IRS successfully argued that a transfer or disposition of property constituted a prohibited transaction, then we would be required to pay a 100% penalty tax on any gain allocable to us from the prohibited transaction. In addition, any income from a prohibited transaction may adversely affect our ability to satisfy the income tests for qualifications as a real estate investment trust for federal income tax purposes.

WE ARE DEPENDENT ON OUR KEY PERSONNEL

We depend on the efforts of our executive officers. While we believe that we could find suitable replacements for these key personnel, the loss of their services or the limitation of their availability could adversely affect our financial condition, results of operations, cash flow, and ability to pay dividends on, and the market price of, our stock. We do not have employment agreements with any of our executive officers.

WE MAY BE UNABLE TO MANAGE OUR GROWTH

Our business has grown rapidly and continues to grow through property acquisitions and developments. If we fail to effectively manage our growth, then our financial condition, results of operations, cash flow, and ability to pay dividends on, and the market price of, our stock could be adversely affected.

WE MAY INVEST IN HIGHLY SPECULATIVE EARLY-STAGE COMPANIES IN WHICH WE MAY LOSE OUR ENTIRE INVESTMENT

From time to time, we may invest in highly speculative early-stage companies that we believe will enhance our understanding of changes occurring in the movement of goods, which may, in turn, sharpen our real estate investment focus, create real estate provider relationships with growth companies, and provide the potential for significant returns on invested capital. We believe that the amounts of our investments in early-stage companies are immaterial, both individually and in the aggregate. However, these investments are highly speculative and it is possible that we may lose our entire investment in an early-stage company.

The operating partnership owns 100% of the non-voting preferred stock of AMB Investment Management, Inc. and Headlands Realty Corporation (representing approximately 95% of the economic interest in each entity). Some of our current and former executive officers and a former executive officer of AMB Investment Management, Inc. own all of the outstanding voting common stock of AMB Investment Management, Inc. (representing approximately 5% of the economic interest in AMB Investment Management, Inc.). Some of our current and former executive officers and a director of Headlands Realty Corporation own all of the outstanding voting common stock of Headlands Realty Corporation (representing approximately 5% of the economic interest in Headlands Realty Corporation). The ownership structure of AMB Investment Management, Inc. and Headlands Realty Corporation permits us to share in the income of those corporations while

42

allowing us to maintain our status as a real estate investment trust. We receive substantially all of the economic benefit of the businesses carried on by AMB Investment Management and Headlands Realty Corporation through the operating partnership's right to receive dividends. However, we are not able to elect the directors or officers of AMB Investment Management, Inc. and Headlands Realty Corporation and, as a result, we do not have the ability to influence their operation or to require that their boards of directors declare and pay cash dividends on the non-voting stock of AMB Investment Management, Inc. and Headlands Realty Corporation held by the operating partnership. The boards of directors and management of AMB Investment Management, Inc. and Headlands Realty Corporation might implement business policies or decisions that would not have been implemented by persons controlled by us and that may be adverse to the interests of our stockholders or that may adversely impact our financial condition, results of operations, cash flow, and ability to pay dividends on, and the market price of, our stock. In addition, AMB Investment Management, Inc. and Headlands Realty Corporation, as taxable REIT subsidiaries, are subject to tax on their income, reducing their cash available for distribution to the operating partnership.

AMB INVESTMENT MANAGEMENT, INC. MAY NOT BE ABLE TO GENERATE SUFFICIENT FEES

Fees earned by AMB Investment Management, Inc. depend on various factors affecting the ability to attract and retain investment management clients and the overall returns achieved on managed assets. These factors are beyond our control. AMB Investment Management, Inc.'s failure to attract investment management clients or achieve sufficient overall returns on managed assets could reduce its ability to pay dividends on the stock owned by the operating partnership and could also limit co-investment opportunities to the operating partnership. This would limit the operating partnership's ability to generate rental revenues from such co-investments and use the co-investment program as a source to finance property acquisitions and leverage acquisition opportunities.

OWNERSHIP OF OUR STOCK

LIMITATIONS IN OUR CHARTER AND BYLAWS COULD PREVENT A CHANGE IN CONTROL

Certain provisions of our charter and bylaws may delay, defer, or prevent a change in control or other transaction that could provide the holders of our common stock with the opportunity to realize a premium over the then-prevailing market price for the common stock. To maintain our qualification as a real estate investment trust for federal income tax purposes, not more than 50% in value of our outstanding stock may be owned, actually or constructively, by five or fewer individuals (as defined in the Internal Revenue Code to include certain entities) during the last half of a taxable year after the first taxable year for which a real estate investment trust election is made. Furthermore, after the first taxable year for which a real estate investment trust election is made, our common stock must be held by a minimum of 100 persons for at least 335 days of a 12-month taxable year (or a proportionate part of a short tax year). In addition, if we, or an owner of 10% or more of our stock, actually or constructively owns 10% or more of one of our tenants (or a tenant of any partnership in which we are a partner), then the rent received by us (either directly or through any such partnership) from that tenant will not be qualifying income for purposes of the real estate investment trust gross income tests of the Internal Revenue Code. To facilitate maintenance of our qualification as a real estate investment trust for federal income tax purposes, we will prohibit the ownership, actually or by virtue of the constructive ownership provisions of the Internal Revenue Code, by any single person of more than 9.8% (by value or number of shares, whichever is more restrictive) of the issued and outstanding shares of our common stock and more than 9.8% (by value or number of shares, whichever is more restrictive) of the issued and outstanding shares of our Series A Preferred Stock, and we will also prohibit the ownership, actually or constructively, of any shares of our other preferred stock by any single person so that no such person, taking into account all of our stock so owned by such person, may own in excess of 9.8% of our issued and outstanding capital stock. We refer to this limitation as the "ownership limit." Shares acquired or held in violation of the ownership limit will be transferred to a trust for the benefit of a designated charitable beneficiary. Any person

who acquires shares in violation of the ownership limit will not be entitled to any dividends on the shares or be entitled to vote the shares or receive any proceeds from the subsequent sale of the shares in excess of the lesser of the price paid for the shares or the amount realized from the sale. A transfer of shares in violation of the

43

above limits may be void under certain circumstances. The ownership limit may have the effect of delaying, deferring, or preventing a change in control and, therefore, could adversely affect our stockholders' ability to realize a premium over the then-prevailing market price for the shares of our common stock in connection with such transaction.

Our charter authorizes us to issue additional shares of common stock and Series A Preferred Stock and to issue Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series F Preferred Stock, Series G Preferred Stock, Series H Preferred Stock, Series I Preferred Stock, and one or more other series or classes of preferred stock and to establish the preferences, rights, and other terms of any series or class of preferred stock that we issue. Although our board of directors has no intention to do so at the present time, it could establish a series or class of preferred stock that could delay, defer, or prevent a transaction or a change in control that might involve a premium price for the common stock or otherwise be in the best interests of our stockholders.

Our charter and bylaws and Maryland law also contain other provisions that may delay, defer, or prevent a transaction, including a change in control, that might involve payment of a premium price for the common stock or otherwise be in the best interests of our stockholders. Those provisions include the following:

- the provision in the charter that directors may be removed only for cause and only upon a two-thirds vote of stockholders, together with bylaw provisions authorizing the board of directors to fill vacant directorships;
- the provision in the charter requiring a two-thirds vote of stockholders for any amendment of the charter;
- the requirement in the bylaws that the request of the holders of 50% or more of our common stock is necessary for stockholders to call a special meeting;
- the requirement of Maryland law that stockholders may only take action by written consent with the unanimous approval of all stockholders entitled to vote on the matter in question; and
- the requirement in the bylaws of advance notice by stockholders for the nomination of directors or proposal of business to be considered at a meeting of stockholders.

These provisions may impede various actions by stockholders without approval of our board of directors, which in turn may delay, defer or prevent a transaction involving a change of control.

WE COULD CHANGE OUR INVESTMENT AND FINANCING POLICIES WITHOUT A VOTE OF STOCKHOLDERS

Subject to our current investment policy to maintain our qualification as a real estate investment trust (unless a change is approved by our board of directors under certain circumstances), our board of directors will determine our investment and financing policies, our growth strategy and our debt, capitalization, distribution, and operating policies. Although the board of directors has no present intention to revise or amend these strategies and policies, the board of directors may do so at any time without a vote of stockholders. Accordingly, stockholders will have no control over changes in our strategies and policies (other than through the election of directors), and any such changes may not serve the interests of all stockholders and could adversely affect our financial condition or results of operations, including our ability to pay dividends to our stockholders.

IF WE ISSUE ADDITIONAL SECURITIES, THEN THE INVESTMENT OF EXISTING STOCKHOLDERS WILL BE DILUTED

We have authority to issue shares of common stock or other equity or debt securities in exchange for property or otherwise. Similarly, we may cause the operating partnership to issue additional limited partnership units in exchange for property or otherwise. Existing stockholders will have no preemptive right to acquire any additional securities issued by us or the operating partnership and any issuance of additional equity securities could result in dilution of an existing stockholder's investment.

44

THE LARGE NUMBER OF SHARES AVAILABLE FOR FUTURE SALE COULD ADVERSELY AFFECT THE

MARKET PRICE OF OUR COMMON STOCK

We cannot predict the effect, if any, that future sales of shares of our common stock, or the availability of shares of our common stock for future sale, will have on its market price. Sales of a substantial number of shares of our common stock in the public market (or upon exchange of limited partnership units in the operating partnership) or the perception that such sales (or exchanges) might occur could adversely affect the market price of our common stock.

All shares of common stock issuable upon the redemption of limited partnership units in the operating partnership will be deemed to be "restricted securities" within the meaning of Rule 144 under the Securities Act and may not be transferred unless registered under the Securities Act or an exemption from registration is available, including any exemption from registration provided under Rule 144. In general, upon satisfaction of certain conditions, Rule 144 permits the holder to sell certain amounts of restricted securities one year following the date of acquisition of the restricted securities from us and, after two years, permits unlimited sales by persons unaffiliated with us. Commencing generally on the first anniversary of the date of acquisition of common limited partnership units (or such other date agreed to by the operating partnership and the holders of the units), the operating partnership may redeem common limited partnership units at the request of the holders for cash (based on the fair market value of an equivalent number of shares of common stock at the time of redemption) or, at our option, exchange the common limited partnership units for an equal number of shares of our common stock, subject to certain antidilution adjustments. The operating partnership had issued and outstanding 5,827,917 common limited partnership units as of December 31, 2000. As of December 31, 2000, we had reserved 8,537,368 shares of common stock for issuance under our Stock Option and Incentive Plan (not including shares that we have already issued) and, as of December 31, 2000, we had granted to certain directors, officers and employees options to purchase 5,666,830 shares of common stock (excluding forfeitures and 128,216 shares that we have issued pursuant to the exercise of options). As of December 31, 2000, we had granted 311,017 restricted shares of common stock, 1,931 of which have been forfeited. In addition, we may issue additional shares of common stock and the operating partnership may issue additional limited partnership units in connection with the acquisition of properties. In connection with the issuance of common limited partnership units to other transferors of properties, and in connection with the issuance of the performance units, we have agreed to file registration statements covering the issuance of shares of common stock upon the exchange of the common limited partnership units. We have also filed a registration statement with respect to the shares of common stock issuable under our Stock Option and Incentive Plan. These registration statements and registration rights generally allow shares of common stock covered thereby, including shares of common stock issuable upon exchange of limited partnership units, including performance units, or the exercise of options or restricted shares of common stock, to be transferred or resold without restriction under the Securities Act. We may also agree to provide registration rights to any other person who may become an owner of the operating partnership's limited partnership units.

Future sales of the shares of common stock described above could adversely affect the market price of our common stock. The existence of the operating partnership's limited partnership units, options, and shares of common stock reserved for issuance upon exchange of limited partnership units, and the exercise of options and registration rights referred to above, also may adversely affect the terms upon which we are able to obtain additional capital through the sale of equity securities.

VARIOUS MARKET CONDITIONS AFFECT THE PRICE OF OUR STOCK

As with other publicly-traded equity securities, the market price of our stock will depend upon various market conditions, which may change from time to time. Among the market conditions that may affect the market price of our stock are the following:

- the extent of investor interest in us;
- the general reputation of real estate investment trusts and the attractiveness of their equity securities in comparison to other equity securities (including securities issued by other real estate-based companies);
- our financial performance; and
- general stock and bond market conditions, including changes in interest rates on fixed income securities, that may lead prospective purchasers of our stock to demand a higher annual yield from future dividends. Such an increase in the required yield from dividends may adversely affect the market price of our stock.

Other factors such as governmental regulatory action and changes in tax laws could also have a significant impact on the future market price of our stock.

EARNINGS AND CASH DIVIDENDS, ASSET VALUE, AND MARKET INTEREST RATES AFFECT THE PRICE OF OUR STOCK

The market value of the equity securities of a real estate investment trust generally is based primarily upon the market's perception of the real estate investment trust's growth potential and its current and potential future earnings and cash dividends. It is based secondarily upon the real estate market value of the underlying assets. For that reason, shares of our stock may trade at prices that are higher or lower than the net asset value per share. To the extent that we retain operating cash flow for investment purposes, working capital reserves, or other purposes, these retained funds, while increasing the value of our underlying assets, may not correspondingly increase the market price of our stock. Our failure to meet the market's expectation with regard to future earnings and cash dividends likely would adversely affect the market price of our stock. Another factor that may influence the price of our stock will be the distribution yield on the stock (as a percentage of the price of the stock) relative to market interest rates. An increase in market interest rates might lead prospective purchasers of our stock to expect a higher distribution yield, which would adversely affect the market price of the stock. If the market price of our stock declines significantly, then we might breach certain covenants with respect to debt obligations, which might adversely affect our liquidity and ability to make future acquisitions and our ability to pay dividends to our stockholders.

ITEM 7a. QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our exposure to market risk includes: 1) the rising interest rates in connection with our unsecured credit facility and other variable rate borrowings; and 2) our ability to incur more debt without stockholder approval, thereby increasing our debt service obligations, which could adversely affect our cash flows. See "Item 7: Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources -- Capital Resources -- Market Capitalization."

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See "Item 14. Exhibits, Financial Statement Schedules, and Reports of Form 8-K."

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEMS 10, 11, 12 AND 13.

DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT, EXECUTIVE COMPENSATION, SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT, AND CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by Item 10, Item 11, Item 12, and Item 13 will be contained in a definitive proxy statement for our Annual Meeting of Stockholders which we anticipate will be filed no later than 120 days after the end of our fiscal year pursuant to Regulation 14A and accordingly these items have been omitted in accordance with General Instruction G(3) to Form 10-K.

46

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) (1) and (2) FINANCIAL STATEMENTS AND SCHEDULES:

The following consolidated financial information is included as a separate section of this report on Form 10-K.

<TABLE>
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	PAGE

<S>	<C>
Report of Independent Public Accountants.....	F-1
Consolidated Balance Sheets as of December 31, 2000 and 1999.....	F-2
Consolidated Statements of Operations for the years ended December 31, 2000, 1999, and 1998.....	F-3
Consolidated Statements of Stockholders' Equity for the years ended December 31, 2000, 1999, and 1998.....	F-4
Consolidated Statements of Cash Flows for the years ended December 31, 2000, 1999, and 1998.....	F-5
Notes to Consolidated Financial Statements.....	F-6
Schedule III -- Real Estate and Accumulated Depreciation....	S-1

All other schedules are omitted since the required information is not present in amounts sufficient to require submission of the schedule or because the information required is included in the financial statements and notes thereto.

(a) (3) EXHIBITS:

EXHIBIT NUMBER	DESCRIPTION
3.1	Articles of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 of the Registrant's Statement on Form S-11 (No. 333-35915)).
3.2	Certificate of Correction of the Registrant's Articles Supplementary establishing and fixing the rights and preferences of the 8 1/2% Series A Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.2 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 1998).
3.3	Articles Supplementary establishing and fixing the rights and preferences of the 8 5/8% Series B Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.1 of the Registrant's Current Report on Form 8-K filed on January 7, 1999).
3.4	Articles Supplementary establishing and fixing the rights and preferences of the 8.75% Series C Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.2 of the Registrant's Current Report on Form 8-K filed on January 7, 1999).
3.5	Articles Supplementary establishing and fixing the rights and preferences of the 7.75% Series D Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.1 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1999).
3.6	Articles Supplementary establishing and fixing the rights and preferences of the 7.75% Series E Cumulative Preferred Stock (incorporated by reference to Exhibit 3.1 of the Registrant's Current Report on Form 8-K filed on September 14, 1999).
3.7	Articles Supplementary establishing and fixing the rights and preferences of the 7.95% Series F Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.1 of the Registrant's Current Report on Form 8-K filed on April 14, 2000).
3.8	Articles Supplementary establishing and fixing the rights and preferences of the 7.95% Series G Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.1 of the Registrant's Current Report on Form 8-K filed on September 29, 2000).

EXHIBIT NUMBER	DESCRIPTION
3.9	Articles Supplementary establishing and fixing the rights and preferences of the 8.125% Series H Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.3 of the Registrant's Current Report on Form 8-K filed on September 29, 2000).
3.10	Articles Supplementary establishing and fixing the rights and preferences of the 8.00% Series I Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.1 of the Registrant's Current Report on Form 8-K filed on March 23, 2001).
3.11	Second Amended and Restated Bylaws of the Registrant.
4.1	Form of Certificate for Common Stock of the Registrant (incorporated by reference to Exhibit 3.3 of the Registrant's Registration Statement on Form S-11 (No. 333-35915)).
4.2	Form of Certificate for 8.5% Series A Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.5(2) of Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1998).
4.3	Form of Fixed-Rate Medium Term Note, attaching the Form of

- Parent Guarantee (incorporated herein by reference as Exhibit 4.2 of the Registrant's Current Report on Form 8-K/A filed on November 9, 2000).
- 4.4 Form of Floating-Rate Medium Term Note, attaching the Form of Parent Guarantee (incorporated herein by reference as Exhibit 4.3 of the Registrant's Current Report on Form 8-K/A filed on November 9, 2000).
- 4.5 \$30,000,000 7.925% Fixed Rate Note No. 1 dated August 18, 2000, attaching the Parent Guarantee dated August 18, 2000.
- 4.6 \$25,000,000 7.925% Fixed Rate Note No. 2 dated September 12, 2000, attaching the Parent Guarantee dated September 12, 2000.
- 4.7 \$50,000,000 8.00% Fixed Rate Note No. 3 dated October 26, 2000, attaching the Parent Guarantee dated October 26, 2000.
- 4.8 \$25,000,000 8.000% Fixed Rate Note No. 4 dated October 26, 2000, attaching the Parent Guarantee dated October 26, 2000.
- 4.9 \$50,000,000 7.20% Fixed Rate Note No. 5 dated December 19, 2000, attaching the Parent Guarantee dated December 19, 2000 (incorporated herein by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K filed on January 8, 2001).
- 4.10 \$50,000,000 7.20% Fixed Rate Note No. 6 dated December 19, 2000, attaching the Parent Guarantee dated December 19, 2000 (incorporated herein by reference to Exhibit 4.2 of the Registrant's Current Report on Form 8-K filed on January 8, 2001).
- 4.11 \$50,000,000 7.20% Fixed Rate Note No. 7 dated December 19, 2000, attaching the Parent Guarantee dated December 19, 2000 (incorporated herein by reference to Exhibit 4.3 of the Registrant's Current Report on Form 8-K filed on January 8, 2001).
- 4.12 Indenture dated as of June 30, 1998, by and among AMB Property, L.P., the Registrant and State Street Bank and Trust Company of California, N.A., as trustee (incorporated by reference to Exhibit 4.1 of the Registrant's Registration Statement on Form S-11 (No. 333-49163)).
- 4.13 First Supplemental Indenture dated as of June 30, 1998 by and among AMB Property, L.P., the Registrant and State Street Bank and Trust Company of California, N.A., as trustee (incorporated by reference to Exhibit 4.2 of the Registrant's Registration Statement Form S-11 (No. 333-49163)).
- 4.14 Second Supplemental Indenture dated as of June 30, 1998, by and among AMB Property, L.P., the Registrant and State Street Bank and Trust Company of California, N.A., as trustee (incorporated by reference to Exhibit 4.3 of the Registrant's Registration Statement on Form S-11 (No. 333-49163)).

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48

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|------|---|
| 4.15 | Third Supplemental Indenture dated as of June 30, 1998, by and among AMB Property, L.P., the Registrant and State Street Bank and Trust Company of California, N.A., as trustee (incorporated by reference to Exhibit 4.4 of the Registrant's Registration Statement on Form S-11 (No. 333-49163)). |
| 4.16 | 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 (incorporated herein by reference as Exhibit 4.1 of the Registrant's Current Report on Form 8-K/A filed on November 9, 2000). |
| 4.17 | Specimen of 7.10% Notes due 2008 (included in the First Supplemental Indenture incorporated by reference as Exhibit 4.2 of the Registrant's Registration Statement on Form S-11 (No. 333-49163)). |
| 4.18 | Specimen of 7.50% Notes due 2018 (included in the Second Supplemental Indenture incorporated by reference as Exhibit 4.3 of the Registrant's Registration Statement on Form S-11 (No. 333-49163)). |
| 4.19 | Specimen of 6.90% Reset Put Securities due 2015 (included in the Third Supplemental Indenture incorporated by reference as Exhibit 4.4 of the Registrant's Registration Statement on Form S-11 (No. 333-49163)). |
| 4.20 | \$25,000,000 6.90% Fixed Rate Note No. 8 dated January 9, 2001, attaching the Parent Guarantee dated January 9, 2001 (incorporated herein by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K filed on January 31, |

- 2001).
- 10.1 Distribution Agreement dated August 15, 2000 by and among AMB Property Corporation, 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. (incorporated herein by reference to Exhibit 1.1 of Registrant's Current Report on Form 8-K/A filed on November 9, 2000).
- 10.2 Terms Agreement dated as of December 14, 2000, by and between Morgan Stanley & Co., Incorporated and J.P. Morgan Securities Inc. and AMB Property, L.P. (incorporated herein by reference to Exhibit 1.1 of the Registrant's Current Report on Form 8-K filed on January 8, 2001).
- 10.3 Terms Agreement dated as of January 4, 2001, by and between A.G. Edwards & Sons, Inc. and AMB Property, L.P. (incorporated herein by reference to Exhibit 1.1 of the Registrant's Current Report on Form 8-K filed on January 31, 2001).
- 10.4 Terms Agreement dated as of March 2, 2001, by and among First Union Securities, Inc., AMB Property, L.P. and AMB Property Corporation (incorporated by reference to Exhibit 1.1 of Registrants' current report on Form 8-K filed on March 16, 2001).
- 10.5 Fourth Amended and Restated Partnership Agreement of Limited Partnership of AMB Property, L.P. (incorporated herein by reference as Exhibit 10.1 to the Registrants Current Report on Form 8-K filed on August 15, 2000).
- 10.6 First Amendment to the Fourth Amended and Restated Agreement of Limited Partnership of AMB Property, L.P.
- 10.7 Form of Registration Rights Agreement among the Registrant and the persons named therein (incorporated by reference to Exhibit 10.2 of the Registrant's Registration Statement on Form S-11 (No. 333-35915)).
- 10.8 Form of Change in Control and Noncompetition Agreement between the Registrant and Executive Officers (incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1998).

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EXHIBIT
NUMBER

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|-------|---|
| 10.9 | Agreement for Purchase and Exchange entered into as of March 9, 1999, by and among AMB Property, L.P., AMB Property II, L.P., Long Gate, L.L.C. and BPP Retail, LLC, regarding the transaction which closed on June 15, 1999 (incorporated by reference to Exhibit 10.1 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999). |
| 10.10 | Agreement for Purchase and Exchange entered into as of March 9, 1999, by and among AMB Property, L.P., AMB Property II, L.P., Long Gate, L.L.C. and BPP Retail, LLC, regarding the transaction which closed on August 4, 1999 (incorporated by reference to Exhibit 10.2 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999). |
| 10.11 | Agreement for Purchase and Exchange entered into as of March 9, 1999, by and among AMB Property, L.P., AMB Property II, L.P., Long Gate, L.L.C. and BPP Retail, LLC, regarding the transaction which closed on December 1, 1999 (incorporated by reference to Exhibit 10.3 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999). |
| 10.12 | Dividend Reinvestment and Direct Purchase Plan, dated July 9, 1999 (incorporated by reference to Exhibit 10.4 of the Registrant's Quarterly Report on Report Form 10-Q for the quarter ended June 30, 1999). |
| 10.13 | Second Amended and Restated 1997 Stock Option and Incentive Plan (incorporated by reference to Exhibit 10.5 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999). |
| 10.14 | Ninth Amended and Restated Agreement of Limited Partnership of AMB Property II, L.P., dated March 21, 2001 (incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed on March 23, 2001). |
| 10.15 | Revolving Credit Agreement dated as of May 24, 2000, among AMB Property, L.P., the banks listed therein, Morgan Guaranty Trust Company of New York, as Administrative Agent, Bank of America, N.A., as Syndication Agent, the Chase Manhattan Bank, as Documentation Agent, J.P. Morgan Securities Inc. and Banc of America Securities LLC, as Joint Lead Arrangers and Joint Bookmanagers, Bank one, NA, |

Commerzbank Aktiengesellschaft, PNC Bank National Association and Wachovia Bank, N.A., as Managing Agents and Banks Trust Company and Dresdner Bank AG, New York and Grand Cayman Branches, as Co-Agents (incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed on June 16, 2000).

- 10.16 Guaranty of Payment made as of May 24, 2000, between AMB Property Corporation and Morgan Guaranty Trust Company of New York, as administrative agent for the banks listed on the signature page of the Revolving Credit Agreement (incorporated herein by reference to Exhibit 10.2 of the Registrant's Current Report on Form 8-K filed on June 16, 2000).
- 10.17 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 parties thereto, BT Realty Resources, Inc. and Chase Manhattan Bank (incorporated by reference to Exhibit 10.3 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999).
- 21.1 Subsidiaries of the Registrant.
- 23.1 Consent of Arthur Andersen LLP.
- 24.1 Powers of Attorney (included in Part IV of this Form 10-K).

</TABLE>

(b) REPORTS ON FORM 8-K:

- The Registrant filed a Current Report on Form 8-K on November 2, 2000, in connection with the issuance of \$75 million of senior unsecured notes by AMB Property L.P. under its medium-term note program.
- The Registrant filed a Current Report on Form 8-K/A on November 9, 2000, in connection with the commencement of AMB Property, L.P.'s medium term note program.

50

- The Registrant filed a Current Report on Form 8-K/A on November 16, 2000, in connection with the commencement of AMB Property, L.P.'s medium term note program.
- The Registrant filed a Current Report on Form 8-K on November 30, 2000, in connection with its 2000 acquisitions.
- The Registrant filed a Current Report on Form 8-K/A on December 14, 2000, in connection with its 2000 acquisitions.
- The Registrant filed a Current Report on Form 8-K/A on December 19, 2000, in connection with its 2000 acquisitions.
- The Registrant filed a Current Report on Form 8-K on January 8, 2001, in connection with the issuance of \$150 million of senior unsecured notes by AMB Property, L.P. under its medium-term note program.
- The Registrant filed a Current Report on Form 8-K on January 29, 2001, in connection with its 2000 earnings release.
- The Registrant filed a Current Report on Form 8-K on January 31, 2001, in connection with the issuance of \$25 million of senior unsecured notes by AMB Property, L.P. under its medium-term note program.
- The Registrant filed a Current Report on Form 8-K on March 6, 2001, in connection with the issuance of \$50 million of senior unsecured notes by AMB Property, L.P. under its medium-term note program.
- The Registrant filed a Current Report on Form 8-K on March 23, 2001, in connection with the filing by the Registrant of Articles Supplementary establishing and fixing the rights and preferences of the 8.00% Series I Cumulative Redeemable Preferred Stock.

(c) EXHIBITS:

See Item 14(a)(3) above.

(d) FINANCIAL STATEMENT SCHEDULES:

See Item 14(a)(1) and (2) above.

51

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on March 27, 2001.

AMB PROPERTY CORPORATION

By: /s/ HAMID R. MOGHADAM

 Hamid R. Moghadam
 Chairman of the Board and
 Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned officers and directors of AMB Property Corporation, hereby severally constitute Hamid R. Moghadam, W. Blake Baird, David S. Fries, and Michael A. Coke, and each of them singly, our true and lawful attorneys with full power to them, and each of them singly, to sign for us and in our names in the capacities indicated below, the Form 10-K filed herewith and any and all amendments to said Form 10-K, and generally to do all such things in our names and in our capacities as officers and directors to enable AMB Property Corporation to comply with the provisions of the Securities Exchange Act of 1934, and all requirements of the Securities and Exchange Commission, hereby ratifying and confirming our signatures as they may be signed by our said attorneys, or any of them, to said Form 10-K and any and all amendments thereto.

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

<TABLE>
 <CAPTION>

NAME -----	TITLE -----	DATE -----
<S> /s/ HAMID R. MOGHADAM ----- Hamid R. Moghadam	<C> Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	<C> March 27, 2001
/s/ W. BLAKE BAIRD ----- W. Blake Baird	President	March 27, 2001
/s/ DOUGLAS D. ABBEY ----- Douglas D. Abbey	Director	March 27, 2001
/s/ T. ROBERT BURKE ----- T. Robert Burke	Director	March 27, 2001
/s/ DANIEL H. CASE III ----- Daniel H. Case III	Director	March 27, 2001
/s/ DAVID A. COLE ----- David A. Cole	Director	March 27, 2001
/s/ LYNN M. SEDWAY ----- Lynn M. Sedway	Director	March 27, 2001
/s/ JEFFREY L. SKELTON, PH.D. ----- Jeffrey L. Skelton, Ph.D.	Director	March 27, 2001
/s/ THOMAS W. TUSHER ----- Thomas W. Tusher	Director	March 27, 2001
/s/ CARYL B. WELBORN, ESQ. ----- Caryl B. Welborn, Esq	Director	March 27, 2001
/s/ MICHAEL A. COKE ----- Michael A. Coke	Chief Financial Officer and Executive Vice President (Duly Authorized Officer and Principal Financial and Accounting Officer)	March 27, 2001

</TABLE>

of AMB Property Corporation:

We have audited the accompanying consolidated balance sheets of AMB Property Corporation (a Maryland corporation) and subsidiaries as of December 31, 2000 and 1999, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2000. These financial statements and the schedules referred to below are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedules, based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AMB Property Corporation and subsidiaries as of December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedules III, Real Estate and Accumulated Depreciation and IV, Mortgage Loans on Real Estate, are presented for purposes of complying with the Securities and Exchange Commission's rules and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

San Francisco, California
January 22, 2001

F-1

AMB PROPERTY CORPORATION
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2000 AND 1999
(IN THOUSANDS, EXCEPT SHARE AMOUNTS)

ASSETS

<TABLE>
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	2000	1999
	-----	-----
<S>	<C>	<C>
Investments in real estate:		
Land.....	\$ 833,325	\$ 714,916
Buildings and improvements.....	2,915,537	2,349,221
Construction in progress.....	277,735	185,315
	-----	-----
Total investments in properties.....	4,026,597	3,249,452
Accumulated depreciation and amortization.....	(177,467)	(103,558)
	-----	-----
Net investments in properties.....	3,849,130	3,145,894
Investment in unconsolidated joint ventures.....	80,432	66,357
Properties held for divestiture, net.....	197,146	181,201
	-----	-----
Net investments in real estate.....	4,126,708	3,393,452
Cash and cash equivalents.....	20,358	33,312
Restricted cash and cash equivalents.....	22,364	103,707
Mortgage receivables.....	115,969	--
Accounts receivable, net of allowance for doubtful accounts of \$7,677 and \$7,497, respectively.....	69,874	35,516
Investments in affiliated companies.....	35,731	150
Investments in other companies, net.....	15,965	43,512
Other assets.....	18,657	11,901
	-----	-----
Total assets.....	\$4,425,626	\$3,621,550
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Debt:

Secured debt.....	\$ 940,276	\$ 707,037
Alliance Fund I unsecured debt.....	--	80,000
Unsecured senior debt securities.....	680,000	400,000
Unsecured credit facility.....	216,000	83,000
	-----	-----
Total debt.....	1,836,276	1,270,037
Other liabilities.....	147,042	89,371
	-----	-----
Total liabilities.....	1,983,318	1,359,408
Commitments and contingencies.....		
Minority interests.....	674,378	432,883
Stockholders' equity:		
Series A preferred stock, cumulative, redeemable, \$.01 par value, 100,000,000 shares authorized, 4,000,000 issued and outstanding, \$100,000 liquidation preference.....	96,100	96,100
Common stock \$.01 par value, 500,000,000 shares authorized, 84,138,751 and 85,133,041 issued and outstanding.....	841	851
Additional paid-in capital.....	1,638,655	1,656,226
Retained earnings.....	36,066	47,089
Accumulated other comprehensive income/(loss).....	(3,732)	28,993
	-----	-----
Total stockholders' equity.....	1,767,930	1,829,259
	-----	-----
Total liabilities and stockholders' equity.....	\$4,425,626	\$3,621,550
	=====	=====

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

F-2

AMB PROPERTY CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2000, 1999, AND 1998
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

<TABLE>
<CAPTION>

	2000	1999	1998
	-----	-----	-----
<S>	<C>	<C>	<C>
REVENUES			
Rental revenues.....	\$ 464,164	\$ 439,658	\$ 354,658
Equity in earnings of unconsolidated joint ventures.....	5,212	4,701	1,825
Investment management and other income.....	8,331	3,824	2,404
	-----	-----	-----
Total revenues.....	477,707	448,183	358,887
OPERATING EXPENSES			
Property operating expenses.....	50,566	51,739	40,197
Real estate taxes.....	57,164	56,184	48,218
Interest, including amortization.....	90,270	88,681	69,670
Depreciation and amortization.....	96,258	67,505	57,464
General and administrative.....	23,750	25,223	19,588
	-----	-----	-----
Total operating expenses.....	318,008	289,332	235,137
	-----	-----	-----
Income from operations before minority interests.....	159,699	158,851	123,750
Minority interests' share of net income.....	(44,961)	(34,011)	(11,157)
	-----	-----	-----
Net income before gain from divestiture of real estate.....	114,738	124,840	112,593
Gain from divestiture of real estate.....	7,044	53,753	--
	-----	-----	-----
Net income before extraordinary items.....	121,782	178,593	112,593
Extraordinary items.....	--	(2,490)	--
	-----	-----	-----
Net income.....	121,782	176,103	112,593
Series A preferred stock dividends.....	(8,500)	(8,500)	(3,639)
	-----	-----	-----
Net income available to common stockholders....	\$ 113,282	\$ 167,603	\$ 108,954
	=====	=====	=====
BASIC INCOME PER COMMON SHARE			
Before extraordinary items.....	\$ 1.35	\$ 1.97	\$ 1.27
Extraordinary items.....	--	(0.03)	--
	-----	-----	-----
Net income available to common stockholders....	\$ 1.35	\$ 1.94	\$ 1.27
	=====	=====	=====
DILUTED INCOME PER COMMON SHARE			
Before extraordinary items.....	\$ 1.35	\$ 1.97	\$ 1.26
Extraordinary items.....	--	(0.03)	--

Net income available to common stockholders....	\$ 1.35	\$ 1.94	\$ 1.26
WEIGHED AVERAGE COMMON SHARES OUTSTANDING			
Basic.....	83,697,170	86,271,862	85,876,383
Diluted.....	84,155,306	86,347,487	86,235,176

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

F-3

AMB PROPERTY CORPORATION

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2000, 1999, AND 1998
(IN THOUSANDS, EXCEPT SHARE AMOUNTS)

	SERIES A PREFERRED STOCK	COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	ACCUMULATED OTHER COM- PREHENSIVE INCOME
		NUMBER OF SHARES	AMOUNT			
TOTAL						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
<C>						
AMB PROPERTY CORPORATION						
Balance at December 31, 1997.....	\$ --	85,874,513	\$ 859	\$1,667,171	\$ --	\$ --
\$1,668,030						
Net income.....	3,639	--	--	--	108,954	--
112,593						
Issuance of preferred stock, net of offering costs.....	96,100	--	--	--	--	96,100
Issuance of restricted Stock.....	--	43,007	--	930	--	930
Reallocation of limited partners' interests in Operating Partnership...	--	--	--	7,215	--	--
7,215						
Dividends.....	(3,639)	--	--	(6,915)	(108,954)	--
(119,508)						
Balance at December 31, 1998.....	96,100	85,917,520	859	1,668,401	--	--
1,765,360						
Comprehensive Income:						
Net Income.....	--	8,500	--	--	--	167,603
--						
Unrealized gains on securities.....	--	--	--	--	--	--
28,993						
Total comprehensive income.....	--	--	--	--	--	--
205,096						
Issuance of restricted stock, net.....	--	98,368	1	2,214	--	--
2,215						
Retirement of common stock.....	--	(1,443,600)	(14)	(27,286)	--	--
(27,300)						
Exercise of stock options.....	--	25,000	--	526	--	--
526						
Conversion of Operating Partnership units.....	--	535,753	5	11,048	--	--
11,053						
Deferred compensation.....	--	--	--	(3,080)	--	--
(3,080)						
Deferred compensation amortization.....	--	--	--	952	--	--
952						
Reallocation of Limited Partners' Interest in Operating Partnership.....	--	--	--	3,451	--	--
3,451						
Dividends.....	(8,500)	--	--	--	(120,514)	--
(129,014)						
Balance at December 31, 1999.....	96,100	85,133,041	851	1,656,226	47,089	28,993
1,829,259						
Comprehensive Income:						
Net Income.....	--	8,500	--	--	--	113,282
--						
Unrealized loss on securities.....	--	--	--	--	--	--
(32,725)						
Total comprehensive income.....	--	--	--	--	--	--
89,057						

Issuance of restricted stock, net.....	--	161,996	2	3,268	--	--
3,270						
Retirement of common stock.....	--	(1,465,926)	(15)	(29,303)	--	--
(29,318)						
Exercise of stock options.....	--	103,217	1	2,179	--	--
2,180						
Conversion of Operating Partnership						
units.....	--	206,423	2	4,911	--	--
4,913						
Deferred compensation.....	--	--	--	(3,270)	--	--
(3,270)						
Deferred compensation amortization.....	--	--	--	1,022	--	--
1,022						
Reallocation of limited partners'						
interests in Operating Partnership...	--	--	--	3,622	--	--
3,622						
Dividends.....	(8,500)	--	--	--	(124,305)	--
(132,805)						
	-----	-----	-----	-----	-----	-----
Balance at December 31, 2000.....	\$96,100	84,138,751	\$ 841	\$1,638,655	\$ 36,066	\$ (3,732)
\$1,767,930						
	=====	=====	=====	=====	=====	=====

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

F-4

AMB PROPERTY CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2000, 1999, AND 1998
(IN THOUSANDS)

<TABLE>
<CAPTION>

	2000	1999	1998
	-----	-----	-----
<S>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income.....	\$ 121,782	\$ 176,103	\$ 112,593
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization.....	96,258	67,505	57,464
Straight-line rents.....	(10,203)	(10,847)	(10,921)
Amortization of debt premiums and financing costs.....	(6,055)	(3,009)	(2,730)
Minority interests' share of net income.....	44,961	34,011	11,157
Gain on divestiture of real estate.....	(7,044)	(53,753)	--
Non-cash portion of extraordinary items.....	--	(6,058)	--
Equity in (earnings) loss of AMB Investment Management....	3,159	875	313
Equity in earnings of unconsolidated joint ventures.....	(5,212)	(4,701)	(1,730)
Changes in assets and liabilities:			
Other assets.....	(34,142)	5,199	(9,377)
Other liabilities.....	57,671	(14,934)	20,411
	-----	-----	-----
Net cash provided by operating activities.....	261,175	190,391	177,180
CASH FLOWS FROM INVESTING ACTIVITIES			
Change in restricted cash and cash equivalents.....	(4,002)	(98,480)	2,847
Cash paid for property acquisitions.....	(604,872)	(399,891)	(564,304)
Additions to buildings, development costs, and other first generation improvements.....	(153,534)	(152,643)	(125,180)
Additions to second generation building Improvements and lease costs.....	(40,573)	(27,289)	(12,733)
Additions to interests in unconsolidated joint ventures....	(13,158)	(7,789)	(67,376)
Distributions received from unconsolidated joint ventures...	4,295	3,787	11,451
Net proceeds from divestiture of real estate.....	85,345	746,037	--
Reduction of payable to affiliates in connection with Formation Transactions.....	--	--	(38,071)
	-----	-----	-----
Net cash provided by (used in) investing activities.....	(726,499)	63,732	(793,366)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of common stock.....	2,180	732	--
Borrowings (payments) on unsecured credit facility, net....	133,000	(151,000)	84,000
Borrowings (payments) on Alliance Fund I credit facility, net.....	(80,000)	80,000	--
Borrowings (payments) on secured debt, net.....	84,975	(81,289)	(20,655)
Payment of financing fees.....	(6,364)	(242)	(7,704)
Net proceeds from issuance of senior debt securities.....	278,183	--	399,166
Net proceeds from issuance of Series A preferred stock.....	--	--	96,100
Net proceeds from issuances of preferred units.....	61,413	88,476	167,993
Contributions from investors in the Alliance Fund I.....	153,872	14,611	--

Dividends paid to common and preferred stockholders.....	(130,680)	(160,566)	(88,236)
Distributions to minority interests, including preferred units.....	(44,209)	(31,443)	(26,462)
	-----	-----	-----
Net cash provided by (used in) financing activities.....	452,370	(240,721)	604,202
	-----	-----	-----
Net increase (decrease) in cash and cash equivalents.....	(12,954)	13,402	(11,984)
Cash and cash equivalents at beginning of period.....	33,312	19,910	31,894
	-----	-----	-----
Cash and cash equivalents at end of period.....	\$ 20,358	\$ 33,312	\$ 19,910
	=====	=====	=====
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash paid for interest.....	\$ 90,138	\$ 89,627	\$ 68,209
Non-cash transactions:			
Acquisition of properties.....	\$ 729,972	\$ 471,905	\$ 901,284
Assumption of debt.....	(125,100)	(57,480)	(221,017)
Minority interest's contribution, including units issued.....	--	(14,534)	(115,963)
	-----	-----	-----
Net cash paid.....	\$ 604,872	\$ 399,891	\$ 564,304
	=====	=====	=====

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

F-5

AMB PROPERTY CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999

1. ORGANIZATION AND FORMATION OF THE COMPANY

AMB Property Corporation, a Maryland corporation (the "Company"), commenced operations as a fully integrated real estate company effective with the completion of its initial public offering on November 26, 1997. The Company elected to be taxed as a real estate investment trust under Sections 856 through 860 of the Internal Revenue Code of 1986, commencing with its taxable year ended December 31, 1997, and believes its current organization and method of operation will enable it to maintain its status as a real estate investment trust. The Company, through its controlling interest in its subsidiary, AMB Property, L.P., a Delaware limited partnership (the "Operating Partnership"), is engaged in the acquisition, ownership, operation, management, renovation, expansion, and development of primarily industrial buildings in target markets nationwide. Unless the context otherwise requires, the "Company" means AMB Property Corporation, the Operating Partnership, and its other controlled subsidiaries.

As of December 31, 2000, the Company owned an approximate 93.5% general partner interest in the Operating Partnership, excluding preferred units. The remaining 6.5% limited partner interest is owned by non-affiliated investors and certain current and former directors and officers of the Company. For local law purposes, certain properties are owned through limited partnerships and limited liability companies. The ownership of such properties through such entities does not materially affect the Company's overall ownership of the interests in the properties. As the sole general partner of the Operating Partnership, the Company has full, exclusive, and complete responsibility and discretion in the day-to-day management and control of the Operating Partnership. Net operating results of the Operating Partnership are allocated after preferred unit distributions based on the respective partners' ownership interests.

Through the Operating Partnership, the Company enters into co-investment joint ventures with institutional investors. These co-investment joint ventures provide the Company with an additional source of capital to fund certain acquisitions and development and renovation projects. As of December 31, 2000, the Company had investments in two co-investment joint ventures, including AMB Institutional Alliance Fund I, L.P. ("Alliance Fund I"), which are consolidated for financial reporting purposes.

AMB Investment Management, Inc., a Maryland corporation ("AMB Investment Management"), provides real estate investment services on a fee basis to clients. The Operating Partnership purchased 100% of AMB Investment Management's non-voting preferred stock (representing a 95% economic interest therein). Certain current and former executive officers of the Company and a former executive officer of AMB Investment Management collectively purchased 100% of AMB Investment Management's voting common stock (representing a 5% economic interest therein). The Operating Partnership also owns 100% of the non-voting preferred stock of Headlands Realty Corporation, a Maryland corporation, (representing a 95% economic interest therein). Certain current and former executive officers of the Company and a director of Headlands Realty Corporation collectively own 100% of the voting common stock of Headlands Realty Corporation (representing a 5% economic interest therein). Headlands Realty Corporation primarily invests in properties that do not meet the Company's normal investment

strategy, as well as build-to-sell development projects, which are part of the Company's investment strategy. In addition, it invests in properties and interests in entities that engage in the management, leasing, and development of properties and similar activities. The Operating Partnership accounts for its investments in AMB Investment Management and Headlands Realty Corporation using the equity method of accounting.

As of December 31, 2000, the Company owned 862 industrial buildings and eight retail centers, located in 27 markets throughout the United States (unaudited). The Company's strategy is to become a leading provider of High Throughput Distribution, or HTD, properties located near key passenger and cargo airports, highway systems and ports in major metropolitan areas, such as Atlanta, Chicago, Dallas/Fort Worth, Northern New Jersey/New York City, the San Francisco Bay Area, Southern California, Miami, and Seattle. As of December 31, 2000, the industrial buildings, principally warehouse distribution buildings, encompassed

F-6
AMB PROPERTY CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2000 AND 1999

approximately 75.8 million rentable square feet and were 96.4% leased to over 2,850 tenants (unaudited). As of December 31, 2000, the retail centers, principally grocer-anchored community shopping centers, encompassed approximately 1.2 million rentable square feet and were 93.2% leased to over 170 tenants (unaudited).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Generally Accepted Accounting Principles. These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States using the accrual method of accounting. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Principles of Consolidation. The accompanying consolidated financial statements include the financial position, results of operations and cash flows of the Company, its wholly-owned qualified REIT subsidiaries, the Operating Partnership, and joint ventures (the "Joint Ventures"), in which the Company has a controlling interest. Third-party equity interests in the Operating Partnership and the Joint Ventures are reflected as minority interests in the consolidated financial statements. The Company also has three non-controlling limited partnership interests in three separate unconsolidated real estate joint ventures, which are accounted for under the equity method. All significant intercompany amounts have been eliminated.

Investments in Real Estate. Investments in real estate are stated at cost unless circumstances indicate that cost cannot be recovered, in which case, the carrying value of the property is reduced to estimated fair value. Net realizable value for financial reporting purposes is reviewed for impairment on a property-by-property basis whenever events or changes in circumstances indicate that the carrying amount of a property may not be recoverable. Impairment is recognized when estimated expected future cash flows (undiscounted and without interest charges) are less than the carrying amount of the property. The estimation of expected future net cash flows is inherently uncertain and relies on assumptions regarding current and future economics and market conditions and the availability of capital. If impairment analysis assumptions change, then an adjustment to the carrying amount of the Company's long-lived assets could occur. To the extent that a property is impaired, the excess of the carrying amount of the property over its estimated fair value is charged to income. The management of the Company believed that there was no impairment of the carrying value of its investments in real estate at December 31, 2000.

F-7
AMB PROPERTY CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2000 AND 1999

Depreciation and amortization are calculated using the straight-line method over the estimated useful lives of the real estate investments. The estimated lives are as follows:

<TABLE>
<CAPTION>

	DEPRECIATION AND AMORTIZATION EXPENSES		
ESTIMATED LIVES	2000	1999	1998

		(DOLLARS IN THOUSANDS)		
<S>	<C>	<C>	<C>	<C>
Building costs.....	40	\$67,997	\$54,668	\$54,417
Buildings and improvements:				
Roof/HVAC/parking lots.....	10	2,404	1,106	346
Plumbing/signage.....	7	484	144	26
Painting and other.....	5	6,345	2,546	668
Tenant improvements.....	Term of the related lease	9,165	4,091	782
Lease commissions.....	Term of the related lease	8,641	3,902	761
Total real estate depreciation.....		95,036	66,457	57,000
Other depreciation and amortization.....	Various	1,222	1,048	464
Total depreciation and amortization.....		\$96,258	\$67,505	\$57,464

</TABLE>

The cost of buildings and improvements includes the purchase price of the property or interest in property including legal fees and acquisition costs. Project costs directly associated with the development and construction of a real estate project, which include interest and property taxes, are capitalized as construction in progress.

Expenditures for maintenance and repairs are charged to operations as incurred. Significant renovations or betterments that extend the economic useful life of assets are capitalized.

Reverse Exchanges. Reverse exchanges represent loan agreements with third parties, whereby the Company loans substantially all funds to the third party to acquire a real estate investment. The loan is secured by the real estate investment and title is held by the third party. The Company records the asset as an investment in real estate and is entitled to record the rental income associated with the property as the Company retains the risk of loss and the benefits of the asset.

Concentration of Credit Risk. Other real estate companies compete with the Company in its real estate markets. This results in competition for tenants to occupy space. The existence of competing properties could have a material impact on the Company's ability to lease space and on the amount of rent received. As of December 31, 2000, the Company did not have any single tenant that accounted for greater than 1.3% of rental revenues.

Cash and Cash Equivalents. Cash and cash equivalents include cash held in financial institutions and other highly liquid short-term investments with original maturities of three months or less.

Restricted Cash and Cash Equivalents. Restricted cash and cash equivalents include cash held in escrow in connection with property purchases, Section 1031 exchange funds, and capital improvements.

Deferred Financing Costs. Costs incurred in connection with financings are capitalized and amortized to interest expense on the effective-interest method over the term of the related loan. As of December 31, 2000 and 1999, deferred financing fees were \$10.7 million and \$6.7 million, respectively, net of accumulated amortization of \$4.7 million and \$2.2 million, respectively. Such amounts are included in Other assets on the Consolidated Balance Sheets.

Investments in Other Companies. Certain of the Company's marketable equity securities are considered available-for-sale investments and are carried at market value on the Consolidated Balance Sheets. The

F-8
AMB PROPERTY CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2000 AND 1999

difference between cost and market value is recorded as a component of Accumulated other comprehensive income in Stockholders' Equity. For its investments in private companies, the Company periodically reviews its investments and management determines if the value of such investments have been permanently impaired. Such impairment losses are included in current earnings.

Debt Premiums. Debt premiums represent the excess of the fair value of debt over the principal value of debt assumed in connection with the initial public offering and subsequent acquisitions. The debt premiums are being amortized into interest expense over the term of the related debt instrument using the effective interest method. As of December 31, 2000 and 1999, the unamortized debt premium was \$9.9 million and \$10.1 million, respectively.

Minority Interests. Minority interests in the Company represent the limited

partnership interests in the Operating Partnership and interests held by certain third parties in 30 joint ventures aggregating approximately 15.5 million square feet, which are consolidated for financial reporting purposes. Such investments are consolidated because: 1) the Company owns a majority interest; or 2) the Company exercises significant control through the ability to control major operating decisions such as approval of budgets, selection of property managers, and changes in financing.

In 1999 and 2000, AMB Institutional Alliance REIT I, Inc. (the "Alliance REIT") issued and sold shares of its capital stock to 15 third-party investors. The Alliance REIT has elected to be taxed as a REIT under the Code, commencing with its tax year ending December 31, 1999. The Alliance REIT acquired a limited partnership interest in the Alliance Fund I, which is engaged in the acquisition, ownership, operation, management, renovation, and expansion and development of industrial buildings in target markets nationwide. The Operating Partnership is the managing general partner of the Alliance Fund I and, together with an affiliate of the Company, owns approximately 21% of the partnership interests in the Alliance Fund I at December 31, 2000. The Company consolidates the Alliance Fund I for financial reporting purposes because the Operating Partnership is the sole managing general partner of the Alliance Fund I and, as a result, controls all of its major operating decisions.

F-9
AMB PROPERTY CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2000 AND 1999

The following table distinguishes the components of minority interest as of and for the year ended December 31, 2000:

<TABLE>
<CAPTION>

	MINORITY INTEREST LIABILITY AS OF DECEMBER 31, 2000 -----	MINORITY INTEREST SHARE OF NET INCOME FOR THE YEAR ENDED DECEMBER 31, 2000 -----
	(DOLLARS IN THOUSANDS)	
<S>	<C>	<C>
Joint venture partners.....	\$ 21,077	\$ 3,414
Separate account co-investors.....	49,849	3,029
Alliance Fund I.....	169,745	5,863
Limited partners in the Operating Partnership.....	115,654	8,042
Series B Preferred Units (liquidation preference of \$65,000).....	62,319	5,608
Held through AMB Property II, L.P.:		
Series C Preferred Units (liquidation preference of \$110,000).....	105,845	9,624
Series D Preferred Units (liquidation preference of \$79,767).....	77,687	6,180
Series E Preferred Units (liquidation preference of \$11,022).....	10,789	856
Series F Preferred Units (liquidation preference of \$19,872).....	19,534	1,228
Series G Preferred Units (liquidation preference of \$1,000).....	957	27
Series H Preferred Units (liquidation preference of \$42,000).....	40,922	1,090
	-----	-----
	\$674,378	\$44,961
	=====	=====

</TABLE>

Rental Revenues. The Company, as a lessor, retains substantially all of the benefits and risks of ownership of the properties and accounts for its leases as operating leases. Rental income is recognized on a straight-line basis over the term of the leases. Reimbursements from tenants for real estate taxes and other recoverable operating expenses are recognized as revenue in the period the applicable expenses are incurred. Differences between estimated and actual amounts are recognized in the subsequent year.

Investment Management and Other Income. Investment management income consists primarily of professional fees generated from the Company's equity in the earnings of AMB Investment Management. Other income consists primarily of interest income on cash and cash equivalents.

Comprehensive Income. Comprehensive income consists of net income and unrealized gains and losses on certain investments in equity securities and is presented in the Consolidated Statement of Stockholders' Equity.

Derivatives. Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities as amended by Statement No. 138, Accounting for Certain Derivative Instruments and Certain Hedging Activities, established accounting and reporting standards requiring

that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value. The Statement, as amended, requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. The Company will adopt FASB Statement No. 133 in 2001 and believes that it will not materially impact its financial position or results of operations as the Company does not utilize derivative instruments in its operations.

F-10
AMB PROPERTY CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2000 AND 1999

3. TRANSACTIONS WITH AFFILIATES

The Company and AMB Investment Management have an agreement that allows for the sharing of certain costs and employees. Additionally, the Company provides AMB Investment Management with certain acquisition-related services. For the years ended December 31, 2000, 1999, and 1998, the Company allocated \$2.8 million, \$2.7 million, and \$1.8 million, respectively, for shared costs to AMB Investment Management.

The Company and AMB Investment Management share common office space under lease obligations. Such lease obligations are charged to the Company and AMB Investment Management at cost. For the years ended December 31, 2000, 1999, and 1998, the Company paid \$1.4 million, \$1.3 million, and \$1.2 million, respectively, for occupancy costs related to the lease obligations of the affiliate.

4. REAL ESTATE ACQUISITION AND DEVELOPMENT ACTIVITY

During 2000, the Company invested \$730.0 million in operating properties, consisting of 145 industrial buildings aggregating approximately 10.5 million square feet. Of this, \$185.6 million was acquired by the Alliance Fund I, consisting of 44 industrial buildings, aggregating approximately 2.6 million square feet. The Company also initiated 17 new development projects, aggregating approximately 4.5 million square feet, with a total estimated cost of \$224.0 million upon completion. In 2000, the Company also completed 12 development projects, aggregating approximately 3.1 million square feet, at a total aggregate cost of \$144.3 million. As of December 31, 2000, the Company had in its development pipeline 19 industrial projects, which will total approximately 5.5 million square feet and have an aggregate estimated investment of \$305.9 million upon completion. It also had three retail projects in its development pipeline, which will total approximately 0.5 million square feet and have an aggregate estimated investment of \$76.3 million upon completion. As of December 31, 2000, the Company and its Development Alliance Partners have funded an aggregate of \$226.5 million and will need to fund an estimated additional \$155.7 million in order to complete projects currently under construction.

During 1999, the Company invested \$471.9 million in operating properties, consisting of 154 industrial buildings, aggregating approximately 8.4 million square feet. The Company also initiated eight new development projects, aggregating approximately 1.7 million square feet, with a total estimated cost of \$130.9 million upon completion. In 1999, the Company also completed seven development projects, aggregating approximately 1.7 million square feet, at a total aggregate cost of \$68.9 million. As of December 31, 1999, the Company had 18 projects, aggregating approximately 4.3 million square feet, in its development pipeline, with a total estimated cost of \$306.4 million upon completion. The Company funded these acquisitions and development projects through proceeds from divestitures of properties, borrowings under its unsecured credit facility, debt and equity financings, and debt assumption.

5. PROPERTY DIVESTITURES AND PROPERTIES HELD FOR DIVESTITURE

Property Divestitures. During 2000, the Company divested itself of 25 industrial buildings and one retail center, aggregating approximately 2.5 million square feet, for an aggregate price of \$175.7 million, with a resulting net gain of \$7.0 million. The retail center was located in Los Angeles, California, aggregated approximately 0.4 million square feet, and sold for \$89.0 million. The Company carries an 8.75% mortgage note in the principal amount of \$79.0 million on the retail center sale. The mortgage note matures in September 2001 and has a one-year extension option.

During 1999, the Company divested itself of 15 industrial buildings and 30 retail centers, aggregating approximately 6.6 million square feet, for an aggregate price of \$764.1 million, with a resulting net gain of \$53.8 million and extraordinary losses consisting of prepayment penalties, partially offset by the related debt premiums, of \$2.9 million.

F-11
AMB PROPERTY CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Properties Held for Divestiture. The Company has decided to divest itself of 33 industrial buildings and one retail center, which are not in its core markets or which do not meet its strategic objectives. The divestitures of the properties are subject to negotiation of acceptable terms and other customary conditions. In connection with the Company's planned divestitures, the Company evaluated its held-for-sale assets for impairment and reduced their carrying value by recording an additional \$3.5 million in depreciation expense. As of December 31, 2000, the net carrying value of the properties held for divestiture was \$197.1 million.

The following summarizes the condensed results of operations of the properties held for divestiture for the years ended December 31:

	2000	1999	1998
	-----	-----	-----
	(DOLLARS IN THOUSANDS)		
<S>	<C>	<C>	<C>
Income.....	\$27,445	\$23,752	\$14,723
Property operating expenses.....	5,625	5,288	3,387
	-----	-----	-----
Net operating income.....	\$21,820	\$18,464	\$11,336
	=====	=====	=====

</TABLE>

6. DEBT

As of December 31, 2000 and 1999, debt consisted of the following:

	DECEMBER 31, 2000	DECEMBER 31, 1999
	-----	-----
	(DOLLARS IN THOUSANDS)	
<S>	<C>	<C>
Secured debt, varying interest rates from 4.0% to 10.4% due April 2001 to June 2023.....	\$ 930,418	\$ 696,931
Alliance Fund I credit facility.....	--	80,000
Unsecured senior debt securities, weighted average interest rate of 7.3%, due December 2005 to June 2018.....	680,000	400,000
Unsecured credit facility, variable interest at LIBOR plus 75 basis points (interest rate of 7.5% at December 31, 2000), due May 2003.....	216,000	83,000
	-----	-----
Subtotal.....	1,826,418	1,259,931
Unamortized premiums.....	9,858	10,106
	-----	-----
Total consolidated debt.....	\$1,836,276	\$1,270,037
	=====	=====

</TABLE>

Secured debt generally requires monthly principal and interest payments. The secured debt is secured by deeds of trust on certain properties. As of December 31, 2000 and 1999, the total gross investment book value of those properties secured by debt was \$2.0 billion and \$1.4 billion, respectively. All of the secured debt bears interest at fixed rates, except for two loans with an aggregate principal amount of \$29.8 million and \$10.4 million at December 31, 2000 and 1999, respectively, which bear interest at variable rates (weighted average interest rate of 8.2% at December 31, 2000). The secured debt has various financial and non-financial covenants. Management believes that the Company was in material compliance with these covenants at December 31, 2000. Additionally, \$240.9 million of the secured debt was cross-collateralized at December 31, 2000. As of December 31, 2000 and 1999, the estimated fair value of the secured debt was \$956.1 million and \$684.0 million, respectively. As of December 31, 2000, the estimated fair value of the unsecured senior debt was \$689.4 million.

In addition, the Alliance Fund I had an \$80.0 million unsecured credit facility. The debt was secured by the unfunded capital commitments of the third party investors in the Alliance REIT I, a limited partner of the Alliance Fund I. Since there are no remaining unfunded capital commitments, the Alliance Fund I paid off

Interest on the unsecured senior debt securities is payable semi-annually. The 2015 notes are puttable and callable in June 2005. The senior debt securities are subject to various financial and non-financial covenants. Management believes that the Company was in material compliance with these covenants at December 31, 2000.

In 2000, the Operating Partnership commenced a medium-term note program for the issuance of up to \$400.0 million in principal amount of medium-term notes, which will be guaranteed by the Company. As of December 31, 2000, the Company had issued \$280.0 million of medium-term notes under the program. In December 2000, the Operating Partnership issued and sold \$150.0 million of the notes under this program to Morgan Stanley Dean Witter and J.P. Morgan as principals. The Company has guaranteed the notes, which mature on December 15, 2005, and bear interest at 7.2% per annum. The Operating Partnership used the net proceeds of \$148.9 million for general corporate purposes, to partially repay indebtedness, and for the acquisition and development of properties. In October 2000, the Operating Partnership issued and sold \$75.0 million of the notes under this program to Morgan Stanley Dean Witter and J.P. Morgan as principals. The Company has guaranteed the notes, which mature on November 1, 2010, and bear interest at 8.0% per annum. The Operating Partnership used the net proceeds of \$74.5 million for general corporate purposes, to partially repay indebtedness, and for the acquisition and development of properties. In August and September 2000, the Operating Partnership issued and sold \$55.0 million of the notes under this program to Morgan Stanley Dean Witter as principal. The Company has guaranteed the notes, which mature on August 20, 2007, and bear interest at 7.925% per annum. The Operating Partnership used the net proceeds of \$54.8 million for general corporate purposes, to partially repay indebtedness, and for the acquisition and development of properties.

In May 2000, the Operating Partnership entered into a new \$500.0 million unsecured revolving credit agreement, which replaced its previous \$500.0 million credit facility, which matured in November 2000. The Company is the guarantor of the Operating Partnership's obligations under the credit facility. The new credit facility matures in May 2003, has a one-year extension option, and is subject to a 15 basis point annual facility fee. The credit facility has various financial and non-financial covenants. Management believes that the Company and the Operating Partnership were in material compliance with these covenants at December 31, 2000. The Operating Partnership has the ability to increase available borrowings up to \$700.0 million by adding additional banks to the facility or obtaining the agreement of existing banks to increase their commitments. Monthly debt service payments on the credit facility are interest only. The total amount available under the credit facility fluctuates based upon the borrowing base, as defined in the agreement governing the credit facility. At December 31, 2000, the remaining amount available under the credit facility was \$284.0 million (excluding the additional \$200.0 million of potential additional capacity).

Capitalized interest related to construction projects for the years ended December 31, 2000, 1999, and 1998, was \$15.5 million, \$10.9 million, and \$7.2 million, respectively.

F-13
AMB PROPERTY CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2000 AND 1999

As of December 31, 2000, the scheduled maturities of the Company's total debt, excluding unamortized debt premiums, were as follows:

<TABLE>
<CAPTION>

	SECURED DEBT	JOINT VENTURE SECURED DEBT	UNSECURED SENIOR DEBT SECURITIES	UNSECURED CREDIT FACILITY	TOTAL
	-----	-----	-----	-----	-----
	(DOLLARS IN THOUSANDS)				
<S>	<C>	<C>	<C>	<C>	<C>
2001.....	\$ 14,071	\$ 35,087	\$ --	\$ --	\$ 49,158
2002.....	29,182	46,044	--	--	75,226
2003.....	72,675	7,134	--	216,000	295,809
2004.....	71,147	20,357	--	--	91,504
2005.....	64,194	30,015	250,000	--	344,209
2006.....	116,022	33,991	--	--	150,013
2007.....	32,181	19,705	55,000	--	106,886
2008.....	106,604	36,011	175,000	--	317,615
2009.....	5,176	25,969	--	--	31,145
2010.....	52,780	65,499	75,000	--	193,279
2011.....	1,311	15,645	--	--	16,956
Thereafter.....	3,307	26,311	125,000	--	154,618
	-----	-----	-----	-----	-----
	\$568,650	\$361,768	\$680,000	\$216,000	\$1,826,418

</TABLE>

7. LEASING ACTIVITY

Future minimum rental income due under noncancelable leases with tenants in effect at December 31, 2000, is as follows:

<TABLE>

<CAPTION>

	(DOLLARS IN THOUSANDS)
<S>	<C>
2001.....	\$ 414,044
2002.....	353,552
2003.....	287,226
2004.....	229,279
2005.....	162,452
Thereafter.....	482,703

	\$1,929,256
	=====

</TABLE>

In addition to minimum rental payments, certain tenants pay reimbursements for their pro rata share of specified operating expenses, which amounted to \$77.9 million, \$81.1 million, and \$68.1 million for the years ended December 31, 2000, 1999, and 1998, respectively. These amounts are included as rental income and operating expenses in the accompanying consolidated statements of operations. Certain of the leases also provide for the payment of additional rent based on a percentage of the tenant's revenues. For the years ended December 31, 2000, 1999, and 1998, the Company recognized percentage rent revenues of \$0.8 million, \$2.0 million, and \$1.9 million, respectively. Some leases contain options to renew.

F-14

AMB PROPERTY CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2000 AND 1999

8. INCOME TAXES

The Company elected to be taxed as a REIT under the Code, commencing with its taxable year ended December 31, 1997. To qualify as a REIT, the Company must meet a number of organizational and operational requirements, including a requirement that it currently distribute at least 95% of its taxable income to its stockholders. Effective January 1, 2001, to qualify as a REIT, the Company must distribute at least 90% of its taxable income to its stockholders. It is management's current intention to adhere to these requirements and maintain the Company's REIT status. As a REIT, the Company generally will not be subject to corporate level federal income tax on net income it distributes currently to its stockholders. As such, no provision for federal income taxes has been included in the accompanying consolidated financial statements. If the Company fails to qualify as a REIT in any taxable year, then it will be subject to federal income taxes at regular corporate rates (including any applicable alternative minimum tax) and may not be able to qualify as a REIT for four subsequent taxable years. Even if the Company qualifies for taxation as a REIT, the Company may be subject to certain state and local taxes on its income and property and to federal income and excise taxes on its undistributed taxable income.

The following reconciles net income available to common stockholders to taxable income available to common stockholders for the years ended December 31:

<TABLE>

<CAPTION>

	2000	1999	1998
	-----	-----	-----
	(DOLLARS IN THOUSANDS)		
<S>	<C>	<C>	<C>
Net income available to common stockholders.....	\$113,282	\$167,603	\$108,954
Add: Book depreciation and amortization.....	96,258	67,505	57,464
Less: Tax depreciation and amortization.....	(87,338)	(69,264)	(51,620)
Book/tax difference on gain on divestiture of real estate.....	18,788	(15,471)	--
Other book/tax differences, net(1).....	(5,723)	(12,722)	(20,778)
	-----	-----	-----
Taxable income available to common stockholders....	\$135,267	\$137,651	\$ 94,020
	=====	=====	=====

</TABLE>

(1) Primarily due to rent and debt premium amortization timing differences.

For income tax purposes, distributions paid to common stockholders consist of ordinary income, capital gains, or a combination thereof. For the years ended

December 31, 2000 and 1999, the Company elected to distribute all of its taxable capital gain. Dividends paid per share were taxable as follows:

<TABLE>
<CAPTION>

	2000		1999		1998	
	-----		-----		-----	
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Ordinary income.....	\$1.21	82.0%	\$1.14	74.6%	\$1.24	100.0%
Capital gains.....	0.20	13.2%	0.28	18.5%	--	0.00%
Unrecaptured Section 1250 Gain.....	0.07	4.8%	0.11	6.9%	--	0.00%
	-----		-----		-----	
Dividends paid or payable.....	\$1.48	100.0%	\$1.53	100.0%	\$1.24	100.0%
	=====		=====		=====	

</TABLE>

9. INVESTMENT IN UNCONSOLIDATED JOINT VENTURES

The Company has non-controlling limited partnership interests in three separate unconsolidated equity investment joint ventures. The Company has a 56.1% interest in a joint venture that owns an aggregate of 36 industrial buildings totaling approximately 4.0 million square feet. The Company also has a 50.0% interest in two other development alliance joint ventures, which it purchased in September 1999 and September 2000. For the years ended December 31, 2000, 1999, and 1998, the Company's share of net operating income was \$8.3 million, \$8.0 million, and \$1.8 million, respectively, and as of December 31, 2000 and 1999, the Company's share of the unconsolidated joint venture debt was \$28.8 million and \$22.7 million, respectively, with a weighted average interest rate of 7.3% and weighted average maturity of 4.4 years.

F-15

AMB PROPERTY CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2000 AND 1999

10. STOCKHOLDERS' EQUITY

On September 1, 2000, AMB Property II, L.P., one of the Company's subsidiaries, issued and sold 840,000 8.125% Series H Cumulative Redeemable Preferred Limited Partnership Units at a price of \$50.00 per unit in a private placement. Distributions are cumulative from the date of issuance and payable quarterly in arrears at a rate per unit equal to \$4.0625 per annum. The Series H Preferred Units are redeemable by AMB Property II, L.P. on or after September 1, 2005, subject to certain conditions, for cash at a redemption price equal to \$50.00 per unit, plus accumulated and unpaid distributions thereon, if any, to the redemption date. The Series H Preferred Units are exchangeable, at specified times and subject to certain conditions, on a one-for-one basis, for shares of the Company's Series H Preferred Stock. AMB Property II, L.P. used the net proceeds of \$41.0 million to repay advances from the Operating Partnership and to make a loan to the Operating Partnership. The Operating Partnership used the funds to partially repay borrowings under its unsecured credit facility and for general corporate purposes. The loan bears interest at 8.0% per annum and is payable on demand.

On August 29, 2000, AMB Property II, L.P. issued and sold 20,000 7.95% Series G Cumulative Redeemable Preferred Limited Partnership Units at a price of \$50.00 per unit in a private placement. Distributions are cumulative from the date of issuance and payable quarterly in arrears at a rate per unit equal to \$3.975 per annum. The Series G Preferred Units are redeemable by AMB Property II, L.P. on or after August 29, 2005, subject to certain conditions, for cash at a redemption price equal to \$50.00 per unit, plus accumulated and unpaid distributions thereon, if any, to the redemption date. The Series G Preferred Units are exchangeable, at specified times and subject to certain conditions, on a one-for-one basis, for shares of the Company's Series G Preferred Stock. AMB Property II, L.P. used the net proceeds of \$1.0 million to repay advances from the Operating Partnership. The Operating Partnership used the funds for general corporate purposes.

On March 22, 2000, AMB Property II, L.P. issued and sold 397,439 7.95% Series F Cumulative Redeemable Preferred Limited Partnership Units at a price of \$50.00 per unit in a private placement. Distributions are cumulative from the date of issuance and payable quarterly in arrears at a rate per unit equal to \$3.975 per annum. The Series F Preferred Units are redeemable by AMB Property II, L.P. on or after March 22, 2005, subject to certain conditions, for cash at a redemption price equal to \$50.00 per unit, plus accumulated and unpaid distributions thereon, if any, to the redemption date. The Series F Preferred Units are exchangeable, at specified times and subject to certain conditions, on a one-for-one basis, for shares of the Company's Series F Preferred Stock. AMB Property II, L.P. loaned the net proceeds of \$19.6 million to the Operating Partnership. The Operating Partnership used the funds to partially repay borrowings under its unsecured credit facility and for general corporate purposes. The loan bears interest at 7.0% per annum and is payable upon demand.

At the time of the Company's initial public offering, 4,237,750 shares of common stock, known as performance shares, were placed in escrow by certain of

the Company's investors, which were subject to advisory agreements with the Company's predecessor that included incentive fee provisions. On January 7, 2000, 2,771,824 shares of common stock were released from escrow to these investors and 1,465,926 shares of common stock were returned to the Company and cancelled. The cancelled shares of common stock represent indirect interests in the Operating Partnership that were reallocated from the Company (thereby decreasing the number of shares of common stock outstanding) to other unitholders who had an ownership interest in our predecessor, including certain of the Company's executive officers, (thereby increasing the number of limited partnership units owned by partners other than the Company). The total number of outstanding partnership units did not change as a result of this reallocation. This reallocation did not change the amount of fully diluted shares of common stock and limited partnership units outstanding.

F-16
AMB PROPERTY CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2000 AND 1999

In November 2000, the Operating Partnership issued an aggregate of 94,771 limited partnership units with an aggregate value of approximately \$2.2 million to three limited partnerships. These limited partnership units were issued in partial consideration for the acquisition of properties. Holders of the limited partnership units may redeem part or all of their limited partnership units for cash or, at the Company's election, exchange their limited partnership units for shares of the Company's common stock on a one-for-one basis. During 2000, 34,046 limited partnership units were redeemed for cash and 206,423 limited partnership units were redeemed for shares of the Company's common stock.

The Company's board of directors has approved a stock repurchase program for the repurchase of up to \$100.0 million worth of its common stock. During 2000, the Company did not repurchase any shares of its common stock. The stock repurchase program expires in December 2001.

The following table sets forth the dividend payments per share or unit for the years ended December 31, 2000 and 1999:

<TABLE>
<CAPTION>

SECURITY -----	PAYING ENTITY -----	2000 -----	1999 -----
<S>	<C>	<C>	<C>
Common Stock	Company.....	\$1.48	\$1.40
OP Units	Operating Partnership.....	\$1.48	\$1.40
Series A Preferred Stock	Company.....	\$2.13	\$2.13
Series A Preferred Units	Operating Partnership.....	\$2.13	\$2.13
Series B Preferred Units	Operating Partnership.....	\$4.31	\$4.31
Series C Preferred Units	AMB Property II, L.P.	\$4.38	\$4.38
Series D Preferred Units	AMB Property II, L.P.	\$3.88	\$2.48
Series E Preferred Units	AMB Property II, L.P.	\$3.88	\$1.30
Series F Preferred Units	AMB Property II, L.P.	\$3.09	n/a
Series G Preferred Units	AMB Property II, L.P.	\$1.35	n/a
Series H Preferred Units	AMB Property II, L.P.	\$1.30	n/a

</TABLE>

11. STOCK INCENTIVE PLAN AND 401(k) PLAN

Stock Incentive Plan. In November 1997, the Company established a Stock Option and Incentive Plan (the "Stock Incentive Plan") for the purpose of attracting and retaining eligible officers, directors, and employees. The Company has reserved for issuance 8,950,000 shares of Common Stock under the Stock Incentive Plan. As of December 31, 2000, the Company had granted approximately 5,895,000 non-qualified options outstanding granted to certain directors, officers, and employees. Each option is exchangeable for one share of the Company's Common Stock. The options have a weighted average exercise price of \$20.83 and the exercise prices range from \$18.13 to \$26.06. Each option's exercise price is equal to the Company's market price on the date of grant. The options had an original ten-year term and generally vest pro rata in annual installments over a three- or four-year period from the date of grant.

The Company applies APB Opinion No. 25, "Accounting for Stock Issued to Employees" and related interpretations in accounting for its Stock Incentive Plan. Opinion 25 measures compensation cost using the intrinsic value based method of accounting. Under this method, compensation cost is the excess, if any, of the quoted market price of the stock at the date of grant over the amount an employee must pay to acquire the stock. Accordingly, no compensation cost has been recognized for the Company's Stock Incentive Plan as of December 31, 2000.

As permitted by SFAS No. 123, "Accounting Stock-based Compensation," the Company has not changed the method of accounting for stock options but has provided the additional required disclosures. Had compensation cost for the Company's stock-based compensation plans been determined based on the fair

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2000 AND 1999

value at the grant dates for awards under those plans consistent with the method of SFAS No. 123, the Company's pro forma net income available to common stockholders would have been reduced by \$6.3 million, \$3.2 million, and \$1.8 million and pro forma basic and diluted earnings per share would have been reduced to \$1.28 and \$1.27, and \$1.92 and \$1.92, and \$1.25 and \$1.24, respectively, for the years ended December 31, 2000, 1999, and 1998.

The fair value of each option grant was estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions used for grants in 2000, 1999, and 1998, respectively: dividend yields of 6.5%, 7.2%, and 6.3%; expected volatility of 13.3%, 18.5%, and 23.1%; risk-free interest rates of 6.1%, 5.4%, and 4.9%; and expected lives of 10 years for each year.

Following is a summary of the option activity for the years ended December 31:

<TABLE>
<CAPTION>

	SHARES UNDER OPTION (000'S)	WEIGHTED AVERAGE EXERCISE PRICE	OPTIONS EXERCISABLE AT YEAR END
	(DOLLARS IN THOUSANDS)		
<S>	<C>	<C>	<C>
Outstanding, 12/31/97.....	3,144	\$21.00	--
Granted.....	1,508	21.69	
Forfeited.....	(268)	--	
Outstanding, 12/31/98.....	4,384	21.40	622
Granted.....	451	22.24	
Exercised.....	(25)	--	
Forfeited.....	(300)	--	
Outstanding, 12/31/99.....	4,510	21.44	1,832
Granted.....	1,565	20.86	
Exercised.....	(103)	21.11	
Forfeited.....	(205)	21.21	
Outstanding, 12/31/00.....	5,767	20.83	3,326
Remaining average contractual life.....	7.9 years		
Fair value of options granted during the year.....	\$ 1.31		

</TABLE>

In 2000, 1999, and 1998, under the Stock Incentive Plan, the Company issued 162,299, 100,000, and 43,007 restricted shares, respectively, to certain officers of the Company as part of the performance pay program and in connection with employment with the Company. As of December 31, 2000, 1,931 shares of restricted stock have been forfeited. The 309,087 outstanding restricted shares are subject to repurchase rights, which generally lapse over a period from three to five years.

401(k) Plan. In November 1997, the Company established a Section 401(k) Savings/Retirement Plan (the "401(k) Plan"), which is a continuation of the 401(k) Plan of the predecessor, to cover eligible employees of the Company and any designated affiliates. During 2000 and 1999, the 401(k) Plan permitted eligible employees of the Company to defer up to 20% and 10%, respectively, of their annual compensation, subject to certain limitations imposed by the Code. The employees' elective deferrals are immediately vested and non-forfeitable upon contribution to the 401(k) Plan. During 2000 and 1999, the Company matched the employee contributions to the 401(k) Plan in an amount equal to 50% of the first 5.5% and 3.5%, respectively, of annual compensation deferred by each employee. The Company may also make discretionary contributions to the 401(k) Plan. In 2000 and 1999, the Company accrued \$0.3 million and \$0.2 million, respectively, for its 401(k) match. Such amounts were included in Other liabilities on the Consolidated Balance Sheets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2000 AND 1999

Deferred Compensation Plan. Effective September 1, 1999, the Company

established a non-qualified deferred compensation plan for officers of the Company and certain of its affiliates. The plan enables participants to defer income up to 25% of annual base pay and up to 100% of annual bonuses on a pre-tax basis. The Company may make discretionary matching contributions to participant accounts at any time. The Company made no such discretionary matching contributions in 2000 or 1999. The participant's elective deferrals and any matching contributions are immediately 100% vested. As of December 31, 2000 and 1999, the total amount of compensation deferred was \$1.0 million and \$0.2 million, respectively.

12. COMMITMENTS AND CONTINGENCIES

Commitments

Lease Commitments. The Company has entered into operating ground leases on certain land parcels and a building with periods up to 50 years. Future minimum rental payments required under non-cancelable operating leases in effect at December 31, 2000, were as follows:

<TABLE>
<CAPTION>

	(DOLLARS IN THOUSANDS)
<S>	<C>
2001.....	\$ 4,948
2002.....	5,012
2003.....	5,052
2004.....	5,217
2005.....	4,828
Thereafter.....	133,970

	\$159,027
	=====

</TABLE>

These operating lease payments are being amortized ratably over the terms of the related leases.

Contingencies

Litigation. In the normal course of business, from time to time, the Company is involved in legal actions relating to the ownership and operations of its properties. In management's opinion, the liabilities, if any, that may ultimately result from such legal actions are not expected to have a material adverse effect on the consolidated financial position, results of operations, or cash flows of the Company.

Environmental Matters. The Company monitors its properties for the presence of hazardous or toxic substances. The Company is not aware of any environmental liability with respect to the properties that would have a material adverse effect on the Company's business, assets, or results of operations. However, there can be no assurance that such a material environmental liability does not exist. The existence of any such material environmental liability would have an adverse effect on the Company's results of operations and cash flow.

General Uninsured Losses. The Company carries property and rental loss, liability, flood, and environmental insurance. The Company believes that the policy terms and conditions, limits, and deductibles are adequate and appropriate under the circumstances, given the relative risk of loss, the cost of such coverage, and industry practice. In addition, certain of the Company's properties are located in areas that are subject to earthquake activity; therefore, the Company has obtained limited earthquake insurance on those properties. There are, however, certain types of extraordinary losses that may be either uninsurable or not economically insurable. Should an uninsured loss occur, the Company could lose its investment in, and anticipated profits and cash flows from, a property.

Minority Interest Put Option. Pursuant to the Company's partnership agreement with one of its separate account co-investors, commencing March 31, 1999, and each year thereafter, the Company is required to

provide this co-investor a notice that sets forth the valuation of the partnership as of the date of valuation. The co-investor then has the right to require the Company to purchase all of its partnership interest based upon the valuation in the form of cash, shares of the Company, or partnership units in the Operating Partnership. The put option was not exercised by the co-investor in 1999 nor 2000 and the Company does not anticipate that the put option will be exercised in the coming year.

13. QUARTERLY FINANCIAL DATA

Selected quarterly financial data for 2000 and 1999 is as follows:

	QUARTER (UNAUDITED)				
	DECEMBER 31	SEPTEMBER 30	JUNE 30	MARCH 31	YEAR
2000	(DOLLARS IN THOUSANDS)				
<S>	<C>	<C>	<C>	<C>	<C>
Revenues.....	\$ 132,534	\$ 121,371	\$ 113,479	\$ 110,323	\$ 477,707
Income from operations before minority interest.....	37,344	42,116	39,774	40,465	159,699
Minority interests' share of net income.....	(12,284)	(13,085)	(10,183)	(9,409)	(44,961)
Net income before gain from divestiture of real estate.....	25,060	29,031	29,591	31,056	114,738
Gain/(loss) from divestiture of real estate.....	824	5,815	416	(11)	7,044
Net income.....	25,884	34,846	30,007	31,045	121,782
Preferred stock dividends.....	(2,125)	(2,125)	(2,125)	(2,125)	(8,500)
Net income available to common stockholders.....	\$ 23,759	\$ 32,721	\$ 27,882	\$ 28,920	\$ 113,282
NET INCOME PER COMMON SHARE(1)					
Basic.....	\$ 0.28	\$ 0.39	\$ 0.33	\$ 0.34	\$ 1.35
Diluted.....	\$ 0.28	\$ 0.39	\$ 0.33	\$ 0.34	\$ 1.35
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING					
Basic.....	83,814,658	84,115,613	83,848,883	83,849,157	83,697,170
Diluted.....	84,528,547	84,725,109	84,125,277	83,863,198	84,155,306

</TABLE>

F-20
AMB PROPERTY CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2000 AND 1999

<TABLE>
<CAPTION>

	QUARTER (UNAUDITED)				
	DECEMBER 31	SEPTEMBER 30	JUNE 30	MARCH 31	YEAR
1999	(DOLLARS IN THOUSANDS)				
<S>	<C>	<C>	<C>	<C>	<C>
Revenues.....	\$ 111,450	\$ 111,784	\$ 115,377	\$ 109,572	\$ 448,183
Income from operations before minority interest.....	40,775	42,055	41,446	34,575	158,851
Minority interests' share of net income.....	(9,644)	(9,661)	(8,145)	(6,561)	(34,011)
Net income before gain from divestiture of real estate.....	31,131	32,394	33,301	28,014	124,840
Gain from divestiture of real estate.....	20,696	21,532	11,525	--	53,753
Extraordinary items.....	366	(1,347)	(1,509)	--	(2,490)
Net income.....	52,193	52,579	43,317	28,014	176,103
Preferred stock dividends.....	(2,125)	(2,125)	(2,125)	(2,125)	(8,500)
Net income available to common stockholders.....	\$ 50,068	\$ 50,454	\$ 41,192	\$ 25,889	\$ 167,603
BASIC INCOME PER COMMON SHARE(1)					
Before extraordinary items....	\$ 0.58	\$ 0.60	\$ 0.50	\$ 0.30	\$ 1.97
Extraordinary items.....	--	(0.02)	(0.02)	--	(0.03)
Net income available to common stockholders.....	\$ 0.58	\$ 0.58	\$ 0.48	\$ 0.30	\$ 1.94

DILUTED INCOME PER COMMON SHARE(1)

Before extraordinary items....	\$ 0.58	\$ 0.60	\$ 0.50	\$ 0.30	\$ 1.97
Extraordinary items.....	--	(0.02)	(0.02)	--	(0.03)
	-----	-----	-----	-----	-----
Net income available to common stockholders.....	\$ 0.58	\$ 0.58	\$ 0.48	\$ 0.30	\$ 1.94
	=====	=====	=====	=====	=====
WEIGHTED AVERAGE COMMON SHARES					
OUTSTANDING					
Basic.....	86,262,815	86,536,918	86,286,613	86,001,104	86,271,862
	=====	=====	=====	=====	=====
Diluted.....	86,262,815	86,637,633	86,468,820	86,020,680	86,347,487
	=====	=====	=====	=====	=====

</TABLE>

--
(1) The sum of quarterly financial data may vary from the annual data due to rounding.

F-21
AMB PROPERTY CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2000 AND 1999

14. SEGMENT INFORMATION

The Company has two reportable property segments: industrial and retail. The industrial properties consist primarily of warehouse distribution facilities suitable for single or multiple tenants and are typically comprised of multiple buildings, which are leased to tenants engaged in various types of businesses. The retail properties are generally leased to one or more anchor tenants, such as grocery and drug stores, and various retail businesses. The Company evaluates performance based upon property net operating income of the combined properties in each segment. The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The Company manages these properties separately because each segment requires different operating, pricing, and leasing strategies. Summary information for the reportable segments is as follows:

<TABLE>
<CAPTION>

	INDUSTRIAL PROPERTIES	RETAIL PROPERTIES	TOTAL PROPERTIES
	-----	-----	-----
	(DOLLARS IN THOUSANDS)		
<S>	<C>	<C>	<C>
FOR THE YEARS ENDED DECEMBER 31:			
Rental revenues:(1)			
2000.....	\$ 436,369	\$ 27,795	\$ 464,164
1999.....	352,861	86,797	439,658
1998.....	248,134	106,524	354,658
Property net operating income:(1)(2)			
2000.....	\$ 336,933	\$ 19,501	\$ 356,434
1999.....	269,339	62,396	331,735
1998.....	187,218	79,025	266,243
Gross additions to properties:(3)			
2000.....	\$ 924,756	\$ 30,760	\$ 955,516
1999.....	820,656	29,173	849,829
1998.....	916,503	9,558	926,061
AT DECEMBER 31:			
Investment in properties:(4)			
2000.....	\$3,876,202	\$150,395	\$4,026,597
1999.....	3,177,283	72,169	3,249,452
1998.....	2,574,940	794,120	3,369,060

</TABLE>

--
(1) Includes straight-line rents of \$10.2 million, \$10.8 million, and \$10.9 million for the years ended December 31, 2000, 1999, and 1998, respectively.

(2) Property net operating income (NOI) is defined as rental revenue, including reimbursements and straight-line rents, less property level operating expenses and excluding depreciation, amortization and interest expense.

(3) Represents costs incurred during the year for land, buildings, building improvements, tenant improvements, leasing costs, and other related real estate costs. Amounts are before divestitures of \$162.5 million and \$814.8 million for the years ended December 31, 2000 and 1999, respectively. There were no property divestitures in 1998.

(4) Excludes net properties held for divestiture of \$197.1 million, \$181.2 million, and \$115.1 million as of December 31, 2000, 1999, and 1998, respectively. The \$197.1 million net properties held for divestiture at December 31, 2000, included \$158.7 million and \$38.4 million of industrial and retail properties, respectively. At December 31, 1999, the Company held

Alvarado Business Center..... 2,030	5	CA	IND	--	7,906	23,757
AMB Meadowlands Park..... --	9	NJ	IND	--	5,838	17,923
AMB O'Hare Rosemont..... 775	14	IL	IND	--	2,717	8,995
Amwiler-Gwinnett Industrial Portfolio..... 1,944	9	GA	IND	13,216	6,641	19,964
Anaheim Industrial..... 330	1	CA	IND	--	1,457	4,341
Ardenwood Corporate Park..... 477	4	CA	IND	9,634	7,321	22,002
Artesia Industrial Portfolio..... 4,830	27	CA	IND	53,309	23,860	71,620
Atlanta South Business Park..... 945	9	GA	IND	--	8,047	24,180
Atlantic Business Center (Formerly Peachtree North East)..... 1,332	3	GA	IND	--	2,197	6,592
Atlantic Distribution Center..... --	1	GA	IND	4,000	1,519	4,679
Beacon Centre..... --	23	FL	IND	72,248	31,704	96,681
Beacon Centre -- Alliance Fund I... --	4	FL	IND	17,861	7,229	22,238
Beacon Industrial Park..... 5,264	8	FL	IND	17,275	10,466	31,437
Belden Avenue..... 289	3	IL	IND	--	5,019	15,186
Beltway Distribution..... 1,602	1	VA	IND	--	4,800	15,159
Bennington Corporate Center..... --	2	MD	IND	--	2,671	8,181
Bensenville Industrial Park..... 4,577	13	IL	IND	39,520	20,799	62,438
Blue Lagoon Business Park..... 317	2	FL	IND	11,237	4,945	14,875
Boston Industrial Portfolio..... 11,731	20	MA	IND	20,090	20,351	59,170
Braemar Business Center..... 519	2	MA	IND	--	1,422	4,613
Bridgeview Industrial (Formerly Lake Michigan Industrial)..... 11	1	IL	IND	--	1,332	3,996
Burnsville Business Center..... 614	1	MN	IND	--	932	2,796
BWI Air Cargo Centre..... --	1	MD	IND	3,159	--	6,367
Cabot Business Park..... 23,792	17	MA	IND	--	17,231	51,726
Cabot Business Park Land(7)..... --	2	MA	IND	--	2,024	17,131

<CAPTION>

		GROSS AMOUNT CARRIED AT 12/31/00			YEAR OF		
		BUILDING &		TOTAL	ACCUMULATED	CONSTRUCTION/	
DEPRECIABLE	PROPERTY	LAND	IMPROVEMENTS	COSTS (2) (3)	DEPRECIATION	ACQUISITION	LIFE
(YEARS)	-----	-----	-----	-----	-----	-----	-----
<S>		<C>	<C>	<C>	<C>	<C>	<C>
Acer Distribution Center..... 40		\$ 3,146	\$ 10,391	\$ 13,537	\$ 641	1997	5 -
Activity Distribution Center..... 40		3,736	11,717	15,453	732	1997	5 -
Addison Business Center..... 40		1,060	3,228	4,287	203	2000	5 -
Addison Technology Center..... 40		899	2,917	3,816	181	1998	5 -
Alsip Industrial..... 40		1,200	3,976	5,176	245	1998	5 -
Alvarado Business Center..... 40		7,906	25,787	33,693	1,595	1997	5 -
AMB Meadowlands Park..... 40		5,838	18,002	23,840	1,129	2000	5 -
AMB O'Hare Rosemont..... 40		2,717	9,770	12,487	591	1999	5 -
Amwiler-Gwinnett Industrial Portfolio..... 40		6,641	21,907	28,549	1,351	1997	5 -
Anaheim Industrial..... 40		1,457	4,671	6,128	290	1997	5 -

Ardenwood Corporate Park..... 40	7,321	22,479	29,800	1,411	1997	5 -
Artesia Industrial Portfolio..... 40	23,860	76,450	100,310	4,749	1997	5 -
Atlanta South Business Park..... 40	8,047	25,125	33,172	1,570	1997	5 -
Atlantic Business Center (Formerly Peachtree North East)..... 40	2,197	7,924	10,121	479	1998	5 -
Atlantic Distribution Center..... 40	1,519	4,683	6,202	294	2000	5 -
Beacon Centre..... 40	31,704	101,174	132,878	6,290	2000	5 -
Beacon Centre -- Alliance Fund I... 40	7,229	22,238	29,467	1,395	2000	5 -
Beacon Industrial Park..... 40	10,466	36,701	47,167	2,233	1997	5 -
Belden Avenue..... 40	5,019	15,475	20,494	970	1997	5 -
Beltway Distribution..... 40	4,800	16,761	21,561	1,021	1999	5 -
Bennington Corporate Center..... 40	2,671	8,181	10,853	514	2000	5 -
Bensenville Industrial Park..... 40	20,799	67,015	87,814	4,157	1997	5 -
Blue Lagoon Business Park..... 40	4,945	15,192	20,137	953	1997	5 -
Boston Industrial Portfolio..... 40	22,764	68,488	91,252	4,320	1998	5 -
Braemar Business Center..... 40	1,422	5,132	6,554	310	1998	5 -
Bridgeview Industrial (Formerly Lake Michigan Industrial)..... 40	1,332	4,007	5,339	253	1997	5 -
Burnsville Business Center..... 40	932	3,410	4,343	206	1998	5 -
BWI Air Cargo Centre..... 40	--	6,367	6,367	301	2000	5 -
Cabot Business Park..... 40	22,240	70,510	92,750	4,391	1998	5 -
Cabot Business Park Land(7)..... 40	2,024	17,131	19,154	907	2000	5 -

S-1

AMB PROPERTY CORPORATION

SCHEDULE III

CONSOLIDATED REAL ESTATE AND ACCUMULATED DEPRECIATION (CONTINUED)

COMPANY		INITIAL COST TO						
		NO. OF BLDGS./ CTRS.	LOCATION	TYPE	ENCUMBRANCES (1)	LAND	BUILDING & IMPROVEMENTS	
--								
--								
<S>		<C>	<C>	<C>	<C>	<C>	<C>	
Carson Industrial.....	12	CA	IND	\$ --	\$ 4,231	\$ 10,418		
Cascade Business Center.....	4	OR	IND	--	2,825	7,860		
Chancellor.....	1	FL	IND	2,776	1,587	4,802		
Chancellor Square.....	3	FL	IND	15,903	7,575	22,721		
Chartwell Distribution Center.....	1	CA	IND	--	2,711	8,191		
Chemway Industrial Portfolio.....	5	NC	IND	--	2,875	8,625		
Chicago Industrial Portfolio.....	2	IL	IND	3,079	1,574	4,761		
Columbia Business Center.....	9	MD	IND	4,408	3,856	11,736		
Concord Industrial Portfolio.....	10	CA	IND	10,050	3,719	11,647		
Corporate Park/Hickory Hill.....	7	TN	IND	16,325	6,789	20,366		
Corporate Square Industrial.....	6	MN	IND	--	4,024	12,113		
Corridor Industrial.....	1	MD	IND	2,461	996	3,019		
Crysen Industrial.....	1	DC	IND	3,223	1,425	4,275		
D/FW Int'l Air Cargo -- Alliance Fund I... Dallas Industrial (Formerly Texas Industrial Portfolio).....	1 18	TX	IND	-- --	-- 7,798	19,683 23,433		
Dayton Air Cargo Centre.....	5	OH	IND	6,845	--	8,364		
Del Amo Industrial Center.....	1	CA	IND	--	2,529	7,651		
DFW Air Cargo Centre.....	3	TX	IND	6,317	--	20,632		
DFW Airfreight Portfolio.....	6	TX	IND	--	950	8,492		
Diablo Industrial Park.....	14	CA	IND	9,900	3,226	10,045		
Dock's Corner.....	1	NJ	IND	--	2,050	6,190		
Dock's Corner II.....	1	NJ	IND	--	2,272	6,917		

Doolittle Distribution Center.....	1	CA	IND	--	2,644	8,014
Dowe Industrial Center.....	2	CA	IND	--	2,665	8,034
Dublin Industrial Portfolio.....	1	CA	IND	--	2,980	9,042
East Valley Warehouse.....	1	WA	IND	--	6,813	20,511
Edenvale Business Center.....	1	MN	IND	1,419	919	2,411
Elk Grove Village Industrial.....	11	IL	IND	--	7,713	23,179
Elmwood Business Park.....	5	LA	IND	--	4,163	12,488
Executive Drive.....	1	IL	IND	--	1,399	4,236
Fairway Drive Industrial.....	4	CA	IND	--	3,219	9,677
Garland Industrial.....	20	TX	IND	19,600	8,161	24,484
Gateway 58.....	3	MD	IND	--	3,256	10,592

<CAPTION>

YEAR OF CONSTRUCTION/ ACQUISITION	PROPERTY	COSTS CAPITALIZED		GROSS AMOUNT CARRIED AT 12/31/00		
		SUBSEQUENT TO ACQUISITION	LAND	BUILDING & IMPROVEMENTS	TOTAL COSTS (2) (3)	ACCUMULATED DEPRECIATION
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Carson Industrial..... 1999		\$ 2,833	\$ 4,231	\$ 13,252	\$ 17,483	\$ 828
Cascade Business Center..... 1998		1,863	2,825	9,724	12,549	594
Chancellor..... 1997		87	1,587	4,890	6,477	307
Chancellor Square..... 1998		2,209	7,575	24,929	32,504	1,539
Chartwell Distribution Center..... 2000		--	2,711	8,206	10,918	517
Chemway Industrial Portfolio..... 1998		641	2,875	9,266	12,141	575
Chicago Industrial Portfolio..... 1997		350	1,574	5,110	6,684	316
Columbia Business Center..... 1999		811	3,856	12,547	16,403	776
Concord Industrial Portfolio..... 1999		1,822	3,872	13,316	17,188	814
Corporate Park/Hickory Hill..... 1998		542	6,789	20,908	27,697	1,311
Corporate Square Industrial..... 1997		729	4,024	12,842	16,867	798
Corridor Industrial..... 1999		108	996	3,127	4,123	195
Crysen Industrial..... 1998		436	1,425	4,711	6,136	290
D/FW Int'l Air Cargo -- Alliance Fund I... 1999		466	--	20,149	20,149	954
Dallas Industrial (Formerly Texas Industrial Portfolio)..... 1997		--	7,798	26,385	34,183	1,618
Dayton Air Cargo Centre..... 2000		--	--	8,364	8,364	396
Del Amo Industrial Center..... 2000		--	2,529	7,660	10,189	482
DFW Air Cargo Centre..... 2000		--	--	20,632	20,632	977
DFW Airfreight Portfolio..... 2000		--	950	8,750	9,700	459
Diablo Industrial Park..... 1999		1,908	3,653	11,526	15,179	719
Dock's Corner..... 1997		49,692	5,125	52,807	57,932	2,742
Dock's Corner II..... 1997		349	2,272	7,267	9,539	452
Doolittle Distribution Center..... 2000		--	2,644	8,016	10,660	505
Dowe Industrial Center..... 1997		987	2,665	9,021	11,685	553
Dublin Industrial Portfolio..... 2000		--	2,980	9,042	12,022	569
East Valley Warehouse..... 1999		1,234	6,813	21,745	28,558	1,352
Edenvale Business Center..... 1998		647	919	3,058	3,977	188
Elk Grove Village Industrial..... 1997		1,337	7,713	24,516	32,229	1,526
Elmwood Business Park..... 1998		696	4,163	13,183	17,346	821
Executive Drive..... 1997		421	1,399	4,657	6,055	287

Fairway Drive Industrial..... 1997	5,643	3,219	15,321	18,539	878
Garland Industrial..... 1998	2,659	8,161	27,143	35,304	1,671
Gateway 58..... 2000	--	3,256	9,947	13,203	625

<CAPTION>

PROPERTY -----	DEPRECIABLE LIFE (YEARS) -----
<S>	<C>
Carson Industrial.....	5 - 40
Cascade Business Center.....	5 - 40
Chancellor.....	5 - 40
Chancellor Square.....	5 - 40
Chartwell Distribution Center.....	5 - 40
Chemway Industrial Portfolio.....	5 - 40
Chicago Industrial Portfolio.....	5 - 40
Columbia Business Center.....	5 - 40
Concord Industrial Portfolio.....	5 - 40
Corporate Park/Hickory Hill.....	5 - 40
Corporate Square Industrial.....	5 - 40
Corridor Industrial.....	5 - 40
Crysen Industrial.....	5 - 40
D/FW Int'l Air Cargo -- Alliance Fund I...	5 - 40
Dallas Industrial (Formerly Texas Industrial Portfolio).....	5 - 40
Dayton Air Cargo Centre.....	5 - 40
Del Amo Industrial Center.....	5 - 40
DFW Air Cargo Centre.....	5 - 40
DFW Airfreight Portfolio.....	5 - 40
Diablo Industrial Park.....	5 - 40
Dock's Corner.....	5 - 40
Dock's Corner II.....	5 - 40
Doolittle Distribution Center.....	5 - 40
Dowe Industrial Center.....	5 - 40
Dublin Industrial Portfolio.....	5 - 40
East Valley Warehouse.....	5 - 40
Edenvale Business Center.....	5 - 40
Elk Grove Village Industrial.....	5 - 40
Elmwood Business Park.....	5 - 40
Executive Drive.....	5 - 40
Fairway Drive Industrial.....	5 - 40
Garland Industrial.....	5 - 40
Gateway 58.....	5 - 40

</TABLE>

S-2

AMB PROPERTY CORPORATION

SCHEDULE III

CONSOLIDATED REAL ESTATE AND ACCUMULATED DEPRECIATION (CONTINUED)

COMPANY	PROPERTY	NO. OF BLDGS./ CTRS.	LOCATION	TYPE	ENCUMBRANCES (1)	INITIAL COST TO LAND	BUILDING & IMPROVEMENTS
---	-----	-----	-----	---	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Gateway Commerce Center.....	5	MD	IND	\$ --	\$ 4,083	\$ 12,336	
Gateway Corporate Center.....	9	WA	IND	27,000	9,981	32,201	
Gateway North.....	6	WA	IND	14,000	5,932	18,941	
Greater Dallas Industrial Portfolio.....	9	TX	IND	--	9,995	31,451	
Greater Houston Industrial Portfolio.....	14	TX	IND	--	6,197	18,592	
Greenwood Industrial.....	3	MD	IND	--	4,729	14,188	
Hamilton Parkway (Formerly Lake Michigan Industrial).....	1	IL	IND	--	1,554	4,703	
Harris Business Center.....	10	CA	IND	--	13,396	40,408	
Harris Business Center -- Alliance Fund I.....	10	CA	IND	28,000	11,235	34,326	
Harvest Business Park.....	3	WA	IND	--	2,371	7,153	
Hawthorne LAX Cargo Center.....	1	CA	IND	--	2,775	8,377	
Hayward Industrial -- Hathaway.....	2	CA	IND	--	4,473	13,546	
Hayward Industrial -- Wiegman.....	1	CA	IND	--	2,773	8,393	
Hempstead Highway Distribution Center....	2	TX	IND	--	1,255	9,087	
Hintz Building.....	1	IL	IND	--	420	1,259	
Houston Industrial (Formerly Texas							

Industrial Portfolio).....	5	TX	IND	--	3,009	9,066
Houston Service Center.....	3	TX	IND	--	3,800	11,401
International Multifoods.....	1	CA	IND	--	1,613	4,879
Itasca Industrial Portfolio.....	6	IL	IND	--	6,416	19,289
Jacksonville Air Cargo Centre.....	1	FL	IND	3,175	--	3,255
Jamesburg.....	3	NJ	IND	23,376	11,700	35,101
JFK Air Cargo.....	20	NY	IND	--	15,434	45,660
JFK Air Cargo -- Alliance Fund I.....	16	NY	IND	19,679	10,085	29,748
JFK Airport Park.....	1	NY	IND	--	2,350	7,251
Junction Industrial Park.....	4	CA	IND	--	7,875	23,975
Kent Centre Corporate Park.....	4	WA	IND	--	3,042	9,165
Kingsport Industrial Park.....	7	WA	IND	16,813	7,919	23,798
L.A. County Industrial Portfolio.....	7	CA	IND	--	9,671	29,082
Laurelwood Drive.....	2	CA	IND	--	2,750	8,538
LAX Air Cargo Centre.....	3	CA	IND	8,042	--	13,445
Lincoln Industrial Center.....	1	TX	IND	--	671	2,052
Linden Industrial.....	1	NJ	IND	--	900	2,753

<CAPTION>

YEAR OF CONSTRUCTION/ ACQUISITION	PROPERTY	COSTS CAPITALIZED	GROSS AMOUNT CARRIED AT 12/31/00			
		SUBSEQUENT TO ACQUISITION	LAND	BUILDING & IMPROVEMENTS	TOTAL COSTS (2) (3)	ACCUMULATED DEPRECIATION
-----		-----	-----	-----	-----	-----
<S>		<C>	<C>	<C>	<C>	<C>
<C>						
Gateway Commerce Center.....	1999	\$ 800	\$ 4,083	\$ 13,136	\$ 17,219	\$ 815
Gateway Corporate Center.....	1999	(19)	9,981	32,182	42,164	1,996
Gateway North.....	1999	(396)	5,932	18,545	24,476	1,159
Greater Dallas Industrial Portfolio.....	1997	7,704	9,995	39,155	49,150	2,327
Greater Houston Industrial Portfolio.....	1998	2,437	6,197	21,029	27,226	1,289
Greenwood Industrial.....	1998	1,134	4,729	15,321	20,051	949
Hamilton Parkway (Formerly Lake Michigan Industrial).....	1997	--	1,554	4,807	6,361	301
Harris Business Center.....	2000	--	13,396	40,408	53,804	2,547
Harris Business Center -- Alliance Fund I.....	2000	--	11,235	34,326	45,561	2,157
Harvest Business Park.....	1997	678	2,371	7,831	10,202	483
Hawthorne LAX Cargo Center.....	2000	--	2,775	8,377	11,152	528
Hayward Industrial -- Hathaway.....	2000	--	4,473	13,546	18,018	853
Hayward Industrial -- Wiegman.....	2000	--	2,773	8,393	11,165	529
Hempstead Highway Distribution Center.....	2000	--	1,255	9,692	10,947	518
Hintz Building.....	1998	246	420	1,505	1,924	91
Houston Industrial (Formerly Texas Industrial Portfolio).....	1997	1,087	3,009	10,153	13,162	623
Houston Service Center.....	1998	1,962	3,800	13,363	17,163	812
International Multifoods.....	1997	126	1,613	5,005	6,618	313
Itasca Industrial Portfolio.....	1997	1,939	6,416	21,228	27,644	1,309
Jacksonville Air Cargo Centre.....	2000	--	--	3,255	3,255	154
Jamesburg.....	1998	870	11,700	35,971	47,672	2,257
JFK Air Cargo.....	2000	--	15,434	46,337	61,771	2,924
JFK Air Cargo -- Alliance Fund I.....	2000	--	10,085	30,363	40,448	1,915
JFK Airport Park.....	2000	--	2,350	7,313	9,662	457
Junction Industrial Park.....	1999	920	7,875	24,895	32,770	1,551
Kent Centre Corporate Park.....	1997	681	3,042	9,846	12,888	610

Kingsport Industrial Park..... 1997	1,019	7,919	24,817	32,737	1,550
L.A. County Industrial Portfolio..... 1997	768	9,671	29,850	39,521	1,871
Laurelwood Drive..... 1997	115	2,750	8,653	11,403	540
LAX Air Cargo Centre..... 2000	--	--	13,445	13,445	636
Lincoln Industrial Center..... 1997	192	671	2,244	2,914	138
Linden Industrial..... 1999	22	900	2,775	3,675	174

<CAPTION>

PROPERTY -----	DEPRECIABLE LIFE (YEARS) -----
<S>	<C>
Gateway Commerce Center.....	5 - 40
Gateway Corporate Center.....	5 - 40
Gateway North.....	5 - 40
Greater Dallas Industrial Portfolio.....	5 - 40
Greater Houston Industrial Portfolio.....	5 - 40
Greenwood Industrial.....	5 - 40
Hamilton Parkway (Formerly Lake Michigan Industrial).....	5 - 40
Harris Business Center.....	5 - 40
Harris Business Center -- Alliance Fund I.....	5 - 40
Harvest Business Park.....	5 - 40
Hawthorne LAX Cargo Center.....	5 - 40
Hayward Industrial -- Hathaway.....	5 - 40
Hayward Industrial -- Wiegman.....	5 - 40
Hempstead Highway Distribution Center.....	5 - 40
Hintz Building.....	5 - 40
Houston Industrial (Formerly Texas Industrial Portfolio).....	5 - 40
Houston Service Center.....	5 - 40
International Multifoods.....	5 - 40
Itasca Industrial Portfolio.....	5 - 40
Jacksonville Air Cargo Centre.....	5 - 40
Jamesburg.....	5 - 40
JFK Air Cargo.....	5 - 40
JFK Air Cargo -- Alliance Fund I.....	5 - 40
JFK Airport Park.....	5 - 40
Junction Industrial Park.....	5 - 40
Kent Centre Corporate Park.....	5 - 40
Kingsport Industrial Park.....	5 - 40
L.A. County Industrial Portfolio.....	5 - 40
Laurelwood Drive.....	5 - 40
LAX Air Cargo Centre.....	5 - 40
Lincoln Industrial Center.....	5 - 40
Linden Industrial.....	5 - 40

</TABLE>

S-3

AMB PROPERTY CORPORATION

SCHEDULE III

CONSOLIDATED REAL ESTATE AND ACCUMULATED DEPRECIATION (CONTINUED)

COMPANY	PROPERTY -----	NO. OF BLDGS./ CTRS. -----	LOCATION -----	TYPE ----	ENCUMBRANCES (1) -----	INITIAL COST TO	
						LAND -----	BUILDING & IMPROVEMENTS -----
--							
<S>		<C>	<C>	<C>	<C>	<C>	<C>
Linder Skokie.....		1	IL	IND	\$ --	\$ 2,938	\$ 8,854
Locke Drive.....		1	MA	IND	--	1,074	3,227
Lonestar.....		7	TX	IND	16,956	7,129	21,428
Los Nietos.....		4	CA	IND	--	2,518	7,624
MCI I Air Cargo Centre.....		1	MO	IND	5,460	--	7,258
MCI II Air Cargo Centre.....		1	MO	IND	9,695	--	9,726
Meadow Lane 495.....		1	NJ	IND	--	838	2,594
Meadowlands Cross Dock.....		1	NJ	IND	--	1,110	3,485
Meadowridge.....		3	MD	IND	--	3,716	11,147
Melrose Park.....		1	IL	IND	--	2,936	9,190
Mendota Heights.....		1	MN	IND	668	1,367	4,565

Metric Center.....	5	TX	IND	--	10,968	32,944
Miami Airport Business Center.....	6	FL	IND	--	6,400	19,634
Milmont Page Business Center.....	3	CA	IND	--	3,201	9,642
Minneapolis Distribution Portfolio.....	4	MN	IND	--	6,227	18,692
Minneapolis Industrial Portfolio IV.....	4	MN	IND	7,790	4,938	14,854
Minneapolis Industrial V.....	7	MN	IND	6,017	4,426	13,317
Minnetonka.....	10	MN	IND	12,006	6,794	20,380
Moffett Business Center (MBC Industrial).....	4	CA	IND	12,138	5,892	17,716
Moffett Park R&D Portfolio.....	14	CA	IND	--	14,807	44,462
Murray Hill Parkway.....	2	NJ	IND	--	1,670	2,568
NDP -- Chicago (Formerly Glen Ellyn Rd. & Mitel Drive).....	3	IL	IND	--	1,496	4,487
NDP -- Los Angeles.....	6	CA	IND	10,170	5,948	17,844
NDP -- Seattle.....	4	WA	IND	--	3,888	11,663
Newark Airport.....	2	NJ	IND	3,832	1,755	5,400
Norcross/Brookhollow Portfolio.....	4	GA	IND	--	3,721	11,180
Normandie Industrial.....	1	CA	IND	--	2,398	7,491
Northpointe Commerce.....	2	CA	IND	--	1,773	5,358
Northwest Business Center (Formerly Marietta Industrial).....	3	GA	IND	--	1,830	5,489
Northwest Crossing Distribution Center....	2	TX	IND	--	745	4,792
Northwest Distribution Center.....	3	WA	IND	--	3,533	10,751
Oakland Ridge Industrial Center.....	12	MD	IND	7,222	5,571	16,933

<CAPTION>

YEAR OF CONSTRUCTION/ ACQUISITION	PROPERTY -----	COSTS CAPITALIZED		GROSS AMOUNT CARRIED AT 12/31/00 -----		
		SUBSEQUENT TO ACQUISITION -----	LAND	BUILDING & IMPROVEMENTS -----	TOTAL COSTS (2) (3) -----	ACCUMULATED DEPRECIATION -----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Linder Skokie.....	\$ 1,285	\$ 2,938	\$ 10,139	\$ 13,077	\$ 619	
1997						
Locke Drive.....	69	1,074	3,295	4,369	207	
1998						
Lonestar.....	583	7,129	22,011	29,140	1,379	
1997						
Los Nietos.....	149	2,518	7,772	10,290	487	
1999						
MCI I Air Cargo Centre.....	--	--	7,258	7,258	344	
2000						
MCI II Air Cargo Centre.....	--	--	9,726	9,726	460	
2000						
Meadow Lane 495.....	47	838	2,641	3,479	165	
1999						
Meadowlands Cross Dock.....	--	1,110	4,160	5,270	249	
2000						
Meadowridge.....	115	3,716	11,262	14,978	709	
1998						
Melrose Park.....	478	2,936	9,668	12,604	597	
1997						
Mendota Heights.....	1,940	1,367	6,505	7,872	373	
1998						
Metric Center.....	609	10,968	33,553	44,521	2,108	
1997						
Miami Airport Business Center.....	385	6,400	20,018	26,418	1,251	
1999						
Milmont Page Business Center.....	397	3,201	10,039	13,240	627	
1997						
Minneapolis Distribution Portfolio.....	1,206	6,227	19,898	26,125	1,237	
1997						
Minneapolis Industrial Portfolio IV.....	1,571	4,938	16,425	21,363	1,011	
1997						
Minneapolis Industrial V.....	1,372	4,426	14,688	19,114	905	
1997						
Minnetonka.....	2,321	6,794	22,702	29,495	1,396	
1998						
Moffett Business Center (MBC Industrial).....	2,974	5,892	20,691	26,583	1,258	
1997						
Moffett Park R&D Portfolio.....	6,313	14,805	50,778	65,583	3,105	
1997						
Murray Hill Parkway.....	2,859	1,670	5,426	7,096	336	
1999						
NDP -- Chicago (Formerly Glen Ellyn Rd. & Mitel Drive).....	602	1,496	5,089	6,585	312	
1998						
NDP -- Los Angeles.....	1,116	5,948	18,959	24,907	1,179	
1998						

NDP -- Seattle..... 1998	584	3,888	12,247	16,134	764
Newark Airport..... 2000	--	1,755	5,416	7,171	339
Norcross/Brookhollow Portfolio..... 1997	500	3,721	11,680	15,401	729
Normandie Industrial..... 2000	--	2,398	7,504	9,902	469
Northpointe Commerce..... 1997	266	1,773	5,625	7,398	350
Northwest Business Center (Formerly Marietta Industrial)..... 1998	717	1,830	6,206	8,036	380
Northwest Crossing Distribution Center.... 2000	--	745	4,792	5,537	262
Northwest Distribution Center..... 1997	744	3,533	11,495	15,028	711
Oakland Ridge Industrial Center..... 1999	2,961	5,571	19,894	25,465	1,205

<CAPTION>

PROPERTY -----	DEPRECIABLE LIFE (YEARS) -----
<S>	<C>
Linder Skokie.....	5 - 40
Locke Drive.....	5 - 40
Lonestar.....	5 - 40
Los Nietos.....	5 - 40
MCI I Air Cargo Centre.....	5 - 40
MCI II Air Cargo Centre.....	5 - 40
Meadow Lane 495.....	5 - 40
Meadowlands Cross Dock.....	5 - 40
Meadowridge.....	5 - 40
Melrose Park.....	5 - 40
Mendota Heights.....	5 - 40
Metric Center.....	5 - 40
Miami Airport Business Center.....	5 - 40
Milmont Page Business Center.....	5 - 40
Minneapolis Distribution Portfolio.....	5 - 40
Minneapolis Industrial Portfolio IV.....	5 - 40
Minneapolis Industrial V.....	5 - 40
Minnetonka.....	5 - 40
Moffett Business Center (MBC Industrial).....	5 - 40
Moffett Park R&D Portfolio.....	5 - 40
Murray Hill Parkway.....	5 - 40
NDP -- Chicago (Formerly Glen Ellyn Rd. & Mitel Drive).....	5 - 40
NDP -- Los Angeles.....	5 - 40
NDP -- Seattle.....	5 - 40
Newark Airport.....	5 - 40
Norcross/Brookhollow Portfolio.....	5 - 40
Normandie Industrial.....	5 - 40
Northpointe Commerce.....	5 - 40
Northwest Business Center (Formerly Marietta Industrial).....	5 - 40
Northwest Crossing Distribution Center....	5 - 40
Northwest Distribution Center.....	5 - 40
Oakland Ridge Industrial Center.....	5 - 40

</TABLE>

S-4

AMB PROPERTY CORPORATION

SCHEDULE III

CONSOLIDATED REAL ESTATE AND ACCUMULATED DEPRECIATION (CONTINUED)

<TABLE> <CAPTION>		INITIAL COST TO					
COMPANY							
	PROPERTY -----	NO. OF BLDGS./ CTRS. -----	LOCATION -----	TYPE ----	ENCUMBRANCES (1) -----	LAND -----	BUILDING & IMPROVEMENTS -----
--							
<S>		<C>	<C>	<C>	<C>	<C>	<C>
	O'Hare Industrial Portfolio.....	15	IL	IND	\$ --	\$ 7,357	\$ 22,112
	Orlando Central Park (OCP).....	2	FL	IND	--	1,779	79,082
	Pacific Business Center.....	2	CA	IND	9,328	5,417	16,291
	Pacific Service Center.....	1	GA	IND	--	504	1,511

Pardee Drive.....	1	CA	IND	--	619	1,924
Parkway Business Center.....	1	MN	IND	--	475	1,425
Patuxent.....	2	MD	IND	--	1,696	5,127
Peninsula Business Center III.....	1	VA	IND	--	992	2,976
Penn James Office Warehouse.....	2	MN	IND	--	1,991	6,013
Pioneer Alburdis.....	5	CA	IND	--	2,355	7,163
Porete Avenue Warehouse.....	1	NJ	IND	9,205	4,067	12,202
Presidents Drive.....	6	FL	IND	--	3,687	11,307
Preston Court.....	1	MD	IND	--	2,313	7,192
Riverside Business Center (Formerly North GSW).....	2	TX	IND	--	1,000	8,988
Round Lake Business Center.....	1	MN	IND	--	875	2,625
Sand Lake Service Center.....	6	FL	IND	--	--	--
Scripps Sorrento.....	1	CA	IND	--	1,110	3,330
Sea Tac I Air Cargo Centre.....	2	WA	IND	5,274	--	15,594
Sea Tac II Air Cargo Centre.....	1	WA	IND	--	--	3,056
Seattle Airport Industrial.....	1	WA	IND	--	619	1,923
Shawnee Industrial.....	1	GA	IND	--	7,531	2,026
Silicon Valley R&D Portfolio(*).....	6	CA	IND	--	8,024	24,205
Slauson Distribution Center.....	8	CA	IND	--	7,806	23,552
South Bay Industrial.....	7	CA	IND	18,693	14,992	45,016
South Point Business Park.....	7	NC	IND	10,725	5,371	16,113
Southfield Industrial Portfolio.....	13	GA	IND	--	11,827	35,730
Stadium Business Park.....	9	CA	IND	4,582	3,768	11,345
Sunrise Industrial.....	4	FL	IND	13,593	6,266	18,798
Suwannee Creek Distribution Center(7).....	3	GA	IND	--	2,828	21,553
Sylvan.....	1	GA	IND	--	1,946	5,905
Systematics.....	1	CA	IND	--	911	2,773
Technology I.....	2	MD	IND	--	1,657	5,049
Technology II.....	9	MD	IND	2,460	10,206	3,761

<CAPTION>

YEAR OF CONSTRUCTION/ ACQUISITION	PROPERTY	COSTS CAPITALIZED	GROSS AMOUNT CARRIED AT 12/31/00			
		SUBSEQUENT TO ACQUISITION	LAND	BUILDING & IMPROVEMENTS	TOTAL COSTS (2) (3)	ACCUMULATED DEPRECIATION
-----	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
O'Hare Industrial Portfolio.....		\$ 1,723	\$ 7,357	\$ 23,835	\$ 31,192	\$ 1,477
1997						
Orlando Central Park (OCP).....		--	1,779	9,748	11,527	546
1999						
Pacific Business Center.....		742	5,417	17,033	22,450	1,063
1997						
Pacific Service Center.....		549	504	2,060	2,564	121
1998						
Pardee Drive.....		4	619	1,929	2,547	121
1999						
Parkway Business Center.....		395	475	1,820	2,295	109
1998						
Patuxent.....		373	1,696	5,501	7,196	341
1997						
Peninsula Business Center III.....		65	992	3,041	4,033	191
1998						
Penn James Office Warehouse.....		681	1,991	6,694	8,684	411
1997						
Pioneer Alburdis.....		209	2,355	7,372	9,727	460
1999						
Porete Avenue Warehouse.....		8,341	4,067	20,543	24,610	1,165
1998						
Presidents Drive.....		1,025	3,687	12,332	16,020	758
1997						
Preston Court.....		224	2,313	7,416	9,728	461
1997						
Riverside Business Center (Formerly North GSW).....		--	1,000	8,988	9,988	473
1999						
Round Lake Business Center.....		343	875	2,968	3,843	182
1998						
Sand Lake Service Center.....		1,172	--	1,172	1,172	55
1998						
Scripps Sorrento.....		32	1,110	3,363	4,473	212
1998						
Sea Tac I Air Cargo Centre.....		--	--	15,594	15,594	738
2000						
Sea Tac II Air Cargo Centre.....		--	--	3,056	3,056	145
2000						
Seattle Airport Industrial.....		--	619	1,962	2,580	122
2000						
Shawnee Industrial.....		2,481	9,557	12,038	570	

1999	Silicon Valley R&D Portfolio(*).....	2,975	8,024	27,180	35,205	1,667
1997	Slauson Distribution Center.....	--	7,806	23,552	31,358	1,484
2000	South Bay Industrial.....	3,393	14,992	48,409	63,402	3,001
1997	South Point Business Park.....	559	5,371	16,672	22,043	1,043
1998	Southfield Industrial Portfolio.....	1,491	11,827	37,221	49,048	2,322
1997	Stadium Business Park.....	413	3,768	11,758	15,527	735
1997	Sunrise Industrial.....	304	6,266	19,102	25,368	1,201
1998	Suwannee Creek Distribution Center(7).....	--	2,828	21,553	24,381	1,154
1999	Sylvan.....	33	1,946	5,938	7,884	373
1999	Systematics.....	40	911	2,813	3,724	176
1997	Technology I.....	63	1,657	5,112	6,769	320
1999	Technology II.....	27,232	10,206	30,993	41,200	1,950

<CAPTION>

PROPERTY -----	DEPRECIABLE LIFE (YEARS) -----
<S>	<C>
O'Hare Industrial Portfolio.....	5 - 40
Orlando Central Park (OCP).....	5 - 40
Pacific Business Center.....	5 - 40
Pacific Service Center.....	5 - 40
Pardee Drive.....	5 - 40
Parkway Business Center.....	5 - 40
Patuxent.....	5 - 40
Peninsula Business Center III.....	5 - 40
Penn James Office Warehouse.....	5 - 40
Pioneer Alburdis.....	5 - 40
Porete Avenue Warehouse.....	5 - 40
Presidents Drive.....	5 - 40
Preston Court.....	5 - 40
Riverside Business Center (Formerly North GSW).....	5 - 40
Round Lake Business Center.....	5 - 40
Sand Lake Service Center.....	5 - 40
Scripps Sorrento.....	5 - 40
Sea Tac I Air Cargo Centre.....	5 - 40
Sea Tac II Air Cargo Centre.....	5 - 40
Seattle Airport Industrial.....	5 - 40
Shawnee Industrial.....	5 - 40
Silicon Valley R&D Portfolio(*).....	5 - 40
Slauson Distribution Center.....	5 - 40
South Bay Industrial.....	5 - 40
South Point Business Park.....	5 - 40
Southfield Industrial Portfolio.....	5 - 40
Stadium Business Park.....	5 - 40
Sunrise Industrial.....	5 - 40
Suwannee Creek Distribution Center(7).....	5 - 40
Sylvan.....	5 - 40
Systematics.....	5 - 40
Technology I.....	5 - 40
Technology II.....	5 - 40

S-5

AMB PROPERTY CORPORATION

SCHEDULE III

CONSOLIDATED REAL ESTATE AND ACCUMULATED DEPRECIATION (CONTINUED)

<TABLE>
<CAPTION>

COMPANY	PROPERTY	NO. OF BLDG./ CTRS.	LOCATION	TYPE	ENCUMBRANCES (1)	INITIAL COST TO LAND	BUILDING & IMPROVEMENTS
---	-----	-----	-----	----	-----	-----	-----
--							

<S>	<C>	<C>	<C>	<C>	<C>	<C>
TechRidge Phase IA.....	3	TX	IND	\$ 15,500	\$ 6,348	\$ 19,044
The Rotunda.....	2	MD	IND	13,020	4,400	17,736
Torrance Commerce Center.....	6	CA	IND	--	2,045	6,136
Twin Cities.....	2	MN	IND	--	4,873	14,638
Two South Middlesex.....	1	NJ	IND	--	2,247	6,781
Valwood.....	2	TX	IND	3,804	1,983	5,989
Van Nuys Airport Industrial.....	2	CA	IND	--	2,481	7,508
Viscount.....	1	FL	IND	--	984	3,016
Walnut Drive (Formerly East Walnut Drive).....	1	CA	IND	--	964	2,918
Weigman Road.....	1	CA	IND	--	1,563	4,688
West North Carrier.....	1	TX	IND	3,079	1,375	4,165
West Pac Air Cargo Centre.....	1	PA	IND	--	--	9,906
Williams & Bouroughs.....	4	CA	IND	--	294	6,981
Willow Park Industrial Portfolio.....	21	CA	IND	23,643	25,590	76,771
Willowlake Industrial Park.....	10	TN	IND	29,654	11,997	35,990
Wilmington Avenue Warehouse.....	3	CA	IND	--	5,561	19,429
Wilsonville.....	1	OR	IND	--	3,407	13,493
Windsor Court.....	1	IL	IND	--	766	2,338
Wood Dale Industrial (Includes Bonnie Lane).....	5	IL	IND	--	2,769	8,456
Yosemite Drive.....	1	CA	IND	--	2,350	7,051
Zanker/Charcot Industrial.....	5	CA	IND	--	5,282	15,887
Around Lenox.....	1	GA	RET	10,012	3,462	13,848
Howard and Western.....	1	IL	RET	--	700	2,983
Mazzeo.....	1	MA	RET	3,716	1,477	4,432
The Plaza at Delray.....	1	FL	RET	22,287	6,968	27,914
-	---			-----	-----	-----
Total.....	840			\$799,509	\$817,761	\$2,708,489
	===			=====	=====	=====

<CAPTION>

YEAR OF CONSTRUCTION/ ACQUISITION	PROPERTY	COSTS CAPITALIZED	GROSS AMOUNT CARRIED AT 12/31/00			
		SUBSEQUENT TO ACQUISITION	LAND	BUILDING & IMPROVEMENTS	TOTAL COSTS (2) (3)	ACCUMULATED DEPRECIATION
<S>	<C>	<C>	<C>	<C>	<C>	<C>
TechRidge Phase IA.....	2000	--	\$ 6,348	\$ 19,044	\$ 25,392	\$ 1,202
The Rotunda.....	1999	\$ 1,109	4,400	18,845	23,246	1,100
Torrance Commerce Center.....	1998	393	2,045	6,530	8,575	406
Twin Cities.....	1997	1,259	4,873	15,897	20,770	983
Two South Middlesex.....	1997	380	2,247	7,162	9,409	445
Valwood.....	1997	632	1,983	6,621	8,604	407
Van Nuys Airport Industrial.....	2000	--	2,481	9,496	11,977	567
Viscount.....	1997	165	984	3,182	4,165	197
Walnut Drive (Formerly East Walnut Drive).....	1997	41	964	2,959	3,922	186
Weigman Road.....	1997	169	1,563	4,857	6,420	304
West North Carrier.....	1997	184	1,375	4,349	5,724	271
West Pac Air Cargo Centre.....	2000	--	--	9,906	9,906	469
Williams & Bouroughs.....	1999	2,069	2,294	7,050	9,344	442
Willow Park Industrial Portfolio.....	1998	6,819	25,590	83,590	109,180	5,168
Willowlake Industrial Park.....	1998	9,675	11,997	45,665	57,662	2,730
Wilmington Avenue Warehouse.....	1999	--	5,561	19,429	24,991	1,183
Wilsonville.....	1998	55	3,407	13,548	16,955	803
Windsor Court.....	1997	91	766	2,429	3,195	151
Wood Dale Industrial (Includes Bonnie Lane).....	1999	1,023	2,769	9,478	12,247	580

Yosemite Drive..... 1997	251	2,350	7,301	9,652	457
Zanker/Charcot Industrial..... 1997	724	5,282	16,611	21,894	1,036
Around Lenox..... 1998	1,107	3,462	14,955	18,417	872
Howard and Western..... 1999	44	709	3,019	3,728	176
Mazzeo..... 1998	39	1,477	4,470	5,948	282
The Plaza at Delray..... 1997	783	6,968	28,697	35,666	1,688
Total.....	\$277,551	\$833,325	\$2,915,537	\$3,748,862	\$177,467

<CAPTION>

PROPERTY -----	DEPRECIABLE LIFE (YEARS) -----
<S>	<C>
TechRidge Phase IA.....	5 - 40
The Rotunda.....	5 - 40
Torrance Commerce Center.....	5 - 40
Twin Cities.....	5 - 40
Two South Middlesex.....	5 - 40
Valwood.....	5 - 40
Van Nuys Airport Industrial.....	5 - 40
Viscount.....	5 - 40
Walnut Drive (Formerly East Walnut Drive).....	5 - 40
Weigman Road.....	5 - 40
West North Carrier.....	5 - 40
West Pac Air Cargo Centre.....	5 - 40
Williams & Bouroughs.....	5 - 40
Willow Park Industrial Portfolio.....	5 - 40
Willowlake Industrial Park.....	5 - 40
Wilmington Avenue Warehouse.....	5 - 40
Wilsonville.....	5 - 40
Windsor Court.....	5 - 40
Wood Dale Industrial (Includes Bonnie Lane).....	5 - 40
Yosemite Drive.....	5 - 40
Zanker/Charcot Industrial.....	5 - 40
Around Lenox.....	5 - 40
Howard and Western.....	5 - 40
Mazzeo.....	5 - 40
The Plaza at Delray.....	5 - 40
Total.....	

S-6

AMB PROPERTY CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2000 AND 1999

(1) As of December 31, 2000, properties with a gross book value of \$173.1 million, serves as collateral for outstanding indebtedness under a secured debt facility of \$73.0 million.

(2) Reconciliation of total cost to Consolidated Balance Sheet caption at December 31, 2000:

<TABLE>	<C>
<S>	
Total per Schedule III(4).....	\$3,748,862
Construction in process(5).....	277,735
Total investments in properties.....	\$4,026,597

</TABLE>

(3) As of December 31, 2000, the aggregate cost for federal income tax purposes of investments in real estate was \$3,567,229.

(4) A summary of activity for real estate and accumulated depreciation for the year ended December 31, 2000, is as follows:

<TABLE>	<C>
<S>	
Investment in Real Estate:	

Balance at beginning of year.....	\$3,064,137
Acquisition of properties(6).....	729,972
Improvements, including properties under development/redevelopment.....	229,395
Divestiture of properties.....	(162,470)
Adjustment for properties held for divestiture.....	(112,172)

Balance at end of year.....	\$3,748,862
	=====
Accumulated Depreciation:	
Balance at beginning of year.....	\$ 103,558
Depreciation expense.....	96,258
Adjustment for properties divested.....	(11,429)
Adjustment for properties held for divestiture.....	(10,920)

Balance at end of year.....	\$ 177,467
	=====

</TABLE>

- (5) Includes \$226.5 million of fundings for projects under development at December 31, 2000.
- (6) Excludes investment of \$13.2 million in unconsolidated joint ventures.

S-7

AMB PROPERTY CORPORATION

SCHEDULE IV

MORTGAGE LOANS ON REAL ESTATE
AS OF DECEMBER 31, 2000
(IN THOUSANDS, EXCEPT PERCENTAGES)

<TABLE>
<CAPTION>

DESCRIPTION	RATE	MATURITY	MORTGAGE RECEIVABLE
-----	----	-----	-----
<S>	<C>	<C>	<C>
Construction Loan - Pier 1 (1).....	11.00%	March 2001	\$ 36,969
First Mortgage - Manhattan Village Shopping Center (2).....	8.75%	September 2001	79,000

Total.....			\$115,969
			=====

</TABLE>

- -----

- (1) The Company financed the development of office space in an historical San Francisco landmark that it holds in an unconsolidated joint venture. The loan is to be replaced with permanent financing in 2001.
- (2) During 2000, the Company sold a retail center in California for \$89.0 million. The Company carries a mortgage on this retail center sale. This mortgage has a one-year extension option.

S-8

EXHIBIT INDEX

<TABLE>
<CAPTION>

EXHIBIT NUMBER	DESCRIPTION
-----	-----
<S>	<C>
3.1	Articles of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 of the Registrant's Statement on Form S-11 (No. 333-35915)).
3.2	Certificate of Correction of the Registrant's Articles Supplementary establishing and fixing the rights and preferences of the 8 1/2% Series A Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.2 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 1998).
3.3	Articles Supplementary establishing and fixing the rights and preferences of the 8 5/8% Series B Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.1 of the Registrant's Current Report on Form 8-K filed on January 7, 1999).
3.4	Articles Supplementary establishing and fixing the rights and preferences of the 8.75% Series C Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.2 of the Registrant's Current Report on Form 8-K filed on January

- 7, 1999).
- 3.5 Articles Supplementary establishing and fixing the rights and preferences of the 7.75% Series D Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.1 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1999).
- 3.6 Articles Supplementary establishing and fixing the rights and preferences of the 7.75% Series E Cumulative Preferred Stock (incorporated by reference to Exhibit 3.1 of the Registrant's Current Report on Form 8-K filed on September 14, 1999).
- 3.7 Articles Supplementary establishing and fixing the rights and preferences of the 7.95% Series F Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.1 of the Registrant's Current Report on Form 8-K filed on April 14, 2000).
- 3.8 Articles Supplementary establishing and fixing the rights and preferences of the 7.95% Series G Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.1 of the Registrant's Current Report on Form 8-K filed on September 29, 2000).
- 3.9 Articles Supplementary establishing and fixing the rights and preferences of the 8.125% Series H Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.3 of the Registrant's Current Report on Form 8-K filed on September 29, 2000).
- 3.10 Articles Supplementary establishing and fixing the rights and preferences of the 8.00% Series I Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.1 of the Registrant's Current Report on Form 8-K filed on March 23, 2001).
- 3.11 Second Amended and Restated Bylaws of the Registrant.
- 4.1 Form of Certificate for Common Stock of the Registrant (incorporated by reference to Exhibit 3.3 of the Registrant's Registration Statement on Form S-11 (No. 333-35915)).
- 4.2 Form of Certificate for 8.5% Series A Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.5(2) of Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1998).
- 4.3 Form of Fixed-Rate Medium Term Note, attaching the Form of Parent Guarantee (incorporated herein by reference as Exhibit 4.2 of the Registrant's Current Report on Form 8-K/A filed on November 9, 2000).
- 4.4 Form of Floating-Rate Medium Term Note, attaching the Form of Parent Guarantee (incorporated herein by reference as Exhibit 4.3 of the Registrant's Current Report on Form 8-K/A filed on November 9, 2000).

</TABLE>

S-9

<TABLE>
<CAPTION>
EXHIBIT

NUMBER	DESCRIPTION
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<S>	<C>
4.5	\$30,000,000 7.925% Fixed Rate Note No. 1 dated August 18, 2000, attaching the Parent Guarantee dated August 15, 2000.
4.6	\$25,000,000 7.925% Fixed Rate Note No. 2 dated September 12, 2000, attaching the Parent Guarantee dated September 12, 2000.
4.7	\$50,000,000 8.00% Fixed Rate Note No. 3 dated October 26, 2000, attaching the Parent Guarantee dated October 26, 2000.
4.8	\$25,000,000 8.000% Fixed Rate Note No. 4 dated October 26, 2000 attaching the Parent Guarantee dated October 26, 2000.
4.9	\$50,000,000 7.20% Fixed Rate Note No. 5 dated December 19, 2000, attaching the Parent Guarantee dated December 19, 2000 (incorporated herein by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K filed on January 8, 2001).
4.10	\$50,000,000 7.20% Fixed Rate Note No. 6 dated December 19, 2000, attaching the Parent Guarantee dated December 19, 2000 (incorporated herein by reference to Exhibit 4.2 of the Registrant's Current Report on Form 8-K filed on January 8, 2001).
4.11	\$50,000,000 7.20% Fixed Rate Note No. 7 dated December 19, 2000, attaching the Parent Guarantee dated December 19, 2000 (incorporated herein by reference to Exhibit 4.3 of the Registrant's Current Report on Form 8-K filed on January 8, 2001).
4.12	Indenture dated as of June 30, 1998 by and among AMB Property, L.P., the Registrant and State Street Bank and Trust Company of California, N.A., as trustee (incorporated

- by reference to Exhibit 4.1 of the Registrant's Registration Statement on Form S-11 (No. 333-49163)).
- 4.13 First Supplemental Indenture dated as of June 30, 1998 by and among AMB Property, L.P., the Registrant and State Street Bank and Trust Company of California, N.A., as trustee (incorporated by reference to Exhibit 4.2 of the Registrant's Registration Statement Form S-11 (No. 333-49163)).
- 4.14 Second Supplemental Indenture dated as of June 30, 1998 by and among AMB Property, L.P., the Registrant and State Street Bank and Trust Company of California, N.A., as trustee (incorporated by reference to Exhibit 4.3 of the Registrant's Registration Statement on Form S-11 (No. 333-49163)).
- 4.15 Third Supplemental Indenture dated as of June 30, 1998 by and among AMB Property, L.P., the Registrant and State Street Bank and Trust Company of California, N.A., as trustee (incorporated by reference to Exhibit 4.4 of the Registrant's Registration Statement on Form S-11 (No. 333-49163)).
- 4.16 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 (incorporated herein by reference as Exhibit 4.1 of the Registrant's Current Report on Form 8-K/A filed on November 9, 2000).
- 4.17 Specimen of 7.10% Notes due 2008 (included in the First Supplemental Indenture incorporated by reference as Exhibit 4.2 of the Registrant's Registration Statement on Form S-11 (No. 333-49163)).
- 4.18 Specimen of 7.50% Notes due 2018 (included in the Second Supplemental Indenture incorporated by reference as Exhibit 4.3 of the Registrant's Registration Statement on Form S-11 (No. 333-49163)).
- 4.19 Specimen of 6.90% Reset Put Securities due 2015 (included in the Third Supplemental Indenture incorporated by reference as Exhibit 4.4 of the Registrant's Registration Statement on Form S-11 (No. 333-49163)).
- 4.20 \$25,000,000 6.90% Fixed Rate Note No. 8 dated January 9, 2001 attaching the Parent Guarantee dated January 9, 2001 (incorporated herein by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K filed on January 31, 2001).

</TABLE>

S-10

<TABLE>
<CAPTION>
EXHIBIT
NUMBER

DESCRIPTION

- | <S> | <C> |
|------|--|
| 10.1 | Distribution Agreement dated August 15, 2000 by and among AMB Property Corporation, 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. (incorporated herein by reference to Exhibit 1.1 of Registrant's Current Report on Form 8-K/A filed on November 9, 2000). |
| 10.2 | Terms Agreement dated as of December 14, 2000 by and between Morgan Stanley & Co., Incorporated and J.P. Morgan Securities Inc. and AMB Property, L.P. (incorporated herein by reference to Exhibit 1.1 of the Registrant's Current Report on Form 8-K filed on January 8, 2001). |
| 10.3 | Terms Agreement dated as of January 4, 2001 by and between A.G. Edwards & Sons, Inc. and AMB Property, L.P. (incorporated herein by reference to Exhibit 1.1 of the Registrant's Current Report on Form 8-K filed on January 31, 2001). |
| 10.4 | Terms Agreement dated as of March 2, 2001 by and among First Union Securities, Inc., AMB Property, L.P. and AMB Property Corporation (incorporated by reference to Exhibit 1.1 of Registrants' current report on Form 8-K filed on March 16, 2001). |
| 10.5 | Fourth Amended and Restated Partnership Agreement of Limited Partnership of AMB Property, L.P. (incorporated herein by reference as Exhibit 10.1 to the Registrants Current Report on Form 8-K filed on August 15, 2000). |
| 10.6 | First Amendment to the Fourth Amended and Restated Agreement of Limited Partnership of AMB Property, L.P. |
| 10.7 | Form of Registration Rights Agreement among the Registrant and the persons named therein (incorporated by reference to Exhibit 10.2 of the Registrant's Registration Statement on Form S-11 (No. 333-35915)). |

- 10.8 Form of Change in Control and Noncompetition Agreement between the Registrant and Executive Officers (incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1998).
- 10.9 Agreement for Purchase and Exchange entered into as of March 9, 1999 by and among AMB Property, L.P., AMB Property II, L.P., Long Gate, L.L.C. and BPP Retail, LLC, regarding the transaction which closed on June 15, 1999 (incorporated by reference to Exhibit 10.1 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999).
- 10.10 Agreement for Purchase and Exchange entered into as of March 9, 1999 by and among AMB Property, L.P., AMB Property II, L.P., Long Gate, L.L.C. and BPP Retail, LLC, regarding the transaction which closed on August 4, 1999 (incorporated by reference to Exhibit 10.2 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999).
- 10.11 Agreement for Purchase and Exchange entered into as of March 9, 1999 by and among AMB Property, L.P., AMB Property II, L.P., Long Gate, L.L.C. and BPP Retail, LLC, regarding the transaction which closed on December 1, 1999 (incorporated by reference to Exhibit 10.3 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999).
- 10.12 Dividend Reinvestment and Direct Purchase Plan, dated July 9, 1999 (incorporated by reference to Exhibit 10.4 of the Registrant's Quarterly Report on Report Form 10-Q for the quarter ended June 30, 1999).
- 10.13 Second Amended and Restated 1997 Stock Option and Incentive Plan (incorporated by reference to Exhibit 10.5 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999).
- 10.14 Ninth Amended and Restated Agreement of Limited Partnership of AMB Property II, L.P., dated March 21, 2001 (incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed on March 23, 2001).

</TABLE>

S-11

<TABLE>
<CAPTION>

EXHIBIT
NUMBER

DESCRIPTION

- | ----- | ----- |
|-------|--|
| <S> | <C> |
| 10.15 | Revolving Credit Agreement dated as of May 24, 2000 among AMB Property, L.P., the banks listed therein, Morgan Guaranty Trust Company of New York, as Administrative Agent, Bank of America, N.A., as Syndication Agent, the Chase Manhattan Bank, as Documentation Agent, J.P. Morgan Securities Inc. and Banc of America Securities LLC, as Joint Lead Arrangers and Joint Bookmanagers, Bank one, NA, Commerzbank Aktiengesellschaft, PNC Bank National Association and Wachovia Bank, N.A., as Managing Agents and Banks Trust Company and Dresdner Bank AG, New York and Grand Cayman Branches, as Co-Agents (incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed on June 16, 2000). |
| 10.16 | Guaranty of Payment made as of May 24, 2000 between AMB Property Corporation and Morgan Guaranty Trust Company of New York, as administrative agent for the banks listed on the signature page of the Revolving Credit Agreement (incorporated herein by reference to Exhibit 10.2 of the Registrant's Current Report on Form 8-K filed on June 16, 2000). |
| 10.17 | 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 parties thereto, BT Realty Resources, Inc. and Chase Manhattan Bank (incorporated by reference to Exhibit 10.3 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999). |
| 21.1 | Subsidiaries of the Registrant. |
| 23.1 | Consent of Arthur Andersen LLP. |
| 24.1 | Powers of Attorney (included in Part IV of this Form 10-K). |

</TABLE>

S-12

SECOND AMENDED AND RESTATED

BYLAWS

OF

AMB PROPERTY CORPORATION

ARTICLE I

OFFICES

Section 1. The principal executive office of AMB Property Corporation, a Maryland corporation (the "Corporation"), shall be located at such place or places as the board of directors may designate.

Section 2. The Corporation may also have offices at such other places as the board of directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. All meetings of the stockholders shall be held in the City of San Francisco, State of California, at such place as may be fixed from time to time by the board of directors, or at such other place as shall be designated from time to time by the board of directors and stated in the notice of the meeting.

Section 2. An annual meeting of stockholders shall be held during the month of May in each year, on the date and at the time during such month as may be determined from time to time by resolution adopted by the board of directors, at which the stockholders shall elect by a plurality vote a board of directors, and transact such other business as may properly be brought before the meeting in accordance with these bylaws. To be properly brought before the annual meeting, business must be either (i) specified in the notice of annual meeting (or any supplement or amendment thereto) given by or at the direction of the board of directors, (ii) otherwise brought before the annual meeting by or at the direction of the board of directors, or (iii) otherwise brought before the annual meeting by a stockholder. In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the secretary of the Corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation, not less than fifty (50) days nor more than seventy-five (75) days prior to the meeting; provided, however, that in the event that less than sixty-five (65) days' notice or prior public disclosure of the date of the annual meeting is given or made to stockholders, notice by a stockholder to be timely must be so received not

later than the close of business on the fifteenth (15th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure was made, whichever first occurs. A stockholder's notice to the secretary shall set forth (a) as to each matter the stockholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and record address of the stockholder proposing such business, (iii) the class, series and number of shares of capital stock of the Corporation which are beneficially owned by the stockholder, and (iv) any material interest of the stockholder in such business, and (b) as to the stockholder giving the notice (i) the name and record address of the stockholder and (ii) the class, series and number of shares of capital stock of the Corporation which are beneficially owned by the stockholder. Notwithstanding anything in these bylaws to the contrary, no business shall be conducted at the annual meeting except in accordance with the procedures set forth in this Article II, Section 2. The officer of the Corporation presiding at an annual meeting shall, if the facts warrant, determine that business was not properly brought before the annual meeting in accordance with the provisions of this Article II, Section 2, and if he should so determine, he shall so declare to the annual meeting and any such business not properly brought before the meeting shall not be transacted.

Section 3. A majority of the stock issued and outstanding and entitled to vote at any meeting of stockholders, the holders of which are present in person or represented by proxy, shall constitute a quorum for the transaction of business except as otherwise provided by law, by the Corporation's charter or by these bylaws. A quorum, once established, shall not be broken by the withdrawal

of enough votes to leave less than a quorum and the votes present may continue to transact business until adjournment. If, however, such quorum shall not be present or represented at any meeting of the stockholders, a majority of the voting stock represented in person or by proxy may adjourn the meeting from time to time until a date not more than 120 days after the original record date, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. If the adjournment is for more than 120 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote thereat.

Section 4. When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of the Maryland General Corporation Law ("MGCL") or the rules of any securities exchange on which the Corporation's capital stock is listed or the Corporation's charter or these bylaws a different vote is required, in which case such express provision shall govern and control the decision of such question.

Section 5. At each meeting of the stockholders, each stockholder having the right to vote may vote in person or may authorize another person or persons to act for him by proxy in any manner permitted by applicable law. All proxies must be filed with the secretary of the Corporation at the beginning of each meeting in order to be counted in any vote at the meeting.

2

Subject to the provisions of the charter of the Corporation, each stockholder shall have one vote for each share of stock having voting power registered in his name on the books of the Corporation on the record date set by the board of directors as provided in Article V, Section 6 hereof. All elections shall be by a plurality vote.

Section 6. Special meetings of the stockholders, for any purpose or purposes, unless otherwise proscribed by the charter, may be called at any time by the president, the chairman of the board, or by a majority of the directors, or by a committee of the board of directors which has been duly designated by the board of directors and whose powers and authority, as provided in a resolution of the board of directors or these bylaws, include the power to call such meetings. In addition, a special meeting of the stockholders of the Corporation shall be called by the secretary of the Corporation on the written request of stockholders entitled to cast at least fifty percent (50%) of all votes entitled to be cast at the meeting, except that, in the case of a special meeting called to consider any matter which is substantially the same as a matter voted on at any special meeting for the stockholders held during the preceding twelve (12) months, the secretary of the Corporation shall not be required to call any such special meeting unless requested by stockholders entitled to cast a majority of all of the votes entitled to be cast at the meeting.

Section 7. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice. Where the Corporation's notice of meeting specifies that directors are to be elected at such special meeting, nominations of persons for election to the board of directors may be made (i) pursuant to the Corporation's notice of meeting, (ii) by or at the direction of the board of directors or (iii) by any committee of persons appointed by the board of directors with authority therefor or by a stockholder as provided in Section 2 of Article III hereof.

Section 8. Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which notice shall state the place, date and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. The written notice of any meeting shall be given to each stockholder entitled to vote at such meeting not less than 10 nor more than 90 days before the date of the meeting. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the Corporation.

Section 9. Notwithstanding any other provision of the charter of the Corporation or these bylaws, Subtitle 7 of Title 3 of the MGCL (as the same may hereafter be amended from time to time) shall not apply to the voting rights of any shares of stock of the Corporation now or hereafter held by any existing or future stockholder of the Corporation (regardless of the identity of such stockholder).

3

DIRECTORS

Section 1. The board of directors shall consist of a minimum of five (5) and a maximum of thirteen (13) directors. The number of directors shall be fixed or changed from time to time, within the minimum and maximum, by the then elected directors, provided that at least a majority of the directors shall be Independent Directors (as defined in the next sentence). An Independent Director is a director (i) who is not, and has not been for a period of at least three years, an employee, officer or affiliate of the Corporation or a subsidiary or division thereof, or a relative of a principal executive officer, and (ii) who is not an individual member of an organization acting as an advisor, consultant or legal counsel receiving compensation on a continuing basis from the Corporation in addition to director's fees; provided, however, that, if a director is an individual member of such an organization, the Board of Directors may determine, in its business judgment, that such relationship does not interfere with the director's exercise of independent judgment and deem such director to be an Independent Director. Until increased or decreased by the directors pursuant to these bylaws, the exact number of directors shall be nine (9). The directors need not be stockholders. Except as provided in Section 2 of this Article III with respect to vacancies, the directors shall be elected as provided in the charter at each annual meeting of the stockholders, and each director elected shall hold office until his successor is elected and qualified or until his death, retirement, resignation or removal.

Section 2. (a) Nominations of persons for election to the board of directors of the Corporation at the annual meeting of stockholders may be made (i) pursuant to the Corporation's notice of meeting; (ii) by or at the direction of the board of directors or (iii) by any committee of persons appointed by the board of directors with authority therefor or by any stockholder of the Corporation entitled to vote for the election of directors at the meeting who complies with the notice procedures set forth in this Article III, Section 2(a). Such nominations by any stockholder shall be made pursuant to timely notice in writing to the Secretary of the Corporation. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the Corporation not less than 50 days nor more than 75 days prior to the meeting; provided, however, that in the event that less than 65 days notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business of the fifteenth (15th) day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made, whichever first occurs. Such stockholder's notice to the Secretary shall set forth (i) as to each person whom the stockholder proposes to nominate for election or re-election as a director, (a) the name, age, business address and residence address of the person, (b) the principal occupation or employment of the person, (c) the class, series and number of shares of capital stock of the Corporation which are beneficially owned by the person, and (d) any other information relating to the person that is required to be disclosed in solicitations for proxies for election of directors pursuant to the Rules and Regulations of the Securities and Exchange Commission under Section 14 of the Securities Exchange Act of 1934, as amended; and (ii) as to the stockholder giving the notice (a) the name and record address of the stockholder and (b) the class, series and number of shares of capital stock of the Corporation which are beneficially

4

owned by the stockholder. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a director of the Corporation. Except as may otherwise be provided in these bylaws or any other agreement relating to the right to designate nominees for election to the board of directors, no person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth herein. The officer of the Corporation presiding at an annual meeting shall, if the facts warrant, determine that a nomination was not made in accordance with the foregoing procedure, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded.

(b) Except as may otherwise be provided pursuant to Article IV of the Corporation's charter with respect to any rights of holders of preferred stock to elect additional directors and any other requirement in these bylaws or other agreement relating to the right to designate nominees for election to the board of directors, should a vacancy in the board of directors occur or be created (whether arising through death, retirement or resignation), such vacancy shall be filled by the affirmative vote of a majority of the remaining directors, even though less than a quorum of the board of directors or, in the case of a vacancy resulting from an increase in the number of directors, by a majority of the entire board of directors. In the case of a vacancy created by the removal of a director, the vacancy shall be filled by the stockholders of the Corporation entitled to elect the director who was removed at the next annual meeting of stockholders or at a special meeting of stockholders called for such purpose, provided, however, that such vacancy may be filled by the affirmative vote of a

majority of the remaining directors, subject to approval by the stockholders entitled to elect the director who was removed at the next annual meeting of stockholders or at a special meeting of stockholders called for such purpose. A director so elected to fill a vacancy shall serve for the remainder of the term.

Section 3. The property and business of the Corporation shall be managed by or under the direction of its board of directors. In addition to the powers and authorities by these bylaws expressly conferred upon it, the board may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Corporation's charter or by these bylaws directed or required to be exercised or done by the stockholders.

MEETINGS OF THE BOARD OF DIRECTORS

Section 4. The directors may hold their meetings and have one or more offices, and keep the books of the Corporation, outside the State of Maryland.

Section 5. Regular meetings of the board of directors may be held at such time and place as shall from time to time be determined by resolution of the board, and no additional notice shall be required.

Section 6. Special meetings of the board of directors may be called by the President or the Chairman of the board of directors on forty-eight hours' notice to each director, either personally or by mail or by telegram; special meetings shall be called by the President or the Secretary in like manner and on like notice on the written request of two directors unless the board consists of only one director, in which case special meetings shall be called by the

5

President or Secretary in like manner and on like notice on the written request of the sole director.

Section 7. Unless otherwise restricted by the Corporation's charter or these bylaws, any action required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting, if all members of the board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the board or committee.

Section 8. Unless otherwise restricted by the Corporation's charter or these bylaws, members of the board of directors, or any committee designated by the board of directors, may participate in a meeting of the board of directors, or any committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

Section 9. By virtue of resolutions adopted by the Board of Directors prior to or at the time of adoption of these Bylaws and designated irrevocable, any business combination (as defined in Section 3-601(e) of the MGCL) between the Corporation and any of its present or future stockholders, or any affiliates or associates of the Corporation or any present or future stockholder of the Corporation, or any other person or entity or group of persons or entities, is exempt from the provisions of Subtitle 6 of Title 3 of the MGCL entitled "Special Voting Requirements," including, but not limited to, the provisions of Section 3-602 of such Subtitle. The Board of Directors may not revoke, alter or amend such resolution, or otherwise elect to have any business combination of the Corporation be subject to the provisions of Subtitle 6 of Title 3 of the MGCL without the approval of the holders of the issued and outstanding shares of Common Stock of the Corporation by the affirmative vote of a majority of all votes entitled to be cast in respect of such shares of Common Stock.

Section 10. Notwithstanding any other provision of these bylaws, all actions which the board of directors may take to approve a transaction between (i) the Corporation, AMB Property, L.P., a Delaware limited partnership (the "Operating Partnership"), or any subsidiary of the Corporation or the Operating Partnership, on the one hand, and (ii) (a) any executive officer or director of the Corporation, the Operating Partnership or any subsidiary of the Corporation or the Operating Partnership, or (b) any limited partner of the Operating Partnership or (c) any affiliate of the foregoing executive officer, director or limited partner (not including the Corporation, the Operating Partnership or any subsidiary of the Corporation or the Operating Partnership), on the other hand, shall require, for valid approval, the approval of a majority of the Independent Directors; provided, however, that this approval requirement shall not apply to arrangements between the Corporation or the Operating Partnership and any executive officer or director acting in the executive officer's or director's position as such, including but not limited to employment agreements and compensation matters.

6

RESIGNATION FROM THE BOARD OF DIRECTORS

Section 11. A director may resign at any time upon written notice to the Corporation's board of directors, chairman of the board, president or secretary. Any such resignation shall take effect at the time specified therein or, if the time is not specified, upon receipt thereof, and the acceptance of such resignation, unless required by the terms thereof, shall not be necessary to make such resignation effective.

COMMITTEES OF DIRECTORS

Section 12. The board of directors may, by resolution passed by a majority of the whole board, designate one or more committees, each such committee to consist of not less than the minimum number of directors required for committees of the board of directors under the MGCL. The board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee, to the extent provided in the resolution of the board of directors, and to the maximum extent permitted under the MGCL, shall have and may exercise all the powers and authority of the board of directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to amending the charter, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets, recommending to the stockholders a dissolution of the Corporation or a revocation of a dissolution or any other matter requiring the approval of the stockholders of the Corporation, or amending the bylaws of the Corporation; and no such committee shall have the power or authority to authorize or declare a dividend, to authorize the issuance of stock (except that, if the board of directors has given general authorization for the issuance of stock providing for or establishing a method or procedure for determining the maximum number of shares to be issued, a committee of the board of directors may, in accordance with that general authorization or any stock option or other plan or program adopted by the board of directors: authorize or fix the terms of stock subject to classification or reclassification, including the designations and any of the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends, qualifications, or terms or conditions of redemption of such shares; within the limits established by the board of directors, fix the number of any such class or series of stock or authorize the increase or decrease in the number of shares of any series or class; and otherwise establish the terms on which any stock may be issued, including the price and consideration for such stock), or to approve any merger or share exchange, regardless of whether the merger or share exchange requires stockholder approval.

Section 13. The Corporation shall from and after the incorporation have the following committees, the specific authority and members of which shall be as designated herein or by resolution of the board of directors:

(i) An Executive Committee, which shall have such authority as granted by the board of directors, including the power to acquire, dispose and finance

7

investments for the Corporation (including the issuance by the Operating Partnership, in the Corporation's capacity as the Operating Partnership's general partner, of additional units or other equity interests) and approve the execution of contracts and agreements, including those related to the borrowing of money by the Corporation, and generally exercise all other powers of the board except as prohibited by law; provided, however, that the issuance of additional units or other equity interests of the Operating Partnership, to the extent that such interests are exchangeable into shares of the Corporation's capital stock, may be issued only if the Corporation has reserved for issuance such shares of capital stock issuable upon the exchange of such units or other equity interests.

(ii) An Audit Committee, which shall consist solely of Independent Directors and which shall make recommendations concerning the engagement of independent public accountants, review with the independent public accountants the plans and results of the audit engagement, approve professional services provided by the independent public accountants, review the independence of the independent public accountants, consider the range of audit and non-audit fees and review the adequacy of the Corporation's internal accounting controls.

(iii) A Compensation Committee, which shall consist solely of Independent Directors and which shall determine compensation for the Corporation's executive officers, and will review and make recommendations concerning proposals by management with respect to

compensation, bonus, employment agreements and other benefits and policies respecting such matters for the executive officers of the Corporation.

(iv) A Nominating and Governance Committee, which shall, among other things, submit nominations for members of the Board of Directors, recommend composition of the committees of the Board of Directors, review the size and composition of the Board of Directors, review guidelines for corporate governance, and conduct annual reviews of the Board of Directors and the Chief Executive Officer.

Section 14. Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required. The presence of a majority of the total membership of any committee shall constitute a quorum for the transaction of business at any meeting of such committee and the act of a majority of those present shall be necessary and sufficient for the taking of any action thereat.

COMPENSATION OF DIRECTORS

Section 15. Unless otherwise restricted by the charter of the Corporation or these bylaws, the board of directors shall have the authority to fix the compensation of non-employee directors. The non-employee directors may be paid their expenses, if any, of attendance at each meeting of the board of directors and may be paid a fixed sum for attendance at each meeting of the board of directors or a stated salary as director. Officers of the Corporation who are also members of the board of directors shall not be paid any director's fees.

8

INDEMNIFICATION

Section 16. The Corporation shall indemnify, in the manner and to the maximum extent permitted by law, any person (or the estate of any person) who is or was a party to, or is threatened to be made a party to, any threatened, pending or completed action, suit or proceeding, whether or not by or in the right of the Corporation, and whether civil, criminal, administrative, investigative, or otherwise, by reason of the fact that such person is or was a director or officer of the Corporation or that such person while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, trustee, partner, member, agent or employee of another corporation, partnership, limited liability company, association, joint venture, trust or other enterprise. To the maximum extent permitted by law, the indemnification provided herein shall include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement, and any such expenses may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding.

Neither the amendment nor repeal of this Section 14 of this Article III, nor the adoption or amendment of any other provision of the charter or bylaws of the Corporation inconsistent with this Section, shall apply to or affect in any respect the applicability of the preceding paragraph with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

The indemnification and reimbursement of expenses provided herein shall not be deemed to limit the right of the Corporation to indemnify any other person against any liability and expenses to the fullest extent permitted by law, nor shall it be deemed exclusive of any other rights to which any person seeking indemnification from the Corporation may be entitled under any agreement, the charter or bylaws of the Corporation, a vote of stockholders or Independent Directors, or otherwise, both as to action in such person's official capacity as an officer or director and as to action in another capacity, at the request of the Corporation, while acting as an officer or director of the Corporation.

ARTICLE IV

OFFICERS

Section 1. The officers of this Corporation shall be chosen by the board of directors and shall include a president, a vice president, a secretary and a treasurer. The Corporation may also have at the discretion of the board of directors such other officers as are desired, including a chairman of the board, additional vice presidents, a chief executive officer, a chief financial officer, a chief operating officer, one or more managing directors, one or more assistant secretaries and one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article IV. In the event there are two or more vice presidents, then one or more may be designated as executive vice president, senior vice president, vice president/acquisitions or other similar or dissimilar title. At the time of the election of officers, the directors may by resolution determine the order of their rank. Any number of offices may be held by the same person, unless the charter or these bylaws otherwise

provide, except that one individual may not simultaneously hold the office of president and vice president.

Section 2. The board of directors, at its first meeting after each annual meeting of stockholders, shall choose the officers of the Corporation.

Section 3. The board of directors may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board.

Section 4. The salaries of all officers and agents of the Corporation shall be fixed by the board of directors, provided, however, that the compensation of the Corporation's executive officers shall be determined by the Compensation Committee.

Section 5. The officers of the Corporation shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the board of directors may be removed at any time, with or without cause, by the affirmative vote of a majority of the board of directors. If the office of any officer or officers becomes vacant for any reason, the vacancy shall be filled by the board of directors.

Section 6. Any officer may resign at any time upon written notice to the Corporation's board of directors, chairman of the board, president or secretary. Any such resignation shall take effect at the time specified therein or, if the time is not specified, upon receipt thereof, and the acceptance of such resignation, unless required by the terms thereof, shall not be necessary to make such resignation effective. Any such resignation will not prejudice the rights, if any, of the Corporation under any contract to which the officer is a party.

CHAIRMAN OF THE BOARD

Section 7. The chairman of the board, if such an officer be elected, shall, if present, preside at all meetings of the board of directors and exercise and perform such other powers and duties as may be from time to time assigned to him by the board of directors or prescribed by the bylaws. If there is no president, the chairman of the board shall in addition be the chief executive officer of the Corporation and shall have the powers and duties prescribed in Section 8 of this Article IV. If there is a president, then in the absence or disability of the president, the chairman of the board shall perform all the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president.

CHIEF EXECUTIVE OFFICER

Section 8. Subject to such supervisory powers, if any, as may be given by the board of directors to the chairman of the board, if there be such an officer, the chief executive officer shall, subject to the control of the board of directors, have general supervision, direction and control of the business and officers of the Corporation. He shall have the general powers and duties of management usually vested in the office of chief executive officer of corporations, and

10

shall have such other powers and duties as may be prescribed by the board of directors or these bylaws.

PRESIDENT

Section 9. Subject to such supervisory powers, if any, as may be given by the board of directors to the chairman of the board, if there be such an officer, the president shall, subject to the control of the board of directors, have general supervision, direction and control of the business and officers of the Corporation. He shall preside at all meetings of the stockholders and, in the absence of the chairman of the board, or if there be none, at all meetings of the board of directors. He shall have the general powers and duties of management usually vested in the office of president of corporations, and shall have such other powers and duties as may be prescribed by the board of directors or these bylaws.

CHIEF OPERATING OFFICER

Section 10. Subject to such supervisory powers, if any, as may be given by the board of directors to the chairman of the board, chief executive officer or the president, if there be such an officer, the chief operating officer shall, subject to the control of the board of directors, have the supervision,

direction and control of the day to day operations of the Corporation. He shall have the general powers and duties of management usually vested in the office of chief operating officer of corporations, and shall have such other powers and duties as may be prescribed by the board of directors or these bylaws.

VICE PRESIDENTS

Section 11. In the absence or disability of the president, and in the absence or disability of the chairman of the board, the vice presidents, in order of their rank as fixed by the board of directors, or if not ranked, the vice president designated by the board of directors, shall perform all the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice presidents shall have such other duties as from time to time may be prescribed by the board of directors or these bylaws.

SECRETARY AND ASSISTANT SECRETARY

Section 12. The secretary shall attend all sessions of the board of directors and all meetings of the stockholders and record all votes and the minutes of all proceedings in a book to be kept for that purpose; and shall perform like duties for the standing committees when required by the board of directors. He shall give, or cause to be given, notice of all meetings of the stockholders and of the board of directors, and shall perform such other duties as may be prescribed by the board of directors or the bylaws. He shall keep in safe custody the seal of the Corporation, and when authorized by the board, affix the same to any instrument requiring it, and when so affixed it shall be attested by his signature or by the signature of an assistant secretary. The board of directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his signature.

11

Section 13. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the board of directors, or if there be no such determination, the assistant secretary designated by the board of directors, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

CHIEF FINANCIAL OFFICER, TREASURER AND ASSISTANT TREASURERS

Section 14. The chief financial officer of the Corporation shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys, and other valuable effects in the name and to the credit of the Corporation, in such depositories as may be designated by the board of directors. He shall disburse the funds of the Corporation as may be ordered by the board of directors, taking proper vouchers for such disbursements, and shall render to the board of directors, at its regular meetings, or when the board of directors so requires, an account of all his transactions as chief financial officer and of the financial condition of the Corporation. If required by the board of directors, he shall give the Corporation a bond, in such sum and with such surety or sureties as shall be satisfactory to the board of directors, for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation. If no other person then be appointed to the position of treasurer of the Corporation, the person holding the office of chief financial officer shall also be the treasurer of the Corporation.

Section 15. The treasurer or assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the board of directors, or if there be no such determination, the treasurer or assistant treasurer designated by the board of directors, shall, in the absence or disability of the chief financial officer, perform the duties and exercise the powers of the chief financial officer and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

ARTICLE V

CERTIFICATES OF STOCK

Section 1. Every holder of stock of the Corporation shall be entitled to have a certificate signed by, or in the name of the Corporation by, the chairman of the board of directors, or the president or a vice president, and countersigned by the secretary or an assistant secretary, or the treasurer or an assistant treasurer of the Corporation, certifying the number of shares of capital stock represented by the certificate owned by such stockholder in the Corporation.

Section 2. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been

12

placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue. Such certificates need not be sealed with the corporate seal of the Corporation.

Section 3. If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative, participating, optional or other special rights of each class of capital stock or series thereof and the qualification, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock, provided that, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock, a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. In addition, in the event that any stock issued by the Corporation is subject to a restriction on its transferability, the stock certificate shall on its face or back contain a full statement of the restriction or state that the Corporation will furnish information about the restriction to the stockholder on request and without charge.

LOST, STOLEN OR DESTROYED CERTIFICATES

Section 4. The board of directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

TRANSFERS OF STOCK

Section 5. Upon surrender to the Corporation, or the transfer agent of the Corporation, of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books, subject, however, to the Ownership Limit (as defined in the charter of the Corporation) and other restrictions on transferability applicable thereto from time to time.

13

FIXING RECORD DATE

Section 6. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of the stockholders, or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the board of directors may fix a record date which shall not be more than 90 nor less than 10 days before the date of such meeting, nor more than 90 days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting. A meeting of stockholders convened on the date for which it was called may be adjourned from time to time without further notice to a date not more than 120 days after the original record date.

REGISTERED STOCKHOLDERS

Section 7. The Corporation shall be entitled to treat the holder of record

of any share or shares of stock as the holder in fact thereof and accordingly shall not be bound to recognize any equitable or other claim or interest in such share on the part of any other person, whether or not it shall have express or other notice thereof, save as expressly provided by the laws of the State of Maryland.

ARTICLE VI

GENERAL PROVISIONS

DIVIDENDS

Section 1. Dividends upon the capital stock of the Corporation, subject to the provisions of the Corporation's charter, if any, may be authorized and declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Corporation's charter and the MGCL.

Section 2. Before payment of any dividend there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve fund to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose as the directors shall think conducive to the interests of the Corporation, and the directors may abolish any such reserve.

CHECKS

Section 3. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers as the board of directors may from time to time designate.

14

FISCAL YEAR

Section 4. The fiscal year of the Corporation shall be fixed by resolution of the board of directors.

SEAL

Section 5. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Maryland." Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

NOTICES

Section 6. Whenever, under the provisions of the MGCL or of the charter of the Corporation or of these bylaws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or stockholder, at his address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice to directors may also be given by telegram, telecopy or cable.

Section 7. Whenever any notice is required to be given under the provisions of the MGCL or of the charter of the Corporation or of these bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ANNUAL STATEMENT

Section 8. The board of directors may present at each annual meeting of stockholders, and when called for by vote of the stockholders shall present to any annual or special meeting of the stockholders, a full and clear statement of the business and condition of the Corporation.

ARTICLE VII

AMENDMENTS

Section 1. These bylaws may be altered, amended or repealed or new bylaws may be adopted by the vote of a majority of the board of directors or by the affirmative vote of a majority of all votes entitled to be cast by the holders of the issued and outstanding shares of Common Stock of the Corporation. Notwithstanding anything to the contrary herein, this Section 1 of Article VII, Section 9 of Article III and Section 10 of Article II hereof may not be altered, amended or repealed except by the affirmative vote of a majority of all votes entitled to be cast by the holders of the issued and outstanding shares of Common Stock of the Corporation.

Section 2. Notwithstanding anything to the contrary herein, this Section 2 of Article VII, Section 10 of Article III and Section 9 of Article II hereof may not be altered,

15

amended or repealed except by the affirmative vote of a majority of all votes entitled to be cast by the holders of the issued and outstanding shares of Common Stock of the Corporation.

16

The undersigned, Secretary of AMB Property Corporation, a Maryland corporation (the "Corporation"), hereby certifies that the foregoing is a full, true and correct copy of the Second Amended and Restated Bylaws of the Corporation with all amendments to the date of this Certificate.

WITNESS the signature of the undersigned and the seal of the Corporation this 27th day of February, 2001.

/s/ Tamra D. Browne

Tamra D. Browne
Secretary

S-1

(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>	<C>	<C>
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NOTE NO: FXR -1		
\$30,000,000		
-----	-----	-----
ORIGINAL ISSUE DATE: 8/18/2000	REGISTERED HOLDER: CEDE & CO.	SPECIFIED CURRENCY: U.S.
DOLLARS		
-----	-----	-----
MATURITY DATE: 8/20/2007	FORM: <input checked="" 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: 8/15/2000		

EXCHANGE RATE AGENT:	AGENT'S DISCOUNT OR COMMISSION: 0.600 %	AUTHORIZED DENOMINATION:
		--
(if other than State Street Bank and		(if other than \$1,000 or
integral multiples		thereof)
Trust Company of California, N.A.)		
	NET PROCEEDS TO ISSUER: \$29,820,000	

2/20 & 8/20	INTEREST RATE: 7.925 % per annum	INTEREST PAYMENT DATES:
-----	-----	---
& 8/5		REGULAR RECORD DATES: 2/5
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<input checked="" type="checkbox"/> The Note cannot be redeemed prior	<input checked="" type="checkbox"/> The Note cannot be repaid	Issue
Price: _____	prior to maturity	Total Amount of
to maturity		Yield to
OID: _____	<input type="checkbox"/> The Note may be repaid prior	Initial Accrual
<input type="checkbox"/> The Note may be redeemed at the	to maturity at the option of	
Maturity: _____	the Holder of the Note	
option of the Operating Partnership	Optional Repayment Date(s): _____	
Period: _____	Redemption Price: _____ %	
prior to maturity		
Redemption Commencement Date: _____		
Initial Redemption Percentage: _____ %		
Annual Redemption Percentage		
Reduction: _____ %		

ADDENDUM ATTACHED: [] Yes [X] No

OTHER/ADDITIONAL PROVISIONS: The Notes will initially be limited to \$30,000,000 in aggregate principal amount. We may create and issue additional Notes with the same terms as this Note so that the additional Notes will be combined with this initial issuance of Notes.

</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

1

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: August 18, 2000

AMB PROPERTY L.P.

By: AMB PROPERTY CORPORATION,
as General Partner

By: /s/ W. Blake Baird

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: /s/ Steve Rivero

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.

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.

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: August 18, 2000

AMB PROPERTY CORPORATION

By: /s/ W. Blake Baird

Name: W. Blake Baird
Title: President

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:

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

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

(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> NOTE NO: FXR -2 \$25,000,000	<C> CUSIP NO.: 00163X AA8	<C> PRINCIPAL AMOUNT:
----- -----	----- -----	----- -----
ORIGINAL ISSUE DATE: 8/18/2000 DOLLARS	REGISTERED HOLDER: CEDE & CO.	SPECIFIED CURRENCY: U.S.
----- -----	----- -----	----- -----
MATURITY DATE: 8/20/2007	FORM: <input checked="" type="checkbox"/> Book-Entry	PRINCIPAL FINANCIAL CENTER:
----- is other than	<input type="checkbox"/> Certificated	(if the Specified Currency U.S. dollars or Euro)
TRADE DATE: 9/8/2000		
----- -----		
EXCHANGE RATE AGENT:	AGENT'S DISCOUNT OR COMMISSION: 0.600 %	AUTHORIZED DENOMINATION: --
----- (if other than State Street Bank and integral multiples Trust Company of California, N.A.)	----- -----	----- (if other than \$1,000 or thereof)
accrued interest from	NET PROCEEDS TO ISSUER: \$24,987,586.81 (includes \$137,586.81 of 8/18/2000 to the delivery date of the Note)	
2/20 & 8/20	INTEREST RATE: 7.925 % per annum	INTEREST PAYMENT DATES:
----- -----	----- -----	----- -----
& 8/5		REGULAR RECORD DATES: 2/5
----- </TABLE>		----- -----

<TABLE>

<CAPTION> REDEMPTION: <input checked="" type="checkbox"/> No <S> <input checked="" type="checkbox"/> The Note cannot be redeemed prior Price: _____ to maturity	REPAYMENT: <C> <input checked="" type="checkbox"/> The Note cannot be repaid prior to maturity	DISCOUNT NOTES: <input type="checkbox"/> Yes <C> Issue Total Amount of Yield to Initial Accrual
OID: <input type="checkbox"/> The Note may be redeemed at the Maturity: _____ option of the Operating Partnership Period: _____ prior to maturity	<input type="checkbox"/> The Note may be repaid prior to maturity at the option of the Holder of the Note	
Redemption Commencement Date: _____ Initial Redemption Percentage: _____ % Annual Redemption Percentage	Optional Repayment Date(s): _____ Repayment Price: _____ %	

Reduction: _____%

ADDENDUM ATTACHED: [] Yes [X] No

OTHER/ADDITIONAL PROVISIONS: We may create and issue additional notes with the same terms as this Note so that the additional notes will be combined with the initial issuance and this Note.

</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."

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

Dated: 9/12/2000

AMB PROPERTY L.P.

By: AMB PROPERTY CORPORATION,
as General Partner

By: /s/ W. Blake Baird

President

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

By: /s/ Steve Rivero

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.

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.

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: 9/12/2000

AMB PROPERTY CORPORATION

By: /s/ W. Blake Baird

Name: W. Blake Baird
Title: President

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:

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

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

(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>	<C>	<C>
<S>	CUSIP NO.: 00163X AB6	PRINCIPAL AMOUNT:
NOTE NO: FXR -3		
\$50,000,000		
-----	-----	-----
ORIGINAL ISSUE DATE: 10/26/2000	REGISTERED HOLDER: CEDE & CO.	SPECIFIED CURRENCY: U.S.
DOLLARS		
-----	-----	-----
MATURITY DATE: 11/1/2010	FORM: <input checked="" 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: 10/23/2000		

EXCHANGE RATE AGENT:	AGENT'S DISCOUNT OR COMMISSION: 0.625 %	AUTHORIZED DENOMINATION:
		--
(if other than State Street Bank and integral multiples Trust Company of California, N.A.)		(if other than \$1,000 or thereof)
	NET PROCEEDS TO ISSUER: \$49,687,500	

& 11/1	INTEREST RATE: 8.00 % per annum	INTEREST PAYMENT DATES: 5/1
-----	-----	---
& 10/15		REGULAR RECORD DATES: 4/15
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</TABLE>		

<TABLE>		
<CAPTION>		
REDEMPTION:	REPAYMENT:	DISCOUNT NOTES: <input type="checkbox"/> Yes
<input checked="" type="checkbox"/> No		
<S>	<C>	<C>
<input checked="" type="checkbox"/> The Note cannot be redeemed prior	<input checked="" type="checkbox"/> The Note cannot be repaid	Issue
Price: _____		Total Amount of
to maturity	prior to maturity	Yield to
OID: _____		Initial Accrual
<input type="checkbox"/> The Note may be redeemed at the	<input type="checkbox"/> The Note may be repaid prior	
Maturity: _____	to maturity at the option of	
option of the Operating Partnership	the Holder of the Note	
Period: _____	Optional Repayment Date(s): _____	
prior to maturity	Repayment Price: _____ %	
Redemption Commencement Date: _____		
Initial Redemption Percentage: _____ %		
Annual Redemption Percentage		
Reduction: _____ %		

ADDENDUM ATTACHED: [] Yes [X] No

OTHER/ADDITIONAL PROVISIONS: The notes will initially be limited to \$50,000,000 in aggregate principal amount. We may create and issue additional notes with the same terms as this Note so that the additional notes will be combined with this Note.

</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

1

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: 10-26-2000

AMB PROPERTY L.P.

By: AMB PROPERTY CORPORATION,
as General Partner

By: /s/ W. Blake Baird

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: /s/ Steve Rivero

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.

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.

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: 10/26/2000

AMB PROPERTY CORPORATION

By: /s/ W. Blake Baird

Name: W. Blake Baird
Title: President

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:

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

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

(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>	<C>	<C>
<S>	CUSIP NO.: 00163X A86	PRINCIPAL AMOUNT:
NOTE NO: FXR -4		
\$25,000,000		
-----	-----	-----
ORIGINAL ISSUE DATE: 10/26/2000	REGISTERED HOLDER: CEDE & CO.	SPECIFIED CURRENCY: U.S.
DOLLARS		
-----	-----	-----
MATURITY DATE: 11/1/2010	FORM: <input checked="" 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: 10/25 2000		

EXCHANGE RATE AGENT:	AGENT'S DISCOUNT OR COMMISSION: 0.625 %	AUTHORIZED DENOMINATION:
		--
(if other than State Street Bank and		(if other than \$1,000 or
integral multiples		thereof)
Trust Company of California, N.A.)		
	NET PROCEEDS TO ISSUER: \$24,843,750.00	

& 11/1	INTEREST RATE: 8.00 % per annum	INTEREST PAYMENT DATES: 5/1
-----	-----	---
& 10/15		REGULAR RECORD DATES: 4/15
-----		----

</TABLE>		
<TABLE>		
<CAPTION>		
REDEMPTION:	REPAYMENT:	DISCOUNT NOTES: <input type="checkbox"/> Yes
<input checked="" type="checkbox"/> No		
<S>	<C>	<C>
<input checked="" type="checkbox"/> The Note cannot be redeemed prior	<input checked="" type="checkbox"/> The Note cannot be repaid	Issue
Price: _____	prior to maturity	Total Amount of
to maturity		Yield to
OID: _____	<input type="checkbox"/> The Note may be repaid prior	Initial Accrual
<input type="checkbox"/> The Note may be redeemed at the	to maturity at the option of	
Maturity: _____	the Holder of the Note	
option of the Operating Partnership	Optional Repayment Date(s): _____	
Period: _____	Redemption Price: _____ %	
prior to maturity		
Redemption Commencement Date: _____		
Initial Redemption Percentage: _____ %		
Annual Redemption Percentage		
Reduction: _____ %		

ADDENDUM ATTACHED: [] Yes [X] No

OTHER/ADDITIONAL PROVISIONS: We may create and issue additional notes with the same terms as this Note so that the additional notes will be combined with the initial issuance and this Note.

</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."

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

Dated: 10/26/2000

AMB PROPERTY L.P.

By: AMB PROPERTY CORPORATION,
as General Partner

By: /s/ W. Blake Baird

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: /s/ Steve Rivero

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.

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.

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: 10/26/2000

AMB PROPERTY CORPORATION

By: /s/ W. Blake Baird

Name: W. Blake Baird
Title: President

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.

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:

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

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

AMB PROPERTY, L.P.
FIRST AMENDMENT TO
FOURTH AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP

This First Amendment (this "AMENDMENT") is made as of November 7, 2000, by AMB Property Corporation, a Maryland corporation, as general partner ("GENERAL PARTNER") of AMB Property L.P., a Delaware limited partnership (the "PARTNERSHIP"), and as attorney-in-fact for each of the limited partners of the Partnership (collectively, the "LIMITED PARTNERS") for the purpose of amending the Fourth Amended and Restated Agreement of Limited Partnership of the Partnership dated as of August 10, 2000, as amended (the "PARTNERSHIP AGREEMENT").

WHEREAS, as of the date hereof, the parties listed on Exhibit B attached hereto (the "UNIT RECIPIENTS") have made capital contributions (the "CAPITAL CONTRIBUTIONS") to the Partnership in exchange for Partnership Units in accordance with the provisions of that certain Second Amendment to Master Agreement and Contribution Transfer and Assumption Agreement, dated as of November 3, 2000 (the "CONTRIBUTION AGREEMENT"), by and among the Partnership, the General Partner and the Unit Recipients.

WHEREAS, the General Partner accepted such Capital Contributions and admitted the Contributors to the Partnership as Additional Limited Partners and issued an aggregate of 94,771 Partnership Units to the Contributor in exchange for the Capital Contributions to the Partnership.

NOW THEREFORE, in consideration of the mutual agreements set forth herein, the parties hereto undertake to implement the following amendments to the Partnership Agreement:

SECTION 1. Defined Terms. Capitalized terms used without definition in this Amendment shall have the meanings set forth in the Partnership Agreement or the Contribution Agreement, as the case may be.

SECTION 2. Admission of Additional Limited Partners. As of the date hereof, the Unit Recipients have made the Capital Contributions of the Agreed Value as set forth on Exhibit B attached hereto. The General Partner hereby accepts such Capital Contributions. In consideration of such Capital Contributions and pursuant to Section 12.2 of the Partnership Agreement, the General Partner hereby admits the Unit Recipients to the Partnership as Additional Limited Partners and issues to such Unit Recipients the respective number of Partnership Units listed on Exhibit A attached hereto as of the date hereof.

SECTION 3. Amendment to Partnership Agreement.

Pursuant to Sections 2.4 and 7.3D(ii) of the Partnership Agreement, the General Partner of the Partnership, on its own behalf and as attorney-in-fact for its Limited Partners, hereby amends the Partnership Agreement as follows:

3.1 Exhibit A thereto is deleted in its entirety and replaced with Exhibit A attached hereto.

SECTION 4. Miscellaneous.

4.1 Governing Law. This Amendment shall be construed under and governed by the internal laws of the State of Delaware without regard to its conflict of laws provisions.

4.2 Amendments. This Amendment may not be amended or modified, nor may compliance with any condition or covenant set forth herein be waived, except by a writing duly and validly executed by each party hereto, or in the case of a waiver, by the party waiving compliance.

SECTION 5. Partnership Agreement. The Partnership Agreement and this Amendment shall be read together and shall have the same effect as if the provisions of the Partnership Agreement and this Amendment were contained in one document. Any provisions of the Partnership Agreement not amended by this Amendment shall remain in full force and effects as provided in the Partnership Agreement immediately prior to the date hereof.

IN WITNESS WHEREOF the parties hereto have caused this Amendment to be executed as of the date set forth above by their duly authorized representatives.

GENERAL PARTNER
AMB PROPERTY CORPORATION, a
Maryland corporation

By:
/s/ MICHAEL A. COKE

Michael A. Coke,
Chief Financial Officer and
Executive Vice President

LIMITED PARTNERS
By:
AMB PROPERTY CORPORATION, a
Maryland corporation, as
attorney-in-fact for each of
the Limited Partners

/s/ MICHAEL A. COKE

Michael A. Coke, Chief
Financial Officer and
Executive Vice President

2

AMB PROPERTY, L.P.

ADDITIONAL LIMITED PARTNER SIGNATURE PAGE

The undersigned, desiring to become one of the Limited Partners of AMB Property, L.P. (the "PARTNERSHIP"), hereby does become a party to the Fourth Amended and Restated Agreement of Limited Partnership of the Partnership, as amended (the "PARTNERSHIP AGREEMENT"). The undersigned agrees to be bound by all of the terms and conditions of the Partnership Agreement, including, without limitation the power of attorney provisions, and further agrees that this signature page may be attached to any counterpart of the Partnership Agreement.

Signature of Limited Partner

WEST*PAC Limited Partnership
By: WEST*PAC, Inc., its general
partner

/s/ FRANCIS X. CHAMBERS, JR.

Francis X. Chambers, Jr.
President

AMB PROPERTY, L.P.

ADDITIONAL LIMITED PARTNER SIGNATURE PAGE

The undersigned desiring to become one of the Limited Partners of AMB Property, L.P. (the "PARTNERSHIP"), hereby does become a party to the Fourth Amended and Restated Agreement of Limited Partnership of the Partnership, as amended (the "PARTNERSHIP AGREEMENT"). The undersigned agrees to be bound by all of the terms and conditions of the Partnership Agreement, including, without limitation the power of attorney provisions, and further agrees that this signature page may be attached to any counterpart of the Partnership Agreement.

Signature of Limited Partner

AFCO Cargo DFW Limited Partnership
By: AFCO Cargo DFW, Inc., its general
partner

/s/ FRANCIS X. CHAMBERS, JR.

Francis X. Chambers, Jr.
President

AMB PROPERTY, L.P.

ADDITIONAL LIMITED PARTNER SIGNATURE PAGE

The undersigned desiring to become one of the Limited Partners of AMB Property, L.P. (the "PARTNERSHIP"), hereby does become a party to the Fourth Amended and Restated Agreement of Limited Partnership of the Partnership, as amended (the "PARTNERSHIP AGREEMENT"). The undersigned agrees to be bound by all of the terms and conditions of the Partnership Agreement, including, without limitation the power of attorney provisions, and further agrees that this signature page may be attached to any counterpart of the Partnership Agreement.

Signature of Limited Partner

AFCO Cargo SEA Limited Partnership
By: AFCO Cargo SEA, Inc., its general partner

/s/ FRANCIS X. CHAMBERS, JR.

Francis X. Chambers, Jr.
President

EXHIBIT A
PARTNERS, CONTRIBUTIONS, AND PARTNERSHIP INTERESTS

<TABLE>
<CAPTION>

PERCENTAGE NAME OF PARTNER INTEREST	CONTRIBUTION DATE	CASH CONTRIBUTIONS	AGREED VALUE OF CONTRIBUTED PROPERTY	TOTAL CONTRIBUTIONS	COMMON PARTNERSHIP UNITS
----- --					
<S>	<C>	<C>	<C>	<C>	<C>
<C>					
GENERAL PARTNER:					
AMB Property Corporation (a) 95.43188%	11/26/97	\$73,798,710	\$1,693,339,826	\$1,767,138,536	85,645,102
AMB Property Corporation 0.04792%	12/15/98	\$930,048	\$0	\$930,048	43,008
AMB Property Corporation 0.11143%	01/20/99	\$1,000	\$0	\$1,000	100,000
AMB Property Corporation 0.00139%	01/25/99	\$26,250	\$0	\$26,250	1,250
AMB Property Corporation 0.00696%	02/11/99	\$131,250	\$0	\$131,250	6,250
AMB Property Corporation 0.00139%	03/05/99	\$26,250	\$0	\$26,250	1,250
AMB Property Corporation 0.00139%	04/20/99	\$26,250	\$0	\$26,250	1,250
AMB Property Corporation 0.00401%	04/23/99	\$0	\$88,290	\$88,290	3,600
AMB Property Corporation -0.00104%	05/07/99	(\$20,155)	\$0	(\$20,155)	(932)
AMB Property Corporation 0.53725%	05/12/99	\$0	\$10,125,213	\$10,125,213	482,153
AMB Property Corporation 0.00418%	05/13/99	\$78,750	\$0	\$78,750	3,750
AMB Property Corporation 0.00139%	06/04/99	\$26,250	\$0	\$26,250	1,250
AMB Property Corporation 0.00070%	06/11/99	\$13,125	\$0	\$13,125	625
AMB Property Corporation 0.00070%	06/30/99	\$13,125	\$0	\$13,125	625

AMB Property Corporation 0.00279%	07/02/99	\$52,500	\$0	\$52,500	2,500
AMB Property Corporation 0.01114%	08/03/99	\$0	\$244,000	\$244,000	10,000
AMB Property Corporation 0.00696%	08/06/99	\$131,250	\$0	\$131,250	6,250
AMB Property Corporation 0.04457%	09/15/99	\$0	\$840,000	\$840,000	40,000
AMB Property Corporation -0.00078%	09/15/99	(\$15,159)	\$0	(\$15,159)	(701)
AMB Property Corporation -0.01114%	12/10/99	(\$198,750)	\$0	(\$198,750)	(10,000)
AMB Property Corporation -0.01114%	12/10/99	(\$197,500)	\$0	(\$197,500)	(10,000)
AMB Property Corporation -0.09471%	12/10/99	(\$1,657,500)	\$0	(\$1,657,500)	(85,000)
AMB Property Corporation -0.11143%	12/13/99	(\$1,950,000)	\$0	(\$1,950,000)	(100,000)
AMB Property Corporation -0.55714%	12/14/99	(\$9,500,000)	\$0	(\$9,500,000)	(500,000)
AMB Property Corporation -0.05571%	12/16/99	(\$950,000)	\$0	(\$950,000)	(50,000)
AMB Property Corporation -0.10708%	12/16/99	(\$1,813,888)	\$0	(\$1,813,888)	(96,100)
AMB Property Corporation -0.05571%	12/17/99	(\$937,500)	\$0	(\$937,500)	(50,000)
AMB Property Corporation -0.52582%	12/17/99	(\$8,730,150)	\$0	(\$8,730,150)	(471,900)
AMB Property Corporation -0.05571%	12/20/99	(\$918,750)	\$0	(\$918,750)	(50,000)
AMB Property Corporation -0.02295%	12/20/99	(\$375,950)	\$0	(\$375,950)	(20,600)
AMB Property Corporation -1.63344%	01/07/00	(\$28,777,960)	\$0	(\$28,777,960)	(1,465,926)
AMB Property Corporation 0.17346%	02/29/00	\$0	\$0	\$0	155,675
AMB Property Corporation 0.01393%	03/31/00	\$262,500	\$0	\$262,500	12,500
AMB Property Corpocations 0.00557%	05/01/00	\$105,000	\$0	\$105,000	5,000
AMB Property Corporation 0.00557%	05/02/00	\$105,000	\$0	\$105,000	5,000
AMB Property Corporation 0.00139%	05/03/00	\$26,250	\$0	\$26,250	1,250
AMB Property Corporation 0.00279%	05/05/00	\$52,500	\$0	\$52,500	2,500
AMB Property Corporation 0.00111%	05/05/00	\$0	\$0	\$0	1,000
AMB Property Corporation 0.00070%	05/10/00	\$13,125	\$0	\$13,125	625
AMB Property Corporation 0.00139%	05/31/00	\$26,250	\$0	\$26,250	1,250
AMB Property Corporation 0.00557%	06/09/00	\$105,000	\$0	\$105,000	5,000
AMB Property Corporation 0.01314%	06/13/00	\$254,334	\$0	\$254,334	11,790
AMB Property Corporation 0.23001%	07/06/00	\$0	\$4,774,010	\$4,774,010	206,425
AMB Property Corporation 0.00677%	07/14/00	\$128,747	\$0	\$128,747	6,074
AMB Property Corporation 0.00279%	07/19/00	\$52,500	\$0	\$52,500	2,500
AMB Property Corporation 0.00557%	07/21/00	\$105,000	\$0	\$105,000	5,000
AMB Property Corporation 0.00557%	07/26/00	\$105,000	\$0	\$105,000	5,000
AMB Property Corporation 0.00139%	08/10/00	\$26,250	\$0	\$26,250	1,250
AMB Property Corporation 0.00139%	08/11/00	\$26,250	\$0	\$26,250	1,250
AMB Property Corporation 0.00836%	08/25/00	\$157,500	\$0	\$157,500	7,500
AMB Property Corporation 0.00139%	09/06/00	\$26,250	\$0	\$26,250	1,250
AMB Property Corporation 0.00501%	09/11/00	\$94,500	\$0	\$94,500	4,500
AMB Property Corporation 0.00028%	09/12/00	\$5,250	\$0	\$5,250	250
AMB Property Corporation 0.00279%	09/15/00	\$52,500	\$0	\$52,500	2,500

TOTAL GENERAL PARTNER
93.46819%

20,941,202 1,709,411,339 1,730,352,541 83,882,793

</TABLE>

<TABLE>
<CAPTION>

PERCENTAGE NAME OF PARTNER INTEREST	CONTRIBUTION DATE	CASH CONTRIBUTIONS	AGREED VALUE OF CONTRIBUTED PROPERTY	TOTAL CONTRIBUTIONS	COMMON PARTNERSHIP UNITS

<S>	<C>	<C>	<C>	<C>	<C>
<C>					
LIMITED PARTNERS:					
David Brown 0.06104%	11/26/97	\$0	\$1,150,359	\$1,150,359	54,779
Daniel Sarhad 0.00033%	11/26/97	\$0	\$6,174	\$6,174	294
Craig Duncan 0.01148%	11/26/97	\$0	\$216,447	\$216,447	10,307
GP Met Phase I 0.09414%	11/26/97	\$0	\$1,774,164	\$1,774,164	84,484
GP Met 4 & 12 0.07886%	11/26/97	\$0	\$1,486,212	\$1,486,212	70,772
Holbrook W. Goodale 54 Trust 0.05936%	11/26/97	\$0	\$1,118,754	\$1,118,754	53,274
Charles R. Wichman 54 Trust 0.05936%	11/26/97	\$0	\$1,118,754	\$1,118,754	53,274
Frederick B. Wichman 54 Trust 0.05936%	11/26/97	\$0	\$1,118,754	\$1,118,754	53,274
Holbrook W. Goodale 57 Trust 0.20798%	11/26/97	\$0	\$3,919,734	\$3,919,734	186,654
Charles R. Wichman 57 Trust 0.20798%	11/26/97	\$0	\$3,919,734	\$3,919,734	186,654
Frederick B. Wichman 57 Trust 0.20798%	11/26/97	\$0	\$3,919,734	\$3,919,734	186,654
Holbrook W. Goodale 58 Trust 0.20798%	11/26/97	\$0	\$3,919,734	\$3,919,734	186,654
Charles R. Wichman 58 Trust 0.20798%	11/26/97	\$0	\$3,919,734	\$3,919,734	186,654
Frederick B. Wichman 58 Trust 0.20798%	11/26/97	\$0	\$3,919,734	\$3,919,734	186,654
Allmerica 0.62358%	11/26/97	\$0	\$11,752,188	\$11,752,188	559,628
Gamble 0.53725%	11/26/97	\$0	\$10,125,213	\$10,125,213	482,153
Campanelli Investment Properties (b) 0.57669%	03/30/98	\$0	\$12,435,871	\$12,435,871	517,547
Campanelli Enterprises (c) 0.48817%	03/30/98	\$0	\$10,334,678	\$10,334,678	438,110
Steve Liefschultz 0.09045%	03/31/98	\$0	\$1,990,798	\$1,990,798	81,174
Stephen M. Vincent 0.02884%	03/31/98	\$0	\$634,825	\$634,825	25,884
Alan Wilensky 0.01209%	03/31/98	\$0	\$266,073	\$266,073	10,849
Craig Gagnon 0.03664%	03/31/98	\$0	\$806,404	\$806,404	32,880
Seefried Properties, Inc. 0.00289%	06/04/98	\$0	\$61,250	\$61,250	2,590
Monique Brouillet Seefried 0.03111%	06/04/98	\$0	\$660,275	\$660,275	27,916
Robert S. Rakusin 0.01506%	06/04/98	\$0	\$319,725	\$319,725	13,518
Gerald L. Daws 0.00693%	06/04/98	\$0	\$147,000	\$147,000	6,215
Thomas Ellis 0.00173%	06/04/98	\$0	\$36,750	\$36,750	1,554
James E. Hayes as trustee of the James E. Hayes Living Trust under Agreement dated August 22, 1995 0.02652%	06/30/98	\$0	\$580,747	\$580,747	23,801
Lawrence J. Hayes 0.02652%	06/30/98	\$0	\$580,747	\$580,747	23,801
Lincoln Property Company No. 238 Ltd. 0.39392%	09/24/98	\$0	\$8,320,955	\$8,320,955	353,520
Lincoln Property Company No. 287, LTD 0.13070%	09/24/98	\$0	\$2,760,957	\$2,760,957	117,300
Lincoln Property Company No. 355, LTD 0.03501%	09/24/98	\$0	\$739,600	\$739,600	31,422
Lincoln Property Company No. 440, LTD 0.03634%	09/24/98	\$0	\$767,640	\$767,640	32,614
Lincoln Property Company No. 1179	09/24/98	\$0	\$3,883,230	\$3,883,230	164,981

0.18383%					
Alan Wilensky	12/31/98	\$0	(\$44,145)	(\$44,145)	(1,800)
-0.00201%					
Julie H. Wilensky	12/31/98	\$0	\$22,073	\$22,073	900
0.00100%					
Constance J. Wilensky	12/31/98	\$0	\$22,073	\$22,073	900
0.00100%					
Alan Wilensky	01/31/99	\$0	(\$44,145)	(\$44,145)	(1,800)
-0.00201%					
Julie H. Wilensky	01/31/99	\$0	\$22,073	\$22,073	900
0.00100%					
Constance J. Wilensky	01/31/99	\$0	\$22,073	\$22,073	900
0.00100%					
William H. Winstead III	02/09/99	\$0	\$2,376	\$2,376	99
0.00011%					
Donald A. Manekin	02/09/99	\$0	\$4,056	\$4,056	169
0.00019%					
Bernard Manekin	02/09/99	\$0	\$2,808	\$2,808	117
0.00013%					
Harold Manekin	02/09/99	\$0	\$2,592	\$2,592	108
0.00012%					
Vivian Manekin	02/09/99	\$0	\$144	\$144	6
0.00001%					
Francine U. Manekin	02/09/99	\$0	\$144	\$144	6
0.00001%					
RA & DM, Inc.	02/09/99	\$0	\$96	\$96	4
0.00000%					
RA & FM, Inc.	02/09/99	\$0	\$888	\$888	37
0.00004%					
Richard M. Alter	02/09/99	\$0	\$7,080	\$7,080	295
0.00033%					
Robert Manekin	02/09/99	\$0	\$1,080	\$1,080	45
0.00005%					
Richard P. Manekin	02/09/99	\$0	\$1,536	\$1,536	64
0.00007%					
Charles H. Manekin	02/09/99	\$0	\$672	\$672	28
0.00003%					
Louis C. LaPenna	02/09/99	\$0	\$432	\$432	18
0.00002%					
Sandy Manekin Sirota	02/09/99	\$0	\$912	\$912	38
0.00004%					
Julie H. Wilensky	04/23/99	\$0	(\$44,145)	(\$44,145)	(1,800)
-0.00201%					
Constance J. Wilensky	04/23/99	\$0	(\$44,145)	(\$44,145)	(1,800)
-0.00201%					
William H. Winstead III	04/30/99	\$0	\$888,379	\$888,379	37,016
0.04125%					
Donald A. Manekin	04/30/99	\$0	\$1,479,701	\$1,479,701	61,654
0.06870%					
Bernard Manekin	04/30/99	\$0	\$1,046,686	\$1,046,686	43,612
0.04860%					

</TABLE>

<TABLE>
<CAPTION>

PERCENTAGE NAME OF PARTNER INTEREST	CONTRIBUTION DATE	CASH CONTRIBUTIONS	AGREED VALUE OF CONTRIBUTED PROPERTY	TOTAL CONTRIBUTIONS	COMMON PARTNERSHIP UNITS

<S>	<C>	<C>	<C>	<C>	<C>
<C>					
Harold Manekin 0.04488%	04/30/99	\$0	\$966,601	\$966,601	40,275
Vivian Manekin 0.00259%	04/30/99	\$0	\$55,873	\$55,873	2,328
Francine U. Manekin 0.00259%	04/30/99	\$0	\$55,873	\$55,873	2,328
RA & DM, Inc. 0.00432%	04/30/99	\$0	\$93,122	\$93,122	3,880
RA & FM, Inc. 0.00565%	04/30/99	\$0	\$121,732	\$121,732	5,072
Richard M. Alter 0.12897%	04/30/99	\$0	\$2,777,815	\$2,777,815	115,742
Robert Manekin 0.02646%	04/30/99	\$0	\$569,904	\$569,904	23,746
Richard P. Manekin 0.02646%	04/30/99	\$0	\$569,904	\$569,904	23,746
Charles H. Manekin 0.01146%	04/30/99	\$0	\$246,772	\$246,772	10,282
Louis C. LaPenna	04/30/99	\$0	\$159,238	\$159,238	6,635

0.00739%						
Sandy Manekin Sirota	04/30/99	\$0	\$343,618	\$343,618		14,317
0.01595%						
Gamble	05/12/99	\$0	(\$10,125,213)	(\$10,125,213)		(482,153)
-0.53725%						
Campanelli Investment Properties, LLC	05/21/99	\$0	\$450,811	\$450,811		18,638
0.02077%						
CBDV Investors, L.L.C.	05/26/99	\$0	\$5,000,000	\$5,000,000		212,766
0.23708%						
Gerald L. Daws	06/04/99	-	(\$147,000)	(\$147,000)		(6,215)
-0.00693%						
CBDV Investors, L.L.C.	07/30/99	-	(\$5,000,000)	(\$5,000,000)		(212,766)
-0.23708%						
Tiger Lafayette, L.L.C.	07/30/99	\$0	\$3,255,596	\$3,255,596		138,536
0.15437%						
Divco Western Commercial, L.L.C.	07/30/99	\$0	\$872,202	\$872,202		37,115
0.04136%						
ICCL East, L.L.C.	07/30/99	\$0	\$872,202	\$872,202		37,115
0.04136%						
Lawrence J. Hayes	08/03/99	-	(\$244,000)	(\$244,000)		(10,000)
-0.01114%						
GP Met 4 & 12	09/15/99	-	(\$840,000)	(\$840,000)		(40,000)
-0.04457%						
Lincoln Property Company No. 238 Ltd.	09/30/99	\$0	\$282	\$282		12
0.00001%						
Lincoln Property Company No. 287, Ltd	09/30/99	\$0	\$26,668	\$26,668		1,133
0.00126%						
Lincoln Property Company No. 355, Ltd.	09/30/99	\$0	\$45,780	\$45,780		1,945
0.00217%						
Lincoln Property Company No. 440, Ltd.	09/30/99	\$0	\$10,639	\$10,639		452
0.00050%						
Lincoln Property Company No. 1179	09/30/99	\$0	\$2,354	\$2,354		100
0.00011%						
Lincoln Property Company No. 238 Ltd.	09/30/99	\$0	(\$8,321,259)	(\$8,321,259)		(353,532)
-0.39393%						
Lincoln Property Company No. 287, Ltd	09/30/99	\$0	(\$2,508,862)	(\$2,508,862)		(106,590)
-0.11877%						
Lincoln Property Company No. 355, Ltd.	09/30/99	\$0	(\$765,722)	(\$765,722)		(32,532)
-0.03625%						
Lincoln Property Company No. 440, Ltd.	09/30/99	\$0	(\$762,733)	(\$762,733)		(32,405)
-0.03611%						
Lincoln Property Company No. 1179	09/30/99	\$0	(\$3,613,595)	(\$3,613,595)		(153,525)
-0.17107%						
Mack Pogue	09/30/99	\$0	\$98,834	\$98,834		4,199
0.00468%						
Edgar M. Thrift, Jr.	09/30/99	\$0	\$2,006,831	\$2,006,831		85,261
0.09500%						
Preston Butcher	09/30/99	\$0	\$6,539,424	\$6,539,424		277,830
0.30958%						
Gary J. Rossi	09/30/99	\$0	\$112,933	\$112,933		4,798
0.00535%						
Stuart L. Leeder	09/30/99	\$0	\$46,698	\$46,698		1,984
0.00221%						
Mack Pogue Inc.	09/30/99	\$0	\$5,073,438	\$5,073,438		215,547
0.24018%						
Edward D. O'Brien	09/30/99	\$0	\$743,761	\$743,761		31,599
0.03521%						
David Brent Pogue	09/30/99	\$0	\$1,350,252	\$1,350,252		57,366
0.06392%						
Lincoln Property Company No. 287, Ltd.	11/30/99	\$0	(\$278,763)	(\$278,763)		(11,843)
-0.01320%						
Lincoln Property Company No. 355, Ltd.	11/30/99	\$0	(\$19,658)	(\$19,658)		(835)
-0.00093%						
Lincoln Property Company No. 440, Ltd.	11/30/99	\$0	(\$15,546)	(\$15,546)		(661)
-0.00074%						
Lincoln Property Company No. 1179	11/30/99	\$0	(\$271,989)	(\$271,989)		(11,556)
-0.01288%						
Douglas D. Abbey	01/07/00	\$0	\$0	\$0		312,071
0.34773%						
Luis A. Belmonte	01/07/00	\$0	\$0	\$0		37,013
0.04124%						
T. Robert Burke	01/07/00	\$0	\$0	\$0		235,506
0.26242%						
S. Davis Carniglia	01/07/00	\$0	\$0	\$0		62,366
0.06949%						
John H. Diserens	01/07/00	\$0	\$0	\$0		78,988
0.08801%						
Bruce H. Freedman	01/07/00	\$0	\$0	\$0		25,868
0.02882%						
Jean C. Hurley	01/07/00	\$0	\$0	\$0		32,206
0.03589%						
Barbara J. Linn	01/07/00	\$0	\$0	\$0		56,028
0.06243%						
Hamid R. Moghadam	01/07/00	\$0	\$0	\$0		388,126
0.43248%						

Craig A. Severance 0.10157%	01/07/00	\$0	\$0	\$0	91,158
W. Blake Baird 0.02849%	01/07/00	\$0	\$0	\$0	25,569
Steven J. Callaway 0.00570%	01/07/00	\$0	\$0	\$0	5,114
Steve E. Campbell 0.00380%	01/07/00	\$0	\$0	\$0	3,409
Michael A. Coke 0.00940%	01/07/00	\$0	\$0	\$0	8,439
Martin J. Coyne 0.00380%	01/07/00	\$0	\$0	\$0	3,409
David G. Doyno 0.00380%	01/07/00	\$0	\$0	\$0	3,409
David S. Fries 0.01700%	01/07/00	\$0	\$0	\$0	15,257
Kent D. Greenawalt 0.00570%	01/07/00	\$0	\$0	\$0	5,114
Jane L. Harris 0.00760%	01/07/00	\$0	\$0	\$0	6,818

</TABLE>

<TABLE>
<CAPTION>

PERCENTAGE NAME OF PARTNER INTEREST	CONTRIBUTION DATE	CASH CONTRIBUTIONS	AGREED VALUE OF CONTRIBUTED PROPERTY	TOTAL CONTRIBUTIONS	COMMON PARTNERSHIP UNITS
----- <S> <C>	<C>	<C>	<C>	<C>	<C>
Carlie P. Headapohl 0.00380%	01/07/00	\$0	\$0	\$0	3,409
Tyler W. Higgins 0.00760%	01/07/00	\$0	\$0	\$0	6,818
Steven T. Kimball 0.00380%	01/07/00	\$0	\$0	\$0	3,409
John T. Meyer 0.00570%	01/07/00	\$0	\$0	\$0	5,114
John T. Roberts, Jr. 0.00940%	01/07/00	\$0	\$0	\$0	8,439
John L. Rossi 0.00380%	01/07/00	\$0	\$0	\$0	3,409
Cynthia J. Sarver 0.00380%	01/07/00	\$0	\$0	\$0	3,409
Christine G. Schadlich 0.00750%	01/07/00	\$0	\$0	\$0	6,733
Andrew N. Singer 0.00570%	01/07/00	\$0	\$0	\$0	5,114
Gayle P. Starr 0.00570%	01/07/00	\$0	\$0	\$0	5,114
William Steinberg 0.00760%	01/07/00	\$0	\$0	\$0	6,818
K.C. Swartzel 0.00760%	01/07/00	\$0	\$0	\$0	6,818
Celia M. Tanaka 0.00380%	01/07/00	\$0	\$0	\$0	3,409
Janice G. Thacher 0.00228%	01/07/00	\$0	\$0	\$0	2,045
GP Met 4 +12 -0.03429%	07/06/00	\$0	(\$646,212)	(\$646,212)	(30,772)
ICCL East, L.L.C. -0.04136%	07/06/00	\$0	(\$872,202)	(\$872,202)	(37,117)
Tiger Lafayette, L.L.C. -0.15437%	07/06/00	\$0	(\$3,255,596)	(\$3,255,596)	(138,536)
AFCO Cargo DFW Limited Partnership 0.04961%	11/07/00	\$0	\$1,046,849	\$1,046,849	44,523
WEST*PAC Limited Partnership 0.00638%	11/07/00	\$0	\$134,609	\$134,609	5,725
AFCO Cargo SEA Limited Partnership 0.04961%	11/07/00	\$0	\$1,046,848	\$1,046,848	44,523

TOTAL LIMITED PARTNERS 6.53181%		\$0	\$99,073,353	\$99,073,353	5,861,961

TOTAL GENERAL PARTNER AND LIMITED PARTNERS		20,941,202	1,808,484,692	1,829,425,894	89,744,754

</TABLE>

- (a) Excludes 229,411 of Sub OP and Long Gate LLC shares/units and preferred partnership units.
 (b) Includes 934 units reserved.
 (c) Includes 8,268 units reserved.

<TABLE>

<CAPTION>

RECONCILIATION:

<S>

	<C>
Total Units per above	89,744,754
Plus Sub OP & Long Gate LLC shares/units excluded (a)	229,411
Total Shares & Units as of 08/10/00	89,974,165

</TABLE>

EXHIBIT B

<TABLE>

<CAPTION>

ADDITIONAL LIMITED PARTNER	CAPITAL CONTRIBUTION	NUMBER OF PARTNERSHIP UNITS
	<C>	<C>
WEST*PAC Limited Partnership	\$ 134,609	5,725
AFCO Cargo DFW Limited Partnership	\$1,046,849	44,523
AFCO Cargo SEA Limited Partnership	\$1,046,848	44,523

</TABLE>

SUBSIDIARIES OF REGISTRANT

<TABLE>
<CAPTION>

Name of Subsidiary

<S>
AMB Property, L.P.
AMB Property II, L.P.
Long Gate, L.L.C.

Jurisdiction of Organization
and Type of Entity

<C>
Delaware limited partnership
Delaware limited partnership
Delaware limited liability
company

</TABLE>

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report included in this Form 10-K, into AMB Property Corporation's previously filed Registration Statement File Nos. 333-68291, 333-68283, 333-42015, 333-75953, 333-78779, 333-78699, 333-76823, 333-81475, 333-80815, 333-75951 and 333-36894.

ARTHUR ANDERSEN LLP

San Francisco, California
March 23, 2001