FRANKLIN STREET PROPERTIES CORP /MA/
Form S-4/A
February 17, 2005

As filed with the Securities and Exchange Commission on February 16, 2005
Registration No. 333-118748

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 5 TO FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

FRANKLIN STREET PROPERTIES CORP.
(Exact name of registrant as specified in its charter)

Maryland	6798	04-3578653
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

401 Edgewater Place, Suite 200
Wakefield, Massachusetts 01880
(781) 557-1300
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

George J. Carter
President and Chief Executive Officer
Franklin Street Properties Corp.
401 Edgewater Place, Suite 200
Wakefield, Massachusetts 01880
(781) 557-1300
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:
Kenneth A. Hoxsie, Esq.
Jeffrey A. Hermanson, Esq.
Wilmer Cutler Pickering Hale and Dorr LLP
60 State Street
Boston, Massachusetts 02109
(617) 526-6000

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effectiveness of this registration statement and the satisfaction of all other conditions under the merger agreement described herein.

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

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

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

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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FSP ADDISON CIRCLE CORP.
FSP COLLINS CROSSING CORP.
FSP MONTAGUE BUSINESS CENTER CORP.
FSP ROYAL RIDGE CORP.

Consent Solicitation

FRANKLIN STREET PROPERTIES CORP.
Prospectus
401 Edgewater Place, Suite 200
Wakefield, Massachusetts 01880
(781) 557-1300

February __, 2005

Dear Stockholders:

You are the holders of preferred stock in one or more of the following four real estate investment trusts: FSP Addison Circle Corp., FSP Collins Crossing Corp., FSP Montague Business Center Corp. and FSP Royal Ridge Corp., each of which is referred to as a target REIT. The board of directors of each target REIT has approved and adopted an agreement and plan of merger with Franklin Street Properties Corp., which we call FSP Corp., and four wholly-owned subsidiaries of FSP Corp., providing for the acquisition of the target REITs by FSP Corp. by merging each target REIT with and into an acquisition subsidiary.

The adoption of the merger agreement and the approval of the mergers by the stockholders of the target REITs is necessary to effect the mergers. If the merger agreement is adopted and approved:

- o Each target REIT will merge with and into an acquisition subsidiary created for the sole purpose of effectuating the merger with that target REIT, and

- o FSP Corp. will issue an aggregate of approximately 10,894,994 shares of common stock, $0.0001 par value per share, or the FSP common stock, to you, the holders of preferred stock, or target stock, of the target REITs.

After careful consideration, each target board unanimously approved and adopted the merger agreement and concluded that the merger agreement is in the best interests of its target REIT and its target REIT stockholders. Your board of directors unanimously recommends that you vote "FOR" adoption of the merger agreement and approval of the mergers contemplated thereby.

There is no public or other market for the shares of FSP common stock, and although the combined company will have the goal in the future of creating a public market for its securities, there is no certainty that the combined company will be successful or that such a market will develop.

Please carefully consider all of the information in the accompanying Consent Solicitation/Prospectus for additional information regarding the target REITs, FSP Corp., the acquisition subsidiaries and the mergers, including in particular the discussion in the section called "Risk Factors" starting on page 26.

Very truly yours,

/s/ George J. Carter

George J. Carter
President

This Consent Solicitation/Prospectus is first being mailed on or about February __, 2005 to target REIT stockholders of record at the close of business on August 13, 2004.

The date of this Consent Solicitation/Prospectus is February __, 2005.

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

FSP ADDISON CIRCLE CORP.
FSP COLLINS CROSSING CORP.
FSP MONTAGUE BUSINESS CENTER CORP.
FSP ROYAL RIDGE CORP.

Consent Solicitation

FRANKLIN STREET PROPERTIES CORP.

Prospectus

We are furnishing this Consent Solicitation/Prospectus to holders of preferred stock of the target REITs in connection with the solicitation of votes to adopt that certain Agreement and Plan of Merger, dated August 13, 2004, by and among FSP Corp., the acquisition subsidiaries and the target REITs and approve the mergers contemplated thereby.

The merger agreement provides for the acquisition by merger of four real estate investment trusts, each referred to as a target REIT and, collectively, the target REITs, by individual wholly-owned acquisition subsidiaries of FSP Corp. The target REITs are FSP Addison Circle Corp., FSP Collins Crossing Corp., FSP Montague Business Center Corp. and FSP Royal Ridge Corp., each a Delaware corporation. The acquisition subsidiaries are Addison Circle Acquisition Corp., Collins Crossing Acquisition Corp., Montague Acquisition Corp. and Royal Ridge Acquisition Corp., each a Delaware corporation. The merger agreement also provides that upon consummation of the mergers, each share of target stock in the target REITs will be converted into that number of shares of FSP common stock set forth below opposite the applicable target REIT.

Target REIT	Total Number of Shares of Target Stock Outstanding	Shares of FSP Common Stock Issuable for Each Share of Target Stock	Total Shares of FSP Common in Exchange Stock Issuable to Target REIT Stockholders (1)(2)
Addison Circle	636	5,948.67	3,783,354
Collins Crossing	555	6,167.63	3,423,035
Montague	334	5,649.72	1,887,007
Royal Ridge	297.5	6,055.79	1,801,598
Total			10,894,994

(1) Rounded to the nearest whole share.

(2) This number of shares of FSP common stock is slightly higher than the actual number of shares of FSP common stock anticipated to be issued upon the consummation of the mergers due to the fact that FSP Corp. will pay cash in lieu of issuing fractional shares of FSP common stock.

FSP Corp. will not issue fractional shares of FSP common stock as merger consideration. Instead, each holder of target stock who would otherwise have been entitled to receive a fraction of a share of FSP common stock will be entitled to receive cash (without interest) in an amount, rounded up to the nearest whole cent, equal to the product of such fractional part of a share of FSP common stock multiplied by $17.70, the value of one share of FSP common stock on August 13, 2004, as determined through negotiations between the parties to the mergers. Moreover, FSP Corp. will not receive any consideration for the one share of common stock it holds in each target REIT.

We sometimes refer to you as target REIT stockholders and to your shares of preferred stock as target stock. We refer to the boards of directors of the target REITs collectively as the target boards, the board of directors of FSP Corp. as the FSP board and the holders of FSP common stock as the FSP stockholders. We sometimes refer to FSP Corp., its subsidiaries and the target REITs, after giving effect to the consummation of the mergers, as the combined company.

Consummation of the mergers is subject to a number of conditions and will not occur unless, among other things, holders of a majority of the shares of target stock of each target REIT vote to adopt the merger agreement and approve the mergers contemplated thereby.

The stockholders of each target REIT are being asked to adopt the merger agreement and approve the mergers contemplated thereby, as described in this Consent Solicitation/Prospectus.

THE COMMON STOCK OFFERED HEREBY INVOLVES A HIGH DEGREE OF RISK. SEE "RISK FACTORS" BEGINNING ON PAGE 26 FOR CERTAIN FACTORS THAT SHOULD BE CONSIDERED BY TARGET REIT STOCKHOLDERS IN EVALUATING THE MATTERS DESCRIBED HEREIN, INCLUDING AMONG OTHERS:

- As a result of the mergers, the nature of each target REIT stockholder's investment will change from an interest in a corporation owning a specified property for a finite period in which such target REIT stockholder will receive a distribution upon liquidation based upon the net proceeds from the sale of the entity's assets, to an investment in an ongoing fully-integrated real estate company, which has a portfolio of properties that may be changed from time to time and conducts real estate investment banking operations, in which the equity owners are expected to recover their investment from the sale of their FSP common stock, which is currently illiquid, and not from liquidating distributions.

- As a result of the mergers, based on historical quarterly, non-special dividends received by stockholders of FSP Corp. and the target REIT stockholders, a majority of the target REIT stockholders should expect to receive a lower level of dividends from the combined company than such stockholders have historically received from their target REITs.

- The properties of the target REITs may appreciate in value and might be able to be liquidated at a later date for a price which would yield target REIT stockholders more consideration than they would receive in the mergers.

- The terms of the mergers, including the merger consideration, were determined by negotiations between the parties to the mergers. However, R. Scott MacPhee and William W. Gribbell, the two members of the special committees of each target board, also serve as executive vice presidents of FSP Corp. and own shares of FSP common stock. In addition, while the special committees considered independent appraisals of the target REIT properties, the target REITs did not seek acquisition bids from any unaffiliated parties.

- There is no public or other market for the shares of FSP common stock, and although the combined company will have the goal in the future of creating a public market for its securities, there is no certainty that the combined company will be successful or that such a market will develop. FSP Corp. has filed an application to list the FSP common stock on the American Stock Exchange, or AMEX, and the AMEX has approved the application. There can be no assurance that FSP Corp.'s common stock will be listed for trading or, in the event it is, that a meaningful trading market will develop.

- Assuming the FSP common stock does become publicly traded, the future price per share of the FSP common stock may be lower than the price per share negotiated between the special committees of the target boards and FSP Corp. for the purpose of determining the merger consideration to be received by you.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS CONSENT SOLICITATION/PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Consent Solicitation/Prospectus is first being mailed on or about February __, 2005 to target REIT stockholders of record at the close of business on August 13, 2004.

The date of this Consent Solicitation/Prospectus is February __, 2005.

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APPENDICES

Appendix A	Merger Agreement
Appendix B	Glossary of Terms
Appendix C-1 to C-4	Fairness Opinion for each Target REIT
Appendix D	Section 262 of Delaware General Corporation Law
Appendix E	Articles of Incorporation of FSP Corp.

This Consent Solicitation/Prospectus incorporates important business and financial information about Franklin Street Properties Corp. that has been filed with the Securities and Exchange Commission that is neither included in nor delivered with this Consent Solicitation/Prospectus. FSP Corp. will provide you with copies of this information, without charge, upon written or oral request to:

Franklin Street Properties Corp.
401 Edgewater Place, Suite 200
Wakefield, Massachusetts 01880
(781) 557-1300
Attn: Corporate Secretary

In order to obtain delivery of this information prior to the closing of the mergers, you should request such information no later than ________ ___, 2005.

QUESTIONS AND ANSWERS ABOUT THE MERGERS

Q: What is FSP Corp.?

A: FSP Corp. is a real estate investment trust that has been a reporting company under the Securities Exchange Act of 1934 since 2001. As of December 31, 2003, FSP Corp. had approximately $528.5 million in assets, approximately $83.8 million in annual revenue and approximately $516.9 million in stockholders' equity. As of August 20, 2004, FSP Corp. had 49,629,762 shares of common stock outstanding and approximately 1,420 stockholders of record.

Q: What is the proposed transaction?

A: FSP Corp. proposes acquiring the target REITs by merging each target REIT with and into an individual wholly-owned acquisition subsidiary of FSP Corp. Upon consummation of the mergers, each share of target stock in the target REITs will be converted into a certain number of shares of FSP common stock as described elsewhere in this Consent Solicitation/Prospectus.

Q: Will the directors and officers of FSP Corp., the target REITs or their affiliates receive any fees, commissions or other compensation in connection with the merger agreement or the mergers?

A: No, unless they also own shares of target stock. For example, Barry Silverstein and Dennis J. McGillicuddy, each a director of FSP Corp., own an aggregate of 173 and 14 shares of target stock, respectively. Mr. Silverstein owns 102.5 shares in Addison Circle, 23.25 shares in Collins Crossing, 42 shares in Montague and 5.25 shares in Royal Ridge. Mr. McGillicuddy owns 1 share in each of Addison Circle and Royal Ridge, 2 shares in Collins Crossing and 10 shares in Montague. Messrs. Silverstein and McGillicuddy each purchased their shares in the original offerings of target stock and on the same terms as other stockholders of such target REITs. These shares of target stock held by Messrs. Silverstein and McGillicuddy will convert into approximately 1,022,217 and approximately 80,836 shares of FSP common stock, respectively, upon consummation of the mergers. The approximate value of the shares of FSP common stock to be received by Messrs. Silverstein and McGillicuddy is $18,093,241 and $1,430,797, respectively.

Q: What will I receive in the mergers?

A: Upon consummation of the mergers, each share of target stock in the target REITs will be converted into a certain number of shares of FSP common stock as described elsewhere in this Consent Solicitation/Prospectus.

Q: Are there any risks for me in this proposed transaction?

A: Yes, there is a high degree of risk. Some of these risks include the following:

- As a result of the mergers, the nature of each target REIT stockholder's investment will change from an interest in a corporation owning a specified property for a finite period in which

such target REIT stockholder will receive a distribution upon liquidation based upon the net proceeds from the sale of the entity's assets, to an investment in an ongoing fully-integrated real estate company, which has a portfolio of properties that may be changed from time to time and conducts real estate investment banking operations, in which the equity owners are expected to recover their investment from the sale of their FSP common stock, which is currently illiquid, and not from liquidating distributions.

- As a result of the mergers and based on historical, quarterly, non-special dividends received by stockholders of FSP Corp. and the stockholders of each of the target REITs, a majority of the target REIT stockholders should expect to receive a lower level of dividends from the combined company than such stockholders have historically received from their target REITs.

- The properties of the target REITs may appreciate in value and might be able to be liquidated at a later date for a price which would yield target REIT stockholders more consideration than they would receive in the mergers.

- The terms of the mergers, including the merger consideration, were determined by negotiations between the parties to the mergers. However, R. Scott MacPhee and William W. Gribbell, the two members of the special committees of each target board, also serve as executive vice presidents of FSP Corp. and own shares of FSP common stock. In addition, while the special committees considered independent appraisals of the target REIT properties, the target REITs did not seek or obtain acquisition bids from any unaffiliated parties.

These are not, however, the only risks you face. You should carefully read the section of this Consent Solicitation/Prospectus titled "Risk Factors" beginning on page 26 for additional risks you face as a result of the proposed transaction.

Q: How do I know if the price paid for the target stock is fair to me?

A: You should carefully read the information you have received in this Consent Solicitation/Prospectus and make your own determination. Your board of directors believes the mergers are fair to you and recommends you vote in favor of them. R. Scott MacPhee and William W. Gribbell, the two members of the special committees of each target board, also serve as executive vice presidents of FSP Corp. and own shares of FSP common stock. The special committees of the target boards engaged A.G. Edwards & Sons, Inc., on behalf of the target REITs, to advise them in evaluating and negotiating the terms of the mergers, including the merger consideration, and to deliver a fairness opinion to each target board.

Q: In addition to this consent solicitation/prospectus, I received a supplement. What is the difference between the consent solicitation and the supplement?

A: The purpose of this consent solicitation/prospectus is to describe the mergers generally and to provide you with a summary of the investment considerations generic to all of the target REITs. The purpose of the supplement is to describe the investment considerations particular to your target REIT.

After you read this Consent Solicitation/Prospectus, we urge you to read the supplement. The supplement contains information unique to your target REIT. This information is material in your decision whether to vote "For" or "Against" the mergers.

Q: When do you expect to complete the mergers?

A: We expect to complete the mergers on or about April 30, 2005, or a later date if the conditions to the merger agreement have not been satisfied by April 30, 2005.

Q: Who must adopt the merger agreement and approve the mergers contemplated thereby?

A: In addition to the approvals of the board of directors of FSP Corp. and the boards of directors of the target REITs, which have already been obtained, the target REIT stockholders must adopt the merger agreement and approve the mergers contemplated thereby. If one or more of the target REITs does not obtain the vote required for the consummation of the merger, FSP Corp. will not proceed with the mergers of any other target REIT.

Q: What rights do I have if I think the merger consideration is too low?

A: Under the Delaware general corporation law, which governs the merger, you have the right to seek a judicial determination of the value of your target stock. This is called an appraisal. For more information on what this means, you should read "Appraisal Rights of Dissenting Stockholders of Target REITs" on page 52.

Q: What do I need to do now?

A: We urge you to carefully read this Consent Solicitation/Prospectus, including its appendices, and to consider how the merger will affect you.

Q: Where may I find additional information relating to FSP Corp.?

A: You may find additional information relating to FSP Corp. in the section entitled "Where You Can Find More Information" on page 184 and "Incorporation of Certain Documents by Reference" on page 185.

Q: Whom may I contact with any additional questions?

A: You may call your investment executive at FSP Investments at (800) 950-6288.

SUMMARY

This Summary highlights selected information from this document and may not contain all of the information that is important to you. To understand the proposal presented in this Consent Solicitation/Prospectus with respect to the adoption of the merger agreement and the approval of the mergers, providing for the issuance of FSP common stock, you should read carefully the entire document, including the appendices, the accompanying supplement relating to your target REIT and the other documents to which we have referred you, including documents incorporated by reference under "Incorporation of Certain Documents By Reference" on page 185. For your convenience, a glossary of terms is included in Appendix B to this Consent Solicitation/Prospectus. We have included page references parenthetically to direct you to a more complete description of the topics of the summary.

FSP Corp. (Pages 41 to 46)

FSP Corp. is a Maryland corporation that operates in a manner intended to qualify as a real estate investment trust for federal income tax purposes. FSP Corp. believes it has qualified as a real estate investment trust for federal income tax purposes since January 2002.

FSP Corp. operates in two business segments and has two principal sources of revenue:

- Real estate operations, including real estate leasing, interim acquisition financing and asset/property management, which generate rental income, loan origination fees and management fees, respectively; and

- Investment banking/investment services, which generate brokerage commissions and other fees related to the organization of single-purpose entities that own real estate and the private placement of equity in those entities.

On June 1, 2003, FSP Corp. acquired 13 real estate investment trusts by merger. In these mergers, FSP Corp. issued 25,000,091 shares of FSP common stock to holders of preferred stock in the acquired REITs. As a result of these mergers, FSP Corp. now holds all of the assets previously held by these acquired REITs. As part of its growth strategy, FSP Corp. may make similar acquisitions in the future. The proposed acquisition of the target REITs is part of that strategy.

FSP Corp.'s principal executive offices are located at 401 Edgewater Place, Suite 200, Wakefield, Massachusetts 01880. The telephone number of its principal executive office is (781) 557-1300. FSP Corp. does not maintain a website.

The Target REITs (Pages 148 to 152)

FSP Corp. sponsored the syndication of stock in the target REITs. Each target REIT is a privately-held real estate investment trust formed as a corporation under the laws of the State of Delaware for the purpose of acquiring and operating a single real property. Montague owns an office/research and development project in San Jose, California; Addison Circle owns an office building in Addison, Texas; Royal Ridge owns an office building in Alpharetta, Georgia; and Collins Crossing owns an office building in Richardson, Texas. Set forth below for the properties owned by the respective target REITs are the date

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the property was originally acquired by the target REIT, the number of square feet in the property, the percentage of rentable square feet leased as of September 30, 2004 and the weighted average base rent per net rentable square foot for the nine months ended September 30, 2004 annualized:

	Date of Property Acquisition by the Target REIT	Percentage of Rentable Square Feet Leased as of 9/30/04	Rentable Square Feet	Weighted Average Rent Base Annualized/Net Rentable Square Foot
Addison Circle	9/02	98%	293,787	$22.92/sf
Collins Crossing	3/03	100%	298,766	$22.47/sf
Montague	8/02	100%	145,951	$27.13/sf
Royal Ridge	1/03	100%	161,366	$13.63/sf

The target REITs' principal executive offices are located at 401 Edgewater Place, Suite 200, Wakefield, Massachusetts 01880. The telephone number of their principal executive offices is (781) 557-1300. No target REIT maintains a website.

Votes Required (Pages 48 to 49)

The affirmative vote of the holders of a majority of the target stock in each of the target REITs is required to adopt the merger agreement and approve the respective mergers. If one or more target REITs does not obtain the vote required for the consummation of the merger with such target REIT, FSP Corp. will not proceed with the mergers of any other target REIT. The consent being solicited hereby seeks the adoption of the merger agreement and the approval of the merger agreement and the transactions contemplated thereby. The affirmative vote of a majority of the common stock in each target REIT is also required to effectuate the respective merger. FSP Corp. is the sole stockholder of the common stock of each target REIT, and has agreed to vote those shares in favor of the respective merger. FSP Corp. will not receive any consideration for the one share of common stock it holds in each target REIT.

Target REIT stockholders as of August 13, 2004 are entitled to receive this Consent Solicitation/Prospectus and are entitled to execute a consent in connection with the adoption of the merger agreement and the approval of the mergers and the transactions contemplated thereby. Each target REIT stockholder has until the later of the approval date, as described in the section entitled "Target REIT Consent Solicitation" on page 37, or 5:00 p.m., Eastern Time, on [_____], 2005 (unless a target REIT is permitted to accelerate such date by applicable law and regulation), the date that is sixty (60) days following the date of mailing of this Consent Solicitation/Prospectus, unless extended by the target boards in their sole discretion, to inform the target boards whether such target REIT stockholder wishes to approve or disapprove of his, her or its target REIT's participation in the mergers. The approval date for a target REIT is the date on which consents have been received from stockholders owning a majority of the target stock of that target REIT approving its merger. Each target REIT will promptly notify its stockholders of the occurrence of its approval date.

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As of the date of this Consent Solicitation/Prospectus there were 334 shares of target stock in Montague held by 331 holders of record; 636 shares of target stock in Addison Circle held by 380 holders of record; 297.5 shares of target stock in Royal Ridge held by 246 holders of record; and 555 shares of target stock in Collins Crossing held by 449 holders of record.

The executive officers and directors of the target REITs do not beneficially hold any shares of target stock in any of the target REITs. Barry Silverstein and Dennis J. McGillicuddy, each a director of FSP Corp., own an aggregate of 173 and 14 shares of target stock, respectively. Mr. Silverstein owns 102.5 shares in Addison Circle, 23.25 shares in Collins Crossing, 42 shares in Montague and 5.25 shares in Royal Ridge. Mr. McGillicuddy owns 1 share in each of Addison Circle and Royal Ridge, 2 shares in Collins Crossing and 10 shares in Montague. Messrs. Silverstein and McGillicuddy each purchased their shares in the original offerings of target stock and on the same terms as other stockholders of such target REITs. These shares of target stock held by Messrs. Silverstein and McGillicuddy will convert into approximately 1,022,217 and approximately 80,836 shares of FSP common stock, respectively, upon consummation of the mergers. The approximate aggregate value of the shares of FSP common stock to be received by Messrs. Silverstein and McGillicuddy is $18,093,241 and $1,430,797, respectively, based on the value of $17.70 per share of FSP common stock on August 13, 2004, as determined through negotiations between FSP Corp. and the special committees. Messrs. Silverstein and McGillicuddy have indicated that they intend to vote their respective shares of target stock in favor of the adoption of the merger agreement and the approval of the mergers.

The Mergers (Pages 47 to 60)

Following the satisfaction or waiver of the conditions to closing relating to a target REIT, on the effective date of the mergers, which is expected to be on or about April 30, 2005, FSP Corp. will acquire that target REIT by merger of the target REIT with and into a wholly-owned acquisition subsidiary of FSP Corp. Each share of target stock of that target REIT will be converted into a specified number of shares of FSP common stock. The shares of FSP common stock to be issued in connection with the mergers are referred to as the merger consideration.

The following chart sets forth the number of shares of FSP common stock to be received as merger consideration by the target REIT stockholders for each share of target stock of the respective target REIT. FSP Corp. will not issue fractional shares of FSP common stock as merger consideration. Instead, each holder of target stock who would otherwise have been entitled to receive a fraction of a share of FSP common stock will be entitled to receive cash (without interest) in an amount, rounded up to the nearest whole cent, equal to the product of such fractional part of FSP common stock multiplied by $17.70, the value of one share of FSP common stock on August 13, 2004, as determined through negotiations between the special committees and FSP Corp. FSP Corp. will pay an aggregate amount of approximately $16,070 in cash to the holders of target stock in lieu of issuing fractional shares of FSP common stock.

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Target REIT	Total Number of Shares of Target Stock Outstanding	Shares of FSP Common Stock Issuable in Exchange for Each Share of Target Stock	Total Shares of FSP Common Stock Issuable to Target REIT Stockholders (1)(2)
Addison Circle	636	5,948.67	3,783,354
Collins Crossing	555	6,167.63	3,423,035
Montague	334	5,649.72	1,887,007
Royal Ridge	297.5	6,055.79	1,801,598
Total			10,894,994

(1) Round to the nearest whole share.

(2) This number of shares of FSP common stock is slightly higher than the actual number of shares of FSP common stock anticipated to be issued upon the consummation of the mergers due to the fact that FSP Corp. will pay cash in lieu of issuing fractional shares of FSP common stock.

None of the shares of FSP common stock to be issued as merger consideration to the target REIT stockholders will be placed into escrow or otherwise withheld as a source of potential compensation to FSP Corp. should FSP Corp. discover, after the consummation of the mergers, that any of the target REITs incurred any undisclosed liabilities prior to the consummation of the mergers or that any representations and warranties of the target REITs were inaccurate. Moreover, FSP Corp. will not receive any consideration for the one share of common stock it holds in each target REIT.

Consummation of the mergers is subject to a number of conditions and will not occur unless, among other things, holders of a majority of the shares of target stock of each target REIT vote to adopt the merger agreement and approve the mergers contemplated thereby.

Background of the Mergers (Pages 62 to 67)

As a result of inquiries from members of the FSP board, the management of FSP Corp. in late June 2004 instructed its outside legal counsel, Wilmer Cutler Pickering Hale and Dorr LLP, to explore the feasibility of the acquisition of the target REITs. In early July 2004, management of FSP Corp. approached the target boards regarding the possibility of acquiring the target REITs. Each target board then established a special committee consisting of Messrs. MacPhee and Gribbell, the only members of the target boards who were not also members of the FSP board, to, among other things, evaluate and negotiate a potential acquisition by FSP Corp. and recommend that the board of each target REIT accept or reject the FSP Corp. acquisition. The special committees engaged A.G. Edwards & Sons, Inc., referred to as A.G. Edwards, to advise them in evaluating and negotiating the terms of the mergers, including the merger consideration, and to

deliver a fairness opinion to each target board. The target REITs also engaged third party appraisers to appraise the real estate held by each target REIT and engaged outside legal counsel to represent the target REITs. After receiving the real estate appraisals, after reaching agreement on the amount of merger consideration to be paid and the terms of the mergers, after receiving a unanimous recommendation to vote to adopt the merger agreement and approve the mergers from its special committee and receiving the fairness opinions delivered by A.G. Edwards, each target board unanimously voted to adopt the merger agreement and approve the mergers contemplated thereby and recommend to its stockholders to vote to adopt the merger agreement and approve the mergers contemplated thereby. On August 13, 2004, based upon the reasons set forth in "Fairness of the Mergers", the target REITs and FSP Corp. executed and delivered the merger agreement.

The merger consideration payable to the stockholders of each target REIT was determined through negotiations between the special committees of the target boards and FSP Corp. The special committees relied on advice from their financial advisor, A.G. Edwards, in their negotiations with FSP Corp. In agreeing to the fairness of the $17.70 per share negotiated price, the target boards reviewed the analyses presented by A.G. Edwards, financial advisor to the special committees, the target boards and the target REITs to estimate the value of FSP common stock. In agreeing to the merger consideration for each target REIT, the special committees also considered the independent third party appraisals of the target REIT properties, assets and liabilities of their respective target REITs and FSP Corp., the expected cash available for distribution of their respective target REITs, the multiples of cash available for distribution commonly used in valuing REITs and the limited liquidity of FSP common stock. The special committees were also made aware that FSP Corp. intended to file an application to list the FSP common stock with AMEX. Although FSP Corp. has filed the application and the AMEX has approved it, there can be no assurance that FSP Corp's common stock will be listed for trading or that a meaningful trading market will develop.

In order to determine the maximum aggregate consideration it would be willing to pay for each target REIT, FSP Corp. considered each target REIT separately. FSP Corp. reviewed several factors relating to each target REIT, including:

- o the target REIT's prior financial performance;
- o the projected future performance of the target REIT as determined by the appraisal the target REIT obtained and shared with FSP Corp.;
- o FSP Corp.'s assessment of the projected future performance of the target REIT given FSP Corp.'s knowledge and experience with certain types of properties and specific local markets; and
- o the potential increase to the overall financial performance of FSP Corp. by the addition of the respective target REIT.

In determining a value for the FSP common stock, FSP Corp. considered:

- o historical dividend payments made by FSP Corp.;
- o projected cash available for distribution for holders of FSP Corp. common stock for 2004;

- o the cash on FSP Corp.'s balance sheet and the amount of cash relative to the amount of debt in conjunction with shareholder equity;
- o comparable REIT industry statistics, specifically the NAREIT Index; and
- o the price paid by FSP Corp. in prior transactions.

Based on those factors, FSP Corp. considered that using the growth in the NAREIT Index from the date of the last stock valuation by FSP Corp. in June 2003 to July 15, 2004 of approximately 14% would yield a stock value of approximately $18.77 per share. FSP Corp. considered that dividend payments are one of the primary reasons for investment in REITs, and considered FSP Corp.'s historical payment of dividends and the quality of its portfolio and the strength of its balance sheet as indicators of its ability to continue to pay the same level of dividends. FSP Corp. recognized that market conditions could affect the performance of its real estate portfolio or its investment banking business and that the stock market could place different values on different types of REITs. In addition, FSP Corp. considered that, although the $16.45 value per share determined by FSP Corp. in June 2003 included a discount for lack of liquidity, its share price had not been set by the market.

During the course of negotiations, the special committees and A.G. Edwards presented other factors that they had considered in valuing the common stock of FSP Corp. and initially suggested a per share value of $16.67. FSP Corp. disagreed with the value of $16.67 per share, but recognized that without an active, liquid trading market, there could be a substantial range of opinions as to the value of the FSP common stock. Subsequent negotiations resulted in agreement upon a per share value of $17.70. Each of FSP Corp. and the special committees of the target boards considered a per share value of $17.70 to be reasonable and within a possible range of fair values of the FSP common stock.

The following table sets forth: (i) the value ascribed to each target REIT for purposes of the merger consideration, (ii) the appraised value of the property held by each target REIT, (iii) the estimated adjusted cash reserve balances as of June 30, 2004, (iv) the percentage (the premium) over appraised value plus adjusted cash reserves that has been ascribed to each target REIT for purposes of the merger consideration and (v) the percentage (premium) over the gross proceeds contributed by investors in the original syndication of each target REIT. The premium is based on an FSP common stock per share price of $17.70. Should the FSP common stock trade on the AMEX, the trading price of the FSP common stock could be significantly lower than $17.70 per share, causing the premium received by target REIT stockholders as a result of the consummation of the mergers to decrease significantly or disappear altogether.

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Target REIT	Value Ascribed to Target REIT	Appraised Value	Adjusted Cash Reserves (1)	Premium	Premium Over Gross Proceeds of Properties at Syndication
Addison Circle	$ 66,965,414	$ 54,500,000	$1,676,697	19.2%	5%
Collins Crossing	$ 60,587,756	$ 48,500,000	$1,984,695	20.0%	9%
Montague	$ 33,400,000	$ 20,000,000	$2,034,787	51.6%	0%
Royal Ridge	$ 31,888,293	$ 26,075,000	$ 967,500	17.9%	7%
Total	$192,841,463	$149,075,000	$6,663,679	23.8%	5%

(1) The adjusted cash reserves are lower than the actual cash reserves held by each target REIT because the adjusted cash reserves take into account estimated expenditures that are expected to be made by each target REIT prior to the consummation of the mergers. These expenditures include each target REIT's proportional share of the anticipated costs of the contemplated transaction relating to legal fees and financial advisory fees; the expenses payable by each target REIT for the appraisal of its property; and certain anticipated additional expenditures related to the operations of specific target REITs.

Each share of target stock was issued at $100,000 per share in the original syndication.

The value ascribed to a target REIT was determined through negotiations between the special committees and FSP Corp. These aggregate negotiated values exceed the aggregate appraised values of the target REITs by approximately $37,102,784. See "Benefits, Background and Reasons for the Mergers - Background of the Mergers - Negotiation of Economic Terms" and "Fairness of the Mergers - Fairness of the Merger Consideration to Target REIT Stockholders - Allocation of Merger Consideration" for a discussion of how the premiums were determined by the special committees and FSP Corp.

Recommendation of the Special Committees and the Target Boards (Pages 49 to 52)

The target board of each target REIT recommends that target REIT stockholders of that target REIT vote for adoption of the merger agreement and approval of the mergers and the transactions contemplated thereby.

This recommendation to the target REIT stockholders is based upon the recommendation by the special committees to the target boards and each target board's belief that:

- the value of the FSP common stock to be distributed as merger consideration to its target REIT stockholders represented greater value, or a premium, than the sum of the value of the real estate (as determined by an appraisal) and adjusted cash reserves held by its target REIT;

- the value of the FSP common stock to be distributed as merger consideration to its target REIT stockholders was greater than was likely to be realized upon the continuation of the respective target REIT; and

- based upon A.G. Edwards' opinion, delivered orally to each special committee and board of each target REIT and subsequently confirmed in writing, as to the fairness from a financial point of view of the merger consideration to the stockholders of each target REIT, the merger consideration is fair from a financial point of view to such stockholders.

The material negative factors, which each special committee viewed as insufficient to outweigh the positive factors, were:

- that, following the mergers, the target REIT stockholders will cease to participate in the future earnings growth, if any, of their respective target REIT or benefit from the increase, if any, in the future liquidation value of the respective target REIT, other than indirectly through their FSP stock ownership;

- the possibility that the shares of FSP common stock may in the future trade at a price lower than $17.70 per share;

- the fact that, based on historical quarterly, non-special dividends received by stockholders of FSP Corp. and the target REIT stockholders, a majority of the target REIT stockholders could expect to receive a lower level of dividends from the combined company than such stockholders have historically received from their target REITs;

- the possibility that the shares in the target REIT would have appreciated in value more rapidly or at a greater rate than any appreciation in value in the FSP Corp. shares;

- that the target REITs did not seek third party bids for the acquisition of the target REITs or their respective properties; and

- the potential conflicts of interests of officers and directors of each target REIT in connection with the mergers.

Expected Benefits from the Mergers

The following highlights some of the primary benefits the mergers are expected to generate:

- The combined company's real estate portfolio will be substantially larger and more diverse geographically, by property type and by tenant business, than the portfolio of the target REITs, reducing the dependence of target REIT stockholders on the performance of any one real property; and

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o The combined company's business will generate revenues from real estate investment banking/brokerage and property management activities and from rentals of 32 real properties, constituting a more diverse income stream than that currently received by any of the target REITs.

These benefits may not be realized. There are also potential detriments to the mergers. See "Risk Factors" beginning on page 26.

Alternatives to the Mergers for the Target REITs (Pages 71 to 72)

The following is a brief discussion of alternatives to the mergers that were considered by the target boards.

Continuation of each Target REIT. An alternative to the mergers would be to continue each of the target REITs as a separate legal entity in accordance with its original investment strategy. Target REIT stockholders would likely continue to receive regular quarterly distributions, which distributions would likely be greater than those to be received as stockholders of FSP Corp., and would receive a distribution on the sale of the property owned by its respective target REIT, which is expected to occur in a five to ten year time period following syndication of the target REIT. Continuation of the target REITs would avoid those disadvantages which might be inherent in the mergers. See "Risk Factors - Risks Relating to the Mergers."

Liquidation. Another alternative to the mergers would be liquidating the assets of the target REITs and distributing the net liquidation proceeds to the target REIT stockholders. Liquidating the target REITs would result in concluding the investors' investment in the target REITs earlier than the anticipated liquidation timeframes for the target REITs. The liquidations would result in the marketplace establishing the fair market value of the target REITs' assets.

Support of Secondary Market. Another alternative would be the creation or support of a secondary market for the target stock through limited cash tender offers or repurchase programs sponsored by the target REITs. Each target board believed that this alternative would not allow it to ensure that all of its target REIT stockholders would be treated equally and that the potential expense associated with the creation of a secondary market would reduce the cash available for distribution to the target REIT stockholders. The target boards also believed that there was a significant risk that no secondary market would develop for the target stock.

Fairness of the Mergers (Pages 81 to 85)

Each of the target boards believes that the terms of the merger agreement, when considered as a whole, are fair to the stockholders of its target REIT and the merger consideration offered in exchange for the target stock in its target REIT constitutes fair consideration for the interests of the target REIT stockholders. The following provides a summary of the factors upon which the target boards based their respective conclusions as to the fairness of the mergers and the merger consideration to be paid by FSP Corp. The target boards did not find it practicable to, and did not attempt to, quantify or otherwise assign relative weight to these factors in reaching their respective determinations.

- The target boards compared the potential benefits and detriments of the mergers with the potential benefits and detriments of several alternatives to the mergers, including continuation of the target REITs, liquidation of the target REITs and support of secondary markets for the target stock. Based on these comparisons, the target boards believe the mergers are more attractive than other alternatives.

- The special committees of the target boards, consisting of Messrs. MacPhee and Gribbell, each a director of the target REITs and an executive vice president of FSP Corp., engaged A.G. Edwards to deliver a fairness opinion to each target board. On August 11, 2004, A.G. Edwards delivered a written opinion to each target board to the effect that the merger consideration was fair, from a financial point of view, to the target REIT stockholders of that target REIT. These fairness opinions are attached hereto as Appendix C.

- Each target board determined that the value of the FSP common stock to be distributed as merger consideration to its target REIT stockholders represented greater value, or a premium, than the sum of the value of the real estate (as determined by an appraisal) and adjusted cash reserves held by such target REIT. After consultation with A.G. Edwards, the special committees of the target boards determined that, based on the analyses of other selected public companies, the discounted cash flow of FSP Corp. and selected precedent mergers, a reasonable range of value for the FSP common stock was between $16.67 per share and $18.50 per share. The estimated range of values included a discount for the lack of liquidity of FSP common stock. The value ascribed to FSP common stock in connection with the mergers of $17.70 per share is within that range. The target boards determined that even if the actual value of FSP common stock were at the bottom of the range, or $16.67 per share, such value would still constitute a premium to the appraised value of the real estate plus adjusted cash reserves held by each target REIT.

- The target boards obtained independent third-party appraisals of the real property owned by the target REITs, and considered these appraisals in negotiating the merger consideration.

- The target REITs will have the right to declare dividends consistent with past practice in respect of the quarters or partial quarters preceding the effective date. The combined company will have the obligation to pay any such dividends that have been declared but not paid as of the effective date.

- The members of the target boards have conflicts of interest in connection with the mergers. Each target board established a special committee consisting of Messrs. MacPhee and Gribbell, the only members of the target boards who are not also members of the FSP board. Messrs. MacPhee and Gribbell serve as executive vice presidents of FSP Corp. The special committees engaged A.G. Edwards to advise them in evaluating and negotiating the terms of the mergers, including the merger consideration, and to deliver a

fairness opinion to each target board. No fees or other compensation will be payable to the members of the target boards (or the special committees) or to FSP Corp. or any of its affiliates in connection with the mergers.

For a complete list of factors considered by the target boards, see "Fairness of the Mergers - Conclusions of the Target Boards."

Conflicts of Interest (Pages to 125 to 126)

A number of conflicts of interest are inherent in the relationships among the target REITs, the target boards, FSP Corp., the FSP board and their respective affiliates. These conflicts of interest include the fact that FSP Investments, a subsidiary of FSP Corp., syndicated each target REIT and, among others:

- George J. Carter, the President and a director of each target REIT, is President, Chief Executive Officer and a director of FSP Corp. and owns an aggregate of 775,531 shares of FSP common stock;

- R. Scott MacPhee, an Executive Vice President and a director of each target REIT and a member of each special committee, is also an Executive Vice President of FSP Corp. and owns an aggregate of 372,451 shares of FSP common stock;

- Richard R. Norris, an Executive Vice President and a director of each target REIT, is also a director and an Executive Vice President of FSP Corp. and owns an aggregate of 258,087 shares of FSP common stock;

- William W. Gribbell, an Executive Vice President and a director of each target REIT and a member of each special committee, is also an Executive Vice President of FSP Corp. and owns an aggregate of 129,761 shares of FSP common stock;

- Barbara J. Fournier, Vice President, Chief Operating Officer, Treasurer, Secretary and a director of each target REIT, is also Vice President, Chief Operating Officer, Treasurer, Secretary and a director of FSP Corp. and owns an aggregate of 27,934 shares of FSP common stock;

- Janet P. Notopoulos, Vice President of each target REIT, is also a Vice President and director of FSP Corp. and owns an aggregate of 14,985 shares of FSP common stock; and

- the target REIT's properties are managed by FSP Property Management, a subsidiary of FSP Corp. pursuant to management services agreements under which FSP Corp. receives certain fees from each target REIT for its management services.

Each target board established a special committee consisting of Messrs. MacPhee and Gribbell, the only members of the target boards who are not also members of the FSP board. Messrs. MacPhee and Gribbell serve as executive vice presidents of FSP Corp. The special committees engaged A.G. Edwards to advise them in evaluating and negotiating the terms of the mergers, including the merger consideration.

Each target board considered increasing its board size to include an independent director to perform the function of the special committees. However, each target board concluded that, given the potential liability of a director voting on the mergers, it would be difficult to retain someone with the knowledge and credentials necessary to fulfill the role of an independent director of a REIT who would be willing to take on the role of independent director of any of the target REITs without being substantially compensated and without being covered by director liability insurance. None of the target REITs currently has director and officer liability insurance. Each target board determined that the cost of compensating an independent director and obtaining director and officer liability insurance would be substantial and not in the best interests of its target REIT stockholders. For this reason, none of the target boards appointed an independent director to perform the functions of the special committees.

If each target REIT had a separate board of directors with executive officers who did not serve in similar capacities for FSP Corp. and directors who did not own FSP common stock, these persons would have had an independent perspective which might have led them to advocate positions during the negotiation and structuring of the merger agreement and the determination of the merger consideration more favorable to the target REIT stockholders than those taken by the target boards.

Barry Silverstein, Dennis J. McGillicuddy and John N. Burke are the only directors of FSP Corp. who are not also officers or directors of any target REIT. The remainder of the officers and directors of FSP Corp. serve as a director and/or officer, in the positions listed above, of each target REIT. Upon completion of the mergers, Mr. Silverstein's percentage ownership interest of FSP Corp. will decrease from 9.67% to 9.62%, Mr. McGillicuddy's percentage ownership interest of FSP Corp. will decrease from 7.24% to 6.07%, and the percentage ownership of the current directors and executive officers of FSP Corp. as a group will decrease from 19.07% to 17.46%. Mr. Burke does not own any shares of FSP common stock or any shares of target stock.

Third Party Reports (Pages 85 to 97)

Fairness Opinions. On July 22, 2004, the special committees of the target boards retained A.G. Edwards to act as their financial advisor in connection with the mergers and to render to the target REIT boards A.G. Edwards' opinion as to the fairness, from a financial point of view, of the merger consideration to the target REIT stockholders of each target REIT. On August 11, 2004, A.G. Edwards rendered its oral opinions to each target board, subsequently confirmed in writing, to the effect that based upon and subject to the various considerations described in each opinion, the merger consideration (as described elsewhere in this Consent Solicitation/Prospectus) was fair, from a financial point of view, to the stockholders of each target REIT.

The full text of A.G. Edwards' opinions, each dated August 11, 2004, which describe the assumptions made, general procedures followed, matters considered and limitations on the scope of review undertaken by A.G. Edwards in rendering its opinions, are attached as Appendices C-1, C-2, C-3 and C-4 to this Consent Solicitation/Prospectus and are incorporated into this summary by reference. A.G. Edwards' opinions are directed only to the fairness, as of the date of the respective opinions, from a financial point of view, of the merger consideration to the stockholders of the target REIT to which each opinion is addressed and does not constitute a recommendation to you as to how you should vote with respect to the merger agreement and the mergers. The summary of A.G. Edwards' opinions set forth below is qualified in its entirety by reference to the full text of the opinions attached as Appendices C-1, C-2, C-3 and C-4 to this Consent Solicitation/Prospectus. You are urged to read the opinions carefully in their entirety.

In conducting its investigation and analysis and in arriving at its opinions, A.G. Edwards reviewed information, made certain assumptions and took into account financial and economic factors it deemed relevant under the circumstances. A.G. Edwards held discussions with the executive officers of the target REITs and FSP Corp. concerning the respective target REIT's and FSP Corp.'s historical and current financial condition and operating results, as well as the prospects of the target REITs and FSP Corp., respectively. A.G. Edwards also considered other information, financial studies, analyses and investigations and financial, economic and market data that A.G. Edwards deemed relevant for the preparation of its opinions. A.G. Edwards assumed the value of each target REIT to equal the sum of the appraised value of such target REIT's real property plus its adjusted cash reserves. A.G. Edwards was not asked to, and did not, solicit third-party indications of interest in acquiring all or any part of the target REITs. The special committees of the target boards and FSP Corp. determined the merger consideration through negotiations. The target boards did not place any limitation upon A.G. Edwards with respect to the procedures followed or factors considered by A.G. Edwards in rendering its opinions.

The Appraisals. The respective target boards retained independent third party appraisers to appraise the fair market value of each target REIT's real estate. The dates of the appraisals of Addison Circle and Collins Crossing were July 23, 2004, the date of the appraisal of Montague was July 14, 2004, and the date of the appraisal of Royal Ridge was July 13, 2004.

In preparing the appraisals, the appraisers collected from the target REITs information regarding the operating history of the properties, conducted site inspections of the properties and interviewed and relied on representations of certain representatives of the target REITs. The appraisers' conclusions are based upon conditions they observed at the properties during their inspection and assumptions, qualifications and limitations deemed reasonable at the time concerning, among other things, legal title, the absence of physical defects, future percentage of leased rentable square feet, income and competition with respect to each property. The appraisals reflect the appraisers' valuation of the real estate of the target REITs as of their respective dates, in the context of the information available on that date. Events occurring subsequent to the dates of the respective appraisals could affect the properties or the assumptions used in preparing the appraisals. The target boards imposed no limitations on the scope of the appraisers' appraisals. The special committees took the appraisals into consideration in negotiating the merger consideration. The target REITs also made the appraisals available to FSP Corp. and have allowed the FSP board to rely on the appraisals.

Organizational Chart Showing Relationship Among FSP Corp., Target REITs, FSP Board, Target Boards and their Respective Affiliates

[Organizational chart prior to the mergers: Box at the top showing "Franklin Street Properties Corp." with a line to the left showing that it owns 100% of the common stock of 12 sponsored REITs, including the 4 target REITs and 8.2% of the preferred stock of FSP Blue Lagoon Drive Corp., a sponsored REIT that is not a target REIT. From the same box labeled "Franklin Street Properties Corp." there is a line showing the wholly owned subsidiaries of FSP Corp., which are "FSP Property Management LLC," "FSP Investments LLC (a taxable REIT subsidiary)," "28 properties held either directly or through wholly owned subsidiaries," "Royal Ridge Acquisition Corp.," "Montague Acquisition Corp.," "Collins Crossing Acquisition Corp." and "Addison Circle Acquisition Corp."]

[Organizational chart after the mergers: Box at the top showing "Franklin Street Properties Corp." with a line to the left showing that it owns 100% of the common stock of 8 sponsored REITs and 8.2% of the preferred stock of FSP Blue Lagoon Drive Corp., a sponsored REIT that is not a target REIT. From the same box labeled "Franklin Street Properties Corp." there is a line showing the wholly owned subsidiaries of FSP Corp., which are "FSP Property Management LLC," "FSP Investments LLC (a taxable REIT subsidiary)," "28 properties held either directly or through wholly owned subsidiaries," "Royal Ridge Acquisition Corp.," "Montague Acquisition Corp.," "Collins Crossing Acquisition Corp." and "Addison Circle Acquisition Corp." Royal Ridge Acquisition Corp. now holds the assets of FSP Royal Ridge Corp., which was merged with and into it. Montague Acquisition Corp. now holds the assets of FSP Montague Business Center Corp., which was merged with and into it. Collins Crossing Acquisition Corp. now holds the assets of FSP Collins Crossing Corp., which was merged with and into it. Addison Circle Acquisition Corp. now holds the assets of FSP Addison Circle Corp., which was merged with and into it.]

Comparison of the Target REITs and FSP Corp. (Pages 123 to 124)

The summary information below highlights a number of significant differences between the target REITs and FSP Corp.

Form of Organization. The target REITs and FSP Corp. are each vehicles appropriate for holding real estate investments and afford passive investors, such as target REIT stockholders, certain benefits, including limited liability and the avoidance of double-level taxation. The target REITs are under the control of their respective target boards, while FSP Corp. is governed by the FSP board.

Length of Investment. Target REIT stockholders in each of the target REITs expect liquidation of their investments when the assets of the target REITs are liquidated within a five to ten year period following the syndication of a target REIT. In contrast, FSP Corp. does not expect to dispose of any of its particular assets within any prescribed periods.

Properties and Diversification. The real estate portfolio of each target REIT is limited to the assets acquired with its initial equity offering. FSP Corp. holds a real estate portfolio that is substantially larger and more diversified than the portfolio of any of the target REITs. An investment in FSP Corp. should not be viewed as an investment in a specific pool of assets, but

instead as an investment in an ongoing real estate investment business, subject to the risks normally attendant to ongoing real estate ownership, to the risks related to the real estate investment banking/brokerage business and to the risks related to acquisitions of additional properties.

Additional Equity. As the target REITs are not authorized to issue additional shares of target stock or other equity interests without the approval of their respective target REIT stockholders, the target stock is not subject to dilution. In contrast, FSP Corp. will have substantial flexibility to raise equity capital to finance its businesses and affairs through the issuance of equity securities, which may result in dilution to then existing FSP stockholders.

Percentage Ownership. As a result of the significantly higher number of issued shares in FSP Corp. as compared to the target REITs, the target REIT stockholders will own a much smaller percentage of FSP Corp. relative to their ownership interest in the target REITs and, accordingly, will have less power to control the outcome of matters submitted to a vote of the stockholders and will receive a lesser percentage of any dividends or other distributions.

Dissenters' Rights of Target REIT Stockholders (Pages 52 to 55)

If you, as a target REIT stockholder, object to the merger, the Delaware general corporation law permits you to seek relief as a dissenting stockholder and have the "fair value" of your target stock determined by a court and paid to you in cash.

The relevant provisions of the Delaware general corporation law are technical in nature and complex. If you, as a target REIT stockholder, wish to exercise appraisal rights and obtain an appraisal of the fair value of your target stock, you may wish to consult with your legal counsel because the failure to comply strictly with these provisions may result in you waiving or forfeiting your appraisal rights.

A copy of the relevant section of the Delaware general corporation law governing this process is attached as Appendix D to this Consent Solicitation/Prospectus.

Material United States Federal Income Tax Considerations (Pages 169 to 183)

FSP Corp. has received an opinion from its tax counsel that, subject to the assumptions and qualifications set forth therein, the mergers will qualify as reorganizations within the meaning of Section 368(a) of the tax code. If the mergers qualify as reorganizations within the meaning of Section 368(a) of the tax code, a target REIT stockholder will generally:

o recognize no gain or loss upon the receipt of FSP common stock in exchange for target stock in a merger;

o have an aggregate tax basis for the FSP common stock received equal to the aggregate basis of the target stock surrendered (other than stock for which cash was received in lieu of a fractional share of FSP common stock); and

o have a holding period for the FSP common stock received that includes the holding period for the target stock surrendered.

Following the mergers, FSP Corp. expects to continue to qualify as a "real estate investment trust" under the tax code. FSP Corp. has received an opinion from its tax counsel that, subject to the assumptions and qualifications set forth therein, FSP Corp. was organized and has operated in conformity with the requirements for qualification and taxation as a real estate investment trust under the tax code for each taxable year beginning with its taxable year ended December 31, 2002, and that FSP Corp.'s current organization and method of operation will enable FSP Corp. to continue to meet the requirements for qualification and taxation as a real estate investment trust. Provided FSP Corp. can maintain such qualification, it generally should be able to avoid entity-level federal income tax to the extent it distributes its taxable income.

Tax matters are very complicated, and the tax consequences of the mergers to each target REIT stockholder will depend on the facts of its own situation. Each target REIT stockholder is urged to consult its tax advisor for a full understanding of the tax consequences of the merger.

Accounting Treatment

Each of the mergers will be accounted for as a purchase under generally accepted accounting principles, or GAAP. In accordance with the applicable accounting rules, FSP Corp. will record the value of the target REITs' assets on its books in an amount equal to the aggregate appraised value of the target REITs' properties on the effective date and the target REITs' cash reserves because such amounts are more reliably measurable.

Dividends in Respect of the First and Second Quarter of 2005

Each target REIT expects to declare in April 2005 and pay to its target REIT stockholders thereafter a dividend with respect to the first and second quarter of 2005 operations. Pursuant to the merger agreement, such dividends will be paid out in an amount consistent with past practice and custom of the relevant target REIT. The cash paid out in this dividend will reduce the amount of cash held by each target REIT and acquired by FSP Corp. upon consummation of the mergers. Pursuant to the merger agreement, FSP Corp. has assumed the obligation to pay any such dividends that have been declared but not paid prior to the effective date. In addition, FSP Corp. expects to declare in the first quarter of 2005 and in April 2005 and pay to FSP stockholders in the first quarter of 2005 and April 2005 dividends in respect of first quarter 2005 and April 2005 operations, respectively. Such dividends will be payable to holders of FSP common stock as of a record date prior to the effective date and, therefore, target REIT stockholders will only receive such dividends to the extent they are also FSP stockholders on the record date and only to the extent of their holdings of FSP common stock. The cash available for this dividend and possibly for future dividends to the FSP stockholders will be reduced by the amount of expenses related to the mergers paid by FSP Corp.

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Expenses of the Mergers (Pages 59 to 60)

The expenses payable by FSP Corp. in connection with the mergers are estimated to be $760,000. The expenses payable by the target REITs in connection with the mergers are estimated to be $475,000 and consist of the appraisals, accounting costs, A.G. Edwards' fee for financial advice to the special committees and delivery of a fairness opinion to each target board and the fees of independent legal counsel.

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Selected Financial Information of the Target REITs

The following tables summarize the selected financial information of the target REITs for the periods presented. Please see pages 153 to 160 of this Consent Solicitation/Prospectus for additional financial information relating to the target REITs.

Addison Circle

(In thousands, except share and per share data)	For the Nine Months Ended September 30, 2004	For the Nine Months Ended September 30, 2003	For the Year Ended December 31, 2003	For the Period August 21, 2002 (date of inception) to December 31, 2002
Operating Data:				
Total revenue	$ 6,892	$ 6,448	$ 8,554	$ 2,102
Net income (loss)	3,288	3,173	4,005	(2,869)
Net income (loss) attributable to preferred shareholders	3,288	3,173	4,005	(3,182)
Balance Sheet Data				
Cash and cash equivalents	5,492	5,680	5,966	5,402
Total assets	55,722	56,691	56,667	57,228
Total liabilities	1,714	2,947	3,355	2,784
Total stockholders' equity	54,008	53,744	53,312	54,444
Per Share Data:				
Weighted average preferred shares outstanding	636	636	636	636
Net income (loss) per preferred share	$ 5,170	$ 4,989	$ 6,297	$ (5,003)
Book value per preferred share	84,918	84,503	83,824	85,604

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Collins Crossing

	For the Nine Months Ended	For the Period January 16, 2003 (date of inception)

(In thousands, except share and per share data)	September 30, 2004	September 30, 2003	to December 31, 2003
Operating Data:			
Total revenue	$ 5,205	$ 3,976	$ 5,672
Net income (loss)	2,108	(1,611)	(976)
Net income (loss) attributable to preferred shareholders	2,108	(1,981)	(1,349)
Balance Sheet Data			
Cash and cash equivalents	4,634	4,421	5,066
Total assets	47,472	49,289	49,314
Total liabilities	1,378	2,192	2,913
Total stockholders' equity	46,094	47,097	46,401
Per Share Data:			
Weighted average preferred shares outstanding	555	555	555
Net income (loss) per preferred share	$ 3,798	$ (3,569)	$ (2,431)
Book value per preferred share	83,054	84,859	83,605

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Montague

(In thousands, except share and per share data)	For the Nine Months Ended September 30, 2004	For the Nine Months Ended September 30, 2003	For the Year Ended December 31, 2003	For the Period July 22, 2002 (date of inception) to December 31, 2002
Operating Data:				
Total revenue	$ 2,592	$ 2,737	$ 3,645	$ 1,008
Net income (loss)	1,861	1,992	2,669	(1,249)
Net income (loss) attributable to preferred shareholders	1,861	1,992	2,669	(1,281)
Balance Sheet Data				
Cash and cash equivalents	3,633	3,574	3,594	3,330
Total assets	27,412	28,412	28,450	29,111
Total liabilities	465	1,049	1,371	930
Total stockholders' equity	26,947	27,363	27,079	28,181
Per Share Data:				
Weighted average preferred shares outstanding	334	334	334	334

Net income (loss) per preferred share	$ 5,572	$ 5,964	$ 7,991	$ (3,835)
Book value per preferred share	80,680	81,925	81,075	84,374

Royal Ridge

	For the Nine Months Ended September 30,		For the Year Ended December 31,
(In thousands, except share and per share data)	2004	2003	2003
Operating Data:			
Total revenue	$ 2,286	$ 1,562	$ 2,264
Net income (loss) before common distributions	941	(1,222)	(958)
Net income (loss) attributable to preferred shareholders	941	(1,236)	(972)
Balance Sheet Data			
Cash and cash equivalents	2,510	2,479	2,251
Total assets	24,732	25,659	25,170
Total liabilities	475	994	776
Total stockholders' equity	24,257	24,665	24,394
Per Share Data:			
Weighted average preferred shares outstanding	297.50	297.50	297.50
Net income (loss) per preferred share	$ 3,166	$ (4,155)	$ (3,267)
Book value per preferred share	81,536	82,908	81,997

Comparative Per Share Data

The following table summarizes the comparative per share data of the target REITs for the periods presented. Please see pages 153 to 160 of this Consent Solicitation/Prospectus for additional financial information relating to the target REITs.

As of and for the nine months ended
September 30, 2004
(unaudited)

	Historical	Pro forma Consolidated	Pro forma Equivalent
Net income per share basic and diluted			
FSP Corp.	$ 0.54	$ 0.53	$ --

Montague	5,572	--	2,994
Addison Circle	5,170	--	3,153
Royal Ridge	3,166	--	3,210
Collins Crossing	3,798	--	3,269
Book value per share			
FSP Corp.	$10.34	$ 11.05	$ --
Montague	80,680	--	62,429
Addison Circle	84,918	--	65,733
Royal Ridge	81,536	--	66,916
Collins Crossing	83,054	--	68,152
Dividends declared per share			
FSP Corp.	$ 0.62	$ 0.58	$ --
Montague	5,967	--	3,277
Addison Circle	4,075	--	3,450
Royal Ridge	3,624		3,512
Collins Crossing	4,350	--	3,577

RISK FACTORS

In evaluating the mergers and FSP Corp., you should carefully consider the following factors, in addition to other matters set forth elsewhere in this Consent Solicitation/Prospectus.

Risks Relating to the Mergers

The nature of the target REIT stockholders' investment in their respective target REITs will change upon consummation of the mergers.

As a result of the mergers, the nature of each target REIT stockholder's investment will change from an interest in a corporation owning a specified property for a finite period in which such target REIT stockholder will receive a distribution upon liquidation based upon the net proceeds from the sale of the entity's assets, to an investment in an ongoing fully-integrated real estate company, which has a portfolio of properties that may be changed from time to time and conducts real estate investment banking operations, and in which the equity owners are expected to recover their investment from the sale of their FSP common stock, which is currently illiquid, and not from liquidating distributions.

The mergers are expected to reduce the level of dividends paid to target REIT stockholders.

Based on historical quarterly, non-special dividends received by stockholders of FSP Corp. and the target REIT stockholders, the mergers are expected to reduce the level of dividends paid to target REIT stockholders who become stockholders in the combined company. Regardless of the initial level of the combined company's dividends, such dividends could decline in the future.

There may be differences between the merger consideration received by the target REIT stockholders and the amount that would have been realized through their investment in a target REIT either now or in the future.

The merger consideration was determined through negotiations between the special committees of the target boards and FSP Corp. The special committees relied on advice from their financial advisor, A.G. Edwards, in their negotiations with FSP Corp. The special committees also considered the appraisals received from an independent third-party appraiser, the assets and liabilities of each target REIT and FSP Corp., the expected cash available for distribution of each target REIT, the multiples of cash available for distribution commonly used in valuing REITs and the limited liquidity of FSP common stock. This negotiated price is subject to certain assumptions and may not represent the true worth or realizable value of the target REITs in a sale transaction for cash. The target REITs did not solicit bids from third parties for the sale of the target REITs or their respective properties. Moreover, the properties of the target REITs may appreciate in value and might be able to be liquidated at a later date for a price which would yield target REIT stockholders more consideration than they would receive in the mergers.

Target REIT stockholders will be foregoing the potential appreciation in the real property owned by their respective target REIT.

The potential appreciation in the real property owned by each target REIT may be greater than the merger consideration being offered by FSP Corp. in connection with the mergers, with the potential effect that some target REIT stockholders may receive less for their investment now than if they were to hold on to their investment in the target REIT and wait for it to be liquidated within a five to ten year period following the syndication of the target REIT in accordance with the original investment strategy of the respective target REIT.

The future price of FSP common stock may be lower than the price per share negotiated for purposes of the merger consideration.

The future price per share of the FSP common stock may be lower than the price per share negotiated between the special committees of the target boards and FSP Corp. for the purpose of determining the merger consideration to be received by you.

The mergers will require the target REIT stockholders to forgo alternatives to the mergers.

The target boards considered alternatives to the mergers, such as the continuation of the target REITs as currently structured, the liquidation of the target REITs through sales of their properties, or the creation of a secondary market for the target stock through limited cash tender offers or repurchase programs sponsored by the target REITs. The benefits of these alternatives are avoiding the risks associated with the mergers as set forth in this section. Moreover, retaining the finite-life feature of the target REITs would allow target REIT stockholders eventually to receive liquidation proceeds from the sale of the properties of the target REITs, and a target REIT stockholder may receive more consideration through such sale than the consideration received in the mergers. Target REIT stockholders will forgo all benefits to the alternatives to the mergers in the event the mergers are consummated.

Target REIT stockholders will experience a loss of relative voting power.

Target REIT stockholders have one vote per one share of target stock. FSP stockholders have one vote per one share of FSP common stock. Immediately following the consummation of the mergers, target REIT stockholders will have one vote per one share of FSP common stock. If the mergers are consummated, the target REIT stockholders will own in the aggregate approximately 18% of all issued and outstanding shares of FSP common stock in respect of their shares of target stock and thus will have a smaller ownership percentage of FSP Corp. than their respective target REITs, and each target REIT stockholder will thus lose relative voting power.

The target REIT stockholders will experience greater risks relating to diversification of portfolios following the mergers.

The assets and liabilities of the target REITs and of FSP Corp. will be combined in the mergers. None of the target REITs currently has any debt obligations but the target REIT stockholders may become exposed to debt obligations FSP Corp. may incur in the future. As a result of the mergers, the geographic diversity of the properties in which the target REIT stockholders will own an interest will change. However, because the market for real estate may vary widely from one region of the country to another, the change in geographic diversity may expose the target REIT stockholders to different and greater risks than those to which they are currently exposed.

The target REIT stockholders may be unable to bring litigation against A.G. Edwards.

Because the engagement letters between A.G. Edwards and the target REITs state that only the target boards may rely on the opinions rendered by A.G. Edwards, the target REIT stockholders may be unable to assert or enforce any claims against A.G. Edwards based on its fairness opinions in the transactions contemplated by the merger agreement. Accordingly, if A.G. Edwards were to have damaged the target REIT stockholders, through negligence or otherwise, in the course of issuing its opinions, the target REIT stockholders may not be able to recover such damages from A.G. Edwards.

The officers and directors of the target REITs have conflicts of interest that may have influenced them to support or adopt the merger agreement.

A number of conflicts of interest are inherent in the relationships among the target REITs, the target Boards, FSP Corp., the FSP board and their respective affiliates. These conflicts of interest include the fact that FSP Investments, a subsidiary of FSP Corp., syndicated each target REIT and, among others:

- George J. Carter, the President and a director of each target REIT, is President, Chief Executive Officer and a director of FSP Corp. and owns an aggregate of 775,531 shares of FSP common stock;
- R. Scott MacPhee, an Executive Vice President and a director of each target REIT and a member of each special committee, is also an Executive Vice President of FSP Corp. and owns an aggregate of 372,451 shares of FSP common stock;
- Richard R. Norris, an Executive Vice President and a director of each target REIT, is also a director and an Executive Vice President of FSP Corp. and owns an aggregate of 258,087 shares of FSP common stock;
- William W. Gribbell, an Executive Vice President and a director of each target REIT and a member of each special committee, is also an Executive Vice President of FSP Corp. and owns an aggregate of 129,761 shares of FSP common stock;
- Barbara J. Fournier, Vice President, Chief Operating Officer,

Treasurer, Secretary and a director of each target REIT, is also Vice President, Chief Operating Officer, Treasurer, Secretary and a director of FSP Corp. and owns an aggregate of 27,934 shares of FSP common stock;

o Janet P. Notopoulos, Vice President of each target REIT, is also a Vice President and director of FSP Corp. and owns an aggregate of 14,985 shares of FSP common stock; and

o The target REITs' properties are managed by FSP Property Management, a subsidiary of FSP Corp., pursuant to management services agreements under which FSP Corp. receives certain fees from each target REIT for its management services.

The directors of the target REITs may have been more inclined to vote for the mergers as a result of their ownership of FSP common stock since an increase in the real property assets owned by FSP Corp. may result in greater value for FSP Corp. stockholders.

Each target board established a special committee consisting of Messrs. MacPhee and Gribbell, the only members of the target boards who are not also members of the FSP board. Messrs. MacPhee and Gribbell serve as executive vice presidents of FSP Corp. Under the Delaware general corporation law, the target boards cannot delegate to a third party their fiduciary duties relating to the determination of whether the transactions contemplated by the mergers were or were not fair to the target REIT stockholders.

If each target REIT had a separate board of directors with executive officers who did not serve in similar capacities for FSP Corp. and directors who did not own FSP common stock, these persons would have had an independent perspective which might have led them to advocate positions during the negotiation and structuring of the merger agreement and the determination of the merger consideration more favorable to the target REIT stockholders than those taken by the target boards.

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The officers and directors of the target REITs who are officers or directors of FSP Corp. have fiduciary duties to manage the target REITs in a manner beneficial to the target REIT stockholders. Similarly, FSP Corp.'s directors and officers, including Mr. Carter, have fiduciary duties to manage FSP Corp. in a manner beneficial to FSP Corp. and FSP stockholders. In some circumstances, including the negotiation of the merger agreement, Mr. Carter's and the other directors' and officers' duties to FSP Corp. and the FSP Corp. stockholders and their ownership of FSP common stock may conflict with their duties, as directors and officers of the target REITs, to the target REITs and target REIT stockholders. A potential conflict between such fiduciary duties may not be resolved, or if resolved, may be resolved in a manner less favorable to the target REITs and target REIT stockholders than would otherwise have been the case if the target REITs were dealing with unaffiliated parties. Specifically, these conflicts may have resulted in the target REIT stockholders receiving an aggregate merger consideration that is less than what they may have received had the merger consideration been negotiated between unaffiliated parties.

The combined company may be liable for contingent or undisclosed liabilities of the target REITs.

Each of the target REITs has delivered to FSP Corp. its financial statements disclosing all known material liabilities and reserves, if any, set aside for contingent liabilities. Each target REIT has represented and warranted that the financial statements fairly present the financial position of each target REIT, and each target REIT will be required to deliver on the effective date an officer's certificate stating that that there have been no material adverse changes in its financial condition between the date of the financial statements and the effective date of the mergers. The accuracy and completeness of these representations are conditions to the consummation of the mergers and if, on or prior to the effective date, these representations and warranties are known to be inaccurate, FSP Corp. may elect not to consummate the merger with the target REIT that failed to fully and accurately disclose its financial position. As these representations do not survive the effective date, after the effective date the combined company will have no recourse against any target REIT or the respective target REIT stockholders for any contingent or undisclosed liabilities which first became known after the effective date. If any contingent or undisclosed liabilities are discovered after the effective date, the combined company's balance sheet may be adversely affected, causing the value of the target REIT stockholders' interests in the combined company to decrease.

The shares of FSP common stock received by the target REIT stockholders are not tradable on a national stock market or other exchange.

There is no public or other market for the shares of FSP common stock, and although the combined company will have the goal in the future of creating a public market for its securities, there is no certainty that the combined company will be successful or that such a market will develop. Although AMEX has approved FSP Corp.'s application to list its common stock, the stock may not be listed for trading or a meaningful trading market may not develop, even if the stock is listed for trading. Consequently, the target REIT stockholders may be unable to liquidate their shares of FSP common stock in the event of an emergency or for any other reason.

The target REIT stockholders may experience dilution of their respective holdings in FSP Corp.

The combined company will have substantial flexibility to raise equity capital. The combined company will also have the ability to issue shares of FSP common stock as incentive compensation to employees of the combined company or its subsidiaries. The issuance of additional shares of FSP common stock by the combined company does not require any approval by the target REIT stockholders except in special circumstances. Any and all additional issuances of FSP common stock will dilute the interests of the target REIT stockholders following the consummation of the mergers.

A majority vote of the target REIT stockholders of a target REIT will bind all the target REIT stockholders of that Target REIT.

In accordance with the charters of the target REITs and the Delaware general corporation law, if the target REIT stockholders holding a majority of the outstanding shares of preferred stock in a target REIT, and a majority of the outstanding shares of common stock and preferred stock in a target REIT voting together as a class, adopt the merger agreement and approve the mergers contemplated thereby, the merger of that target REIT will be consummated and all target REIT stockholders of that target REIT will participate in the mergers, regardless of whether or not such target REIT stockholders voted to approve the mergers, unless a target REIT stockholder exercises his, her or its appraisal rights under the Delaware general corporation law.

Real Estate and Business Risks of FSP Corp.

If FSP Corp. is not able to collect sufficient rents from each of its owned real properties, FSP Corp. may suffer significant operating losses or a reduction in cash available for future dividends.

A substantial portion of FSP Corp.'s revenues are generated by the rental income of its real properties. If its properties do not provide FSP Corp. with a steady rental income as a result of FSP Corp.'s inability to re-lease space upon the termination of existing leases or of the inability of existing tenants to meet their obligations under existing leases, FSP Corp.'s revenues will decrease and may cause it to incur operating losses in the future or incur a reduction in cash available for future dividends.

FSP Corp. faces risks in continuing to attract investors for sponsored REITs.

FSP Corp.'s investment banking/investment services business continues to depend upon its ability to attract purchasers of equity interests in sponsored REITs. FSP Corp.'s success in this area will depend on the propensity and ability of investors who have previously invested in sponsored REITs to continue to invest in future sponsored REITs and on FSP Corp.'s ability to expand the investor pool for the sponsored REITs by identifying new potential investors. Moreover, FSP Corp.'s investment banking/investment services business may be affected to the extent existing sponsored REITs incur losses or have operating results that fail to meet investors' expectations.

If FSP Corp. is unable to fully syndicate a sponsored REIT, it may be required to keep a balance outstanding on its line of credit or use its cash balance to repay the line of credit, which may reduce cash available for distribution to FSP stockholders.

FSP Corp. typically draws on its line of credit to make an interim mortgage loan to a sponsored REIT, so that the sponsored REIT can acquire real property prior to the consummation of the offering of its equity interests; this interim loan is secured by a first mortgage of the real property acquired by the sponsored REIT. Once the offering has been completed, the sponsored REIT repays the loan from FSP Corp. out of the offering proceeds. If FSP Corp. is unable to fully syndicate a sponsored REIT, the sponsored REIT could be unable to fully repay the loan, and FSP Corp. would have to satisfy its obligation under its line of credit through other means. If FSP Corp. is required to use cash for this purpose, FSP Corp. would have less cash available for distribution to the FSP stockholders.

Failure to renew, replace or extend FSP Corp.'s line of credit could have a material adverse effect on the cash available for distribution to FSP Corp.'s stockholders and would limit FSP Corp.'s growth.

FSP Corp.'s line of credit matures in August 2005. FSP Corp. typically draws on its line of credit to make an interim mortgage loan to a sponsored REIT, so that the sponsored REIT can acquire real property prior to the consummation of the offering of such sponsored REIT's equity interests. Once the offering has been completed, the sponsored REIT repays the loan out of the offering proceeds. An inability to renew, replace or extend FSP Corp.'s line of credit could result in difficulty financing growth in the investment banking/investment services segment of FSP Corp.'s business. It could also result in a reduction in the cash available for distribution to FSP Corp.'s stockholders because revenue for FSP Corp.'s investment banking/investment services segment is directly related to the amount of equity raised by sponsored REITs which FSP Corp. syndicates. In addition, a significant part of FSP Corp.'s growth strategy is to acquire additional real properties by cash purchase or by acquisition of sponsored REITs, and the loss of the line of credit would make it substantially more difficult to pursue acquisitions by either method. To the extent FSP Corp. has a balance outstanding on the line of credit on the date of its maturity; FSP Corp. would have to satisfy its obligation through other means. If FSP Corp. is required to use cash for this purpose, FSP Corp. would have less cash available for distribution to its stockholders.

FSP Corp. may not be able to find properties that meet its criteria for purchase.

Growth in FSP Corp.'s investment banking/investment services business and its portfolio of real estate is dependent on the ability of FSP Corp.'s acquisition executives to find properties for sale which meet FSP Corp.'s investment criteria. To the extent they fail to find such properties, FSP Corp. will be unable to syndicate offerings of sponsored REITs to investors or enlarge its portfolio, and its business could have lower revenue, which would reduce the cash available for distribution to the FSP stockholders.

FSP Corp. is dependent on key personnel.

FSP Corp. depends on the efforts of George J. Carter, its Chief Executive Officer, and its other executive officers. If any of them were to resign, FSP Corp.'s operations could be adversely affected. FSP Corp. does not have employment agreements with Mr. Carter or any other of its executive officers.

FSP Corp.'s level of dividends may fluctuate.

Because FSP Corp.'s investment banking/investment services business is transactional in nature and real estate occupancy levels and rental rates can fluctuate, FSP Corp. cannot predict its level of revenue from such activities. As a result of this, the amount of cash available for distribution may fluctuate, which may result in FSP Corp. not being able to maintain or grow dividend levels in the future.

The real properties held by FSP Corp. may significantly decrease in value.

As of November 15, 2004, FSP Corp. owned 28 properties. Some or all of these properties may decline in value. To the extent FSP Corp.'s real properties decline in value, the target REIT stockholders receiving FSP common stock could lose some or all the value of their investments. Although currently there is no public market for the shares of FSP common stock, the value of FSP common stock may still be adversely affected if the real properties held by FSP Corp. decline in value since these real properties represent the majority of the tangible assets held by FSP Corp. Moreover, if either FSP Corp. is forced to sell or lease the real property held by it below its initial purchase price or its carrying costs or if it is forced to lease real property at below market rates because of the condition of the property, FSP Corp.'s results of operations would be adversely affected and such negative results of operations may result in lower dividends being paid to holders of FSP common stock.

FSP Corp. faces risks in owning and operating real property.

An investment in FSP Corp. is subject to the risks incident to the ownership and operation of real estate-related assets. These risks include the fact that real estate investments are generally illiquid, which may impact FSP Corp.'s ability to vary its portfolio in response to changes in economic and other conditions, as well as the risks normally associated with:

- changes in general and local economic conditions;
- the supply or demand for particular types of properties in particular markets;
- changes in market rental rates;
- the impact of environmental protection laws; and
- changes in tax, real estate and zoning laws.

Certain significant costs, such as real estate taxes, utilities, insurance and maintenance costs, generally are not reduced even when a property's rental income is reduced. In addition, environmental and tax laws, interest rate levels, the availability of financing and other factors may affect real estate values and property income. Furthermore, the supply of commercial and multi-family residential space fluctuates with market conditions.

FSP Corp. faces risks from tenant defaults or bankruptcies.

If any of FSP Corp.'s tenants defaults on its lease, FSP Corp. may experience delays in enforcing its rights as a landlord and may incur substantial costs in protecting its investment. In addition, at any time, a tenant of one of FSP Corp.'s properties may seek the protection of bankruptcy laws, which could result in the rejection and termination of such tenant's lease and thereby cause a reduction in cash available for distribution to the FSP stockholders.

FSP Corp. may encounter significant delays in reletting vacant space, resulting in losses of income.

When leases expire, FSP Corp. will incur expenses and may not be able to re-lease the space on the same terms. Certain leases provide tenants the right to terminate early if they pay a fee. If FSP Corp. is unable to re-lease space promptly, if the terms of the replacement leases are significantly less favorable than anticipated or if the costs are higher, FSP Corp. may have to reduce distributions to the FSP stockholders. Approximately $11,635,000, or approximately 17.2%, of FSP Corp.'s annualized rental revenue from commercial and residential apartment properties derives from leases which expire during the next twelve months.

FSP Corp. faces risks from geographic concentration.

The properties in the FSP Corp. portfolio, by aggregate square footage, are distributed geographically as follows: Southwest - 26%, Northeast - 31%, Midwest - 19%, West - 16% and Southeast 8%. However, within certain of those segments, FSP Corp. holds a larger concentration of its properties in Houston, Texas - 18% and Washington, DC - 13%. FSP Corp. is likely to face risks to the extent that any of these areas in which it holds a larger concentration of its properties suffers deteriorating economic conditions.

FSP Corp. competes with national, regional and local real estate operators and developers, which could adversely affect its cash flow.

Competition exists in every market in which FSP Corp.'s properties are located and in every market in which FSP Corp.'s properties will be located. FSP Corp. competes with, among others, national, regional and numerous local real estate operators and developers. Such competition may adversely affect the percentage of leased space and the rental revenues of its properties, which could adversely affect FSP Corp.'s cash flow from operations and its ability to make expected distributions to the FSP stockholders. Some of FSP Corp.'s competitors may have more resources than FSP Corp. does or other competitive advantages. Competition may be accelerated by any increase in availability of funds for investment in real estate. For example, decreases in interest rates tend to increase the availability of funds and therefore can increase competition. To the extent that FSP Corp.'s properties continue to operate profitably, this will likely stimulate new development of competing properties. The extent to which FSP Corp. is affected by competition will depend in significant part on local market conditions.

There is limited potential for an increase in leased space gains in FSP Corp.'s properties.

FSP Corp. anticipates that future increases in revenue from its properties will be primarily the result of scheduled rental rate increases or rental rate increases as leases expire. Properties with higher rates of vacancy are generally located in soft economic markets so that it may be difficult to realize increases in revenue when vacant space is re-leased.

FSP Corp. is subject to possible liability relating to environmental matters, and FSP Corp. cannot assure you that it has identified all possible liabilities.

Under various federal, state and local laws, ordinances and regulations, an owner or operator of real property may become liable for the costs of removal or remediation of certain hazardous substances released on or in its property. Such laws may impose liability without regard to whether the owner or operator knew of, or caused, the release of such hazardous substances. The presence of hazardous substances on a property may adversely affect the owner's ability to sell such property or to borrow using such property as collateral, and it may cause the owner of the property to incur substantial remediation costs. In addition to claims for cleanup costs, the presence of hazardous substances on a property could result in the owner incurring substantial liabilities as a result of a claim by a private party for personal injury or a claim by an adjacent property owner for property damage.

In addition:

- future laws, ordinances or regulations could impose material environmental liability;

- the current environmental conditions of FSP Corp.'s properties could be affected by the condition of properties in the vicinity of such properties (such as the presence of leaking underground storage tanks) or by third parties unrelated to FSP Corp.;

- tenants could violate their leases by introducing hazardous or toxic substances into FSP Corp.'s properties that could expose FSP Corp. to liability under federal or state environmental laws; or

- environmental conditions, such as the growth of bacteria and toxic mold in heating and ventilation systems or on walls, could occur at FSP Corp.'s properties and pose a threat to human health.

FSP Corp. is subject to compliance with the Americans With Disabilities Act and fire and safety regulations which could require FSP Corp. to make significant capital expenditures.

All of FSP Corp.'s properties are required to comply with the Americans With Disabilities Act, or ADA, and the regulations, rules and orders that may be issued thereunder. The ADA has separate compliance requirements for "public accommodations" and "commercial facilities," but generally requires that buildings be made accessible to persons with disabilities. Compliance with ADA requirements might require, among other things, removal of access barriers and noncompliance could result in the imposition of fines by the U.S. government, or an award of damages to private litigants.

In addition, FSP Corp. is required to operate its properties in compliance with fire and safety regulations, building codes and other land use regulations, as they may be adopted by governmental agencies and bodies and become applicable to FSP Corp.'s properties. Compliance with such requirements may require FSP Corp. to make substantial capital expenditures, which expenditures would reduce cash otherwise available for distribution to the FSP stockholders.

There are significant conditions to FSP Corp.'s obligation to redeem shares of its common stock, and any such redemption will result in the stockholders tendering shares receiving less than their fair market value.

Under FSP Corp.'s redemption plan, FSP Corp. is only obligated to use its best efforts to redeem shares of FSP common stock from stockholders wishing to have them redeemed. Stockholders wishing to have their shares redeemed must so request on or before July 1 immediately preceding the January 1 date on which the redemption date will be effective, and any such request will be irrevocable. There are significant conditions to FSP Corp.'s obligation to redeem shares of FSP common stock including:

- FSP Corp. cannot be insolvent or be rendered insolvent by the redemption;

- the redemption cannot impair FSP Corp.'s capital or operations;

- the redemption cannot contravene any provision of federal or state securities laws;

- the redemption cannot result in FSP Corp. failing to qualify as a REIT; and

- FSP Corp.'s management must determine that the redemption is in FSP Corp.'s best interests.

Any redemption effected by FSP Corp. under this plan would result in those stockholders tendering shares of FSP common stock receiving 90% of the fair market value of such shares, as determined by the FSP board in its sole and absolute discretion, and not their full fair market value. If FSP common stock becomes listed for trading on AMEX or any other national securities exchange or the NASDAQ National Market, FSP Corp. will no longer be obligated to, and does not intend to, effect any redemption. FSP Corp. also does not intend to accept any requests for redemption from the time of the mailing of this Consent Solicitation/Prospectus until the effective date of the mergers.

FSP Corp. may lose capital investment or anticipated profits if an uninsured event occurs.

FSP Corp. carries or its tenants are obligated to carry comprehensive liability, fire and extended coverage with respect to each of FSP Corp.'s properties, with policy specification and insured limits customarily carried for similar properties. There are, however, certain types of losses, such as from wars, terrorist events, pollution or earthquakes, that may be either uninsurable or not economically insurable (although the properties located in California all have earthquake insurance). Should an uninsured material loss occur, FSP Corp. could lose both capital invested in the property and anticipated profits.

Contingent or unknown liabilities acquired in mergers or similar transactions could require FSP Corp. to make substantial payments.

The properties which FSP Corp. acquired in mergers were acquired subject to liabilities and without any recourse with respect to liabilities, whether known or unknown. As a result, if liabilities were asserted against FSP Corp. based upon any of these properties, FSP Corp. might have to pay substantial sums to settle them, which could adversely affect its results of operations and financial condition and its cash flow and ability to make distributions to the FSP stockholders. Unknown liabilities with respect to properties acquired might include:

o liabilities for clean-up or remediation of environmental conditions;

o claims of tenants, vendors or other persons dealing with the former owners of the properties; and

o liabilities incurred in the ordinary course of business.

FSP Corp. would incur adverse tax consequences if FSP Corp. failed to qualify as a REIT.

The provisions of the tax code governing the taxation of real estate investment trusts are very technical and complex, and although FSP Corp. expects that it will be organized and will operate in a manner that will enable it to meet such requirements, no assurance can be given that FSP Corp. will always succeed in doing so. In addition, as a result of the combination of FSP Corp. with the target REITs pursuant to the mergers, FSP Corp. might no longer qualify as a real estate investment trust. FSP Corp. could lose its ability to so qualify for a variety of reasons relating to the nature of the assets acquired from the target REITs, the identity of the shareholders of the target REITs who become shareholders of FSP Corp. or the failure of one or more of the target REITs to have previously qualified as a real estate investment trust. Moreover, you should note that if one or more of the REITs that FSP Corp. acquired in June 2003 did not qualify as a real estate investment trust immediately prior to the consummation of its acquisition, FSP Corp. could be disqualified as a REIT as a result of such acquisition.

If in any taxable year FSP Corp. does not qualify as a real estate investment trust, FSP Corp. would be taxed as a corporation and distributions to the FSP stockholders would not be deductible by FSP Corp. in computing its taxable income. In addition, if FSP Corp. were to fail to qualify as a real estate investment trust, FSP Corp. could be disqualified from treatment as a real estate investment trust in the year in which such failure occurred and for the next four taxable years and, consequently, FSP Corp. would be taxed as a regular corporation during such years. Failure to qualify for even one taxable year could result in a significant reduction of FSP Corp.'s cash available for distribution to the FSP stockholders or could require FSP Corp. to incur indebtedness or liquidate investments in order to generate sufficient funds to pay the resulting federal income tax liabilities.

Provisions in FSP Corp.'s organizational documents may prevent changes in control.

FSP Corp.'s Articles of Incorporation and Bylaws contain provisions, described below, which may have the effect of discouraging a third party from making an acquisition proposal for FSP Corp. and may thereby inhibit a change of control under circumstances that could otherwise give the holders of FSP common stock the opportunity to realize a premium over the then-prevailing market prices.

Ownership Limits. In order for FSP Corp. to maintain its qualification as a real estate investment trust, the holders of FSP common stock are limited to owning, either directly or under applicable attribution rules of the tax code, no more than 9.8% of the lesser of the value or the number of equity shares of FSP Corp., and no holder of common stock may acquire or transfer shares that pwould result in shares of FSP common stock being beneficially owned by fewer than 100 persons. Such ownership limit may have the effect of preventing an acquisition of control of FSP Corp. without the approval of the FSP board. In addition, FSP Corp.'s Articles of Incorporation give the FSP board the right to refuse to give effect to the acquisition or transfer of shares by a stockholder in violation of these provisions.

Staggered Board. The FSP board is divided into three classes. The terms of these classes will expire in 2005, 2006 and 2007, respectively. Directors of each class are elected for a three-year term upon the expiration of the initial term of each class. The staggered terms for directors may affect FSP stockholders' ability to effect a change in control even if a change in control were in the FSP stockholders' best interests.

Preferred Stock. FSP Corp.'s Articles of Incorporation authorize the FSP board to issue up to 20,000,000 shares of preferred stock, par value $.0001 per share, and to establish the preferences and rights of any such shares issued. The issuance of preferred stock could have the effect of delaying or preventing a change in control even if a change in control were in the best interests of the FSP stockholders.

Increase of Authorized Stock. The FSP board, without any vote or consent of the FSP stockholders, may increase the number of authorized shares of any class or series of stock or the aggregate number of authorized shares FSP Corp. has authority to issue. The ability to increase the number of authorized shares and issue such shares could have the effect of delaying or preventing a change in control even if a change in control were in the best interests of the FSP stockholders.

Amendment of Bylaws. The FSP board has the sole power to amend FSP Corp.'s Bylaws. This power could have the effect of delaying or preventing a change in control even if a change in control were in the best interests of the FSP stockholders.

Stockholder Meetings. FSP Corp.'s Bylaws require advance notice for stockholder proposals to be considered at annual meetings of stockholders and for stockholder nominations for election of directors at special meetings of stockholders. FSP Corp.'s Bylaws also provide that stockholders entitled to cast more than 50% of all the votes entitled to be cast at a meeting must join in a request by stockholders to call a special meeting of stockholders. These provisions could have the effect of delaying or preventing a change in control even if a change in control were in the best interests of the FSP stockholders.

Supermajority Votes Required. FSP Corp.'s Articles of Incorporation require the affirmative vote of the holders of no less than 80% of the shares of capital stock outstanding and entitled to vote in order (i) to amend the provisions of the Articles of Incorporation relating to the classification of directors, removal of directors, limitation of liability of officers and directors or indemnification of officers and directors or (ii) to amend the Articles of Incorporation to impose cumulative voting in the election of directors. These provisions could have the effect of delaying or preventing a change in control even if a change in control were in the best interests of the FSP stockholders.

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The listing of FSP common stock on the American Stock Exchange or another national securities exchange and the trading price of FSP common stock following such listing are uncertain. The FSP common stock could trade at a lower price than anticipated.

Although FSP Corp. has filed an application to list the FSP common stock on the AMEX, and the AMEX has approved the application, there can be no assurances that FSP Corp.'s common stock will be listed for trading. Therefore, a trading market may not develop at all, or if one does, it may not be meaningful. If a trading market does develop, the market prices for the FSP common stock may fluctuate with changes in market and economic conditions, the financial condition of FSP Corp. securities, including the market perception of REITs in general. Such fluctuations may depress the market price of FSP common stock independent of the financial performance of FSP Corp. The market conditions for REIT stocks generally could affect the market price of the FSP common stock.

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TARGET REIT CONSENT SOLICITATION

The votes of the target REIT stockholders with respect to the mergers are being solicited by the target boards. Such votes will be tabulated as consents are received. The mergers are being submitted for approval to those persons holding common stock of each target REIT and target stock as of August 13, 2004, also known as the record date. As of August 13, 2004, the following number of shares of target stock were held of record by the number of target REIT stockholders indicated below:

Target REIT	Number of Target REIT Stockholders	Total Number of Shares of Target Stock Outstanding	Number of Shares of Target Stock Required for Approval of the Mergers
Montague	331	334	167.25
Addison Circle	380	636	318.25
Royal Ridge	246	297.5	149
Collins Crossing	449	555	277.75

Each target REIT stockholder is entitled to one vote for each share of target stock held. Accordingly, the number of shares of target stock entitled to vote with respect to the mergers is equivalent to the number of shares of target stock held of record as of August 13, 2004. FSP Corp. will not receive any consideration for the one share of common stock it holds in each target REIT.

This Consent Solicitation/Prospectus and the form of consent constitute the target boards' notice of the mergers. Each target REIT stockholder has until the later of the approval date, as described below, or 5:00 p.m., Eastern Time, on [_____], 2005 (unless a target REIT is permitted to accelerate such date by applicable law and regulation), the date that is sixty (60) days following the date of mailing of this Consent Solicitation/Prospectus, unless extended by the target boards in their sole discretion, to inform the target boards whether such target REIT stockholder wishes to approve or disapprove of his, her or its target REIT's participation in the mergers. The target boards ask that each target REIT stockholder vote by completing and returning the consent accompanying this Consent Solicitation/Prospectus in the manner described below.

Target REIT stockholders who wish to vote "YES" for adoption of the merger agreement and approval of the mergers and the transactions contemplated thereby should complete, sign and return the consent or consents relating to their target stock which accompanies this Consent Solicitation/Prospectus. One consent has been prepared for each target REIT stockholder regardless of which target REIT you are a stockholder. Consequently, a target REIT stockholder who holds, for example, target stock in each of the four target REITs will receive only one consent, which must be completed, signed and returned in order to vote "YES" for the mergers relating to each of the four target REITs. A target REIT stockholder owning shares in more than one target REIT does not need to vote in favor of or against all such target REITs but may vote in favor of the merger for one target REIT and vote against the merger of another target REIT. For example, if a target REIT stockholder owns shares in Collins Crossing and Montague, such person could vote to approve the merger involving Collins Crossing while voting against the merger involving Montague. Consents must be delivered by mail or other delivery service to:

Franklin Street Properties
401 Edgewater Place
Suite 200
Wakefield, Massachusetts 01880

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Approval of the mergers by a target REIT requires the vote of target REIT stockholders holding a majority of the outstanding shares of target stock, and a majority of the outstanding shares of common stock of the target REIT and target stock voting together as a class, as of the record date. If one or more target REITs does not obtain the vote required for the consummation of the merger with such target REIT, FSP Corp. will not proceed with the mergers of any other target REIT. The number of shares of target stock that must be voted in favor of the mergers for it to be approved by the respective target REIT is shown in the table above. The failure to return a consent will have the effect of a vote against the mergers. A target REIT stockholder who signs and returns the consent without indicating a vote will be deemed to have voted "YES" in favor of adoption of the merger agreement and approval of the mergers and the transactions contemplated thereby. The date on which consents are received from target REIT stockholders owning a majority of the shares of target stock of a particular target REIT approving its merger is referred to as the "approval date" for that entity. To the extent that the approval date is a date prior to 5:00 p.m., Eastern Time, on [____], 2005 (unless a target REIT is permitted to accelerate such date by applicable law and regulation), the date that is sixty (60) days following the date of mailing of this Consent Solicitation/Prospectus, FSP Corp. shall deliver written notice to the target REIT stockholders of the particular target REIT informing them that the merger of such target REIT with and into a wholly owned subsidiary of FSP Corp. has been so approved.

All questions as to the form of all documents and the validity (including time of receipt) of all approvals and elections will be determined by the target boards, and such determination shall be final and binding. The target boards reserve the absolute right to waive any defects or irregularities in any approval of the mergers or preparation of the form of consent. The target boards' interpretation of the terms and conditions of the mergers will be final and binding. The target boards shall be under no duty to give notification of any defects or irregularities in any approval of the mergers or preparation of the form of consent and shall not bear any liability for failure to give such notification.

Target REIT stockholders may withhold or revoke their consent at any time prior to the approval date for the entity with respect to which consent is to be withheld or revoked. To be effective, a written, telegraphic or telex notice of revocation or withdrawal of the consent must be received by the applicable target boards no later than the approval date addressed as set forth above. A notice of revocation or withdrawal must specify the target REIT stockholder's name and the name of the target REIT or target REITs to which such revocation or withdrawal relates.

Votes of target REIT stockholders may be solicited by FSP Investments on behalf of the target boards through the mail or by other means of solicitation. Costs of solicitation will be borne by FSP Corp. No person will receive any compensation contingent upon solicitation of a favorable vote. You have the right to inspect a list of all holders of target stock of record for your target REIT. For a discussion relating to your appraisal rights, see "The Mergers - Appraisal Rights of Dissenting Stockholders of Target REITs."

SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION

This Consent Solicitation/Prospectus includes forward-looking statements. All statements, other than statements of historical facts, included in this Consent Solicitation/Prospectus regarding the strategy, future operations, financial position, future revenues, projected costs, prospects, plans and objectives of management of FSP Corp. and each target REIT are forward-looking statements. The words "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "will," "would" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. FSP Corp. and each target REIT cannot guarantee that it actually will achieve the plans, intentions or expectations disclosed in its forward-looking statements and you should not place undue reliance on these forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements. FSP Corp. has included important factors in the cautionary statements included or incorporated in this Consent Solicitation/Prospectus, particularly under the heading "Risk Factors", that FSP Corp. believes could cause actual results or events to differ materially from the forward-looking statements that it makes. These forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments FSP Corp. may make. Neither FSP Corp. nor any target REIT assumes any obligation to update any forward-looking statements.

BACKGROUND ON FSP CORP. AND ITS GROWTH STRATEGY

FSP Corp. is the successor to Franklin Street Partners Limited Partnership, or the FSP Partnership, which was originally formed as a Massachusetts general partnership in January 1997 as the successor to a Massachusetts general partnership that was formed in 1981. On January 1, 2002, the FSP Partnership converted into FSP Corp. As a result of this conversion, the FSP Partnership ceased to exist and FSP Corp. succeeded to the business of the FSP Partnership. In the conversion, each unit of both general and limited partnership interests in the FSP Partnership was converted into one share of FSP common stock. As a result of the conversion, FSP Corp. holds 100% of the interest in three former subsidiaries of the FSP Partnership: FSP Investments LLC, FSP Property Management LLC, and FSP Holdings LLC.

FSP Corp. operates in two business segments and has two principal sources of revenue:

- Real estate operations, including real estate leasing, interim acquisition financing and asset/property management, which generate rental income, loan origination fees and management fees, respectively.

- Investment banking/investment services, which generate brokerage commissions and other fees related to the organization of single-purpose entities that own real estate and the private placement of equity in those entities. These entities are called sponsored entities.

The predecessor to FSP Corp. organized the sponsored entities as partnerships, but in 2001 FSP Corp. began to organize them as corporations operated in a manner intended to qualify as real estate investment trusts, or sponsored REITs. The sponsored entities have historically been single asset investment vehicles with an expected five to ten year life cycle, after which time the properties held by the sponsored entity were to be sold. The proceeds of the sale would then be distributed to the investors in the respective sponsored entity.

Shares issued in a syndication are sold for $100,000 per share. FSP Corp. determines the aggregate number of shares to be issued in the syndication of a syndicated REIT by calculating that the amount of equity raised in any syndication must be sufficient to purchase the real property, pay for the aggregate fees and expenses of FSP Corp. and FSP Investments and provide for a budgeted reserve for operations and capital expenditures. The offering memorandum distributed to potential investors in the private offering of sponsored entities includes a detailed description of the anticipated use of proceeds from the offering.

FSP Corp.'s investment objective is to increase the cash available for distribution in the form of dividends to its stockholders by increasing revenue from rental income, any net gains from sales of properties and investment banking services. FSP Corp. expects that, through FSP Investments, it will continue to organize and cause the offering of sponsored REITs in the future and that FSP Corp. will continue to derive investment banking/investment services income, including loan origination fees and interest, from such activities. FSP Investments does not perform investment banking services for any client other than FSP Corp. and its affiliates. FSP Corp. may also acquire additional real properties by cash purchase or by acquisition of sponsored REITs. In addition, FSP Corp. may invest in real estate by purchasing shares of preferred stock offered in the syndications of sponsored REITs.

From time to time, as market conditions warrant, FSP Corp. may sell properties owned by it. In 2003, FSP Corp. sold two properties, Weslayan Oaks and Reata Apartments. When FSP Corp. sells a property, it either distributes the sale proceeds to its stockholders as a dividend or retains some or all of such proceeds for investment in real properties or other corporate activities.

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FSP Corp. may acquire, and has acquired, real properties in any geographic area of the United States and of any property type. Of the 28 properties it owns, four are apartment complexes, 22 are office buildings and two are industrial.

FSP Corp. relies on the following principles in selecting real properties for acquisition by a sponsored REIT or FSP Corp. and managing them after acquisition:

- FSP Corp. seeks to buy investment properties at a price which produces value for investors and avoid overpaying for real estate merely to outbid competitors;

- FSP Corp. seeks to buy properties in excellent locations with substantial infrastructure in place around them and avoid investing in locations where the construction of such infrastructure is speculative;

- FSP Corp. seeks to buy properties that are well-constructed and designed to appeal to a broad base of users and avoid properties where quality has been sacrificed to cost savings in construction or which appeal only to a narrow group of users;

- FSP Corp. aggressively manages, maintains and upgrades its properties and refuses to neglect or undercapitalize management, maintenance and capital improvement programs; and

- FSP Corp. believes that it has the ability to hold properties through down cycles and avoid leveraging properties and placing them at risk of foreclosure; as of October 31, 2004, none of the 28 properties held by FSP Corp. was subject to mortgage debt.

FPS Corp. acquires and operates its real properties on an unleveraged basis not subject to any mortgage loans. FSP Corp. has a revolving line of credit that provides for borrowings of up to $125,000,000. FSP Corp. has drawn on this line of credit, and intends to draw on this line of credit in the future, only to obtain funds for the purpose of making interim mortgage loans to sponsored REITs. FSP Corp.'s policy is to cause these loans to be secured by a first mortgage of the real property (which may be of any type) owned by the sponsored REIT. FSP Corp. makes these loans to enable a sponsored REIT to acquire real property prior to the consummation of the offering of its equity interests, and the loan is repaid out of the offering proceeds. FSP Corp. has no restriction on the percentage of its assets that may be invested in any single mortgage. FSP Corp. receives revenue from origination fees and interest in connection with such mortgage loans. The interest FSP Corp. charges is at the same rate as the interest payable by FSP Corp. from time to time under its line of credit.

A significant part of FSP Corp.'s growth strategy is the acquisition of additional real properties by cash purchase or by acquisition of sponsored REITs. Acquisition of additional real estate by acquiring sponsored REITs is an attractive method of acquisition for FSP Corp. because the familiarity with the real property FSP Corp. gains from acting as asset manager allows FSP Corp. better to evaluate the risks of owning the property than is possible in the normal due diligence performed in typical acquisitions. Accordingly, FSP Corp. has previously engaged in transactions similar to the mergers contemplated by the merger agreement. On June 1, 2003, FSP Corp. acquired 13 sponsored REITs by merger. Prior to the conversion, FSP Corp.'s predecessor, FSP Partnership acquired 17 sponsored partnerships by merger. FSP Corp. subsequently sold two of these properties. In fact, all of the 28 properties FSP Corp. currently owns were acquisitions of sponsored partnerships or sponsored REITs. Although there can be no assurance that FSP Corp. will continue to acquire sponsored REITs in the future, such acquisitions are a part of FSP Corp.'s growth strategy.

The table below sets forth the amount paid by FSP Corp. (or its predecessor, FSP Partnership) for each of the sponsored entities it has acquired, the date of the acquisition, the fair market value of the FSP common stock (or partnership units, in the case of acquisitions prior to January 1, 2001) as determined by the FSP board (or the general partner of the FSP Partnership, in the case of the partnership units) issued as merger consideration, the value per share or unit ascribed to the merger consideration received by investors, the gross proceeds contributed by investors in the original syndication of such sponsored entity, the estimated amount of fees FSP Investments earned upon the original syndication and the estimated amount of fees FSP Property Management earned after the original syndication but prior to the acquisition. The level of syndication fees payable to FSP Investments is based upon a certain percentage of the gross proceeds of the syndication. As gross proceeds increase in value, the amount payable to FSP Corp. increases. Generally, FSP Corp. has been paid between 13%-16% of the gross proceeds of the syndication. The amount payable to FSP Investments has varied, however, if commissions normally payable to FSP Investments were reduced by reductions in such commissions to certain large purchasers in the syndication. In addition, the fees payable to FSP Corp. by the syndicated entity has varied depending on the amount of time necessary to complete the syndication, which is a function of the pace of syndication sales. Following the mergers the investors in the sponsored entities indirectly incurred their pro rata share of FSP Corp.'s general and administrative expenses.

Sponsored Entity	Date of Acquisition	Merger Consideration Received by Investors (1)	Per Share or Per Unit Value of FSP Common Stock or Partnership Unit	Gross Proceeds of the Syndication	Esti Aggreg Earned Corp. Inves
Essex	1/1/99	$13,931,760	$10.00	$12,300,000	
Reata(2)	1/1/99	15,592,920	10.00	13,000,000	
One Technology Drive	1/1/99	14,730,480	10.00	10,925,000	
North Andover	1/1/99	12,187,080	10.00	10,000,000	
Weslayan Oaks(3)	1/1/99	7,077,120	10.00	5,400,000	$ 64

Park Seneca	1/1/99	12,441,480	10.00	9,000,000	1,09
Santa Clara	1/1/99	9,753,120	10.00	8,700,000	1,30
Piedmont Center	1/1/99	15,278,400	10.00	13,500,000	1,82
Silverside Plantation	1/1/00	23,150,000	10.00	21,800,000	2,94
Hillview Center	1/1/00	6,450,000	10.00	6,100,000	82
Telecom Business Center	1/1/00	20,400,000	10.00	18,450,000	2,71
Southfield Center	10/1/00	18,998,120	11.50	18,500,000	2,43
Blue Ravine	10/1/00	7,402,000	11.50	7,000,000	90
Bollman Place	10/1/00	7,041,030	11.50	7,000,000	84
Austin, N.W.	10/1/00	13,027,210	11.50	12,300,000	1,70
Gateway Crossing	10/1/00	24,369,185	11.50	24,000,000	3,79

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Sponsored Entity	Date of Acquisition	Merger Consideration Received by Investors (1)	Per Share or Per Unit Value of FSP Common Stock or Partnership Unit	Gross Proceeds of the Syndication	Estima Aggregat Earned b Corp. an Investm
Lyberty Way	10/1/00	12,027,455	11.50	11,125,000	1,519,
Forest Park	6/1/03	8,398,178	14.75	7,800,000	1,053,
The Gael	6/1/03	21,864,115	14.75	21,250,000	3,058,
Goldentop	6/1/03	24,935,572	14.75	23,150,000	3,322,
Centennial	6/1/03	16,093,408	14.75	15,800,000	2,317,
Meadow Point	6/1/03	26,523,256	14.75	25,750,000	3,743,
Timberlake	6/1/03	51,556,660	14.75	51,500,000	7,512,
Federal Way	6/1/03	19,999,997	14.75	20,000,000	2,831,
Fair Lakes	6/1/03	48,181,949	14.75	48,000,000	7,171,
Northwest Point	6/1/03	37,249,994	14.75	37,250,000	5,352,
Timberlake East	6/1/03	25,188,759	14.75	25,000,000	3,604,
Merrywood	6/1/03	20,827,429	14.75	20,600,000	2,984,

Plaza Ridge I	6/1/03	40,249,977	14.75	40,000,000	6,053,
Park Ten	6/1/03	27,682,040	14.75	27,500,000	4,260,

(1) The amount set forth under this column represents the aggregate value of FSP Partnership units or shares of FSP common stock received by the owners of each sponsored entity.

(2) Property sold on September 2, 2003.

(3) Property sold on February 7, 2003.

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Of the 380 stockholders in Addison Circle, 244 are also stockholders in FSP Corp. with 236 of these 244 stockholders becoming stockholders in FSP Corp. following FSP Corp.'s acquisition of prior sponsored entities. Of the 449 stockholders in Collins Crossing, 249 are also stockholders in FSP Corp. with 240 of these 249 stockholders becoming stockholders in FSP Corp. following FSP Corp.'s acquisition of prior sponsored entities. Of the 331 stockholders in Montague, 263 are also stockholders in FSP Corp.with 248 of these 263 stockholders becoming stockholders in FSP Corp. following FSP Corp.'s acquisition of prior sponsored entities. Of the 246 stockholders in Royal Ridge, 149 are also stockholders in FSP Corp.with 140 of these 149 stockholders becoming stockholders in FSP Corp. following FSP Corp.'s acquisition of prior sponsored entities.

Each target REIT was initially formed as a corporation intended to qualify as a REIT. Addison Circle was organized in August 2002. Collins Crossing was organized in January 2003. Montague was organized in July 2002 and Royal Ridge was organized in December 2002.

As part of its growth strategy FSP Corp. periodically considers acquiring properties, including REITs sponsored by FSP Investments. In June 2004, members of FSP Corp. management met to consider the possibility and feasibility of the acquisition of additional properties by FSP Corp. At that time, members of management identified several acquisition candidates, including the target REITs. After some discussion amongst management over the next several weeks, Mr. George Carter, the Chief Executive Officer of FSP Corp., determined that acquiring the target REITs at this time was the most attractive current acquisition alternative available to FSP Corp. and that the possibility of acquiring the target REITs should be discussed with the FSP board. At a meeting of the FSP board on June 25, 2004, FSP management discussed with its board the possibility of acquiring the target REITs. No formal vote was taken, but the directors supported the decision to begin discussions with the target REITs. On or about July 2, 2004, Mr. Carter, as a representative of FSP Corp., contacted Messrs. Gribbell and MacPhee, as representatives of the target REITs, to discuss a possible business combination among FSP Corp. and the target REITs.

In identifying the target REITs as possible acquisition candidates, FSP Corp. considered the fact that although the target REITs had not been stand alone entities for a prolonged period of time. FSP Property Management managed each property from the time FSP Corp. acquired the property to the time FSP Investments completed the syndication of such properties. FSP Investments completed the syndication of Addison Circle in December 2002, Collins Crossing in June 2003, Royal Ridge in March 2003 and Montague in September 2002. FSP Corp. has historically paid an amount in stock that was greater than, or a premium over, the appraised value of the real estate and adjusted cash reserves held by each sponsored partnership or sponsored REIT it has acquired. Members of FSP Corp. management believed FSP Corp. could pay as merger consideration for each target REIT an amount in FSP common stock that was greater than, or a premium over, the appraised value and adjusted cash reserves held by such target REIT as it had in similar prior transactions. In order to determine the maximum aggregate consideration it would be willing to pay for each target REIT, FSP Corp. considered each target REIT separately. FSP Corp. reviewed the several factors relating to each target REIT, including:

o the target REIT's prior financial performance;

o the projected future performance of the target REIT as determined by the appraisal the target REIT obtained and shared with FSP Corp.;

o FSP Corp.'s assessment of the projected future performance of the target REIT given FSP Corp.'s knowledge and experience with certain types of properties and specific local markets; and

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o the potential increase to the overall financial performance of FSP Corp. by the addition of the respective target REIT.

See "Benefits, Background and Reasons for the Mergers - Background of the Mergers - Negotiation of Economic Terms" for a more detailed discussion concerning the negotiations of the merger consideration.

FSP Corp. is a reporting company under federal securities laws by virtue of the number of stockholders owning FSP common stock. However, there is no public market for FSP common stock. FSP Corp. has filed an application to list the FSP common stock on the American Stock Exchange, or AMEX, and the AMEX has approved the application. However, there can be no assurances that a meaningful trading market will develop or that FSP common stock will trade at prices equal to or above the $17.70 value ascribed to it in connection with the mergers. While there has been no public market for FSP common stock, FSP Corp. does have a redemption plan in its current charter which allows stockholders of FSP Corp. to have their shares redeemed. Stockholders wishing to have their shares redeemed must so request on or before July 1 immediately preceding the January 1 date on which the redemption is to be effective, and any such request will be irrevocable. FSP Corp. will treat all redemption requests in the same manner, meaning that if a stockholder complies with the provision of FSP Corp.'s charter regarding redemption, FSP Corp. will not discriminate among redeeming stockholders based on the timing or amount of the redemption request; however, FSP Corp.'s charter provides that in the event FSP Corp. has insufficient funds or is otherwise prohibited from redeeming all of the shares requested, it will redeem based on the order in which effective offers are received. Under FSP Corp.'s redemption plan, FSP Corp. is only obligated to use its best efforts to redeem shares of FSP common stock from stockholders wishing to have them redeemed. There are significant conditions to FSP Corp.'s obligation to redeem shares of FSP common stock including:

o FSP Corp. cannot be insolvent or be rendered insolvent by the redemption;

o the redemption cannot impair FSP Corp.'s capital or operations;

o the redemption cannot contravene any provision of federal or state securities laws;

- the redemption cannot result in FSP Corp. failing to qualify as a REIT; and

- FSP Corp.'s management must determine that the redemption is in FSP Corp.'s best interests.

Any redemption effected by FSP Corp. under this plan would result in those stockholders tendering shares of FSP common stock receiving 90% of the fair market value of such shares, as determined by the FSP board in its sole and absolute discretion, and not their full fair market value. If FSP common stock becomes listed for trading on AMEX or any other national securities exchange or the NASDAQ National Market, FSP Corp. will no longer be obligated to, and does not intend to, effect any redemption. FSP Corp. also does not intend to accept any requests for redemption from the time of the mailing of this Consent Solicitation/Prospectus until the effective date of the mergers.

THE MERGERS

We urge you to read the merger agreement by and among FSP Corp., the acquisition subsidiaries and the target REITs, a copy of which is set forth as Appendix A hereto and incorporated herein by reference.

Overview

FSP Corp. entered into the merger agreement, dated August 13, 2004, among FSP Corp., four wholly-owned acquisition subsidiaries of FSP Corp. and the target REITs. The merger agreement provides for the merger of each target REIT with and into an acquisition subsidiary, with the acquisition subsidiary being the surviving corporation.

The merger agreement provides that the mergers will be effected at the time of the filing of the certificates of merger with the secretary of state of the state of Delaware or at another date as may be specified in the certificates of merger. On the effective date, each acquisition subsidiary will acquire by merger a target REIT. The target REIT stockholders will be issued shares of FSP common stock registered with the SEC pursuant to the registration statement of which this Consent Solicitation/Prospectus is a part. FSP Corp. and the target boards expect that the effective date will be on or about April 30, 2005 or as soon as practicable after the conditions to the mergers are satisfied. The mergers will not require any federal or state regulatory approvals.

Adoption of the merger agreement and approval of the mergers by a majority of the outstanding shares of common stock of the target REIT and target stock voting together as a class constitutes consent to the mergers of the target REIT with and into the respective acquisition subsidiary and the issuance of FSP common stock to the target REIT stockholders, all pursuant to the terms of the merger agreement.

The Parties

FSP Corp. FSP Corp. is a Maryland corporation that operates in a manner intended to qualify as a real estate investment trust for federal income tax purposes.

FSP Corp. operates in two business segments and has two principal sources of revenue:

- o Real estate operations, including real estate leasing, interim acquisition financing and asset/property management, which generate rental income, loan origination fees and management fees, respectively; and
- o Investment banking/investment services, which generate brokerage commissions and other fees related to the organization of single-purpose entities that own real estate and the private placement of equity in those entities.

On June 1, 2003, FSP Corp. acquired 13 real estate investment trusts by merger. In these mergers, FSP Corp. issued 25,000,091 shares of FSP common stock to holders of preferred stock in the acquired REITs. As a result of these mergers, FSP Corp. now holds all of the assets previously held by these acquired REITs. As part of its growth strategy, FSP Corp. may make similar acquisitions in the future. The proposed acquisition of the target REITs is part of that strategy.

The principal executive offices of FSP Corp. are located at 401 Edgewater Place, Suite 200, Wakefield, Massachusetts 01880, and FSP Corp.'s telephone number is (781) 557-1300. FSP Corp. leases its executive offices.

The Target REITs. Each Target REIT is a privately-held real estate investment trust formed as a corporation under the laws of the state of Delaware for the purpose of acquiring, developing and operating a single real property.

Addison Circle	Addison Circle owns an office building in Addison, Texas
Collins Crossing	Collins Crossing owns an office building in Richardson, Texas
Montague	Montague owns an office/research and development complex in San Jose, California
Royal Ridge	Royal Ridge owns an office building in Alpharetta, Georgia

The principal executive offices of the target REITs are located at 401 Edgewater Place, Suite 200, Wakefield, Massachusetts 01880, and the telephone number is (781) 557-1300.

The Acquisition Subsidiaries. Each acquisition subsidiary is a wholly-owned subsidiary of FSP Corp. formed as a corporation under the laws of the State of Delaware for the sole purpose of acquiring a target REIT.

Addison Circle Acquisition Corp.	- formed for the sole purpose of acquiring Addison Circle
Collins Crossing Acquisition Corp.	- formed for the sole purpose of acquiring Collins Crossing
Montague Acquisition Corp.	- formed for the sole purpose of acquiring Montague
Royal Ridge	- formed for the sole purpose of acquiring

Acquisition Corp.   Royal Ridge

The principal executive offices of the acquisition subsidiaries are located at 401 Edgewater Place, Suite 200, Wakefield, Massachusetts 01880, and the telephone number is (781) 557-1300.

Votes Required

The affirmative vote of the holders of a majority of the target stock in each of the target REITs, and a majority of the target stock and common stock in each of the target REITs voting together as a class, is required to effectuate the applicable mergers. If one or more target REITs does not obtain the vote required for the consummation of the merger with such target REIT, FSP Corp. will not proceed with the mergers of any other target REIT. Each target REIT will solicit the vote of its target REIT stockholders separately. FSP Corp. is the sole stockholder of the common stock of each target REIT, and has agreed to vote those shares in favor of the respective mergers.

Barry Silverstein and Dennis J. McGillicuddy, each a director of FSP Corp., own an aggregate of 173 and 14 shares of target stock, respectively. Mr. Silverstein owns 102.5 shares in Addison Circle, 23.25 shares in Collins Crossing, 42 shares in Montague and 5.25 shares in Royal Ridge. Mr. McGillicuddy owns 1 share in each of Addison Circle and Royal Ridge, 2 shares in Collins Crossing and 10 shares in Montague. Messrs. Silverstein and McGillicuddy each purchased their shares in the original offerings of target stock and on the same terms as other stockholders of such target REITs. These shares of target stock held by Messrs. Silverstein and McGillicuddy will convert into approximately 1,022,217 and approximately 80,836 shares of FSP common stock, respectively,

upon consummation of the mergers. The approximate aggregate value of the shares of FSP common stock to be received by Messrs. Silverstein and McGillicuddy is $18,093,241 and $1,430,797, respectively, based on the value of $17.70 per share of FSP common stock on August 13, 2004, as determined through negotiations between FSP Corp. and the special committees. Messrs. Silverstein and McGillicuddy have indicated that they intend to vote their respective shares of target stock in favor of the adoption of the merger agreement and the approval of the mergers. The executive officers and directors of the target REITs do not beneficially hold any shares of target stock in any of the target REITs.

Recommendation of the Special Committees and the Target Boards

At a joint meeting held on August 11, 2004, each special committee unanimously determined (i) that the terms of the merger agreement and mergers are fair to, and in the best interests of, its target REIT and its target REIT stockholders, and (ii) to recommend to its target board that such target board approve the merger with its target REIT and adopt the merger agreement. At a joint meeting of the target boards held on August 11, 2004, the directors unanimously:

- determined that the terms of the merger agreement and mergers with its target REIT are fair to, and in the best interests of, that target REIT and its target REIT stockholders;

- authorized the officers of that target REIT to solicit consents from the target REIT stockholders for purposes of approving the merger relating to the respective target REIT and adopting the merger agreement;

- o determined to recommend to the respective target REIT stockholders that they vote to adopt the merger agreement and approve the merger relating to the respective target REIT; and

- o authorized the President of the respective target REIT to execute the merger agreement and related documents.

See "Benefits, Background and Reasons for the Mergers - Background of the Mergers."

The Special Committees. In determining to recommend that its target board approve the merger relating to its respective target REIT and adopt the merger agreement, and in determining that the merger relating to its target REIT was fair to, and in the best interests of, such target REIT stockholders, each special committee considered both potential positive and negative factors. The special committees believe that the mergers represent an opportunity for the target REIT stockholders to realize a premium over the current appraised value of the real estate and adjusted cash reserves held by the respective target REITs. Among the positive factors considered were the following factors, each of which, in such special committee's view, supported that special committee's determination to recommend the respective merger:

- o the determination of such special committee that the value of the FSP common stock to be distributed as merger consideration to its target REIT stockholders represented greater value, or a premium, than the sum of the value of the real estate (as determined by an appraisal) and adjusted cash reserves held by such target REIT;

- o the determination of such special committee, based on such special committee's analysis of the factors described in this section, including consideration of the appraisals, that the value of the FSP common stock to be distributed as merger consideration to its target REIT stockholders was greater than the value that was likely to be realized upon the continuation of the such target REIT;

- o the receipt from A.G. Edwards of an opinion, delivered orally to each special committee and board of each target REIT and subsequently confirmed in writing, as to the fairness from a financial point of view of the merger consideration to the stockholders of each target REIT;

- o the independent third-party appraisals of the real property owned by each target REIT;

- o the analysis presented to such special committee by A.G. Edwards (see "Fairness of the Mergers - Fairness of the Merger Consideration to Target REIT Stockholders - Fairness Opinions");

- o the substantial likelihood of the consummation of the mergers because of the limited number and nature of the conditions to FSP Corp.'s and the acquisition subsidiaries' obligations to close;

- o that target REIT stockholders who do not vote in favor of the mergers will have statutory appraisal rights;

- o that each target REIT can pay its customary dividends in respect of the third and fourth quarters of 2004; and

- the representations and warranties of the merger agreement relating to the target REITs do not survive the closing.

For a complete list of the factors considered by the target REITs, see "Fairness of the Mergers - Conclusions of the Target Boards."

The material negative factors, which each special committee viewed as insufficient to outweigh the positive factors, were:

- that, following the mergers, the target REIT stockholders will cease to participate in the future earnings growth, if any, of their respective target REIT or benefit from the increase, if any, in the future liquidation value of the respective target REIT, other than indirectly through their FSP stock ownership;

- the possibility that the shares of FSP common stock may in the future trade at a price lower than $17.70 per share;

- the fact that, based on historical quarterly, non-special dividends received by stockholders of FSP Corp. and the target REIT stockholders, a majority of the target REIT stockholders could expect to receive a lower level of dividends from the combined company than such stockholders have historically received from their target REITs;

- the possibility that the shares in the target REIT would have appreciated in value more rapidly or at a greater rate than any appreciation in value in the FSP Corp. shares;

- that the target REITs did not seek third party bids for the acquisition of the target REITs or their respective properties; and

- the potential conflicts of interests of officers and directors of each target REIT in connection with the mergers.

Each special committee consulted with A.G. Edwards during the course of the negotiation processes. Although A.G. Edwards provided advice and analyses to the special committees and each special committee accepted the opinion of A.G. Edwards as to the fairness, from a financial point of view, of the consideration to be received in the mergers by the target REIT stockholders, the decision to recommend to the target boards entering into the merger agreement and accepting the consideration to be received in the mergers was solely that of each special committee.

The special committees believe that the mergers are procedurally fair because:

- each special committee was appointed to represent the interests of, and to negotiate with, FSP Corp. on behalf of the target REIT stockholders;

- the special committees retained and were advised by independent legal counsel;

- each special committee retained and received a report from an independent appraisal firm as to the value of the target REIT's property;

- o the special committees retained and were advised by A.G. Edwards, its independent financial advisor; and
- o the merger consideration and the other terms and conditions of the merger agreement resulted from negotiations between the special committees and FSP Corp.

Each target board considered increasing its board size to include an independent director to perform the function of the special committees. However, each target board concluded that, given the potential liability of a director voting on the mergers, it would be difficult to retain someone with the knowledge and credentials necessary to fulfill the role of an independent director of a REIT who would be willing to take on the role of independent director of any of the target REITs without being substantially compensated and without being covered by director liability insurance. None of the target REITs currently has director and officer liability insurance. Each target board determined that the cost of compensating an independent director and obtaining director and officer liability insurance would be substantial and not in the best interests of its target REIT stockholders. For this reason, none of the target boards appointed an independent director to perform the functions of the special committees.

The Board of Directors. The target boards, at a joint meeting held on August 11, 2004, considered the unanimous recommendation of each of the special committees, the opinions of the financial advisor as to the fairness of the merger consideration from a financial point of view to each target REIT, as well as the other factors (enumerated above) considered by each special committee, and determined that the mergers are fair to, and in the best interests of, the target REIT stockholders, adopted the merger agreement and approved the mergers and recommended that the target REIT stockholders vote to adopt the merger agreement and approve the mergers. Each target board considered the recommendation of its special committee but made its own evaluation, based on the factors enumerated above, of the substantive and procedural fairness of the mergers and the merger agreement.

The foregoing discussion of the information and factors considered by the special committees and the target boards is not intended to be exhaustive but includes all material factors considered by them in making their respective decisions. In view of the variety of factors considered in connection with their evaluation of the mergers, the special committees and the target boards did not find it practicable to, and did not, quantify or otherwise attempt to assign relative weights to the specific factors considered in reaching their respective determinations. In addition, individual members of the special committees or of the target boards may have given different weight to different factors.

Appraisal Rights of Dissenting Stockholders of Target REITs

If the mergers are consummated, a target REIT stockholder who does not consent in writing to the mergers and who is the holder of record of target stock on the date of making a demand for appraisal, as described below, will be entitled to have those shares appraised by the Delaware Court of Chancery, or the Delaware Court, under Section 262 of the Delaware general corporation law statute and to receive payment for the "fair value" of those shares instead of the consideration provided for in the merger agreement. In order to be eligible to receive this payment, however, a target REIT stockholder must:

- continue to hold his, her or its target stock through the time of the mergers, and

- strictly comply with the procedures discussed under Section 262.

The statutory right of appraisal granted by Section 262 requires strict compliance with the procedures in Section 262. Failure to follow any of these procedures may result in a termination or waiver of appraisal rights under Section 262. The following is a summary of the principal provisions of Section 262. The following summary is not a complete statement of Section 262 of the Delaware general corporation law statute, and is qualified in its entirety by reference to Section 262, which is incorporated herein by reference, together with any amendments to the laws that may be adopted after the date of this Consent Solicitation/Prospectus. A copy of Section 262 is attached as Appendix D to this Consent Solicitation/Prospectus.

Notice Requirements. Under Section 262, each target REIT before the effective date or acquisition subsidiary within ten days after the effective date, as the surviving corporation, must send a notice of availability appraisal rights, or the appraisal rights notice, as required under Section 262(d)(2) of the Delaware general corporation law, and a copy of Section 262 to each target REIT stockholder of the respective target REIT, or if sent after the effective date, to each stockholder who has not consented in writing to adoption of the merger agreement, approval of the mergers and the transactions contemplated by the merger agreement and who is eligible for appraisal rights. This Consent Solicitation/Prospectus constitutes such notice. Any target REIT stockholder entitled to appraisal rights may, within twenty days after the date of mailing of this Consent Solicitation/Prospectus, demand in writing from the respective target REIT or acquisition subsidiary, as the surviving corporation, an appraisal of his, her or its shares of target stock. Such demand will be sufficient if it reasonably informs the respective target REIT or acquisition subsidiary of the identity of the target REIT stockholder and that the target REIT stockholder intends to demand an appraisal of the fair value of his, her or its shares of target stock. Failure to make such demand on or before the expiration of such twenty day period will foreclose a target REIT stockholder's rights to appraisal. A target REIT stockholder should not expect to receive any additional notice with respect to the deadline for demanding appraisal rights.

Demand for Appraisal. Only a target REIT stockholder who does not consent in writing to the mergers will be entitled to seek appraisal. Only a record holder of target stock on the date of making a written demand for appraisal who continuously holds those shares through the time of the mergers is entitled to seek appraisal. Demand for appraisal must be executed by or for the holder of record, fully and correctly, as that holder's name appears on the holder's stock certificates representing shares of the target stock or other evidence of ownership of target stock. If the target stock is owned of record in a fiduciary capacity by a trustee, guardian or custodian, the demand should be made in that capacity. If the target stock is owned of record by more than one person, as in a joint tenancy or tenancy in common, the demand should be made by or for all owners of record.

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An authorized agent, including an agent for one or more joint owners, may execute the demand for appraisal for a holder of record; that agent, however, must identify the record owner or owners and expressly disclose in the demand that the agent is acting as agent for the record owner or owners of the shares.

A record holder such as a broker, fiduciary, depository or other nominee who holds shares of the target stock as a nominee for more than one beneficial owner, some of whom desire to demand appraisal, may exercise appraisal rights on behalf of those beneficial owners with respect to the shares of target stock held for those beneficial owners. In that case, the written demand for appraisal should state the number of shares of the target stock covered by it. Unless a demand for appraisal specifies a number of shares, the demand will be presumed to cover all shares of the target stock held in the name of the record owner.

Failure to make a demand for appraisal on or before _________, 2005 will foreclose a target REIT stockholder's rights to appraisal. All demands should be delivered to the attention of the respective acquisition subsidiary at 401 Edgewater Place, Wakefield, Massachusetts 01880, Attention: Barbara J. Fournier.

Beneficial owners who are not record owners and who intend to exercise appraisal rights should instruct the record owner to comply with the statutory requirements with respect to the exercise of appraisal rights within twenty days of the date of mailing of the appraisal rights notice.

Filing of Petition. Within 120 days after the effective date of the mergers, any target REIT stockholder who has complied with the applicable provisions of Section 262 will be entitled, upon written request, to receive from the respective acquisition subsidiary a statement setting forth the aggregate number of shares of target stock of his, her or its target REIT not voting in favor of the mergers and with respect to which demands for appraisal were received by the respective acquisition subsidiary for his, her or its target REIT and the number of holders of such shares. Each respective acquisition subsidiary must mail this statement within ten days after it receives the written request or within ten days after the expiration of the period for the delivery of demands as described above, whichever is later.

Within 120 days after the effective date of the mergers, each respective acquisition subsidiary, as the surviving corporation, or any target REIT stockholder who has complied with the requirements of Section 262 and who is otherwise entitled to appraisal rights may file a petition in the Delaware Court demanding a determination of the fair value of the shares of target REIT stock held by all target REIT stockholders of a specific target REIT seeking appraisal. A dissenting target REIT stockholder must serve a copy of the petition on the respective acquisition subsidiary. If no petition is filed by either the respective acquisition subsidiary or any dissenting target REIT stockholder within the 120-day period, the rights of all dissenting target REIT stockholders to appraisal will cease, and the stockholders will be entitled to receive the merger consideration that they would have received had they not exercised appraisal rights.

Target REIT stockholders seeking to exercise appraisal rights should not assume that the respective acquisition subsidiary, as the surviving corporation, will file a petition with respect to the appraisal of the fair value of their target stock or that the respective acquisition subsidiary will initiate any negotiations with respect to the fair value of those shares. The acquisition subsidiaries are under no obligation to, and have no present intention to, take any action in this regard. Accordingly, target REIT stockholders who wish to seek appraisal of their shares should initiate all necessary action with respect to the perfection of their appraisal rights within the time periods and in the manner prescribed in Section 262. Failure to file the petition on a timely basis will cause the target REIT stockholder's right to an appraisal to cease.

Notice of and Hearing in Chancery Court. Upon the filing of a petition by a target REIT stockholder seeking appraisal, the Delaware Court may order a hearing and deliver notice of the time and place fixed for the hearing on the petition to the respective acquisition subsidiary and all of the dissenting target REIT stockholders. Notice will also be published at least one week before the day of the hearing in a newspaper of general circulation published in the City of Wilmington, Delaware or in another publication deemed advisable by the Delaware Court. The costs relating to those notices will be borne by the respective acquisition subsidiary. If a petition for an appraisal is filed in a timely manner, at the hearing on the petition, the Delaware Court will determine which target REIT stockholders are entitled to appraisal rights and will appraise the shares of target stock owned by those target REIT stockholders. The Delaware Court may require the target REIT stockholders who have demanded an appraisal for their shares and who hold stock represented by certificates to submit their certificates of target stock to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings; and if any target REIT stockholder fails to comply with such direction, the Delaware Court may dismiss the proceedings as to such target REIT stockholder. The court will determine the fair value of those shares, exclusive of any element of value arising from the consummation or expectation of the mergers, together with a fair rate of interest, to be paid, if any, upon the fair value. The Court of Chancery may determine the cost of the appraisal proceeding and assess it against the parties as the Court deems equitable.

Although each target board believes that the consideration to be received by its respective target REIT stockholders for their shares of target stock is fair, no representation is made as to the outcome of the appraisal of fair value as determined by the court, and target REIT stockholders should recognize that such an appraisal could result in a determination of a value that is higher or lower than, or the same as, the merger consideration. Moreover, FSP Corp. does not anticipate offering more than the merger consideration to any target REIT stockholder exercising appraisal rights and reserves the right to assert, in any appraisal proceeding, that, for purposes of Section 262, the "fair value" of a share of target stock is less than the merger consideration.

Determination of Fair Value. In determining "fair value," the Delaware Court is required to take into account all relevant factors. In Weinberger v. UOP, Inc., the Delaware Supreme Court discussed the factors that could be considered in determining fair value in an appraisal proceeding, stating that "proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court" should be considered and the "[f]air price obviously requires consideration of all relevant factors involving the value of a company." The Delaware Supreme Court has stated that in making this determination of fair value the court must consider market value, asset value, dividends, earnings prospects, the nature of the enterprise and any other facts which could be ascertained as of the date of the merger which throw any light on the prospects of the merged corporation.

Section 262 provides that fair value is to be "exclusive of any element of value arising from the accomplishment or expectation of the merger." In Cede & Co. v. Technicolor, Inc., the Delaware Supreme Court stated that such exclusion is a "narrow exclusion [that] does not encompass known elements of value," but which rather applies only to the speculative elements of value arising from such accomplishment or expectation. In Weinberger, the Delaware Supreme Court construed Section 262 to mean that "elements of future value, including the nature of the enterprise, which are known or susceptible of proof as of the date of the merger and not the product of speculation, may be considered."

Expenses. Each dissenting target REIT stockholder is responsible for his, her or its attorneys' and expert witness expenses, although upon application of a dissenting target REIT stockholder, the Court may order that all or a portion of the expenses incurred by any dissenting target REIT stockholder in connection with the appraisal proceeding (including, without limitation, reasonable attorneys' fees and the fees and expenses of experts) be charged pro rata against the value of all shares of target stock entitled to appraisal. In the absence of a court determination or assessment, each party bears its own expenses.

No Right to Vote or Receive Dividends. Any target REIT stockholder who has demanded appraisal in compliance with Section 262 will not, after the mergers, be entitled to vote such stock for any purpose or receive payment of dividends or other distributions, if any, on the target stock, except for dividends or distributions, if any, payable to stockholders of record at a date prior to the mergers.

Withdrawal. A target REIT stockholder may withdraw a demand for appraisal and accept the FSP common stock at any time within 60 days after the effective date of the mergers, or thereafter may withdraw a demand for appraisal with the written approval of the respective acquisition subsidiary. Notwithstanding the foregoing, if an appraisal proceeding is properly instituted, it may not be dismissed as to any target REIT stockholder without the approval of the Delaware Court, and any such approval may be conditioned on the Delaware Court deeming the terms to be just. If, after the mergers, a holder of target stock who had demanded appraisal for his, her or its target stock fails to perfect or loses his, her or its right to appraisal, those shares of target stock will be treated as if they were converted into FSP common stock at the time of the mergers.

In view of the complexity of these provisions of the Delaware corporate law, any target REIT stockholder who is considering exercising appraisal rights should consult a legal advisor.

Conditions Precedent to the Mergers

The respective obligations of each party to effect the mergers are subject to the fulfillment or waiver on or before the effective date of the following conditions:

- the adoption of the merger agreement and the approval of the mergers by the affirmative vote of the holders of a majority of the shares of target stock of each target REIT;

- the parties must receive all necessary consents, waivers, approvals, authorizations or orders required to be obtained and the making of all filings required to be made by any of the parties for the authorization, execution and delivery of the merger agreement and the consummation of the transactions contemplated thereby on or before (and remaining in effect at) the effective date;

- FSP Corp. and each of the target REITs shall have received an opinion from Wilmer Cutler Pickering Hale and Dorr LLP or another nationally recognized law firm to the effect that each merger will be treated for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code and confirming that, to the extent the matters discussed under the heading "Material United States Federal Income Tax Considerations" in this Consent Solicitation/Prospectus constitute matters of law, they are accurate in all material respects;

- delivery by the President and Chief Executive Officer of FSP Corp. and the President of each of the target REITs of certificates to the effect that there have been no material adverse changes in the financial condition of such entity prior to the consummation of the mergers;

- there having been no statute, rule, order, or regulation enacted or issued by the United States or any State thereof, or by a court, which prohibits the consummation of the mergers; and

- the representations of each of FSP Corp. and the target REITs set forth in the merger agreement shall be true and complete in all material respects as of the closing date (provided that the party whose representation was not correct shall have no right not to proceed with the closing as a result thereof).

The conditions described in the second bulleted paragraph above may be waived by the FSP board in whole or in part if, in the opinion of the FSP board, such waiver does not materially affect the terms of the transaction, which waiver shall not be unreasonably withheld. Certain of the conditions to the consummation of the mergers are beyond the control of FSP Corp., the target REITs and the target boards. There can be no assurance that the mergers will occur.

Legal Proceedings

FSP Corp., one or more of the target REITs and the target boards may be involved in litigation incidental to their business, but no material litigation is currently pending or threatened against FSP Corp. or any of the target REITs, their respective properties or the target boards.

Solicitation of Consents by FSP Investments

FSP Investments, as the soliciting agent, will use its best efforts to solicit the consents of target REIT stockholders to approve the mergers. FSP Investments will not receive any commissions with respect to the mergers; however, all out-of-pocket expenses (including telephone, mailing and other expenses) incurred by FSP Investments will be treated as solicitation expenses and will be reimbursed to FSP Investments as set forth below in "Expenses of the Mergers." FSP Investments is a wholly-owned subsidiary of FSP Corp.

Interests of Certain Persons in the Mergers

A number of conflicts of interest are inherent in the relationships among the target REITs, the target boards, FSP Corp., the FSP board and their respective affiliates. These conflicts of interest include the fact that FSP Investments, a subsidiary of FSP Corp., syndicated each target REIT and, among others:

- George J. Carter, the President and a director of each target REIT, is President, Chief Executive Officer and a director of FSP Corp. and owns an aggregate of 775,531 shares of FSP common stock;

- R. Scott MacPhee, an Executive Vice President and a director of each target REIT and a member of each special committee, is also an Executive Vice President of FSP Corp. and owns an aggregate of 372,451 shares of FSP common stock;

- Richard R. Norris, an Executive Vice President and a director of each target REIT, is also a director and an Executive Vice President of FSP Corp. and owns an aggregate of 258,087 shares of FSP common stock;

- William W. Gribbell, an Executive Vice President and a director of each target REIT and a member of each special committee, is also an Executive Vice President of FSP Corp. and owns an aggregate of 129,761 shares of FSP common stock;

- Barbara J. Fournier, Vice President, Chief Operating Officer, Treasurer, Secretary and a director of each target REIT, is also Vice President, Chief Operating Officer, Treasurer, Secretary and a director of FSP Corp. and owns an aggregate of 27,934 shares of FSP common stock;

- Janet P. Notopoulos, Vice President of each target REIT, is also a Vice President and director of FSP Corp. and owns an aggregate of 14,985 shares of FSP common stock; and

- the target REITs' properties are managed by FSP Property Management, a subsidiary of FSP Corp. pursuant to management services agreements under which FSP Corp. receives certain fees from each target REIT for its management services.

The directors of the target REITs may have been more inclined to vote for the mergers as a result of their ownership of FSP common stock since an increase in the real property assets owned by FSP Corp. may result in greater value for FSP Corp. stockholders.

Each target board established a special committee consisting of Messrs. MacPhee and Gribbell, the only members of the target boards who are not also members of the FSP board. Messrs. MacPhee and Gribbell serve as executive vice presidents of FSP Corp. Under the Delaware general corporation law, the target boards cannot delegate to a third party their fiduciary duties relating to the determination of whether the transactions contemplated by the mergers were or were not fair to the target REIT stockholders. For this reason, no unaffiliated person(s) was or were retained by any target board to represent the interests of the target REIT stockholders, whether or not such stockholders are or were affiliated with FSP Corp. Each target board considered increasing its board size to include an independent director to perform the function of the special committees. However, each target board concluded that, given the potential liability of a director voting on the mergers, it would be difficult to retain someone with the knowledge and credentials necessary to fulfill the role of an independent director of a REIT who would be willing to take on the role of independent director of any of the target REITs without being substantially compensated and without being covered by director liability insurance. None of the target REITs currently has director and officer liability insurance. Each target board determined that the cost of compensating an independent director and obtaining director and officer liability insurance would be substantial and not in the best interests of its target REIT stockholders. For this reason, none of the target boards appointed an independent director to perform the functions of the special committees.

If each target REIT had a separate board of directors with executive officers who did not serve in similar capacities for FSP Corp. and directors who did not own FSP common stock, these persons would have had an independent perspective which might have led them to advocate positions during the negotiation and structuring of the merger agreement and the determination of the merger consideration more favorable to the target REIT stockholders than those taken by the target boards.

The executive officers and directors of the target REITs do not beneficially hold any shares of target stock in any of the target REITs. Barry Silverstein and Dennis J. McGillicuddy, each a director of FSP Corp., own an aggregate of 173 and 14 shares of target stock, respectively. Mr. Silverstein owns 102.5 shares in Addison Circle, 23.25 shares in Collins Crossing, 42 shares in Montague and 5.25 shares in Royal Ridge. Mr. McGillicuddy owns 1 share in each of Addison Circle and Royal Ridge, 2 shares in Collins Crossing and 10 shares in Montague. Messrs. Silverstein and McGillicuddy each purchased their shares in the original offerings of target stock and on the same terms as other stockholders of such target REIT. These shares of target stock held by Messrs. Silverstein and McGillicuddy will convert into approximately 1,022,217 and approximately 80,836 shares of FSP common stock, respectively, upon consummation of the mergers. The approximate aggregate value of the shares of FSP common stock to be received by Messrs. Silverstein and McGillicuddy is $18,093,241 and $1,430,797, respectively, based on the value of $17.70 per share of FSP common stock on August 13, 2004, as determined through negotiations between FSP Corp. and the special committees. Messrs. Silverstein and McGillicuddy have indicated that they intend to vote their respective shares of target stock in favor of the adoption of the merger agreement and the approval of the mergers.

The following table represents the percentage ownership in each target REIT held by Messrs. Silverstein and McGillicuddy:

	Mr. Silverstein	Mr. McGillicuddy
Addison Circle	16.12%	*
Collins Crossing	4.19%	*
Montague	12.57%	2.99%
Royal Ridge	1.76%	*

* Less than 1%.

Barry Silverstein, Dennis J. McGillicuddy and John N. Burke are the only directors of FSP Corp. who are not also officers or directors of any target REIT. The remainder of the officers and directors of FSP Corp. serve as a director and/or officer, in the positions listed above, of each target REIT.

Upon completion of the mergers, Mr. Silverstein's percentage ownership interest of FSP Corp. will decrease from 9.67% to 9.62%, Mr. McGillicuddy's percentage ownership interest of FSP Corp. will decrease from 7.24% to 6.07%, and the percentage ownership of the current directors and executive officers of FSP Corp. as a group will decrease from 19.07% to 17.46%. Mr. Burke does not own any shares of FSP common stock or any shares of target stock.

Material United States Federal Income Tax Considerations

The mergers are intended to qualify as reorganizations within the meaning of Section 368(a) of the tax code. It is a condition to the closing of the mergers that FSP Corp. and each target REIT shall have received an opinion from Wilmer Cutler Pickering Hale and Dorr LLP or another nationally recognized law firm to the effect that the mergers will be treated for United States federal income tax purposes as reorganizations within the meaning of Section 368(a) of the tax code and confirming in all material respects that, to the extent the matters discussed under the heading "Material United States Federal Income Tax Considerations" in the Consent Solicitation/Prospectus constitute matters of law, they are accurate in all material respects.

Accounting Treatment

Each of the mergers will be accounted for as a purchase under GAAP. In accordance with the applicable accounting rules, FSP Corp. will record the value of the target REITs' assets on its books in an amount equal to the aggregate appraised value of the target REITs' properties on the effective date and the target REITs' cash reserves because such amounts are more reliably measurable.

Timing and Effectiveness of the Mergers

The effective date of the mergers is expected to occur on or about April 30, 2005 or such other time as the conditions to the mergers are satisfied.

Market Information

There is no established public trading market for FSP common stock. FSP Corp. has filed an application to list its common stock on AMEX, and the AMEX has approved the application. There can be no assurance that FSP Corp.'s common stock will be listed for trading, or, in the event that it is, that a meaningful trading market will develop. The value of FSP common stock of $17.70 per share was determined through negotiations between the special committees of the target boards and FSP Corp. of the merger consideration to be received by the target REIT stockholders.

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As of August 20, 2004, there were approximately 1,420 holders of record of FSP common stock. This computation is based upon the number of record holders reflected in the corporate records of FSP Corp.

FSP Corp. has declared a dividend of $0.31 per share of FSP common stock payable to stockholders of record as of February 7, 2005. Set forth below are the dividends per share of FSP common stock that FSP Corp. made in each quarter since the quarter ended June 30, 2002.

Quarter Ended	Distribution Amount Per Share of FSP Common Stock
6/30/02	$0.31
9/30/02	$0.31
12/31/02	$0.31
3/31/03	$0.31
6/30/03	$0.31
9/30/03	$0.31
12/31/03	$0.31

3/31/04	$0.31
6/30/04	$0.31
9/30/04	$0.31
12/31/04	$0.31

Moreover, for the quarter ended September 30, 2003, FSP Corp. declared a special dividend of $0.12 per share of FSP common stock.

Expenses of the Mergers

The expenses payable by FSP Corp. and the target REITs in connection with the mergers are estimated to be as follows:

	By FSP Corp.	By Target REITs
Appraisals (including fees and expenses)	$ --	$ 20,500
Fairness Opinions (including fees and expenses)	--	380,000
Legal (including fees and expenses)	500,000	65,000

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	By FSP Corp.	By Target REITs
Accounting	125,000	24,500
Printing and Postage	95,000	
Soliciting Agent (Out-of-Pocket Expenses)	5,000	
Contingency	40,000	
Total	$ 760,000	$ 475,000

The target REITs are only responsible for payment of A.G. Edwards' engagement, including the fairness opinions, the appraisals and the fees of its outside legal counsel and independent accountants. All other fees and expenses will be paid by FSP Corp.

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BENEFITS, BACKGROUND AND REASONS FOR THE MERGERS

History of FSP Corp. and the Target REITs

FSP Corp. FSP Corp. is a Maryland corporation that operates in a manner intended to qualify as a real estate investment trust for federal income tax purposes.

FSP Corp. operates in two business segments and has two principal sources of revenue:

- o Real estate operations, including real estate leasing, interim acquisition financing and asset/property management, which generate rental income, loan origination fees and management fees, respectively.

- o Investment banking/investment services, which generate brokerage commissions and other fees related to the organization of single-purpose entities that own real estate and the private placement of equity in those entities.

On June 1, 2003, FSP Corp. acquired 13 real estate investment trusts by merger. In these mergers, FSP Corp. issued 25,000,091 shares of FSP common stock to holders of preferred stock in the acquired REITs. As a result of these mergers, FSP Corp. now holds all of the assets previously held by these acquired REITs. As part of its growth strategy, FSP Corp. may make similar acquisitions in the future. The proposed acquisition of the target REITs is part of that strategy.

For more detailed information regarding FSP Corp. and its growth strategy and prior acquisitions see "Background of FSP Corp. and its Growth Strategy." FSP Investments completed the syndication of Addison Circle in December 2002, Collins Crossing in June 2003, Royal Ridge in March 2003 and Montague in September 2002. The following table sets forth the amount to be paid by FSP Corp. for each of the target REITs as negotiated in connection with the mergers, the value per share of the FSP common stock as negotiated in connection with the mergers, the gross proceeds contributed by investors in the original syndication of such sponsored entity, the estimated amount of fees FSP Corp. (including FSP Investments) earned upon the original syndication and the estimated amount of fees FSP Property Management earned after the original syndication but prior to the acquisition. Following the mergers the target REIT stockholders will indirectly incur their pro rata share of FSP Corp.'s general and administrative expenses.

Target REIT	Merger Consideration to be Received by Target REIT Stockholders	Per Share Value of FSP Common Stock	Gross Proceeds of the Syndication	Estimated Aggregate Fees Earned by FSP Corp.
Addison Circle	$66,965,414	$17.70	$63,600,000	$9,818,870
Collins Crossing	60,587,756	17.70	55,500,000	8,706,270
Montague	33,400,000	17.70	33,400,000	5,009,680
Royal Ridge	31,888,293	17.70	29,750,000	4,384,860

Background of the Mergers

In accordance with FSP Corp.'s strategy of periodically reviewing the possibility of acquiring sponsored REITs, at a meeting of the FSP board on June 25, 2004, FSP management discussed with its board the possibility of acquiring the target REITs. No formal vote was taken, but the directors supported the decision to begin discussions with the target REITs.

On June 29, 2004, members of FSP Corp. management met with Wilmer Cutler Pickering Hale and Dorr LLP, FSP Corp.'s legal counsel, and Ernst & Young LLP, FSP Corp.'s independent auditors, to discuss the possibility of the mergers and FSP Corp.'s intent to apply to list the FSP common stock on AMEX.

On or about July 2, 2004, Mr. Carter, as a representative of FSP Corp., contacted Messrs. Gribbell and MacPhee, as representatives of the target REITs, to discuss a possible business combination among FSP Corp. and the target REITs.

On or about July 5, 2004, the target boards held a telephonic meeting to discuss the possibility of a business combination with FSP Corp. On July 12, 2004, each target board established a special committee to consider the proposed mergers with FSP Corp. Each special committee is comprised of Messrs. MacPhee and Gribbell, the members of the target REIT boards who were not also members of the FSP board.

On July 13, 2004, the special committees held a telephonic meeting with representatives of A.G. Edwards to discuss the potential engagement of A.G. Edwards.

On or about July 19, 2004, the special committees engaged Gehrke, Gish & Umana LLP, or GGU, to act as independent legal counsel to the target REITs. On or about July 22, 2004, the special committees engaged A.G. Edwards to advise the special committees in evaluating and negotiating the terms of the mergers, including the merger consideration, and to deliver a fairness opinion to each target board.

On July 19, 2004, the special committees held a telephonic meeting at which the special committees, representatives of GGU and representatives of A.G. Edwards began reviewing certain financial, strategic and legal considerations relating to a potential acquisition of the target REITs by FSP Corp.

Negotiation of Non-Economic Terms

On July 20, 2004, counsel for FSP Corp. distributed a draft of the merger agreement to FSP Corp., the special committees, GGU and A.G. Edwards. This draft did not include a proposed amount of merger consideration. Based on negotiations between the parties, counsel for FSP Corp. distributed a revised draft of the merger agreement on July 27, 2004. The revised draft reflected the addition of representations by FSP Corp. concerning its financial statements, the addition of a representation by FSP Corp. stating that to FSP Corp.'s knowledge there are no breaches by any target REIT of any of its representations contained in the merger agreement, the addition of a covenant by FSP Corp. to vote its shares of the common stock of each target REIT in favor of the mergers, the addition of provisions allowing a target REIT to engage in discussions with other potential buyers and a target REIT board to withdraw or modify its recommendation to stockholders to vote in favor of the merger, in each case to the extent required by the fiduciary duties of such target REIT board, and the deletion of FSP Corp.'s right to terminate the merger agreement in its entirety in the event of a material casualty loss to the property of one target REIT.

Based on further negotiations between, and further review of the merger agreement by, the parties in late July and early August 2004, counsel for FSP

Corp. distributed further revised drafts of the merger agreement on August 6, August 9, August 10 and August 13, 2004. These revised drafts reflected

primarily the addition of a provision allowing FSP Corp. or a target REIT to terminate the merger agreement in the event that, following receipt by a target REIT of an acquisition proposal superior to the FSP Corp. proposal, the target REIT board withdraws its recommendation and the stockholders fail to approve the merger, and changes to the required tax opinion and other tax-related provisions.

Negotiation of Economic Terms

On July 13, 2004, the special committee received the appraisal for Royal Ridge from CB Richard Ellis, legally known as CBRE- Valuation and Advisory Services. On July 14, 2004, the special committee received the appraisal for Montague from Cushman & Wakefield of California, Inc. On July 23, 2004, the special committee received the appraisal for Addison Circle and Collins Crossing from Bryan E. Humphries and Associates.

On July 26, 2004, the special committees held a telephonic meeting in which the special committees and representatives of A.G. Edwards began reviewing potential valuations and analyses relating to the proposed acquisition of the target REITs by FSP Corp. The special committees then determined, after consultation with A.G. Edwards, to initially propose $16.67 as the per share value of the FSP common stock. This determination and the special committees' negotiations with FSP Corp. and subsequent determination to agree to a price of $17.70 were based upon a number of factors considered by the special committees in consultation with A.G. Edwards, including the following primary factors:

- a discounted cash flow analysis of FSP Corp.'s projected cash flows;
- an analysis of companies deemed comparable to FSP Corp. and their current trading multiples;
- an analysis of precedent transactions that could be deemed comparable to the proposed transactions between the target REITs and FSP Corp.;
- the range of dividend yields for existing publicly traded REITs;
- prices previously used by FSP Corp. in its stock repurchases; and
- the general economic environment in the REIT industry.

On July 26, 2004, the special committees held a second telephonic meeting at which a representative of GGU discussed the fiduciary duties of the special committees and the boards of the target REITs in connection with an acquisition of the target REITs by FSP Corp. The special committees and a representative of GGU also discussed the terms of the merger agreement prepared by FSP Corp.'s counsel, and the special committees authorized GGU to continue negotiations concerning the merger agreement with FSP Corp.'s counsel.

Between July 26, 2004 and July 27, 2004, members of FSP Corp.'s management and the special committees discussed an appropriate price per share to be ascribed to FSP common stock in connection with the potential mergers of the target REITs and the wholly-owned acquisition subsidiaries of FSP Corp. The per share price initially proposed by the special committees was $16.67 and by FSP Corp., $18.50. After several discussions, as detailed below, with FSP Corp.

relating to the proposed price and the basis for the price, the target boards presented FSP Corp. with a proposed per share price of $17.70 for the FSP common stock. After additional discussions, also detailed below, FSP Corp. accepted the proposed per share price. A.G. Edwards participated in many of these discussions, serving in its role as financial advisor to the special committees of the target boards of directors by providing services including, but not limited to, guidance regarding an expected valuation range as provided below and advice regarding negotiations with FSP Corp.

In conducting these negotiations, FSP Corp. believed that target REIT stockholders would view the proposed mergers as an opportunity to exchange their single asset real property investment for an investment in a larger and more diversified portfolio of properties and associated FSP Corp. business at a meaningful premium to the appraised values of their real properties. FSP Corp. believed that investors in syndicated entities would view this opportunity as a way to reduce the risks associated with a single asset real property investment that, by its nature, is likely to be subject to greater potential fluctuations in the local real estate markets and subject to possible loss of rental income in the absence of lease renewals. FSP Corp. also believed that the target REIT stockholders, particularly those who are also FSP Corp. stockholders, were familiar with FSP Corp.'s acquisition history of other sponsored REITs, including the acquisition of 13 sponsored REITs in 2003 in a similar transaction, and would therefore be able to evaluate the potential benefits and potential detriments to the proposed mergers.

FSP Corp. also recognized that it would need to offer an amount of merger consideration that would represent a certain return on original investment to some or all holders of target REIT stock in order to induce such holders to vote in favor of the mergers. Once FSP Corp. determined the maximum amount it would be willing to pay in total for each target REIT, it negotiated such amount with the special committees and also negotiated a price per share of FSP common stock.

In order to determine the maximum aggregate consideration it would be willing to pay for each target REIT, FSP Corp. considered each target REIT separately. FSP Corp. reviewed the following factors relating to each target REIT:

o the target REIT's prior financial performance;

o the projected future performance of the target REIT as determined by the appraisal the target REIT obtained and shared with FSP Corp.;

o FSP Corp.'s assessment of the projected future performance of the target REIT given FSP Corp.'s knowledge and experience with certain types of properties and specific local markets;

o FSP Corp.'s assessment of the likely long-term value of each property based on its location compared to the short-term expected cash flow from existing leases; and

o the potential increase to the overall financial performance of FSP Corp. by the addition of the respective target REIT.

In considering each of the above-mentioned factors, FSP Corp. determined that the appraisal of Montague did not reflect the value FSP Corp. placed on the short-term benefit of the above-market lease held by Montague or the long-term benefit of positioning capital in a prime location such as Silicon Valley. Due to the volatility in the Silicon Valley market, FSP Corp. believes it is more difficult to predict long-term value for a property in this market at any particular date than in some other markets, but FSP Corp. believes that the Montague location will provide good long-term value for FSP Corp. following the mergers. FSP Corp. also considered the need to offer a price that would be attractive enough to the holders of Montague target stock to induce them to vote for the merger in light of the substantial cash-on-cash return such holders are receiving annually.

In determining a value for the FSP common stock, FSP Corp. considered

- historical dividend payments made by FSP Corp.;

- projected cash available for distribution for holders of FSP common stock for 2004;
- the cash on FSP Corp.'s balance sheet and the amount of cash relative to the amount of debt in conjunction with shareholder equity;
- comparable REIT industry statistics, specifically the NAREIT Index; and
- the price paid by FSP Corp. in prior transactions.

Based on those factors, FSP Corp. considered that using the growth in the NAREIT Index from the date of the last stock valuation by FSP Corp. in June 2003 to July 15, 2004 of approximately 14% would yield a stock value of approximately $18.77 per share. FSP Corp. considered that dividend payments are one of the primary reasons for investment in REITs, and considered FSP Corp.'s historical payment of dividends and the quality of its portfolio and strength of its balance sheet as indicators of its ability to continue to pay the same level of dividends. FSP Corp. recognized that market conditions could affect the performance of its real estate portfolio or its investment banking business and that the stock market could place different values on different types of REITs. In addition, FSP Corp. considered that, although the $16.45 value per share determined by FSP Corp. in June 2003 included a discount for lack of liquidity, its share price has not been set by the market.

During the course of negotiations, the special committees and A.G. Edwards presented other factors that they had considered in valuing the common stock of FSP Corp. and initially suggested a per share value of $16.67. FSP Corp. disagreed with the value of $16.67 per share, but recognized that without an active, liquid trading market, there could be a substantial range of opinions as to the fair market value of the FSP common stock. FSP Corp. therefore engaged in continued negotiations with the special committees of the target boards as discussed below, eventually agreeing with the special committees on a price of $17.70 per share.

Between July 26, 2004 and August 3, 2004, representatives of A.G. Edwards engaged in discussions with members of FSP Corp.'s management, on behalf of the target REITs, regarding potential valuations, financial models, business and legal due diligence and other issues relating to a business combination among the target REITs and FSP Corp.

On July 27, 2004, the special committees held a telephonic meeting at which the special committees and representatives of A.G. Edwards discussed the proposed price per share of FSP common stock that FSP Corp. would issue in the proposed mergers. A.G. Edwards, acting in its role as financial advisor to the special committees of the boards of directors, provided various draft analyses performed as part of its due diligence in connection with the fairness opinions it had been engaged to render to the special committees. See "Advice of Financial Advisors and Appraisers" for a description of these analyses.

On July 27, 2004, after discussions with the FSP board, Mr. Carter and Ms. Notopoulos discussed with the special committees and representatives of A.G. Edwards the proposed price per share of FSP common stock that FSP Corp. would issue in the proposed mergers.

On July 27, 2004, the special committees held a second telephonic meeting at which they discussed with representatives of A.G. Edwards FSP Corp.'s proposed price per share of FSP common stock. The special committees determined that they would continue negotiations with FSP Corp. regarding the FSP common stock price.

On July 27, 2004, Mr. Carter and Ms. Notopoulos, on behalf of FSP Corp., and the members of the special committees and representatives of A.G. Edwards, on behalf of the target REITs, further discussed the proposed price per share of FSP common stock that FSP Corp. would issue in the proposed mergers. No formal

vote was taken, but the members of the special committees supported the outcome of the discussions, in which representatives of the parties indicated that they would be willing to agree to a price per share of FSP common stock in the mergers of $17.70, subject to the parties reaching agreement on the value of the target REITs and the other terms of the merger agreement.

On July 28, 2004, the special committees held a telephonic meeting at which the special committees and representatives of A.G. Edwards discussed the appraisal of each target REIT and the proposed number of shares of FSP common stock that would be issued to the stockholders of each target REIT in the mergers.

On July 28, 2004, after discussions with certain members of the FSP board, Mr. Carter informed the special committee and representatives of A.G. Edwards of the number of shares of FSP common stock that FSP Corp. was considering offering as merger consideration for each target REIT.

On July 29, 2004, representatives of A.G. Edwards discussed with the special committees the proposed number of shares of FSP common stock being offered by FSP Corp. as merger consideration. No formal vote was taken, but the members of the special committees supported continued discussions with FSP Corp. regarding the potential mergers.

On August 3, 2004, the special committees held a telephonic meeting at which the special committees and a representative of GGU discussed the terms of the revised merger agreement prepared by FSP Corp.'s counsel, and the special committees authorized GGU to continue negotiations concerning the merger agreement with FSP Corp.'s counsel.

Negotiations among management of FSP Corp., the special committees, counsel for the target REITs and counsel for FSP Corp. continued until August 10, 2004. During this period, final agreement on the terms of the merger agreement and other issues was reached over the course of several discussions between management of and counsel for FSP Corp. and members of the special committees and counsel for the target REITs. As noted above, on July 27, 2004, the parties agreed to a price per share of FSP common stock of $17.70. As also noted above, the parties negotiated the value of the target REITs separately.

The outcome of the negotiation of the price per share of FSP common stock had no effect on the outcome of the negotiation of the value of each target REIT. The number of shares of FSP common stock to be issued to the holders of each target REIT was determined by dividing the negotiated value of such target REIT by $17.70, the per share price of FSP common stock.

The negotiations between the parties resulted in agreement on merger consideration for Addison Circle, Collins Crossing and Royal Ridge that produced a premium, based on a value of $17.70 per share of FSP common stock, to the sum of the appraised value of real estate and adjusted cash reserves that ranged from 17.9% to 20.0%. With respect to Montague, FSP Corp. noted that Montague's property is leased to a single tenant through December 31, 2006 at a rate that is currently significantly above market. FSP Corp. further noted that the appraised value of Montague's real estate was $20,000,000. Montague's special committee noted that Montague's stockholders were receiving significant current cash yields as a result of the above-mentioned lease and that, in the absence of a significant premium to appraised value, those stockholders might not be inclined to approve a merger. These negotiations resulted in merger consideration for Montague that produced a premium, based on the value of $17.70 per share of FSP common stock, of 51.6%.

On August 10, 2004, the parties completed their due diligence reviews and finalized the terms of the merger agreement and related agreements.

Approval of Merger Agreement

On August 10, 2004, the special committees held a meeting, and on August 11, 2004 the target boards held a meeting, to review the final terms of the merger agreement and related documents and to consider the approval of the merger agreement. The members of the special committees also considered, discussed and conducted their initial formal qualitative analysis of the various strategic alternatives available to each target REIT. This analysis consisted of reviewing the advantages and disadvantages of each alternative, taking into account the proposed A.G. Edwards opinions, the independent appraisals of the target REIT properties and the information available to the members of the special committees regarding the historical financial results of FSP Corp. and each of the target REITs and the historical and projected dividend rates of FSP Corp. and each of the target REITs. At the full board meeting that followed, the target REIT boards also considered the special committees' analysis of these strategic alternatives. At each meeting, representatives of A.G. Edwards presented an analysis of the financial terms of each merger, including a discussion of financial data and analyses used in evaluating the possible acquisition of such target REIT by FSP Corp. After its presentation at the board meeting, A.G. Edwards provided to each target board an oral opinion, later confirmed in writing, to the effect that, as of August 11, 2004 and based upon and subject to the various considerations set forth in its respective opinions, the merger consideration was fair from a financial point of view to the holders of target stock of each target REIT.

Additionally, at each of these meetings, a representative of GGU, outside counsel to the target REITs, made a presentation regarding the significant terms of the merger agreement and reviewed with the special committees and target boards their fiduciary duties in connection with the proposed transactions. Each special committee, after considering the terms of the merger agreement and other related documents and the various presentations, unanimously approved the merger agreement and the mergers and recommended that its respective full target board also approve the transactions. Each target board, after considering the terms of the merger agreement and other related documents, the various presentations and its special committee's recommendation, unanimously approved the merger agreement and the mergers, concluding that the consideration to be paid to the target REIT stockholders in the mergers was fair to and in the best interests of that target REIT and its stockholders. The target REIT boards then authorized Mr. Carter to execute the merger agreement and related documents on behalf of the target REITs.

On August 13, 2004, the FSP board held a special meeting to review the final terms of the merger agreement and related documents and to consider the approval of the merger agreement. Members of FSP Corp.'s management reviewed with the FSP board the terms of the merger and the merger agreement. At the meeting, representatives of Wilmer Cutler Pickering Hale and Dorr LLP, FSP Corp.'s, outside counsel, made a presentation regarding the significant terms of the merger agreement and reviewed with the board its fiduciary duties in connection with the proposed transactions. Mr. John Burke, the only disinterested member of the FSP board, after considering the terms of the merger agreement and other related documents and the various presentations, approved the merger agreement and the related documentation and recommended that the full FSP board also approve the transaction. The other members of the FSP board, after considering the terms of the merger agreement and other related documents, the various presentations and Mr. Burke's recommendation, unanimously approved the merger agreement and the related documentation. The FSP board then authorized Mr. Carter to execute the merger agreement and related agreements.

On August 13, 2004, FSP Corp., the target REITs and the acquisition subsidiaries executed the merger agreement.

Reasons for the Mergers

The Target REITs. Each target board unanimously concluded that the merger agreement, providing for the mergers and the issuance of the merger

consideration, is fair to, and in the best interests of, its target REIT and target REIT stockholders. Each target board recommends a vote FOR adoption of the merger agreement and approval of the mergers contemplated thereby.

The special committees believe that the mergers represent an opportunity for the target REIT stockholders to realize a premium over the current appraised value of the real estate (as determined by the appraisal) and adjusted cash reserves held by the respective target REITs. The decision to adopt the merger agreement and approve the mergers contemplated thereby is also based upon:

- the determination of such special committee that the value of the FSP common stock to be distributed as merger consideration to its target REIT stockholders was greater than the value that was likely to be realized upon the continuation of the such target REIT;

- the receipt from A.G. Edwards of an opinion, delivered orally to each special committee and board of each target REIT and subsequently confirmed in writing, as to the fairness from a financial point of view of the merger consideration to the stockholders of each target REIT;

- the independent third-party appraisals of the real property owned by each target REIT;

- the analysis presented to such special committee by A.G. Edwards (see "Fairness of the Mergers - Fairness of the Merger Consideration to Target REIT Stockholders - Fairness Opinions");

- the substantial likelihood of the consummation of the mergers because of the limited number and nature of the conditions to FSP Corp.'s and the acquisition subsidiaries' obligations to close;

- that target REIT stockholders who do not vote in favor of the mergers will have statutory appraisal rights;

- that each target REIT can pay its customary dividends in respect of the third and fourth quarters of 2004; and

- the representations and warranties of the merger agreement relating to the target REITs do not survive the closing.

For a complete list of the factors considered by the target REITs, see "Fairness of the Mergers - Conclusions of the Target Boards."

The decision of the individual target boards to adopt the merger agreement and approve the mergers contemplated thereby resulted from each target board's consideration of a range of strategic alternatives, including the continuation of its target REIT, the liquidation of its target REIT and the creation or support of a secondary market for the target stock of its target REIT through limited cash tender offers or repurchase programs sponsored by such target REIT. The target boards considered a number of factors in evaluating the mergers, including the following:

- the fairness opinions delivered by A.G. Edwards;

- the appraisals obtained by each target REIT;

- the value to be delivered to the target REIT stockholders in the mergers;

- the potential for a future market for FSP common stock;

- the relative likelihood of completing the mergers;

- the potential volatility of the respective target REIT's business relative to the more diversified business of FSP Corp.; and

- a review of the current and prospective business environment for REITs.

Each target board also considered a number of potentially negative factors in its deliberations concerning the mergers, including the fact that the premium to be received by the target REIT stockholders is based on an FSP common stock per share price of $17.70. Should the FSP common stock trade on the AMEX, the trading price of the FSP common stock could be significantly lower than $17.70 per share, however, causing the premium received by target REIT stockholders as a result of the consummation of the mergers to decrease significantly or disappear altogether. Each target board also considered the following additional potentially negative factors:

- the fact that, based on historical, quarterly, non-special dividends received by stockholders of FSP Corp. and the target REIT stockholders, a majority of the target REIT stockholders could expect to receive a lower level of dividends from the combined company than such stockholders have historically received from their target REITs. Based on historical distributions paid by FSP Corp. and each of the target REITs, the pro forma dividend payments for the nine months ended September 30, 2004 were as follows:

Target REIT	Exchange Ratio	Historical Dividends Declared	Equivalent Dividends Per Share	Pro Forma Dividends Per Share	Increase (Decreas in Divide Per Shar
Addison Circle	5,948.67	$ 6,022	$ 1.01	$ 0.90	$ (0.1
Collins Crossing	6,167.63	6,689	1.08	0.90	(0.1
Montague	5,649.72	8,751	1.55	0.90	(0.6
Royal Ridge	6,055.79	5,367	0.89	0.90	0.0
Total	23,821.81	26,829	1.13	0.90	(0.2

- conflicts of interest inherent between the directors and officers of FSP Corp. and the directors and officers of the target REITs;
- the risk that the mergers might not be consummated;
- the change upon consummation of the mergers to the nature of the target REIT stockholders' investment in their respective target REITs;
- the possibility that FSP Corp. may not file its listing application with AMEX, or in the event FSP Corp. does file such application, the possibility that AMEX may reject the application or that a meaningful trading market may not develop even if AMEX approves the application;
- the increased risk to the value of the target REIT stockholders' investment given that the combined company's revenues would be derived from a greater number of real properties; and
- the risk that the benefits sought to be achieved by the mergers would not be realized.

Each target board concluded, however, that, on balance, the potential benefits of the mergers to its target REIT and its target REIT stockholders outweighed the associated risks. In view of the variety of factors considered in connection with its evaluation of the merger agreement and the merger consideration, the target boards did not find it practicable to, and did not, quantify or otherwise assign relative weight to the specific factors considered in reaching their respective determinations.

FSP Corp. The FSP board unanimously determined that the merger agreement, providing for the mergers and the issuance of FSP common stock in exchange for target stock, is fair to, and in the best interests of, FSP Corp. and the FSP stockholders. No director affiliated with the target REITs abstained from voting. FSP Corp. determined that merging the target REITs with and into four wholly-owned acquisition subsidiaries of FSP Corp. would provide the parties to the transaction with favorable tax treatment.

The FSP board reviewed a number of factors in evaluating the merger agreement, providing for the mergers and the issuance of the merger consideration, including, but not limited to, the following:

- FSP Corp.'s management's views of the financial condition, results of operations and business of FSP Corp. and each of the target REITs before and after giving effect to the mergers;

- the differences and similarities between the business and operating strategies of FSP Corp. and each of the target REITs;

- historical financial information concerning the real properties owned by FSP Corp. and each of the target REITs;

- current conditions in the REIT market generally;

- the consideration the target REIT stockholders would receive in the mergers;

- the belief that the terms of the merger agreement are reasonable;

- the impact of the mergers on the FSP stockholders, potential investors and employees; and

- the appraisals obtained by each target REIT.

The FSP board also identified and considered a number of potentially negative factors in its deliberations concerning the merger agreement, providing for the mergers and the issuance of the merger consideration, including the following:

- conflicts of interest inherent between the directors and officers of FSP Corp. and the directors and officers of the target REITs;

- the fact that the representations and warranties of the target REITs do not survive closing;

- the risks that the benefits sought to be achieved by the mergers may not be realized;

- the immediate dilution by approximately 20% to the percentage ownership and voting power of the FSP stockholders; and

- the possibility that the real estate holdings of the target REITs would decline in value.

The FSP board concluded, however, that, on balance, the potential benefits of the mergers to FSP Corp. and the FSP stockholders outweighed the associated risks. In view of the variety of factors considered in connection with its evaluation of the merger agreement, providing for the mergers and the issuance of the merger consideration, the FSP board did not find it practicable to, and did not quantify or otherwise assign relative weight to, the specific factors considered in reaching its determination.

The FSP board on an on-going basis evaluates strategic alternatives available to FSP Corp. In seeking to achieve the benefits that the FSP board expects will result from the mergers, the FSP board did not consider any specific alternatives to the mergers.

Alternatives Considered

Before deciding to recommend the mergers, the target boards considered alternatives to the mergers in an effort to achieve maximum benefits for target REIT stockholders. These alternatives are set forth below.

Continuation of each Target REIT. An alternative to the mergers would be to continue each of the target REITs as a separate legal entity in accordance with its original investment strategy. Target REIT stockholders would likely continue to receive regular quarterly distributions and would receive a distribution on the sale of the property owned by its respective target REIT, which is expected to occur within a five to ten year time period following syndication of the target REIT. The merger consideration payable to the stockholders of each target REIT represents a premium to the appraised value of each target REIT's real estate. See "Fairness of the Mergers - Conclusions of the Target Boards." Because the appraisals include a valuation based on the discounted cash flow of each real property's income stream, the target boards believe that the appraised values of the real estate represent the accurate value of each target REIT on a going concern basis. Because the real property owned by each target REIT is 100% leased, appreciation in the value of each property will be dependent upon, either general changes in the real estate market or the target REIT's ability to lease space at higher rental rates upon the termination of existing leases. Because such changes could also cause the value of the real property to decline, rental rates could decline or space might remain vacant, the target boards concluded that there were substantial risks that continuation of the target REITs might not result in realizing an amount equal to or in excess of the premium obtained in the mergers. If each target REIT continues its separate existence, the target REIT stockholders may not have an opportunity for liquidity in the near future and there can be no assurance, given that the merger consideration for each target REIT exceeds the appraised value of the real property owned by such target REIT, that any target REIT will be able to sell its assets for consideration as attractive as the merger consideration.

Liquidation. Another alternative to the mergers would be to liquidate the assets of the target REITs and distribute the net liquidation proceeds to the target REIT stockholders. Liquidating the target REITs would result in concluding the investors' investment in the target REITs earlier than the anticipated liquidation timeframes for the target REITs. While the target REIT boards did not conduct a formal liquidation analysis, the liquidation value of a target REIT would be based in large part on the fair market value of the target REIT's net real property assets, which the target boards believed is reflected in the applicable appraisal, together with its adjusted cash reserves. In a liquidation, the marketplace would determine the value of a target REIT's net assets. The target boards believe that the mergers are a more attractive alternative than liquidation because the merger consideration for each target REIT exceeds the appraised value of that target REIT's real property assets, together with its adjusted cash reserves. In addition, the target boards believe that the mergers permit target REIT stockholders to participate in the combined company's substantially larger, more diversified investment portfolio and to benefit from the potential for FSP Corp. eventually to provide liquidity for target REIT stockholders. The target boards believe that over time target REIT stockholders will benefit from the combined company's growth opportunities.

Support of Secondary Market. Another alternative would be the creation or support of the secondary market for the target stock through limited cash tender offers or repurchase programs sponsored by the target REITs. While the target boards believe that this alternative might provide liquidity for some target REIT stockholders, each target board believes that the benefits of this alternative are not sufficiently broad-based to provide an attractive alternative for a majority of the target REIT stockholders. In addition, the use of the target REITs' cash for this purpose would reduce cash available for distribution to target REIT stockholders. The target boards also believed that there was a significant risk that no secondary market would develop for the target stock. While this alternative was considered by the target boards, no detailed financial analysis was done that would allow the target boards to predict with any degree of certainty the possible impact of this alternative on the value of the target stock.

Consequences if Mergers Not Completed

If the mergers are not completed, FSP Corp. and the target REITs will continue to operate as separate legal entities with their own assets and liabilities. There will be no change in their investment objectives, policies and restrictions.

THE MERGER AGREEMENT

The following is a summary of certain provisions of the merger agreement, a copy of which is set forth as Appendix A to this Consent Solicitation/Prospectus and is incorporated herein by reference.

The Mergers

Subject to the terms and conditions of the merger agreement, on the effective date FSP Corp. will acquire by merger each target REIT. The target boards expect that the effective date will be on or about April 30, 2005.

The following chart sets forth the number of shares of FSP common stock to be received as merger consideration by the target REIT stockholders for each share of target stock of the respective target REIT. FSP Corp. will not issue fractional shares of FSP common stock as merger consideration. Instead, each holder of target stock who would otherwise have been entitled to receive a fraction of a share of FSP common stock will be entitled to receive cash (without interest) in an amount, rounded up to the nearest whole cent, equal to the product of such fractional part of FSP common stock multiplied by $17.70, the value of one share of FSP common stock on August 13, 2004, as determined through negotiations between the special committees and FSP Corp. FSP Corp. will pay an aggregate amount of approximately $16,070 in cash to the holders of target stock in lieu of issuing fractional shares of FSP common stock.

Target REIT	Total Number of Shares of Target Stock Outstanding	Shares of FSP Common Stock Issuable in Exchange for Each Share of Target Stock	Total Shares of FSP Common Stock Issuable to Target REIT Stockholders(1)(2)

Addison Circle	636	5,948.67	3,783,354
Collins Crossing	555	6,167.63	3,423,035
Montague	334	5,649.72	1,887,007
Royal Ridge	297.5	6,055.79	1,801,598

(1) Rounded to the nearest whole share.

(2) This number of shares of FSP common stock is slightly higher than the actual number of shares of FSP common stock to be issued upon the consummation of the mergers due to the fact that FSP Corp. will pay cash in lieu of issuing fractional shares of FSP common stock.

None of the shares of FSP common stock to be issued as merger consideration to the target REIT stockholders will be placed into escrow or otherwise withheld as a source of potential compensation to FSP Corp. should the combined company discover, after the consummation of the mergers, that any of the target REITs incurred any undisclosed liabilities prior to the consummation of the mergers or that any representations and warranties of the target REITs were inaccurate. Moreover, FSP Corp. will not receive any consideration for the one share of common stock it holds in each target REIT.

Consummation of the mergers is subject to a number of conditions and will not occur unless, among other things, holders of a majority of the shares of target stock of each target REIT vote to adopt the merger agreement and approve the mergers.

The following table sets forth: (i) the value ascribed to each target REIT for purposes of the merger consideration, (ii) the appraised value of the property held by each target REIT, (iii) the estimated adjusted cash reserve balances as of June 30, 2004, (iv) the percentage (the premium) over appraised value plus adjusted cash reserves that has been ascribed to each target REIT for purposes of the merger consideration and (v) the percentage (premium) over the gross proceeds contributed by investors in the original syndication of each target REIT. The premium is based on an FSP common stock per share price of $17.70. Should the FSP common stock trade on the AMEX, the trading price of the FSP common stock could be significantly lower than $17.70 per share, causing the premium received by target REIT stockholders as a result of the consummation of the mergers to decrease significantly or disappear altogether.

Target REIT	Value Ascribed to Target REIT	Appraised Value	Adjusted Cash Reserves (1)	Premium	Premium Over Gross Proceeds of Properties at Syndication
Addison Circle	$ 66,965,414	$ 54,500,000	$1,676,697	19.2%	5%
Collins Crossing	$ 60,587,756	$ 48,500,000	$1,984,695	20.0%	9%
Montague	$ 33,400,000	$ 20,000,000	$2,034,787	51.6%	0%
Royal Ridge	$ 31,888,293	$ 26,075,000	$ 967,500	17.9%	7%

Total	$192,841,463	$149,075,000	$6,663,679	23.8%	5%

(1) The adjusted cash reserves are lower than the actual cash reserves held by each target REIT because the adjusted cash reserves take into account estimated expenditures that are expected to be made by each target REIT prior to the consummation of the mergers. These expenditures include each target REIT's proportional share of the anticipated costs of the contemplated transaction relating to legal fees and financial advisory fees; the expenses payable by each target REIT for the appraisal of its property; and certain anticipated additional expenditures related to the operations of specific target REITs.

Each share of target stock was issued at $100,000 per share in the original syndication.

The dates of the appraisals of Addison Circle and Collins Crossing were July 23, 2004, the date of the appraisal of Montague was July 14, 2004, and the date of the appraisal of Royal Ridge was July 13, 2004.

The value ascribed to a target REIT was determined through negotiations between the special committees and FSP Corp. These aggregate negotiated values exceed the aggregate appraised values of the target REITs and the adjusted cash reserves by approximately $37,102,784. See "Benefits, Background and Reasons for the Mergers - Background of the Mergers - Negotiation of Economic Terms" and "Fairness of the Mergers - Fairness of the Merger Consideration to Target REIT Stockholders - Allocation of Merger Consideration" for a discussion of how the premiums were determined by the special committees and FSP Corp.

Representations and Warranties

In the Merger Agreement, FSP Corp. and the acquisition subsidiaries have made various representations and warranties to each target REIT, including that:

- each of FSP Corp. and each acquisition subsidiary is duly organized and a validly existing corporation under the laws of the state of its jurisdiction, and each has the authority to enter into the merger agreement;

- other than as specified in the merger agreement, no third-party or governmental consents are required for the execution and delivery of the merger agreement and the consummation of the transactions contemplated by the merger agreement by FSP Corp.;

- the execution and delivery of the merger agreement and the consummation of the transactions contemplated by the merger agreement do not violate any applicable law or material agreement to which FSP Corp. or any of the acquisition subsidiaries is a party;

- the capitalization of FSP Corp. is as set forth in the merger agreement;

- the FSP common stock to be issued in the mergers will be duly authorized when so issued;

- FSP Corp. has delivered or made available the financial statements set forth in the merger agreement and such financial statements have been prepared in accordance with GAAP, applied on a basis consistent with prior periods (except as otherwise noted therein) and present fairly the financial position and results of operations of FSP Corp. as of their respective dates and for the period presented therein, subject to normal year-end adjustments in the case of unaudited interim financial statements;

- FSP Corp. has filed or will file all reports, schedules, forms, statements and other documents required to be filed by it with the SEC on or after January 1, 2003 and prior to the closing date on a timely basis;

- FSP Corp. has paid, caused to be paid or accrued all taxes (as defined in the merger agreement) required to be paid or accrued by it through the date of the merger agreement; FSP Corp. has timely filed or obtained an extension to file all tax returns (as defined in the merger agreement) required to be filed by it through the date of the merger agreement, and all such tax returns completely and accurately set forth the amount of tax; FSP Corp. has withheld and paid all tax required to have been withheld or paid; and neither the IRS nor any other governmental authority is asserting in writing (or threatening to assert) any tax deficiency or claim;

- FSP Corp. has qualified as a REIT for all periods since its inception;

- the representations of FSP Corp. in the merger agreement do not contain any untrue statement of a material fact or omit to state any material fact necessary to make them not misleading, and none of the information supplied by FSP Corp. for inclusion in this Consent Solicitation/Prospectus contains any untrue statement of a material fact or omits to state any material fact required to be stated herein or necessary in order to make the statements herein, in light of the circumstances under which they are made, not misleading; and

- there is no material litigation pending to which FSP Corp. is a party or bound or, to FSP Corp.'s knowledge, to which any of its directors, officers, employees or agents (in such capacity) is a party or bound.

In addition, each target REIT has made various representations and warranties to FSP Corp., including that:

- the target REIT is duly organized and a validly existing corporation under the laws of the state of its jurisdiction, and it (subject to stockholder approval) has the authority to enter into the merger agreement;

- other than as specified in the merger agreement, no third-party or governmental consents are required for the execution and delivery of the merger agreement and the consummation of the transactions contemplated by the merger agreement by the target REIT;

- the execution and delivery of the merger agreement and the consummation of the transactions contemplated by the merger agreement do not violate any applicable law or material agreement to which the target REIT is a party;

- the target REIT has delivered or made available the financial statements set forth in the merger agreement and such financial statements have been prepared in accordance with GAAP, applied on a basis consistent with prior periods (except as otherwise noted therein) and present fairly the financial position and results of operations of the target REIT as of their respective dates and for the period presented therein, subject to normal year-end adjustments in the case of unaudited interim financial statements;

- the target REIT has paid, caused to be paid or accrued all taxes (as defined in the merger agreement) required to be paid or accrued by it through the date of the merger agreement; the target REIT has timely filed or obtained an extension to file all tax returns (as defined in the merger agreement) required to be filed by it through the date of the merger agreement, and all such tax returns completely and accurately set forth the amount of tax; the target REIT has withheld and paid all tax required to have been withheld or paid; and neither the IRS nor any other governmental authority is asserting in writing (or threatening to assert) any tax deficiency or claim;

- the target REIT has qualified as a REIT for all periods since its inception;

- the representations of the target REIT in the merger agreement do not contain any untrue statement of a material fact or omit to state any material fact necessary to make them not misleading, and none of the information supplied by the target REIT for inclusion in this Consent Solicitation/Prospectus contains any untrue statement of a material fact or omits to state any material fact required to be stated herein or necessary in order to make the statements herein, in light of the circumstances under which they are made, not misleading;

- neither the target REIT nor, to the knowledge of the target REIT, the other party thereto, has breached or is in default of any material contract, other than breaches or defaults which would not reasonably be expected to be material to the target REIT;

- the target REIT has good and marketable title to its assets and its property;

- the target REIT does not have material environmental liabilities;

- the target REIT is not engaged in acquisition negotiations or discussions with any third party; and

- there is no material litigation pending to which the target REIT is a party or bound or, to the target REIT's knowledge, to which any of its directors, officers, employees or agents (in such capacity) is a party or bound.

None of the representations and warranties of any party shall survive the closing.

Covenants

Each of the parties has agreed not to omit to take any action that will result in a breach of any representations, warranties, or covenants or a failure to satisfy any closing conditions.

Each target REIT has agreed:

- o that its board of directors will recommend that its target REIT stockholders vote in favor of the merger agreement and the merger,

- o that it will not solicit or facilitate, or participate in discussions or negotiations or furnish any person any information with respect to, any third party acquisition proposals, and

- o that its board of directors will not withdraw or modify its recommendation to vote in favor of the merger agreement and merger, cause or permit its target REIT to enter into any letter of intent or agreement relating to any third party acquisition proposal, or approve or recommend any third party acquisition proposal.

However, in the event of an unsolicited third party acquisition proposal that is more favorable to the target REIT than the terms of the merger agreement with FSP Corp., the target REIT may furnish information to and enter into acquisition discussions with the third party, and the target REIT board may withdraw or modify its recommendation to stockholders as to the merger agreement and the merger with FSP Corp., in each case to the extent that the target REIT board determines in good faith that its fiduciary obligations require it to do so. Prior to taking any such action, the target REIT must furnish information to FSP Corp. regarding the possible third party acquisition and allow FSP Corp. five business days to make a counterproposal. The target REIT board may not withdraw or modify its recommendation to stockholders in the event that FSP Corp. has breached a representation, warranty or covenant or has failed to satisfy any closing condition; however, a target REIT's right to terminate the merger agreement, as set forth below under "-- Termination," may apply upon such breach or failure.

Conduct of Business Prior to the Effective Date

Each target REIT and FSP Corp. has agreed that, prior to the effective date or the earlier termination of the merger agreement, it will carry on its business in the ordinary course in substantially the same manner as previously conducted, will use its reasonable efforts to preserve intact its present business organization and goodwill, maintain permits, licenses and authorizations and preserve its relationship with third parties, and take all actions necessary to continue to qualify as a REIT. The merger agreement permits each target REIT and FSP Corp. to declare prior to the effective date, consistent with past custom and practice, dividends to the pre-merger target REIT stockholders or pre-merger FSP stockholders, as the case may be, in respect of each entity's operating results for periods prior to the effective date. FSP Corp. has assumed the obligation to pay any dividends consistent with past practice declared but not paid by the target REITs prior to the consummation of the mergers.

Conditions Precedent to the Mergers

The respective obligations of each party to effect the mergers are subject to the fulfillment or waiver on or before the effective date of the following conditions:

- o the adoption of the merger agreement and the approval of the mergers by the affirmative vote of the holders of a majority of the shares of target stock of each target REIT;

- the parties must receive all necessary consents, waivers, approvals, authorizations or orders required to be obtained and the making of all filings required to be made by any of the parties for the authorization, execution and delivery of the merger agreement and the consummation of the transactions contemplated thereby on or before (and remaining in effect at) the effective date;

- FSP Corp. and each of the target REITs shall have received an opinion from Wilmer Cutler Pickering Hale and Dorr LLP or another nationally recognized law firm to the effect that each merger will be treated for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code and confirming that, to the extent the matters discussed under the heading "Material United States Federal Income Tax Considerations" in this Consent Solicitation/Prospectus constitute matters of law, they are accurate in all material respects;

- delivery by the President and Chief Executive Officer of FSP Corp. and the President of each of the target REITs of certificates to the effect that there have been no material adverse changes in the financial condition of such entity prior to the consummation of the mergers;

- there having been no statute, rule, order, or regulation enacted or issued by the United States or any State thereof, or by a court, which prohibits the consummation of the mergers; and

- the representations of each of FSP Corp. and the target REITs set forth in the merger agreement shall be true and complete in all material respects as of the closing date (provided that the party whose representation was not correct shall have no right not to proceed with the closing as a result thereof).

The conditions described in the second bulleted paragraph above may be waived by the FSP board in whole or in part if, in the opinion of the FSP board, such waiver does not materially affect the terms of the transaction, which waiver shall not be unreasonably withheld. Certain of the conditions to the consummation of the mergers are beyond the control of FSP Corp., the target REITs and the target boards. There can be no assurance that the mergers will occur.

Termination

The merger agreement may be terminated, and the mergers may be abandoned, at any time before the effective date, notwithstanding approval of the merger agreement by the target REIT stockholders:

- by the mutual written consent of FSP Corp. and each target REIT;

- by either FSP Corp. or any target REIT if the mergers have not been consummated by March 30, 2005 (which date may be extended by mutual agreement of the parties);

- by either FSP Corp. or any target REIT if the conditions to the mergers set forth in the merger agreement are not satisfied or waived (provided that if the condition to closing that is not satisfied is a breach of a representation or warranty, the party in breach shall not have the right to terminate the merger agreement as a result thereof); or

- by FSP Corp. or a target REIT if the target REIT has received a superior third party acquisition proposal, the board of directors of the target REIT has withdrawn or modified its approval or recommendation with respect to the adoption of the merger agreement and the approval of the mergers, and the target REIT stockholders fail to approve the merger agreement and the mergers within 75 days of mailing this Consent Solicitation/Prospectus.

In addition, the FSP board has the right to terminate the merger agreement with respect to a particular target REIT and consummate the mergers with the other target REITs if:

- a target REIT incurs material casualty damage to its property, the target REIT is unable to cure the damage after using commercially reasonably efforts and the parties are unable to agree to an appropriate purchase price reduction;

- a target REIT board recommends to the stockholders a third party acquisition proposal; or

- a target REIT board receives a third party acquisition proposal and fails within five business days of the request of FSP Corp. to reconfirm its recommendation of the merger agreement and merger.

Effect of Termination

If the merger agreement is terminated, there will be no liability or obligation on the part of any party thereto or its respective affiliates, partners, directors or officers, except for payment of expenses each party is liable for and to the extent that such termination results from the willful breach of a party thereto of any of its representations, warranties, covenants or agreements made in or pursuant to the merger agreement.

Material United States Federal Income Tax Considerations

Each of the mergers is expected to be a "reorganization" as defined in the tax code. As a result, a target REIT stockholder generally will:

- recognize no gain or loss upon the receipt of FSP common stock in exchange for target stock in the merger;

- have an aggregate tax basis for the FSP common stock received equal to the aggregate basis of the target stock surrendered (other than stock for which cash was received in lieu of a fractional share of FSP common stock); and

- have a holding period for the FSP common stock received that includes the holding period for the target stock surrendered.

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Timing and Effectiveness of the Mergers

The effective date of the mergers is expected to occur on or about April 30, 2005, or at such other time as the conditions to the mergers have been satisfied.

Comparison of the Target REITs and FSP Corp.

The information related to the significant differences between the target REITs and FSP Corp. may be found on pages 123-124.

FAIRNESS OF THE MERGERS

Conclusions of the Target Boards

The target boards believe that the terms of the merger agreement, when considered as a whole, are fair to the target REIT stockholders and the merger consideration offered in exchange for the target stock in the target REITs constitutes fair consideration for the interests of the target REIT stockholders. The target boards believe that the mergers represent an opportunity for the target REIT stockholders to realize a premium over the current appraised value of the real estate (as determined by the appraisal) and adjusted cash reserves held by the respective target REITs. The target boards also considered the fact that the premium to be received by the target REIT stockholders is based on an FSP common stock per share price of $17.70. Should the FSP common stock trade on the AMEX, the trading price of the FSP common stock could be significantly lower than $17.70 per share, however, causing the premium received by target REIT stockholders as a result of the consummation of the mergers to decrease significantly or disappear altogether. The following provides a summary of the additional factors upon which the target boards based their respective conclusions as to the fairness of the mergers and the merger consideration to be paid by FSP Corp. The target boards did not find it practicable to, and did not attempt to, quantify or otherwise assign relative weight to these factors in reaching their respective determination.

- The target boards compared the potential benefits and detriments of the mergers with the potential benefits and detriments of several alternatives to the mergers, including continuation of the target REITs, liquidation of the target REITs and support of secondary markets for the target stock. Based on these comparisons, the target boards believe the mergers are more attractive than the other alternatives.

- The special committees of the target boards, consisting of Messrs. MacPhee and Gribbell, each a director of the target REITs and an executive vice president of FSP Corp., engaged A.G. Edwards to deliver a fairness opinion to each target board. On August 11, 2004, A.G. Edwards delivered a written opinion to each target board to the effect that the merger consideration was fair, from a financial point of view, to the target REIT stockholders of that target REIT. These fairness opinions are attached hereto as Appendix C.

- Each target board determined that the value of the FSP common stock to be distributed as merger consideration to its target REIT stockholders represented greater value, or a premium, than the sum of the value of the real estate (as determined by an appraisal) and adjusted cash reserves held by such target REIT. After consultation with A.G. Edwards, the special committees of the target boards determined that, based on the analyses of other selected public companies, the discounted cash flow of FSP Corp. and selected precedent mergers, a reasonable range of value for the FSP common stock was between $16.67 per share and $18.50 per share. The estimated range of values included a discount for the lack of liquidity of FSP common stock. The value ascribed to FSP common stock in connection with the mergers of $17.70 per share is within that range. The target boards determined that even if the actual value of FSP common stock were at the bottom of the range, or $16.67 per share, such value would still constitute a premium to the appraised value of the real estate plus adjusted cash reserves held by each target REIT.

o The target boards obtained independent third-party appraisals of the real property owned by the target REITs, and considered these appraisals in negotiating the merger consideration.

o The target boards considered historical financial information concerning the real properties owned by FSP Corp. and the target REITs and the amount of cash held by FSP Corp. and each of the target REITs.

o The target REITs will have the right to declare dividends consistent with past practice in respect of the quarters or partial quarters preceding the effective date. The combined company will have the obligation to pay any such dividends that have been declared but not paid as of the effective date.

o Certain merger expenses are considered individual expenses to be paid by the party incurring the expenses. The costs of A.G. Edwards' engagement and the fees of the target REITs' outside legal counsel and independent accountants will be apportioned among the target REITs based on the relative net proceeds of the original syndication of each target REIT and each appraisal will be paid by the target REIT owning the property that is the subject of the appraisal. All other expenses, including consulting, legal, accounting and administrative, will be paid by FSP Corp.

o Stockholders of the target REITs that do not vote in favor of the merger and that comply with required procedures will have appraisal rights under the Delaware general corporation law entitling them to receive fair value for their shares.

o The likelihood that the mergers would be completed in the light of the terms of the merger agreement and the experience and reputation of FSP Corp.

o The terms of the merger agreement provide that the representations and warranties of the target REITs terminate at closing and that no portion of the purchase price is withheld from the target REIT stockholders in an escrow account or otherwise.

o The terms of the merger agreement permit the target REIT boards, in the event of an unsolicited third party offer to purchase any of the target REITs prior to the merger, to provide information to and engage in discussions with the third party, to withdraw or modify their recommendation to the target REIT stockholders to vote in favor of the FSP Corp. mergers and to terminate the merger agreement if the stockholders of a target REIT fail to vote in favor of the merger agreement.

o The members of the target boards have conflicts of interest in connection with the mergers. Each target board established a special committee consisting of Messrs. MacPhee and Gribbell, the only members of the target boards who are not also members of the FSP board. Messrs. MacPhee and Gribbell serve as executive vice presidents of FSP Corp. The special committees engaged A.G. Edwards to advise them in evaluating and negotiating the terms of the mergers, including the merger consideration, and to deliver a fairness opinion to each target board. No fees or other compensation will be payable to the members of the target boards (or the special committees) in connection with the mergers.

Determination of Merger Consideration

The merger consideration was determined through negotiations among the special committees of the target boards and FSP Corp. See "Benefits, Background and Reasons for the Mergers - Background of the Mergers - Negotiation of Economic Terms" for a discussion of the negotiations between FSP Corp. and the special committees of the target boards.

The special committees relied on advice from their financial advisor, A.G. Edwards, in their negotiations with FSP Corp. In agreeing to the fairness of the $17.70 per share negotiated price, the target boards reviewed the analyses presented by A.G. Edwards, financial advisor to the special committees, the target boards and the target REITs, including the analysis of CAD multiples and discounted cash flows to estimate the value of FSP common stock. The special committees also considered the assets and liabilities of each target REIT and FSP Corp., the expected cash available for distribution of each target REIT, the multiples of cash available for distribution commonly used in valuing REITs and the limited liquidity of FSP common stock. The special committees noted that each appraisal included a discounted cash flow analysis in arriving at an appraised value of the real property owned by the applicable target REIT. A discounted cash flow analysis calculates the present value of the projected income stream from a property. The special committees believed that this approach, which takes into account leases in place and their future rental rate increases, provided a basis for comparing the value of the offered merger consideration to the present value of the projected future operations of the target REITs and, hence, a basis for determining that accepting the merger consideration was preferable to continuing the target REITs. The special committees relied on the discounted cash flow analysis in the appraisals because this analysis took account of the facts that could be determined at the time the special committees made their decisions and also projected a future sale price of the property. The special committees recognized that if the business of the target REITs were to be continued, one or more of the target REITs might be sold in the future at a price that, on a discounted present value basis, might exceed the merger consideration offered for such target REIT. The special committees concluded, however, that any such hypothetical future sale price would be determined by a number of factors, including the ability of the target REIT to lease space as it became vacant, the capitalization rates at which real property would trade at the time of sale and the conditions in the local real estate market at the time of sale, that could not be known by the special committee at the time it made its decision, and that any such hypothetical sale price would be speculative. The special committees also recognized that the value of real property may decline over time as well as increase. The special committees, therefore, concluded that the certainty of the premium offered by the merger consideration outweighed the risks inherent in seeking to better that premium by continuing the operations of the target REITs.

The special committees were also made aware that FSP Corp. intended to file an application to list the FSP common stock with AMEX. There was no assurance that FSP Corp. would file such application or, in the event it did, that AMEX would accept the application or that a meaningful trading market would develop even if AMEX approved the application. After considering the foregoing factors, the special committees determined, after consultation with A.G. Edwards, to propose an initial range for the value of the FSP common stock. The low end of the range was $16.67 per share and the high end was $18.50. After several discussions with FSP Corp. relating to the basis for the range, the target boards presented FSP Corp. with a proposed per share price of $17.70 for the FSP common stock. After additional discussions, FSP Corp. accepted the proposed per share price. In concluding that the merger consideration is fair, the target boards relied in part on the fairness opinion delivered by A.G. Edwards for its respective target REIT and the appraisal received by each target board for its respective target REIT.

Fairness of the Merger Consideration to Target REIT Stockholders

Fairness Opinions. On July 22, 2004, the special committees of the target boards retained A.G. Edwards to act as their financial advisor in connection with the mergers and to render A.G. Edwards' opinion as to the fairness, from a financial point of view, of the merger consideration to the target REIT stockholders of each target REIT. On August 11, 2004, A.G. Edwards rendered its opinion to each target board to the effect that, based upon and subject to the various considerations described in each opinion, the merger consideration (as described elsewhere in this Consent Solicitation/Prospectus) was fair, from a financial point of view, to the stockholders of that target REIT.

The full text of A.G. Edwards' opinions, each dated August 11, 2004, which describes the assumptions made, general procedures followed, matters considered and limitations on the scope of review undertaken by A.G. Edwards in rendering its opinions, are attached as Appendices C-1, C-2, C-3 and C-4 to this Consent Solicitation/Prospectus and are incorporated into this summary by reference. A.G. Edwards' opinions are directed only to the fairness, as of the date of the opinion and from a financial point of view, of the merger consideration to the stockholders of the target REIT to which each opinion is addressed and does not constitute a recommendation to you as to how you should vote with respect to the merger agreement and the mergers. The summary of A.G. Edwards' opinions set forth below are qualified in their respective entirety by reference to the full text of the opinions attached as Appendices C-1, C-2, C-3 and C-4 to this Consent Solicitation/Prospectus. You are urged to read the opinions carefully in their entirety.

See "Advice of Financial Advisors and Appraisals - Fairness Opinions."

The Appraisals. The respective target boards retained independent third party appraisers to appraise the fair market value of each target REIT's real estate. The dates of the appraisals of Addison Circle and Collins Crossing were July 23, 2004, the date of the appraisal of Montague was July 14, 2004, and the date of the appraisal of Royal Ridge was July 13, 2004.

In preparing the appraisals, the appraisers collected from the target REITs information regarding the operating history of the properties, conducted site inspections of the properties to be appraised in July 2004 and interviewed and relied on representations of certain representatives of the target REITs. The appraisers' conclusions are based upon conditions they observed at the properties during their inspection and assumptions, qualifications and limitations deemed reasonable at the time concerning, among other things, legal title, the absence of physical defects, future percentage of leased rentable square feet, income and competition with respect to each property. The appraisals reflect the appraisers' valuation of the real estate of the target REITs as of their respective dates, in the context of the information available on that date. Events occurring subsequent to the dates of the respective appraisals could affect the properties or assumptions used in preparing the appraisals. The target boards imposed no limitations on the scope of the appraisers' appraisals. The target boards took the appraisals into consideration in negotiating the merger consideration. The target REITs also made the appraisals available to FSP Corp. and have allowed the FSP board to rely on the appraisals.

Comparison of Certain Benefits and Detriments of Alternatives to The Mergers. Prior to concluding that the mergers should be recommended to the target REIT stockholders, the target boards considered several alternatives to the mergers, including continuation of the target REITs, liquidation of the target REITs and support of the secondary market. See "Benefits, Background and Reasons for the Mergers -- Alternatives Considered." To determine whether the mergers or one of their alternatives would be more attractive to the target REIT stockholders, the target boards compared certain potential benefits and detriments of the mergers with certain potential benefits and detriments of the alternatives. Based upon this comparison, the target boards believe the mergers are more attractive than the alternatives.

Fairness in View of Conflicts of Interest. The members of the target boards have significant conflicts of interest in connection with the mergers. Each target board established a special committee consisting of Messrs. MacPhee and Gribbell, the only members of the target boards who are not also members of the FSP board. Messrs. MacPhee and Gribbell serve as executive vice presidents of FSP Corp. The special committees engaged A.G. Edwards to advise them in evaluating and negotiating the terms of the mergers, including the merger consideration, and to deliver a fairness opinion to each target board. No fees or other compensation will be payable to the members of the target boards (or the special committees) in connection with the mergers.

Allocation of Merger Consideration. In allocating the approximately $192,841,463 of merger consideration among the target REITs, FSP Corp.'s management considered the appraised values of each target REIT, the cash flow projected for each target REIT, the adjusted cash reserves held by each target REIT, and the current market conditions for real estate acquisitions in the various locations of the target REITs. The special committees, management of FSP Corp., and A.G. Edwards held a telephonic meeting on July 29, 2004 to discuss the allocation of the merger consideration, including the allocation of the premiums to be paid by FSP Corp. for each target REIT. During that call, after reaffirming with all the parties that the stock price of $17.70 per share was the negotiated price per share to be paid as merger consideration, FSP Corp. stated that it was willing to make an offer to each of the target REITs based, in part, on FSP Corp.'s specific knowledge of the target REITs' properties which it had gained from the operation of such properties by FSP Property Management, a wholly owned subsidiary of the FSP Corp. prior to and following the syndication of the target REITs. FSP Corp. then suggested a separate value for each target REIT based on its knowledge of the real properties held by each target REIT, including among other things, the tenants, the operating costs, current market conditions, FSP Corp.'s view of future market rents, the likelihood of lease renewals, the costs of turnover, and FSP Corp.'s experience with acquisitions for similar properties in the same or similar markets. The negotiations between the parties resulted in agreement on merger consideration for Addison Circle, Collins Crossing and Royal Ridge that produced a premium, based on a value of $17.70 per share of FSP common stock, to the sum of the appraised value of real estate and adjusted cash reserves that ranged from 17.9% to 20.0%. With respect to Montague, FSP Corp. noted that Montague's property is leased to a single tenant through December 31, 2006 at a rate that is currently significantly above market. FSP Corp. further noted that the appraised value of Montague's real estate was $20,000,000. Montague's special committee noted that Montague's stockholders were receiving significant current cash yields as a result of the above-mentioned lease and that, in the absence of a significant premium to appraised value, those stockholders might not be inclined to approve a merger. These negotiations resulted in merger consideration for Montague that produced a premium, based on the value of $17.70 per share of FSP common stock, of 51.6%.

ADVICE OF FINANCIAL ADVISORS AND APPRAISALS

Fairness Opinions

On July 22, 2004, the special committees of the target boards retained A.G. Edwards to act as their financial advisor in connection with the mergers and to render A.G. Edwards' opinion as to the fairness, from a financial point of view, of the merger consideration to the target REIT stockholders of each target REIT. On August 11, 2004, the target boards met to review the proposed mergers. During this meeting, A.G. Edwards presented certain financial analyses as described below. At the meeting A.G. Edwards rendered its oral opinions, subsequently confirmed by delivery of its written opinions, to each target board to the effect that, based upon and subject to the various considerations described in each opinion, the merger consideration (as described elsewhere in this Consent Solicitation/Prospectus) was fair, from a financial point of view, to the stockholders of that target REIT.

The full text of A.G. Edwards' opinions, each dated August 11, 2004, which describes the assumptions made, general procedures followed, matters considered and limitations on the scope of review undertaken by A.G. Edwards in rendering its opinions, are attached as Appendices C-1, C-2, C-3 and C-4 to this Consent Solicitation/Prospectus and are incorporated into this summary by reference. A.G. Edwards' opinions are directed only to the fairness, as of the date of the opinion and from a financial point of view, of the merger consideration to the stockholders of the target REIT to which each opinion is addressed and does not constitute a recommendation to you as to how you should vote with respect to the merger agreement and the mergers. The summary of A.G. Edwards' opinions set forth below are qualified in their respective entirety by reference to the full text of the opinions attached as Appendices C-1, C-2, C-3 and C-4 to this Consent Solicitation/Prospectus. You are urged to read the opinions carefully in their entirety.

In conducting its investigation and analysis and in arriving at its opinions, A.G. Edwards reviewed information and took into account financial and economic factors it deemed relevant under the circumstances. In rendering its opinions, A.G. Edwards, among other things:

- reviewed certain internal information, prepared by the management of each target REIT, primarily financial in nature, including projected adjusted cash reserves and cash after distribution, concerning the business and operations of each target REIT furnished to A.G. Edwards for purposes of its analysis;

- reviewed certain internal information, primarily financial in nature, including forecasts of 2004 and 2005 financial performance prepared by FSP Corp.'s management concerning the business and operations of FSP Corp. furnished to A.G. Edwards for its analysis, as well as publicly available information including but not limited to FSP Corp.'s recent filings with the Securities and Exchange Commission such as FSP Corp.'s annual reports on Form 10-K and quarterly reports on Form 10-Q;

- reviewed an appraisal of the property of each target REIT prepared by a professional real estate valuation firm, which A.G. Edwards was advised by the target REIT has real estate valuation expertise in the local market for such property, which appraisals included, among other things, analyses that valued each target REIT's business prospects based on a study of the current marketplace and business fundamentals; and A.G. Edwards also held discussions with each such professional real estate valuation firm;

- reviewed a draft of the merger agreement and held discussions about the merger agreement and the mergers with the management of each target REIT and legal counsel to the target REITs and their boards;

- reviewed market data for equity securities of public companies in the same or similar lines of business as those of FSP Corp.;

- compared the proposed financial terms of the mergers with the financial terms of certain other business combinations A.G. Edwards deemed relevant for analytical purposes; and

- reviewed the implied valuation range of FSP Corp.'s business based on the discounted present values of its projected cash flows (as estimated by FSP Corp.'s management).

A.G. Edwards held discussions with the executive officers of the target REITs and FSP Corp. concerning the target REITs' and FSP Corp.'s respective historical and current financial condition and operating results, as well as the prospects of the target REITs and FSP Corp. including the potential impact of the mergers. A.G. Edwards also considered other information, financial studies, analyses and investigations and financial, economic and market data which A.G. Edwards deemed relevant for the preparation of its opinions, including, but not limited to, the current market environment as well as information relating to the industries and the segments in which the target REITs and FSP Corp. operate.

A.G. Edwards was not engaged to consider, nor did it express any opinion with respect to, any alternative transaction or strategic alternatives that might be available to the target REITs or their stockholders. Further, A.G. Edwards was not engaged to and did not solicit third-party indications of interest in acquiring all or any part of the target REITs. The special committees of the target boards and FSP Corp. determined the merger consideration through negotiations and A.G. Edwards did not express any opinion as to what the value of the target REITs' target stock has been or will be nor did it express any opinion as to what the value of the FSP common stock will be when issued to target REIT stockholders pursuant to the mergers or the prices at which the FSP common stock will trade at any time. The target boards did not place any limitation upon A.G. Edwards with respect to the procedures followed or factors considered by A.G. Edwards in rendering its opinions.

In arriving at its opinions, A.G. Edwards assumed and relied upon, without independent verification, the accuracy and completeness of all of the financial and other information that was publicly available, provided to or otherwise discussed with A.G. Edwards including financial statements and financial projections, as provided by or on behalf of the target REITs and FSP Corp. A.G. Edwards was not engaged to, and therefore did not, independently verify any of this information nor did it express any opinion with respect to such information. A.G. Edwards assumed, with the target REITs' consent, that:

- the representations and warranties of each party contained in the merger agreement would be true and correct, that each party would perform all of its covenants and agreements pursuant to the merger agreement and that all conditions to the mergers will be satisfied without modification or waiver;

- all governmental, regulatory and other necessary consents and approvals would be obtained and that such consents would not impose restrictions or waivers that would have an adverse effect on the mergers; and

- the mergers will be accounted for in accordance with U.S. GAAP.

A.G. Edwards also assumed and was advised by the management of FSP Corp. and each target REIT that the financial projections and other information provided to or otherwise discussed with A.G. Edwards were reasonably prepared on bases reflecting the best available estimates and good faith judgments as to the expected future performance of FSP Corp. and each target REIT, respectively, on a stand-alone basis and after giving effect to the mergers. In conducting its review, A.G. Edwards assumed the accuracy and completeness of the appraisals of each target REIT and did not perform any independent audit of assets or liabilities nor did it conduct any independent appraisal of any of the assets or liabilities, contingent or otherwise, of the target REITs or FSP Corp. A.G. Edwards also did not independently attempt to assess or value any of the intangible assets of FSP Corp. or the target REITs (including goodwill) nor did it make any independent assumptions with respect to the application of intangible assets in the mergers. A.G. Edwards' opinions were necessarily based upon economic, financial and other conditions as they existed and could be evaluated on the date of its opinions, and did not predict or take into account any changes that may occur, or information that may become available, after the date of each opinion. The analyses performed by A.G. Edwards are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than suggested by such analyses. Subsequent developments may affect the opinions, and A.G. Edwards does not have any obligation to update, revise or reaffirm any of its opinions.

With the consent of each target board, A.G. Edwards did not attempt to value each target REIT and, instead, has assumed that the value of each target REIT is equal to the sum of the value of the target REIT's property, as reflected in the appraisal provided to A.G. Edwards, plus such target REIT's cash reserves. A.G. Edwards made this assumption and did not make an independent valuation of the target REITs because the value of an entity with one asset consisting of real property at a single location, such as each target REIT, is not determined by standard financial models used to value businesses in general but, instead, is determined by the value of the property owned by the entity. The value of that property is, in turn, determined by local real estate, economic and governmental factors such as commercial lease rates in the area of the property, the values of nearby commercial properties, economic prosperity in the area and applicable zoning laws, all of which are more appropriately assessed by a professional real estate appraiser who is an expert in assessing these local factors.

The following is a brief summary of the material financial analyses performed by A.G. Edwards and reviewed with each target board in connection with the opinions of A.G. Edwards relating to the mergers and is not a complete description of all analyses performed and factors considered. The preparation of a fairness opinion and related financial analyses are complex analytical processes involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a fairness opinion and related financial analyses are not readily susceptible to summary description. THE FINANCIAL ANALYSES SUMMARIZED BELOW INCLUDE INFORMATION PRESENTED IN TABULAR FORMAT. IN ORDER TO FULLY UNDERSTAND A.G. EDWARDS' FINANCIAL ANALYSES, THE TABLES MUST BE READ TOGETHER WITH THE TEXT OF EACH SUMMARY AND A.G. EDWARDS' FINANCIAL ANALYSIS MUST BE CONSIDERED AS A WHOLE. THE TABLES ALONE DO NOT CONSTITUTE A COMPLETE DESCRIPTION OF THE FINANCIAL ANALYSES. CONSIDERING THE DATA BELOW WITHOUT CONSIDERING THE FULL NARRATIVE DESCRIPTION OF THE FINANCIAL ANALYSES, INCLUDING THE METHODOLOGIES AND ASSUMPTIONS UNDERLYING THE ANALYSES, OR SELECTING FOR CONSIDERATION SELECTED PORTIONS OR FACTORS OF THE ANALYSIS COULD CREATE A MISLEADING OR INCOMPLETE VIEW OF A.G. EDWARDS' FINANCIAL ANALYSES.

Valuation Approach. A.G. Edwards was asked to provide its opinion as to the fairness, from a financial point of view, of the consideration the stockholders of each target REIT (other than FSP Corp. which is not entitled to any merger consideration) are to receive in the mergers. Stockholders in each of the target REITs will receive the number of shares of FSP common stock for each share of preferred stock in their target REIT as described below.

	Addison Circle	Collins Crossing	Montague	Royal Ridge
Shares of FSP common stock to be received for each share of target stock in the target REIT	5,949	6,168	5,650	6,056

Each target REIT owns one or two real property assets, and thus standard financial models used to value businesses in general are not the most appropriate method to determine their respective values. Instead, the value of each target REIT is derived from the value of the property owned by the entity, and the value of that property is determined primarily by local real estate, economic and governmental factors, all of which are assessed by professional real estate appraisers. Each target REIT had its property appraised in the month of July 2004. Accordingly, A.G. Edwards assumed that the fair market value of each target REIT is equal to the sum of the appraised value of the target REITs' individual property plus its existing cash reserves. The consideration to be received by the stockholders of each target REIT is the number of shares of FSP common stock to be issued to them in the mergers plus cash to be paid by FSP Corp. in lieu of fractional shares. The following table presents the assumed fair market values of each target REIT as well as the cash and number of shares of FSP common stock to be delivered to the stockholders of each target REIT in the mergers:

	Addison Circle	Collins Crossing	Montague	Royal Ridge

Fair market value of target REIT	$56,176,697	$50,484,695	$22,034,787	$27,042,500
Total cash payable to target REIT stockholders in lieu of fractional shares	$ 2,668	$ 5,895	$ 3,799	$ 3,708
Shares of FSP common stock issuable to target REIT stockholders	3,783,206	3,422,704	1,886,791	1,801,389

The acquisition by the target REIT stockholders of FSP common stock in the mergers in exchange for their shares of target stock can be viewed as a purchase of shares of FSP common stock. Netting the cash to be paid to target REIT stockholders in lieu of fractional shares against the fair market value of each target REIT, the following table describes the effective cost per share to each target REIT's stockholders to acquire the FSP common stock in the mergers:

	Addison Circle	Collins Crossing	Montague	Royal Ridge
Effective cost per share of FSP common stock to be issued	$14.85	$14.75	$11.68	$15.01

A.G. Edwards' analysis attempted to determine whether the value of a share of FSP common stock to be received by the target REIT stockholders in the mergers equaled or exceeded this effective cost per share.

Analysis Of Selected Public Companies. A.G. Edwards compared selected financial information and operating statistics for FSP Corp. with corresponding financial information and operating statistics of four groups of selected publicly held companies. While none of the companies in these groups has an asset mix that is exactly comparable to that of FSP Corp., the combined comparables are, in the judgment of A.G. Edwards, sufficiently comparable to FSP Corp. to warrant comparative analysis. The Apartment REITs consist of REITs whose primary business model is based upon the ownership and rental of geographically diversified multi-family apartment facilities. The Office REITs consist of REITs whose primary business model is based upon the ownership and rental of geographically diversified class "A" office buildings. The Industrial REITs consist of REITs whose primary business model is based upon the ownership and rental of geographically diversified industrial facilities such as manufacturing or distribution facilities. The Office/Industrial REITs consist of REITs whose primary business model is based upon the ownership and rental of geographically diversified office and industrial properties.

Apartment REITs	Office REITs	Industrial REITs	Office/Industrial REITs
Archstone-Smith Trust	Boston Properties	AMB Property	Duke Realty Corp.
AvalonBay Communities	CarrAmerica Realty	ProLogis	Liberty Property Trust

Corp.

Equity Residential Properties	Equity Office Properties	PS Business Parks

A.G. Edwards reviewed enterprise values, calculated as the sum of equity market capitalization plus debt, less cash and cash equivalents, as multiples of the following: (i) actual historical and estimated future net operating income, or NOI, for the last twelve month (LTM) period ended June 30, 2004, and for calendar years 2004 and 2005, and (ii) actual historical and estimated future earnings before interest, taxes, depreciation and amortization (EBITDA) for calendar years 2003, 2004 and 2005. A.G. Edwards also reviewed stock prices as a multiple of the (i) actual historical and estimated future funds from operations, or FFO, which typically consists of GAAP Net Income (excluding gains or losses related to the sale of real estate assets) plus depreciation, for the LTM period ended June 30, 2004, and for calendar years 2004 and 2005, and (ii) actual historical and estimated future cash available for distribution (CAD) to stockholders for calendar years 2004 and 2005. In view of the fact that the comparison companies all carried some level of indebtedness while FSP Corp. does not and FSP Corp. derives significant cash flow from its investment banking business, A.G. Edwards concluded that the comparison multiples for NOI, EBITDA and FFO would tend to undervalue FSP Corp. and that CAD multiples would be the most accurate comparison measure.

Multiples for the selected companies also were based on closing stock prices on August 5, 2004. Financial data for the selected companies and FSP Corp. were based on public filings, company reports, publicly available research analyst estimates and research analyst estimates as reported in the Institutional Brokers' Estimate System. The CAD multiple analyses indicated the

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following implied mean multiples in each sector and weighted average mean multiples, with weighting based upon FSP Corp.'s mix of revenues from the various real estate sectors in which FSP Corp. operates:

	Apartment Mean	Office Mean	Industrial Mean	Office/ Industrial Mean	Overall Mean	Weighted Average Mean
Stock Price/2004E CAD	18.6x	16.0x	18.8x	15.7x	17.1x	16.2x
Stock Price/2005E CAD	17.4x	15.3x	16.8x	14.7x	16.0x	15.3x

A.G. Edwards then applied the weighted average multiple from these real estate sectors to FSP Corp.'s projected CAD for 2004 and 2005, resulting in the implied values shown in the table below. A.G. Edwards then applied discounts to these values ranging from 10% to 20% in recognition of the market illiquidity of FSP Corp.'s common stock.

In deriving these marketability discounts, A.G. Edwards reviewed a wide range of potential discounts presented in academic literature for similar transactions and made adjustments to account for various qualitative factors concerning FSP Corp. that militated in favor of a lower marketability discount. These characteristics included (i) FSP Corp.'s announcement on May 7, 2004 that it intends to list on the AMEX on or about January 1, 2005, (ii) FSP Corp.'s limited share repurchase program which provides the opportunity for liquidity to shareholders on an annual basis and (iii) the relatively high level of current cash distributions which FSP Corp. has historically paid and is forecasting paying in 2004 and 2005.

	2004 Weighted Average Mean Multiple (16.2x)	2005 Weighted Average Mean Multiple (15.3x)
Before Marketability Discount	$20.71	$19.77
10% Marketability Discount	$18.63	$17.79
15% Marketability Discount	$17.60	$16.80
20% Marketability Discount	$16.57	$15.81

This analysis results in an implied range of values per share of FSP common stock of $15.81 to $18.63. The effective cost per share to each target REIT's stockholders of FSP common stock in the mergers is below or within this range. Accordingly, A.G. Edwards believes that this comparable company analysis supports its conclusion that the consideration to each target REIT's stockholders is fair, from a financial point of view, to that target REIT's stockholders.

Discounted Cash Flow Analysis. A.G. Edwards also performed a discounted cash flow analysis to estimate the value of FSP common stock. The discounted cash flow is calculated by taking the sum of the present value of FSP Corp.'s free cash flows (before financing costs) over the forecast period and the present value of the terminal value of FSP Corp. at the end of the forecast period. A.G. Edwards applied this methodology to the projected cash flows of FSP Corp. for the fiscal years ending December 31, 2004 through December 31, 2009. FSP Corp. provided projections through December 31, 2005 and guidance on a

projected long-term perpetual growth rate as well as the long-term relationship between depreciation expense and capital expenditures. Based upon FSP Corp.'s projections and guidance, A.G. Edwards utilized a range of discount rates (7.4% to 8.4%), terminal multiples (11.9x to 13.5x) applied to estimated CAD for the fiscal year ending December 31, 2009 and perpetual growth rate for FSP Corp.'s projected CAD beginning in 2005 (1% to 3%) to calculate a range of implied equity values and prices per share for FSP common stock. A.G. Edwards then applied discounts to these values ranging from 10% to 20% in recognition of the market illiquidity of FSP common stock.

The discounted cash flow analysis yielded an implied equity value range of $12.16 to $22.29 per share. The effective cost per share to each target REIT's stockholders of FSP common stock in the mergers is below or within this range. Accordingly, A.G. Edwards believes that this discounted cash flow analysis supports its conclusion that the consideration to each target REIT's stockholders is fair, from a financial point of view, to that target REIT's stockholders.

Analysis Of Selected Precedent Mergers. While A.G. Edwards compared selected financial information and operating statistics for FSP Corp. as related to the consideration with corresponding financial information and operating statistics of eleven selected precedent transactions, A.G. Edwards advised the target boards that the precedent transactions offer limited insight into the value of FSP common stock due to the limited number of transactions in a relevant timeframe and/or the unique circumstance surrounding each transaction. Using publicly available information, A.G. Edwards considered the mean LTM NOI and FFO multiples of the three most recent transactions relative to the mean LTM NOI and FFO multiples of the eleven transactions that occurred over the past five years in order to determine the recent trend in transaction multiples. Each of the transactions reviewed involved an entity that operated in one of the real estate sectors within which FSP Corp. operates. In order to compare the transaction multiples to a non-controlling share of FSP common stock, A.G. Edwards adjusted the transaction multiples by a median control premium of 13%, derives from 13 comparable transactions since 1998. These transactions included the following:

Selected Precedent Mergers

Target	Acquirer	Equity Price/ LTM FFO	Transaction Value/LTM NOI	Co Pr
Keystone Property Trust	ProLogis	19.6x	19.6x	
Great Lakes REIT	Transwestern Investment Company LLC	8.6x	10.1x	
Merry Land Properties	Cornerstone Realty Income Trust	20.7x	12.3x	
Cabot Industrial Trust	CalWest Industrial Properties LLC	9.8x	11.2x	
Charles E. Smith Residential Realty Inc.	Archstone Communities Trust	16.8x	16.8x	
Spieker Properties	Equity Office Properties Trust	13.3x	12.9x	

Target	Acquirer	Equity Price/ LTM FFO	Transaction Value/LTM NOI	Co Pr
Grove Property Trust	Equity Residential Properties Trust	12.0x	12.3x	
Cornerstone Properties Inc.	Equity Office Properties Trust	11.2x	10.6x	
Berkshire Realty Company, Inc.	Berkshire Realty Holdings, L.P.	10.1x	11.7x	
Weeks Corp	Duke Realty Investments Inc.	10.4x	13.6x	

Meridian Industrial Trust	ProLogis Trust	12.4x	14.7x

A.G. Edwards averaged comparable company trading multiples, discounted the multiples by the chosen control premium and applied the multiples to value FSP Corp. The ensuing fair market value of FSP Corp. common stock was then discounted by the selected range of marketability discounts.

A.G. Edwards calculated the implied enterprise value of the selected transactions (based on their acquisition prices) as multiples of LTM NOI and FFO. The range of multiples for the three most recent transactions was 9.5x to 18.0x LTM NOI and 7.5x to 18.0x LTM FFO, which resulted in mean multiples of 14.4x LTM NOI and 14.2x LTM FFO, compared to the five year mean multiples of 11.6x LTM NOI and 11.1x LTM FFO. The range values were viewed in the context of marketability discounts ranging from 10% to 20%. Multiples for the selected transactions were based on publicly available information at the time of announcement of the transactions.

The precedent transaction analysis yielded an implied equity value range of $11.70 to $28.17 per share of FSP common stock. The effective cost per share to each target REIT's stockholders of FSP common stock in the mergers is below or within this range. Accordingly, although A.G. Edwards did not place significant reliance on this methodology, it believes that this analysis also supports its conclusion that the consideration to each target REIT's stockholders is fair, from a financial point of view, to that target REIT's stockholders.

Miscellaneous. A.G. Edwards is acting as financial advisor to the special committees of the target boards with respect to the mergers and will receive customary fees for its services pursuant to these engagements as well as reimbursement for its reasonable expenses. The target REITs have also agreed to indemnify A.G. Edwards for certain liabilities that may arise out of the rendering of the opinions and any related activities as financial advisor to the special committees of the target boards, including liabilities under the federal securities laws.

The target REITs selected A.G. Edwards to provide opinions in connection with the mergers because A.G. Edwards is a nationally recognized investment-banking firm with substantial experience in similar transactions and is familiar with the target REITs, FSP Corp. and their businesses. A.G. Edwards, as part of its investment banking business, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate or other purposes. In the ordinary course of business, A.G. Edwards may from time to time trade in securities, including the securities of direct competitors of the target REITs or FSP Corp., for its own account and for accounts of its customers and, accordingly, may at any time hold a long or short position in these securities.

A.G. Edwards has in the past provided services to FSP Corp. unrelated to the mergers, and may do so in the future. Such past services have included investment banking services and valuations of FSP Corp.'s common stock. A.G. Edwards receives customary fees in connection with such services.

The foregoing is a summary of the analyses performed by A.G. Edwards. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analyses or summary description. A.G. Edwards believes that its analyses and the summary set forth above must be considered as a whole and that selecting portions of those analyses and of the factors considered by A.G. Edwards, without considering all analyses and factors, would create an incomplete view of the processes underlying the respective opinions. A.G. Edwards did not attempt to assign specific weights to particular analyses. Any estimates contained in A.G. Edwards' analyses are not necessarily indicative of actual values, which may be significantly more or less favorable than as set forth in A.G. Edwards' analyses. Estimates of values of companies do not purport to be appraisals or necessarily to reflect the prices at which companies may actually be sold.

Pursuant to engagement letter agreements dated July 22, 2004 between the special committee of each target REIT and A.G. Edwards, the target boards each agreed to pay A.G. Edwards an aggregate transaction fee of $350,000 comprised of: (1) $122,140 by Addison Circle, (2) $106,584 by Collins Crossing, (3) $57,133 by Montague and (4) $64,143 by Royal Ridge. Each fee is payable to A.G. Edwards regardless of the conclusions reached by A.G. Edwards in its opinions and whether or not the mergers consummated. In the engagement letters, which were negotiated between the special committees and A.G. Edwards, the target REITs also agreed to reimburse A.G. Edwards for its reasonable out-of-pocket expenses.

The opinions of A.G. Edwards provide that they are solely for the confidential use of the target boards. This limitation was based on the fact that target REIT's engagement letters with A.G. Edwards specifically contemplated that only the target boards and no third party, including the target REIT stockholders, would be entitled to rely on the opinions of A.G. Edwards. If a target REIT stockholder were to attempt to assert a claim against A.G. Edwards based on its opinions, the validity of this limitation would be resolved by a court of competent juridiction. The target boards believe that the resolution of such question by a court of competent jurisdiction would have no effect on the rights and responsibilites of the target boards under applicable state law and no effect on the rights and responsibilities of either A.G. Edwards or the target board under federal securities laws. Neither the target boards nor the FSP board can express a view as to the resolution of the question of the validity of this limitation by a court of competent jurisdiction.

Appraisals of the Target REITs' Properties

Each of the target boards engaged a third-party independent appraiser set forth in the table below to appraise the real estate owned by its target REIT. Each of the appraisers has delivered a written summary of its analysis, based upon the review, analysis, scope and limitations described therein, as to the fair market value of a particular target REIT's property as of the date set forth in the table below. Each appraiser has a national reputation for providing businesses with appraisals of real properties of the size and type of the property it appraised. The target boards selected the appraisers to provide the appraisals because of their experience and reputation in connection with real estate assets, including in the case of Brian E. Humphries and Associates, over 24 years experience in real property appraisal and concentration on multi-family and office property, in the case of Michael A. Davis of Cushman & Wakefield of California, his position as director of the Valuation Services Advisory Group of Cushman & Wakefield, over 17 years experience and numerous notable appraisals, and in the case of Ronald A. Neyhart and Richard A. Francis of C.B. Richard Ellis, Mr. Neyhart's position as senior managing director of CBRE -- Valuation and Advisory Services and over 23 years experience and Mr. Francis's 12 years of experience. In addition, the target boards in each case selected the appraiser who had provided the appraisal obtained by each target REIT in connection with its acquisition of the property in order to take advantage of the cost efficiencies associated with such selection. The target boards imposed no limitations on the scope of the appraisers' appraisals. The target REITs have made the appraisals available to FSP Corp. and have allowed the FSP board to rely on the appraisals. The appraisals for Addison Circle, Montague and Royal Ridge covered only the single property owned by the respective target REIT. The appraisal for Collins Crossing also covered excess land held by the target REIT.

Set forth below is certain information regarding the appraisals. Copies of the appraisals are filed as exhibits to the registration statement of which this Consent Solicitation/Prospectus is a part. These appraised values are for the property owned by the respective target REIT as of the date of the appraisal.

Target REIT	Appraiser	Sum of Fair Market Value set forth in Appraisal and Estimated Adjusted Cash Reserve Balances as of June 30, 2004	Date of Appraisal
Addison Circle	Bryan E. Humphries and Associates	$56,176,697	July 23, 2004
Collins Crossing	Bryan E. Humphries and Associates	$50,484,695	July 23, 2004
Montague	Cushman & Wakefield of California, Inc.	$22,034,787	July 14, 2004
Royal Ridge	CBRE-Valuation and Advisory Services	$27,042,500	July 13, 2004

The material assumptions, qualifications and limitations to the appraisals are described below.

Summary of Methodology. At the request of the target boards, the appraisers updated their original appraisals for the purchase of the properties held by the respective target REIT and, where appropriate, revised their assumptions to reflect the changed conditions in the market or property. Appraisers typically use three approaches in valuing real property: the cost approach, the income approach and the sales comparison approach. The type and age of a property, market conditions and the quantity and quality of data affect the applicability of each approach in a specific appraisal situation. The value estimated by the cost approach incorporates separate estimates of the value of the unimproved site and the value of improvements, less observed physical wear and tear and functional or economic obsolescence. The income approach estimates a property's capacity to produce income through an analysis of the rental market, operating expenses and net income. Net income may then be processed into a value through either direct capitalization or discounted cash flow analysis, or a combination of these two methods. The sales comparison approach involves a comparative analysis of the subject property with other similar properties that have sold recently or that are currently offered for sale in the market. The appraisers considered or used all three of the approaches to value in their original appraisals. In arriving at a value for the property held by Addison

Circle, the appraiser relied on the income approach; in arriving at a value for the property held by Collins Crossing, the appraiser relied on the income approach with respect to the building and the sales comparison approach with respect to the excess land; in arriving at a value for the property held by Montague, the appraiser relied on both the income and the sales comparison approach; and in arriving at a value for the property held by Royal Ridge, the appraiser relied on all three approaches.

The appraisers analyzed the individual properties of each target REIT. The appraisers' analysis included:

- reviewing each property's historical operating statements,

- reviewing and relying on specific information regarding prospective changes in rents and expenses for each property provided by the applicable target REIT,

- developing information from a variety of sources about market conditions for each individual property, and

- considering the projected cash flow for each property.

Representatives of the appraisers performed site inspections on all properties during July 2004. In the course of these site visits, the appraisers inspected the physical facilities, obtained current rental and percentage of leased space information, gathered information on competing properties and the local market, visited primary competing properties and interviewed each local property manager or assistant manager concerning performance of the subject property and other factors.

The appraisers reviewed historical operating statements and 2004 operating budgets for the subject properties.

In conducting the appraisals, the appraisers also interviewed and relied upon members of the target boards, executive management and property management personnel to:

- obtain information relating to the condition of each property, including any deferred maintenance, capital budgets, status of ongoing or newly planned property additions, reconfigurations, improvements and other factors affecting the physical condition of the property improvements; and

- discuss competitive conditions, area economic and development trends affecting the properties, historical and budgeted operating revenues and expenses and occupancies.

To define the percentage of leased space, rental rate and expense escalators to be used in developing property operating projections, the appraisers reviewed the acquisition criteria and projection parameters in use in the marketplace by major investors, owners and operators of the applicable property types. Further, the appraisers interviewed various sources in local markets to identify recent sales of similar properties and derive certain valuation indicators. Sources for data concerning such transactions included local appraisers, property owners, real estate brokers, tax assessors and real estate research firms.

Conclusions as to Value

Assumptions, Limitations and Qualifications of Property Appraisals. The appraisers utilized certain assumptions to determine the appraised value of the properties under the income approach and the sales comparison approach. The appraisals reflect the appraisers' valuation of the real estate of the target REITs as of their respective dates, in the context of the information available on such date. Events occurring after the date of an appraisal and before the closing of the mergers could affect the properties or assumptions used in preparing the real estate appraisals. The appraisers have no obligation to update the appraisals on the basis of subsequent events.

Compensation and Material Relationships. The appraisers have been paid fees in the aggregate amount of $20,500 to prepare the appraisals. The fees for the appraisals were negotiated between the target boards and the appraisers and payment thereof are not dependent upon completion of the mergers. The respective appraisers were previously engaged to appraise the properties of the target REITs prior to their acquisition. During the past three years, the appraisers received an aggregate of $32,000 for appraisals obtained by each target REIT in connection with the initial acquisition of such target REIT's property.

MANAGEMENT

George J. Carter, President and a director of each target REIT, age 55, is responsible for all aspects of the business of FSP Corp., the target REITs and their respective affiliates, with special emphasis on the evaluation, acquisition and structuring of real estate investments. Prior to the conversion, he was President of the general partner of the FSP Partnership, the predecessor to FSP Corp., and was responsible for all aspects of the business of the FSP Partnership and its affiliates. From 1992 through 1996 he was President of Boston Financial Securities, Inc. Prior to joining Boston Financial, Mr. Carter was owner and developer of Gloucester Dry Dock, a commercial shipyard in Gloucester, Massachusetts. From 1979 to 1988, Mr. Carter served as Managing Director in charge of marketing of First Winthrop Corporation, a national real estate and investment banking firm headquartered in Boston, Massachusetts. Prior to that, he held a number of positions in the brokerage industry including positions with Merrill Lynch & Co. and Loeb Rhodes & Co. Mr. Carter is a graduate of the University of Miami (B.S.). Mr. Carter is a NASD General Securities Principal (Series 24) and holds a NASD Series 7 general securities license.

R. Scott MacPhee, Executive Vice President and director of each target REIT, age 47, has as his primary responsibility the direct equity placement of the sponsored entities. Prior to the conversion, Mr. MacPhee was an Executive Vice President of the general partner of the FSP Partnership. From 1993 through 1996 he was an executive officer of Boston Financial Services, Inc. From 1985 to 1993 Mr. MacPhee worked at Winthrop Financial Associates. Mr. MacPhee attended American International College. Mr. MacPhee holds a NASD Series 7 general securities license.

Richard R. Norris, Executive Vice President and director of each target REIT, age 61, has as his primary responsibility the direct equity placement of the sponsored entities. Prior to the conversion, Mr. Norris was an Executive Vice President of the general partner of the FSP Partnership. From 1993 through 1996 he was an executive officer of Boston Financial Services, Inc. From 1983 to 1993 Mr. Norris worked at Winthrop Financial Associates. Prior to that, he worked at Arthur Young & Company (subsequently named Ernst & Young through a merger). Mr. Norris is a graduate of Bowdoin College (B.A.) and Northeastern

University (M.S.). Mr. Norris holds a NASD Series 7 general securities license.

William W. Gribbell, Executive Vice President and director of each target REIT, age 44, has as his primary responsibility the direct equity placement of the sponsored entities. Prior to the conversion, Mr. Gribbell was an Executive Vice President of the general partner of FSP Partnership. From 1993 through 1996 he was an executive officer of Boston Financial. From 1989 to 1993 Mr. Gribbell worked at Winthrop Financial Associates. Mr. Gribbell is a graduate of Boston University (B.A.). Mr. Gribbell holds a NASD Series 7 general securities license.

Barbara J. Fournier, Vice President, Chief Operating Officer, Treasurer and a director of each target REIT, age 48, has as her primary responsibility, together with Mr. Carter, the management of all operating business affairs of FSP Corp., the target REITs and their respective affiliates. Ms. Fournier is also responsible for FSP Corp.'s accounting and financial reporting functions. Prior to the conversion, Ms. Fournier was the Vice President, Chief Operating Officer, Treasurer and Secretary of the general partner of the FSP Partnership. From 1993 through 1996, she was Director of Operations for the private placement division of Boston Financial. Prior to joining Boston Financial, Ms. Fournier served as Director of Operations for Schuparra Securities Corp. and as the Sales Administrator for Weston Financial Group. From 1979 through 1986, Ms. Fournier worked at First Winthrop Corporation in administrative and management capacities; including Office Manager, Securities Operations and Partnership Administration. Ms. Fournier attended Northeastern University and the New York Institute of Finance. Ms. Fournier is a NASD General Securities Principal (Series 24). She also holds other NASD supervisory licenses including Series 4 and Series 53, and a NASD Series 7 general securities license.

Janet Prier Notopoulos, Vice President of each target REIT, age 57, has as her primary responsibility the oversight of the management of the real estate assets of FSP Corp., the target REITs and their respective affiliates. Prior to the conversion, Ms. Notopoulos was a Vice President of the general partner of the FSP Partnership. Prior to joining FSP Corp. in 1997, Ms. Notopoulos was a real estate and marketing consultant for various clients. From 1975 to 1983, she was Vice President of North Coast Properties, Inc., a Boston real estate investment company. Between 1969 and 1973, she was a real estate paralegal at Goodwin, Procter & Hoar. Ms. Notopoulos is a graduate of Wellesley College (B.A.) and the Harvard School of Business Administration (M.B.A.).

Management Compensation

The following summary compensation table sets forth certain information concerning the compensation for each of (1) the President of the target REITs and (2) the other executive officers of the target REITs. These amounts are paid by FSP Corp. for services performed by such persons for FSP Corp.

		Annual Compensation(1)			
Name and Principal Position	Fiscal Year	Salary	Bonus	Other Annual Compensation(2)	C
George J. Carter	2003	$225,000	$ 400,000(4)	--	
President	2002	$120,000	$ 255,000(6)	--	
	2001	$120,000	$ 759,652(8)	--	

R. Scott MacPhee	2003	--	--	$1,750,850
Executive Vice President	2002	--	$ 13,640	$1,632,250
	2001	--	$ 11,023	$2,202,483
Richard R. Norris	2003	--	--	$1,077,453
Executive Vice President	2002	--	--	$2,062,432
	2001	--	$ 21,428	$2,298,737
William W. Gribbell	2003	--	--	$2,192,258
Executive Vice President	2002	--	--	$1,331,975
	2001	--	$ 7,021	$ 898,993
Barbara J. Fournier	2003	$175,000	$ 190,000(4)	--
Vice President, Chief Operating Officer	2002	$ 75,000	$ 285,000(6)	--
and Treasurer	2001	$ 60,000	$ 287,974(15)	--
	2003	$150,000	$ 180,000(4)	--
Janet Prier Notopoulos	2002	$ 75,000	$ 250,000(6)	--
Vice President	2001	$ 60,000	$ 172,726(15)	--

(1) Amounts reported represent annual compensation paid to the executive officers by the FSP Partnership, FSP Corp.'s predecessor, for the fiscal year 2001.

(2) Consists of brokerage commissions paid by FSP Investments to such executive officer in his capacity as broker as compensation for such executive's officer's efforts in the sale of securities of sponsored REITs and sponsored partnerships in a manner consistent with the payment by FSP Investments of commissions to its brokers.

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(3) The FSP Partnership issued units of partnership interest, or FSP units, to all executive officers in July 2001, valued at $11.50 per FSP unit, as part of their annual compensation. The valuations of $11.50 per FSP unit was determined in good faith by the general partner of the FSP Partnership. The value of $11.50 per FSP unit was determined by the general partner based on the value ascribed to each FSP unit in connection with certain mergers that were effective October 1, 2000 in which the FSP Partnership acquired several of the limited partnerships whose offerings FSP Investments had previously sponsored, and no material changes in the financial condition or results of the FSP Partnership had occurred between that date and July 1, 2001.

(4) Represents a bonus accrued in 2003 and paid in 2004.

(5) Includes a $9,000 contribution to a Simple IRA Plan and $3,865 of life insurance.

(6) Represents a bonus accrued in 2002 and paid in 2003.

(7) Includes a $7,500 contribution to a Simple IRA Plan and $9,085 of life insurance.

(8) Includes a bonus of $720,000 accrued in 2001 and paid in 2002.

(9) Includes $800,000 in FSP units, a $6,500 FSP Partnership contribution to a Simple IRA plan and $9,085 of life insurance.

(10) Represents a contribution to a Simple IRA Plan.

(11) Consists of $604,100 in FSP common stock and a $7,000 contribution to a Simple IRA plan.

(12) Includes $222,400 in FSP units, a $6,500 FSP Partnership contribution to a Simple IRA plan and $3,296 of life insurance.

(13) Includes $423,320 in FSP units, a $6,500 FSP Partnership contribution to a Simple IRA plan and $9,616 of life insurance.

(14) Includes $145,280 in FSP units, a $6,500 FSP Partnership contribution to a Simple IRA plan and $494 of life insurance.

(15) Represents a bonus accrued in 2001 and paid in 2002.

(16) Includes $60,000 in FSP units and a $6,500 FSP Partnership contribution to a Simple IRA plan.

(17) Includes $55,000 in FSP units and a $6,500 FSP Partnership contribution to a Simple IRA plan.

No options or stock appreciation rights were granted to any of the executive officers during the fiscal years 2001, 2002 or 2003. FSP Corp. does not have any outstanding stock options or stock appreciation rights, and therefore, there were no stock options or stock appreciation rights exercised by any of the executive officers during 2003.

No executive officer of any of the target REITs is a party to an employment agreement with the target REITs or with FSP Corp.

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The executive officers and directors of the target REITs receive no compensation from the target REITs. All compensation for such persons is received from FSP Corp. and is solely for services such persons perform for and on behalf of FSP Corp.

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SELECTED FINANCIAL INFORMATION OF FSP CORP.

The following selected financial information is derived from the historical consolidated financial statements of the FSP Corp. and it predecessor, the FSP Partnership. This information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" as incorporated by reference from FSP Corp.'s Annual Report on Form 10-K for the year ended December 31, 2003, as amended, filed with the SEC and with FSP Corp.'s consolidated financial statements and related notes thereto.

(In thousands, except per share or unit data)	For the Nine Months Ended September 30,	For the Year Ended December 31,

	2004	2003	2003	2002	2001	2000	
Operating Data:							
Total revenue	$ 72,578	$ 58,892	$ 83,768	$ 53,950	$ 51,955	$32,793	$
Income from:							
Continuing operations	33,840	28,215	39,823	26,741	24,621	8,171	
Discontinued operations	--	201	195	571	747	743	
Gain on sale of properties, net of tax	--	6,335	6,362	--	--	--	
Net income	$ 33,840	$ 34,751	$ 46,380	$ 27,312	$ 25,368	$ 8,914	$
Basic and diluted income per share and per limited and general partnership unit from:							
Continuing operations	$ 0.68	$ 0.79	$ 1.02	$ 1.09	$ 1.00	$ 0.43	$
Discontinued operations	--	--	--	0.02	0.03	0.04	
Gain on sale of properties, net of tax	--	0.18	0.16	--	--	--	
Total	$ 0.68	$ 0.97	$ 1.18	$ 1.11	$ 1.03	$ 0.47	$
Distributions declared per unit/share outstanding from:							
Operations	$ 0.93	$ 0.93	$ 1.24	$ 1.24	$ 1.18	$ 1.02	$
Sale of properties	--	--	0.12	--	--	--	
Total	$ 0.93	$ 0.93	$ 1.36	$ 1.24	$ 1.18	$ 1.02	$

	As of September 30,	As of December 31,				
	2004	2003	2002	2001	2000	19
Balance Sheet Data (at period end):						
Cash and cash equivalents	$ 50,630	$ 58,793	$ 22,316	$ 24,357	$13,718	$ 18
Total assets	515,212	528,529	201,936	204,117	219,923	190
Long term liabilities	--	--	--	--	--	
Total liabilities	10,663	11,674	4,771	4,354	19,280	28
Minority interests in consolidated entities	--	--	--	--	63	78
Total shareholders'/partners' capital	504,549	516,855	197,165	199,763	200,580	83

SELECTED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL DATA

The following unaudited pro forma financial information has been prepared based upon certain pro forma adjustments to the historical consolidated financial statements of FSP Corp. and the target REITs. The pro forma consolidated balance sheets have been presented as if the mergers occurred as of September 30, 2004. The pro forma consolidated statements of income for the nine months ended September 30, 2004 and for the year ended December 31, 2003 and the consolidated pro forma statements of cash flow for the nine months ended September 30, 2004 and for the year ended December 31, 2003 are presented as if the mergers occurred at the beginning of the period presented.

The pro forma financial information has been prepared assuming all of the target REITs participate in the mergers. If one or more target REITs does not obtain the vote required for the consummation of the merger with such target REIT, FSP Corp. will not proceed with the mergers of any other target REIT.

The unaudited pro forma consolidated financial statement data are not necessarily indicative of what the combined company's actual financial position or results of operations would have been as of the date or for the period indicated, nor do they purport to represent the combined company's financial position or results of operations as of or for any future period. The unaudited pro forma consolidated financial statement data should be read in conjunction with all financial statements included elsewhere herein or incorporated herein by reference.

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Franklin Street Properties Corp.
Combining Condensed Consolidated Pro Forma Balance Sheets
September 30, 2004
(Unaudited)

(in thousands)	Historical FSP Corp.	Historical Target REITs(k)	Pro Forma Adjustment	Pro F
Assets:				
Real estate assets, net	$ 442,197	$ 122,561	$ 14,064(c)(d)	$ 57
Acquired favorable leases, net	--	8,814	232(d)	
Acquired lease origination costs, net	6,346	3,853	236(d)	1
Investment in non-consolidated REITs	4,292	--	--	
Cash and cash equivalents	50,630	16,269	(685)(c) (475)(b)	6
Restricted cash	1,039	706	--	
Tenant rents receivable, net	552	36	--	
Straight line rents receivable, net	4,980	2,560	(2,560)(p)	
Prepaid expenses	3,475	181	--	
Deferred leasing commissions, net	1,293	358	--	
Office computers and equipment, net	408	--	--	
Total assets	$ 515,212	$ 155,338	$ 10,812	$ 68
Liabilities and stockholders' equity:				
Liabilities:				
Accounts payable and accrued expenses	$ 8,574	$ 3,897	$ --	$ 1
Accrued compensation	1,050	--	--	
Distribution payable	--	--	6,021(o)	
Tenant security deposits	1,039	135		

Total liabilities	10,663	4,032	6,021	2
Stockholders' Equity:				
Preferred stock	--	--	--	
Common stock	5	--	1(i)	
Additional paid in capital	512,813	167,412	(11,316)(i)	66
Treasury stock	(10)	--	--	
Retained earnings (distributions in excess of earnings)	(8,259)	(16,106)	16,106(q)	(
Total stockholders' equity	504,549	151,306	4,791	66
Total liabilities and stockholders' equity	$ 515,212	$ 155,338	$ 10,812	$ 68

See accompanying notes to condensed consolidated pro forma financial statements.

Franklin Street Properties Corp.
Combining Condensed Consolidated Pro Forma Statements of Income
For the nine months ended
September 30, 2004
(Unaudited)

(in thousands, except per share amounts)	Historical FSP Corp.	Historical Target REITs(l)	Pro Forma Adjustments	Pro
Revenue:				
Rental income	$ 51,411	$ 16,975	$ 45(d)	$
Syndication fees	8,603	--	--	
Transaction fees	9,209	--	--	
Sponsored REIT income	2,357	--	--	
Management fees and interest from loans	803	--	(175)(e)	
Equity in earnings of investment in REIT	182	--	--	
Other	13	--	--	
Total revenue	72,578	16,975	(130)	
Expenses:				
Rental operating expenses	10,267	3,917	(175)(e)	
Real estate taxes and insurance	6,702	2,220	--	
Depreciation and amortization	9,984	2,819	304(d) 26(d)	
Sponsored REIT expenses	1,693	--	--	
Selling, general and administrative	4,920	--	475(b)	

Commissions	4,384	--	--	
Interest	517	--	--	
Total expenses	38,467	8,956	630	
Income (loss) before interest, taxes and discontinued operations,	34,111	8,019	(760)	
Interest income	489	179	--	
Taxes on income (a)	(760)	--	--	
Income from discontinued operations	--	--	--	
Net income	$ 33,840	$ 8,198	$ (760)	$
Weighted average shares outstanding basic and diluted	49,628	--	10,895(i)	
Net income per share basic and diluted	$ 0.68	$ --	$ --	$

See accompanying notes to condensed consolidated pro forma financial statements.

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Franklin Street Properties Corp.
Combining Condensed Consolidated Pro Forma Statements of Income
For the year ended
December 31, 2003
(Unaudited)

(in thousands, except per share amounts)	Historical FSP Corp.	2003 Merger Pro Forma Adjustment (j)	Adjusted FSP Corp.	Historical Target REITs (m)	H
Revenue:					
Rental income	$ 49,789	$15,204	$ 64,993	$ 20,135	$
Syndication fees	14,631	--	14,631	--	
Transaction fees	14,745	--	14,745	--	
Sponsored REIT income	3,452	--	3,452	--	
Management fees and interest on	1,129	--	1,129	--	
Other	22	--	22	--	
Total revenue	83,768	15,204	98,972	20,135	

Expenses:					
Rental operating expenses	10,425	3,997	14,422	4,242	
Real estate taxes and insurance	6,264	2,667	8,931	2,708	
Depreciation and amortization	9,265	3,298	12,563	3,463	
Sponsored REIT expenses	2,620	--	2,620	--	
Selling, general and administrative	5,711	--	5,711	--	
Commissions	7,291	--	7,291	--	
Interest	1,036	--	1,036	5,175	
Total expenses	42,612	9,962	52,574	15,588	
Income (loss) before interest, taxes, discontinued operations and gain on sales of properties	41,156	5,242	46,398	4,547	
Interest Income	367	117	484	193	
Taxes on income (a)	(1,700)	--	(1,700)	--	
Income from discontinued operations	195	--	195	--	
Gain on sale of properties, net of tax	6,362	--	6,362	--	
Dividends to common shareholder	--	--	--	(387)	
Net income	$ 46,380	$ 5,359	$ 51,739	$ 4,353	$
Weighted average shares outstanding, basic and diluted	39,214	10,416	49,630	--	
Income per share attributable to:					
Continuing operations	$ 1.02	$ --	$ --	$ --	$
Discontinued operations	--	--	--	--	
Gain on sale of properties, net	$ 0.16	--	--	--	
Basic and diluted net income per share	$ 1.18	$ --	$ --	$ --	$

See accompanying notes to condensed consolidated pro forma financial statements.

Franklin Street Properties Corp.
Consolidated Pro Forma Statements of Cash Flow
For the nine months ended
September 30, 2004
(Unaudited)

(in thousands)	Historical FSP Corp.	Historical Target REITs (r)

Cash flows from operating activities:		
Net income	$ 33,840	$ 8,198
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	9,984	2,819
Amortization of above market lease	176	1,934
Equity in earnings from non-consolidated REITs	(182)	--
Distributions from non-consolidated REITs	147	--
Shares issued as compensation	162	--
Changes in operating assets and liabilities:		
Restricted cash	(57)	15
Tenant rent receivables, net	329	14
Straight-line rents, net	(893)	(514)
Prepaid expenses and other assets, net	(2,669)	(59)
Accounts payable and accrued expenses	3,534	(276)
Accrued compensation	(485)	--
Tenant security deposits	57	(15)
Payment of deferred leasing commissions	(548)	(329)
Net cash provided by (used for) operating activities	43,395	11,787
Cash flows from investing activities:		
Purchase of real estate assets and related leases, office computers and furniture, capitalized merger costs	(993)	(225)
Investment in non-consolidated REITs	(4,257)	--
Sale of assets held for syndication	4,117	--
Net cash provided by (used for) investing activities	(1,133)	(225)
Cash flows from financing activities:		
Distributions to stockholders	(46,152)	(12,170)
Proceeds from (payments to) bank note payable, net	(4,117)	--
Purchase of treasury stock	(156)	--
Net cash provided by (used for) financing activities	(50,425)	(12,170)
Net increase (decrease) in cash and cash equivalents	(8,163)	(608)
Cash and cash equivalents, beginning of period	58,793	16,877
Cash and cash equivalents, end of period	$ 50,630	$16,269
Supplemental disclosure of cash flow information:		
Cash paid for:		
Interest	$ 517	$ --
Income taxes	$ 1,450	$ --
Non-cash investing and financing activities:		
Assets acquired through issuance of common stock in merger transaction, net	$ --	$ --

See accompanying notes to condensed consolidated pro forma financial statements.

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Franklin Street Properties Corp
Consolidated Pro Forma Statements of Cash Flow
For the year ended
December 31, 2003
(Unaudited)

(in thousands)	Historical FSP Corp.	2003 Merger Pro Forma Adjustment	Adjusted FSP Corp.	Historical Target REITs (s)
Cash flows from operating activities:				
Net income	$ 46,380	$5,359	$ 51,739	$ 4,740
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization expense	9,530	3,298	12,828	3,463
Amortization of above market lease	138	--	138	2,381
Gain on sale of real estate assets	(6,362)	--	(6,362)	--
Changes in operating assets and liabilities:				
Restricted cash	(1)	--	(1)	(677)
Tenant rent receivables, net	(302)	--	(302)	(50)
Straight-line rents, net	(1,030)	--	(1,030)	(1,817)
Prepaid expenses and other assets, net	305	--	305	(2,729)
Accounts payable and accrued expenses	(9,053)	--	(9,053)	2,255
Accrued compensation	258	--	258	--
Tenant security deposits	1	--	1	106
Payment of deferred leasing commissions	(487)	--	(487)	(39)
Net cash provided by (used for) operating activities	39,377	8,657	48,034	7,633
Cash flows from investing activities:				
Cash acquired through issuance of common stock in merger transaction	23,524	--	23,524	--
Purchase of real estate assets and related leases, office computers and furniture capitalized merger costs	(2,388)	--	(2,388)	(68,361)
Change in deposits on real estate assets	841	--	841	--
Investment in assets held for syndication	(4,117)	--	(4,117)	--
Proceeds received on sales of real estate assets	21,870	--	21,870	--
Net cash provided by (used for) investing activities	39,730	--	39,730	(68,361)
Cash flows from financing activities:				
Proceeds from sale of company stock	--	--	--	78,377
Distributions to stockholders	(46,747)	--	(46,747)	(12,216)
Proceeds from (payments to) bank note payable, net	4,117	--	4,117	--

Net cash provided by (used for) financing activities	(42,630)	--	(42,630)	66,161
Net increase (decrease) in cash and cash equivalents	36,477	8,657	45,134	5,433
Cash and cash equivalents, beginning of year	22,316	--	22,316	3,640
Cash and cash equivalents, end of year	$ 58,793	$8,657	$ 67,450	$ 9,073
Supplemental disclosure of cash flow information:				
Cash paid for:				
Interest	$ 1,036	$ --	$ 1,036	$ 5,175
Income taxes	$ 1,963	$ --	1,963	$ --
Non-cash investing and financing activities:				
Dividends declared but not paid	$ --	$ --	--	$ 4,092
Assets acquired through issuance of common stock in merger transaction, net	$ 297,468	$ --	$ 297,468	$ --

See accompanying notes to condensed consolidated pro forma financial statements.

FRANKLIN STREET PROPERTIES CORP.
NOTES TO CONDENSED CONSOLIDATED PRO FORMA FINANCIAL STATEMENTS
(Unaudited)

BASIS OF PRESENTATION

The following unaudited pro forma condensed consolidated financial statement presentation has been prepared based upon certain pro forma adjustments to the historical consolidated financial statements of FSP Corp. The pro forma balance sheets are presented as if the mergers occurred as of September 30, 2004. The pro forma statements of income and the pro forma statements of cash flow are presented as if the mergers occurred as of the beginning of the periods presented.

The mergers will be treated as a purchase of assets and each target REIT's assets and liabilities will be recorded on FSP Corp.'s books at their fair value as of the effective date of the mergers. The value ascribed to the net assets of the target REITs is estimated to be $156,424,000, which includes real estate assets of $149,075,000 at their appraised values, cash of $6,664,000 and capitalized merger costs of $685,000. Other assets, net of liabilities, are expected to be immaterial. FSP Corp. will record the mergers based upon the fair value of the assets acquired, not the value of the shares of FSP Corp.'s common stock issued. The value allocated to the assets acquired in the mergers is preliminary: the final value allocated to the assets acquired will be determined as of the actual merger date.

PRO FORMA ADJUSTMENTS

Certain assumptions regarding the operations of FSP Corp. have been made in connection with the preparation of the pro forma condensed consolidated financial information. These assumptions are as follows:

(a) FSP Corp. and each of the target REITs have elected to be, and are qualified as, a real estate investment trust for federal income tax purposes. Each entity has met the various required tests; therefore, no provision for federal or state income taxes has been reflected on real estate operations.

FSP Corp. has subsidiaries which are not in the business of real estate operations. Those subsidiaries are taxable as real estate investment trust subsidiaries, or TRS, and are subject to income taxes at statutory tax rates. The taxes on income shown in the pro forma statements of income are the taxes on income of the TRS. There are no material items that would cause a deferred tax asset or a deferred tax liability.

(b) Costs of the mergers to the target REITs are estimated at $475,000 and are reflected as paid at September 30, 2004, and are recorded as an administrative expense.

(c) The costs of the mergers to FSP Corp. are estimated at $685,000 and are reflected as paid as of September 30, 2004 and are capitalized to the assets acquired.

(d) The following schedule shows the merger consideration for the acquired properties and is reconciled to the purchase price of such properties (which is equal to the appraised value of such property plus capitalized merger costs attributable to such property).

(in thousands)	Montague	Addison	Royal Ridge	Collins	Total
Merger consideration	$ 33,400	$ 66,965	$31,888	$ 60,588	$192,841
Premium	(11,365)	(10,788)	(4,846)	(10,103)	(37,102)
Adjusted Cash Reserves	(2,035)	(1,677)	(967)	(1,985)	(6,664)
Purchase price of properties					
Appraised value	20,000	54,500	26,075	48,500	149,075
Capitalized merger costs	125	239	112	209	685
	$ 20,125	$ 54,739	$26,187	$ 48,709	$149,760

The cost of the property held by each target REIT (including capitalized merger costs of $685,000) has been allocated to real estate assets, acquired lease origination costs and acquired favorable leases. Acquired lease origination costs represent the value associated with acquiring an in-place lease (i.e. the market cost to execute a similar lease, including leasing commission, legal, vacancy and other related costs). Acquired favorable leases represents the value associated with a lease which has a rental stream with above market rates. The value assigned to buildings, land and leases approximates their fair value.

The following schedule shows the difference between historical costs of the properties and their allocated purchase price. The purchase price of the properties is determined based upon the fair value of the assets acquired. Depreciation and amortization for the target REITs is based on a preliminary allocation of the purchase price to real estate investments and to the leases acquired. The allocation is subject to change when final purchase accounting is made or as additional information is obtained. An increase in the allocation to lease origination costs will result in an increase in amortization expense. For each $1,000,000 increase in lease origination costs, the related pro forma amortization expense will increase by approximately $200,000 per year.

	Historical Cost	Allocated Purchase Price	Difference	Estimated Life (years)	Nine Septe
Montague					
Land	$ 10,500	7,878	$ (2,622)	N/A	
Building	9,939	10,202	263	39	
Acquired favorable leases	2,616	1,874	(742)	3	
Acquired lease origination costs	241	171	(70)	3	
Total	$ 23,296	$ 20,125	$ (3,171)		
Addison Circle					
Land	$ 4,365	$ 4,140	$ (225)	N/A	
Building	43,706	49,499	5,793	39	
Acquired favorable leases	--	--	--	-	
Acquired lease origination costs	1,150	1,100	(50)	4	
Total	$ 49,221	$ 54,739	$ 5,518		
Royal Ridge					
Land	$ 1,649	$ 2,542	$ 893	N/A	
Building	15,537	19,303	3,766	39	
Acquired favorable leases	2,558	3,251	693	6	
Acquired lease origination costs	858	1,091	233	6	
Total	$ 20,602	$ 26,187	$ 5,585		

FRANKLIN STREET PROPERTIES CORP.
NOTES TO CONDENSED CONSOLIDATED PRO FORMA FINANCIAL STATEMENTS
(Unaudited)

	Historical Cost	Allocated Purchase Price	Difference	Estimated Life (years)	Nine Septe
Collins Crossing					
Land	$ 4,022	$ 4,308	$ 286	N/A	
Building	32,843	38,753	5,910	39	
Acquired favorable leases	3,640	3,921	281	4	
Acquired lease origination costs	1,604	1,727	123	4	
Total	$ 42,109	$ 48,709	$ 6,600		
Total					
Land	$ 20,536	$ 18,868	$ (1,668)	N/A	
Building	102,025	117,757	15,732	39	
Real estate assets, net	122,561	136,625	14,064		
Acquired favorable leases	8,814	9,046	232	3-6	
Acquired lease origination costs	3,853	4,089	236	3-6	
Total	$135,228	$149,760	$ 14,532		

(e) Management fees charged by FSP Corp. to the target REITs have been eliminated from revenue and expenses as follows.

Nine Months Ended September 30, 2004	Year Ended December 31, 2003
$ 175,000	$ 204,000

(f) Interest of $273,000 charged by FSP Corp. on loans to the two target REITs syndicated in 2003 has been eliminated from revenue and expenses. See footnote (g) for additional interest expense incurred during syndications.

(g) Income and expenses directly related to the syndication of two target REITs in 2003 have been eliminated in the pro forma Statements of Income.

Revenue directly related to the syndication of two target REITs in 2003 that is included in FSP Corp.'s financial statements as follows:

Loan origination fees	$ 4,902,000	
Other organization costs	656,000	
Total transaction fees		$ 5,558,000
Syndication fees, gross	6,820,000	
Syndication fees, rebates	(1,417,000)	
Total syndication fees, net		5,403,000

Total revenue adjustment	$10,961,000

FRANKLIN STREET PROPERTIES CORP.
NOTES TO CONDENSED CONSOLIDATED PRO FORMA FINANCIAL STATEMENTS
(Unaudited)

The two target REITs have accounted for these fees in their financial statements as follows:

Interest expense	$4,902,000
Real estate acquisition costs	656,000
	$5,558,000
Gross syndication fees recorded as an offset to additional paid-in capital	$6,820,000

In connection with the syndication of the two target REITs in 2003, FSP Corp. incurred direct expenses of $264,000 relating to interest expense that is eliminated in the pro forma statement of income.

(h) After a sponsored REIT purchases a real estate asset but prior to the final syndication of the sponsored REIT, FSP Corp. records its pro rata share of the operations of the sponsored REIT into FSP Corp.'s statement of operations as sponsored REIT income and sponsored REIT expenses. Subsequent to the syndication, the sponsored REIT typically declares and pays a dividend to FSP Corp. This adjustment eliminates duplicate revenues and expenses prior to the syndication of the target REITs. A summary of the adjustment is shown below:

(in thousands)	Nine Months Ended September 30, 2004	Year Ended December 31, 2003
Sponsored REIT income	$ --	$ 1,595
Sponsored REIT expenses	--	1,208
Dividends to common shareholder	$ --	$ 387

(i) Approximately 10,894,994 shares of FSP common stock will be issued in exchange for the 1,822.5 outstanding shares of target REIT preferred stock in connection with the mergers. Stockholders' equity will be adjusted by the net difference between the assets and liabilities acquired in the merger. The following schedule shows a reconciliation detailing the adjustments to additional paid-in-capital.

	FSP Corp	Target REIT	Total
Additional paid-in-capital:			
FSP Corp:			
Total excess of Allocated Purchase Price over Historical Cost	$14,532		
Less Estimated Merger Costs	(685)		
	13,847		$ 13,847
Adjustment to record Par Value	(1)		(1)
Target REITS:			
Adjustments for:			
Estimated Merger Costs		$ (475)	(475)
Straight-line rent receivables		(2,560)	(2,560)
Distribution payable		(6,021)	(6,021)
Distributions in excess of earnings		(16,106)	(16,106)
	$13,846	$(25,162)	$(11,316)

FRANKLIN STREET PROPERTIES CORP.
NOTES TO CONDENSED CONSOLIDATED PRO FORMA FINANCIAL STATEMENTS
(Unaudited)

(j) Represents the revenue and expenses of the 13 Sponsored REITs acquired by FSP Corp. from January 1, 2003 to May 31, 2003.

(unaudited) (in thousands)	For the period January 1, 2003 to May 31, 2003
Revenue	$ 15,204
Real estate operating expenses	(3,997)
Real estate taxes and insurance	(2,667)
Depreciation and amortization	(3,298)
Interest income	117
Net income	$ 5,359

FRANKLIN STREET PROPERTIES CORP.
NOTES TO CONDENSED CONSOLIDATED PRO FORMA FINANCIAL STATEMENTS
(Unaudited)

(k) The following table combines the historical balance sheets of the target REITs as of September 30, 2004.

(in thousands)

	Montague	Addison Circle	Royal Ridge	Collin
Assets:				
Land	$ 10,500	$ 4,365	$ 1,649	$
Building	10,499	46,112	16,224	
Real estate investments, cost	20,999	50,477	17,873	
Less accumulated depreciation	560	2,406	687	
Real estate investments, net	20,439	48,071	17,186	
Acquired favorable leases, net	2,616	--	2,558	
Acquired lease origination costs, net	241	1,150	858	
Cash and equivalents	3,633	5,492	2,510	
Restricted cash	--	20	571	
Tenant rent receivable, net	--	1	--	
Step rent receivable, net	461	531	1,040	
Prepaid expenses	22	99	9	
Deferred leasing commissions, net	--	358	--	
Total assets	$ 27,412	$ 55,722	$ 24,732	$
Liabilities and stockholders' Equity:				
Accounts payable and accrued expenses	$ 465	$ 1,694	$ 475	$
Tenant security deposits	--	20	--	
Total liabilities	465	1,714	475	
Stockholders' equity				
Preferred stock	--	--	--	
Common stock	--	--	--	
Additional paid in capital	30,652	58,383	27,277	
Retained deficit and distributions in excess of earnings	(3,705)	(4,375)	(3,020)	
Total stockholders' equity	26,947	54,008	24,257	
Total liabilities & stockholders' equity	$ 27,412	$ 55,722	$ 24,732	$

FRANKLIN STREET PROPERTIES CORP.
NOTES TO CONDENSED CONSOLIDATED PRO FORMA FINANCIAL STATEMENTS
(Unaudited)

(l) The following table combines the historical operations for the target REITs for the nine months ended September 30, 2004.

(in thousands)	Montague	Addison Circle	Royal Ridge	Collins Crossing	
Revenue:					
Rental	$ 2,592	$ 6,892	$ 2,286	$ 5,205	$
Total revenue	2,592	6,892	2,286	5,205	
Expenses:					
Rental operating expenses	273	1,490	693	1,461	
Real estate taxes and insurance	210	1,045	250	715	
Depreciation and amortization	282	1,136	429	972	
Total expenses	765	3,671	1,372	3,148	
Income before interest	1,827	3,221	914	2,057	
Interest income	34	67	27	51	
Net income	$ 1,861	$ 3,288	$ 941	$ 2,108	$

(m) The following table combines the historical operations of the target REITs for the periods ended December 31, 2003.

	For the Year Ended December 31, 2003		For the Period January 30, 2003 to December 31, 2003	March 1 Decembe
(in thousands)	Montague	Addison Circle	Royal Ridge	Collin
Revenue:				
Rental	$ 3,645	$ 8,554	$ 2,264	$
Total revenue	3,645	8,554	2,264	
Expenses:				
Rental operating expenses	314	1,783	746	
Real estate taxes and insurance	339	1,354	255	
Depreciation and amortization	368	1,497	518	
Interest	--	--	1,731	
Total expenses	1,021	4,634	3,250	
Income (loss) before interest	2,624	3,920	(986)	

Interest income	45	85	28	
Dividends to common shareholders	--	--	(14)	
Net income (loss) attributable to preferred shareholders	$ 2,669	$ 4,005	$ (972)	$

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FRANKLIN STREET PROPERTIES CORP.
NOTES TO CONDENSED CONSOLIDATED PRO FORMA FINANCIAL STATEMENTS
(Unaudited)

(n) The following information represents the historical revenues over certain operating expenses for two properties from January 1, 2003 through the date of acquisition by a target REIT. Royal Ridge was purchased January 30, 2003 by FSP Royal Ridge Corp. and Collins Crossing was purchased March 3, 2003 by FSP Collins Crossing Corp.

	For the Period		
(in thousands)	January 1, 2003 to January 29, 2003 Royal Ridge	January 1, 2003 to March 2, 2003 Collins Crossing	Total
Revenue:			
Rental	$ 1	$ 1,347	$ 1,348
Total revenue	1	1,347	$ 1,348
Expenses:			
Rental operating expenses	95	320	415
Real estate taxes and insurance	19	156	175
Total expenses	114	476	590
Revenue over certain operating expenses	$ (113)	$ 871	$ 758

(o) FSP Corp. is purchasing the real estate assets and a stated amount of cash (the adjusted cash reserves) from each target REIT in exchange for a fixed number of shares of FSP common stock. The final dividend to the shareholders of the target REITs represents the estimated fair value of the net assets not purchased by FSP Corp. as of the date of the pro forma balance sheet. The estimated final dividend as of the date of the pro forma balance sheet for the target REITs is shown in the following table. The actual final dividend will be based upon the fair market value of the net assets not purchased as of the actual merger date.

Montague	$1,065
Addison	2,058
Royal Ridge	1,569
Collins	1,329
Total	$6,021

(p) The cumulative unbilled straight-line rents of the target REITs will be eliminated at acquisition.

(q) The cumulative deficit of the target REITs will be eliminated at acquisition.

FRANKLIN STREET PROPERTIES CORP.
NOTES TO CONDENSED CONSOLIDATED PRO FORMA FINANCIAL STATEMENTS
(Unaudited)

(r) The following table combines the historical cash flows for the target REITs for the nine months ended September 30, 2004.

(in thousands)	Montague	Addison	Ro
Cash flows from operating activities:			
Net income	$ 1,861	$ 3,288	$
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization expense	282	1,136	
Amortization of favorable leases	872	--	
Changes in operating assets and liabilities:			
Restricted cash	--	15	
Tenant rent receivables	--	24	
Step rent receivable	(69)	(110)	
Prepaid expenses and other assets	(8)	(48)	
Accounts payable and accrued expenses	54	(361)	
Tenant security deposits	--	(15)	
Payment of deferred leasing commissions	--	(329)	
Net cash provided by (used for) operating activities	2,992	3,600	
Cash flows from investing activities:			
Purchase of real estate assets and related leases, office computers and furniture, capitalized merger costs	--	(217)	
Net cash provided by (used for) investing activities	--	(217)	
Cash flows from financing activities:			
Distributions to stockholders	(2,953)	(3,857)	(

Net cash provided by (used for) financing activities	(2,953)	(3,857)	(
Net increase (decrease) in cash and cash equivalents	39	(474)	
Cash and cash equivalents, beginning of period	3,594	5,966	
Cash and cash equivalents, end of period	$ 3,633	$ 5,492	$

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FRANKLIN STREET PROPERTIES CORP.
NOTES TO CONDENSED CONSOLIDATED PRO FORMA FINANCIAL STATEMENTS
(Unaudited)

(s) The following table combines the historical cash flows for the target REITs for the year ended December 31, 2003.

(in thousands)	Montague	Addison	Roya
Cash flows from operating activities:			
Net income (loss)	$ 2,669	$ 4,005	$ (9
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization expense	368	1,497	5
Amortization of above market lease	1,164	--	4
Changes in operating assets and liabilities:			
Restricted cash	--	9	(5
Tenant rent receivables, net	--	(25)	
Straight-line rents, net	(262)	(322)	(9
Prepaid expenses and other assets, net	377	112	(1,0
Accounts payable and accrued expenses	383	165	2
Tenant security deposits	--	(9)	
Payment of deferred leasing commissions	--	(39)	
Net cash provided by (used for) operating activities	4,699	5,393	(2,3
Cash flows from investing activities:			
Purchase of real estate assets and related leases, office computers and furniture, capitalized merger costs	(355)	(25)	(22,3
Net cash provided by (used for) investing activities	(355)	(25)	(22,3
Cash flows from financing activities:			
Proceeds from sale of company stock, net	--	--	27,2
Distributions to stockholders	(3,714)	(4,721)	(1,3

Net cash provided by (used for) financing activities	(3,714)	(4,721)	25,8
Net increase in cash and cash equivalents	630	647	1,2
Cash and cash equivalents, beginning of period	957	2,683	
Cash and cash equivalents, end of period	$ 1,587	$ 3,330	$ 1,2
Supplemental disclosure of cash flow information:			
Cash paid for:			
Interest	$ --	$ --	$ 1,7
Non-cash investing and financing activities:			
Dividends declared but not paid	$ 960	$ 1,265	$ 5

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COMPARATIVE PER SHARE DATA

The following tables present on a per share basis:

(a) Basic and diluted net income book value, and dividends declared for FSP Corp. and each of the target REITs on a historical basis.

(b) Consolidated pro forma basic and diluted net income per share, book value per share and dividends per share for FSP Corp. This table shows the effect of the mergers from the perspective of an owner of one share of FSP common stock.

(c) Equivalent pro forma basic and diluted net income per share, equivalent pro forma book value per share and equivalent pro forma dividends per share for each of the target REITs. This table shows the effect of the mergers from the perspective of an owner of one share of stock of a target REIT. The consolidated pro forma data are multiplied by the number of shares of FSP common stock issuable in exchange for each share of target stock, also known as the exchange ratio, as shown in the following table:

Target REIT	Exchange Ratio
Addison	5,948.67
Collins Crossing	6,167.63
Montague	5,649.72
Royal Ridge	6,055.79

The pro forma financial data and equivalent pro forma data are unaudited and are not necessarily indicative of the operating results that would have been achieved had the mergers occurred as of the beginning of the period and should not be construed as representative of future operations.

FSP Corp. calculates historical book value per share by dividing stockholders' equity by the number of shares of common stock (or preferred stock, in the case of the target REITs) outstanding at the end of each period.

FSP Corp. calculates consolidated pro forma net income per share data for FSP Corp. as if the mergers occurred on January 1, 2003 and 2004 and resulted in weighted average shares of 60,523,000 and 60,525,000 for the nine months ended September 30, 2004 and for the year ended December 31, 2003, respectively.

FSP Corp. calculates consolidated pro forma book value per share data for FSP Corp. as if the mergers occurred on September 30, 2004 and resulted in an ending number of shares of 60,525,000.

FSP Corp. calculates consolidated pro forma dividends per share by adding the total dividends declared by FSP Corp. plus dividends declared by the target REITs and dividing this sum by 60,525,000 shares, as shown in the following table:

(in thousands)	Dividends Declared For the Nine Months Ended September 30, 2004	For the Year Ended December 31, 2003
FSP Corp.	$ 46,152	$ 46,747
Addison Circle	2,592	5,137
Collins Crossing	2,414	3,350
Montague	1,993	3,771
Royal Ridge	1,078	1,911
Total	$ 54,229	$ 60,916

FSP Corp. calculates equivalent pro forma net income per share for each target REIT by multiplying the consolidated pro forma net income per share by the exchange ratio.

FSP Corp. calculates equivalent pro forma book value per share for each target REIT by multiplying the consolidated pro forma book value per share by the exchange ratio.

FSP Corp. calculates equivalent pro forma dividends per share for each target REIT by multiplying the consolidated pro forma dividends per share by the exchange ratio.

For the purposes of the consolidated pro forma net income per share and book value per share data, FSP Corp.'s historical financial data have been consolidated with the target REITs' financial data.

Franklin Street Properties
Comparative Per Share Data
As of and for the nine months ended
September 30, 2004
(unaudited)

	Historical	Pro forma Consolidated	Pro forma Equivalent
Net income (loss) per share basic and diluted			
FSP Corp.	$ 0.68	$ 0.68	$ --

Montague	5,572	--	3,842
Addison Circle	5,170	--	4,045
Royal Ridge	3,166	--	4,118
Collins Crossing	3,798	--	4,194
Book value per share			
FSP Corp.	$ 10.17	$ 10.92	--
Montague	80,680	--	61,695
Addison Circle	84,918	--	64,959
Royal Ridge	81,536	--	66,129
Collins Crossing	83,054	--	67,351
Dividends declared per share			
FSP Corp.	$ 0.93	$ 0.90	--
Montague	5,967	--	5,085
Addison Circle	4,077	--	5,354
Royal Ridge	5,554		5,450
Collins Crossing	4,350	--	5,551

Franklin Street Properties Corp.
Comparative Per Share Data
As of and for the year ended
December 31, 2003
(unaudited)

	Historical	Pro forma Consolidated	Pro forma Equivalent
Net income (loss) per share basic and diluted			
FSP Corp.	$ 1.18	$ 0.83	$ --
Montague	7,991	--	4,689
Addison Circle	6,297	--	4,937
Royal Ridge	(3,267)	--	5,026
Collins Crossing	(2,431)	--	5,119
Book value per share			
FSP Corp.	$ 10.41	$ --	$ --
Montague	81,075	--	--
Addison Circle	83,824	--	--
Royal Ridge	81,997	--	--
Collins Crossing	83,605	--	--
Dividends declared per share			
FSP Corp.	$ 1.36	$ 1.01	$ --
Montague	11,290	--	5,706
Addison Circle	8,077	--	6,008
Royal Ridge	6,424	--	6,116
Collins Crossing	6,036	--	6,229

COMPARISON OF THE TARGET REITS AND FSP CORP.

The information below highlights a number of the significant differences among the target REITs and FSP Corp. relating to, among other things, forms of organization, investment objectives, asset diversification and capitalization. These comparisons are intended to assist target REIT stockholders in understanding how their investments will be changed as a result of the mergers.

Form of Organization. The target REITs and FSP Corp. are each vehicles appropriate for holding real estate investments and afford passive investors, such as target REIT stockholders, certain benefits, including limited liability and the avoidance of double-level taxation. The target REITs are under the control of their respective target boards, while FSP Corp. will continue to be governed by the FSP board. The target REITs are organized as Delaware corporations, and FSP Corp. is a Maryland corporation.

Length of Investment. Target REIT stockholders in each of the target REITs expect liquidation of their investments when the assets of the target REITs are liquidated within a five to ten year period following the syndication of a target REIT. In contrast, FSP Corp. does not expect to dispose of its assets within any prescribed periods.

Properties and Diversification. The real estate portfolio of each target REIT is limited to the assets acquired with its initial equity offering. FSP Corp. will hold a real estate portfolio that is substantially larger and more diversified than the portfolio of any of the target REITs. An investment in FSP Corp. should not be viewed as an investment in a specific pool of assets, but instead as an investment in an ongoing real estate investment business, subject to the risks normally attendant to ongoing real estate ownership, to the risks related to the real estate investment banking/brokerage business and to the risks related to acquisitions of additional properties.

Additional Equity. As the target REITs are not authorized to issue additional shares of target stock or other equity interests without the approval of their respective target REIT stockholders, the target stock is not subject to dilution. In contrast, FSP Corp. has substantial flexibility to raise equity capital to finance its businesses and affairs through the issuance of equity securities. Any and all issuances of equity securities by FSP Corp. would be dilutive to current holders of FSP common stock.

Voting Rights. Target REIT stockholders have one vote in respect of each share of target stock held on matters to which the target REIT stockholders have the right to vote. These matters generally consist of:

- any amendment to or repeal of any provision of the Certificate of Incorporation of the respective target REIT;
- any merger or consolidation by the respective target REIT into or with any other corporation or other entity or any sale of all or substantially all of the respective target REIT's assets; and
- any authorization or issuance of a new class or series of capital stock or an increase of the number of authorized shares of any existing class or classes or series of capital stock.

A stockholder in FSP Corp. will have one vote in respect of each share of FSP common stock of record on all matters to be voted upon by the stockholders. Matters submitted to the stockholders generally require the affirmative vote of stockholders holding a majority of the then outstanding capital stock present in person or by proxy entitled to vote thereon at a duly convened meeting of stockholders, except for the election of a director, which requires a plurality of all the votes cast at such a meeting. The Articles allow the FSP board to increase or decrease the number of shares of stock of any class that FSP Corp. has authority to issue without submitting the matter to the stockholders. The Articles require the approval of a specified super-majority (80%) of the shares

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of capital stock of FSP Corp. issued and outstanding and entitled to vote on the matter is required to amend the provisions of the Articles relating to the classification of directors, removal of directors, limitation of liability of officers and directors or indemnification of officers and directors or to amend the Articles to impose cumulative voting in the election of directors.

Compensation to FSP Corp. FSP Corp. will receive no fees or other compensation in connection with the mergers. FSP Property Management, a wholly owned subsidiary of FSP Corp., currently receives asset management fees from the target REITs ranging from $34,000 to $81,000 per annum. As a result of the mergers, fee income received by FSP Property Management from the four target REITs will be eliminated on the consolidated financial statements of the combined company for accounting purposes. The executive officers and directors of the target REITs receive no compensation from the target REITs. Such persons will, however, continue to receive compensation from FSP Corp. See "Management - Management Compensation".

Percentage Ownership. As a result of the significantly higher number of issued shares in FSP Corp. as compared to the target REITs, the target REIT stockholders will own a much smaller percentage of FSP Corp. relative to their ownership interest in the target REITs and, accordingly, will have less power to control the outcome of matters submitted to a vote of the stockholders and will receive a lesser percentage of any dividends or other distributions.

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CONFLICTS OF INTEREST

A number of conflicts of interest are inherent in the relationships among the target REITs, the target boards, FSP Corp. and the FSP board. Certain of these conflicts of interest are summarized below.

FSP Investments, a subsidiary of FSP Corp., syndicated each target REIT. Moreover, each executive officer and/or director of each target REIT are directors and executive officers of FSP Corp. Each target board and the FSP board have independent obligations to ensure that such target REIT's or FSP Corp.'s participation, respectively, in the merger agreement and the determination of the merger consideration is fair and equitable, without regard to whether the merger agreement and the determination of the merger consideration are fair and equitable to the other participants (including the other target REITs). The FSP board and each target board have sought to discharge faithfully their respective obligations to FSP Corp. and the applicable target REIT; however, target REIT stockholders should consider that the executive officers and directors of each target REIT serve in a similar capacity with respect to FSP Corp. The special committees of the target boards, consisting of Messrs. MacPhee and Gribbell, each a director of the target REITs and an executive vice president of FSP Corp., engaged in negotiations of the terms of the merger agreement and the amount of the merger consideration, but each special committee member was subject to a conflict of interest. If each target REIT had a separate board of directors with executive officers who did not serve in similar capacities for FSP Corp. and directors who did not own FSP common stock, these persons would have had an independent perspective which might have led them to advocate positions during the negotiation and structuring of the merger agreement and the determination of the merger consideration more favorable to the target REIT stockholders than those taken by the target boards.

The conflicts of interest inherent in the relationships among the target REITs, the target boards, FSP Corp., the FSP board and their respective affiliates are as follows:

- George J. Carter, the President and a director of each target REIT, is President, Chief Executive Officer and a director of FSP Corp. and owns an aggregate of 775,531 shares of FSP common stock;

- R. Scott MacPhee, an Executive Vice President and a director of each target REIT and a member of each special committee, is also an Executive Vice President of FSP Corp. and owns an aggregate of 372,451 shares of FSP common stock;

- Richard R. Norris, an Executive Vice President and a director of each target REIT, is also a director and an Executive Vice President of FSP Corp. and owns an aggregate of 258,087 shares of FSP common stock;

- William W. Gribbell, an Executive Vice President and a director of each target REIT and a member of each special committee, is also an Executive Vice President of FSP Corp. and owns an aggregate of 129,761 shares of FSP common stock;

- Barbara J. Fournier, Vice President, Chief Operating Officer, Treasurer, Secretary and a director of each target REIT, is also Vice President, Chief Operating Officer, Treasurer, Secretary and a director of FSP Corp. and owns an aggregate of 27,934 shares of FSP common stock; and

- Janet P. Notopoulos, Vice President of each target REIT, is also a Vice President and director of FSP Corp. and owns an aggregate of 14,985 shares of FSP common stock.

The directors of the target REITs may have been more inclined to vote for the mergers as a result of their ownership of FSP common stock since an increase in the real property assets owned by FSP Corp. may result in greater value for FSP Corp. stockholders.

Each target board established a special committee consisting of Messrs. MacPhee and Gribbell, the only members of the target boards who are not also members of the FSP board. Messrs. MacPhee and Gribbell serve as executive vice presidents of FSP Corp. Under the Delaware general corporation law, the target boards cannot delegate to a third party their fiduciary duties relating to the determination of whether the transactions contemplated by the mergers were or were not fair to the target REIT stockholders.

Each target board considered increasing its board size to include an independent director to perform the function of the special committees. However, each target board concluded that, given the potential liability of a director voting on the mergers, it would be difficult to retain someone with the knowledge and credentials necessary to fulfill the role of an independent director of a REIT who would be willing to take on the role of independent director of any of the target REITs without being substantially compensated and without being covered by director liability insurance. None of the target REITs currently has director and officer liability insurance. Each target board determined that the cost of compensating an independent director and obtaining director and officer liability insurance would be substantial and not in the best interests of its target REIT stockholders. For this reason, none of the target boards appointed an independent director to perform the functions of the special committees.

Messrs. MacPhee and Gribbell, the members of the special committees, both served as directors on boards of other sponsored entities which engaged in similar transactions with FSP Corp., including the 13 sponsored REITs acquired by FSP Corp. in June 2003. The sponsored REITs involved in those transactions did not appoint independent directors to serve as special committees and, in fact, did not designate any of their members to serve on a special committee. Moreover, no stockholder of any of the 13 sponsored REITs acquired by FSP Corp. in June 2003 availed himself of appraisal rights. Based on their experience in voting on prior transactions, Messrs. MacPhee and Gribbell believed that they could and did faithfully execute their duties to the target REIT stockholders. Moreover, George J. Carter, the chief executive officer of FSP Corp., instructed Messrs. MacPhee and Gribbell to execute their duties on behalf of the target REITs and their stockholders vigorously and assured Messrs. MacPhee and Gribbell that there would be no adverse consequences to their employment by FSP Corp. as a result of their vigorously executing their duties.

Barry Silverstein, Dennis J. McGillicuddy and John N. Burke are the only directors of FSP Corp. who are not also officers or directors of any target REIT. The remainder of the officers and directors of FSP Corp. serve as a director and/or officer, in the positions listed above, of each target REIT. Upon completion of the mergers, Mr. Silverstein's percentage ownership interest of FSP Corp. will decrease from 9.67% to 9.62%, Mr. McGillicuddy's percentage ownership interest of FSP Corp. will decrease from 7.24% to 6.07%, and the percentage ownership of the current directors and executive officers of FSP Corp. as a group will decrease from 19.07% to 17.46%. Mr. Burke does not own any shares of FSP common stock or any shares of target stock.

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FIDUCIARY RESPONSIBILITY

The standard of conduct for directors of a Maryland corporation is governed by Section 2-405.1 of the Maryland General Corporation Law, which requires that a director of a Maryland corporation perform his duties (i) in good faith, (ii) in a manner he reasonably believes to be in the best interests of the corporation, and (iii) with the care an ordinarily prudent person in a like position would use under similar circumstances.

The Delaware general corporation law is silent as to the nature of the duties of directors of a Delaware corporation. The standard of conduct for directors has instead developed through written opinions of the Delaware courts in cases decided by those courts. A director of a Delaware corporation is subject to both a duty of loyalty and a duty of care. The duty of loyalty requires a director to refrain from self-dealing, and to act in good faith and in what he believes to be the best interests of the corporation and its stockholders. When the interests of a director with respect to a transaction conflict with those of the corporation, the transaction must be fair to the corporation. The duty of care requires a director to exercise an informed business judgment, meaning that he must inform himself of all material information reasonably available. Having become so informed, a director then must use that amount of care which an ordinarily careful and prudent person would use in similar circumstances.

COMPARISON OF STOCKHOLDER RIGHTS

The rights of stockholders in each target REIT are governed by the charter and bylaws of that REIT and by the laws of the State of Delaware. The rights of FSP stockholders are governed by FSP Corp.'s charter and bylaws, each as amended, and by the laws of the State of Maryland. As a result of the mergers, the target REIT stockholders will become FSP stockholders and their rights will thereafter be governed by FSP Corp.'s charter and bylaws and by the laws of the State of Maryland.

The following summary outlines the material differences between the Delaware general corporation law and the Maryland general corporation law, between the charter of each target REIT and the FSP Corp. charter, and between the bylaws of each target REIT and the FSP Corp. bylaws. Each target REIT stockholder is encouraged to review the full text of each of the charter and bylaws of each target REIT in which said stockholder owns stock, the FSP Corp. charter, the FSP Corp. bylaws, the Delaware General Corporation Law, the Maryland General Corporation Law and other corporation-related laws of Delaware and Maryland insofar as they relate to corporations organized in such states. The FSP Corp. charter and the FSP Corp. bylaws have been filed as exhibits to the material filed by FSP Corp. with the Securities and Exchange Commission. For information as to how these documents may be obtained, see "Where You Can Find More Information."

	Target REIT (Delaware)	FSP Corp. (Maryland)
Authorized and outstanding common stock	Each target REIT is authorized to issue 1 share of common stock. On August 13, 2004, 1 share of common stock was issued and outstanding in each target REIT and held by FSP Corp.	FSP Corp. is authorized to issue 180,000,000 shares of common stock. On August 20, 2004, 49,629,762 shares of common stock were issued and outstanding in FSP Corp.
Description of common stock	The holders of common stock in each target REIT are entitled to one vote for each share held at all meetings of stockholders (and written actions in lieu of meetings). The voting, dividend and liquidation rights of the holders of the common stock are subject to and qualified by the rights of the holders of the preferred stock.	FSP stockholders are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Shares of FSP common stock have equal dividend, distribution, and liquidation rights and have no preference or exchange rights. In addition, shares of FSP common stock have no conversion, sinking fund, or preemptive rights.
Authorized and outstanding preferred stock	FSP Addison Circle Corp. is authorized to issue 636 shares of preferred stock. On August 13, 2004, 636 shares of preferred stock were issued and outstanding.	FSP Corp. is authorized to issue 20,000,000 shares of preferred stock in one or more separately designated classes. On August 13, 2004, no shares of preferred

		stock were outstanding.
	FSP Collins Crossing Corp. is authorized to issue 555 shares of preferred stock. On August 13, 2004, 555 shares of preferred stock were issued and outstanding.	

	Target REIT (Delaware)	FSP Corp. (Maryland)
	FSP Montague Business Center Corp. is authorized to issue 334 shares of preferred stock. On August 13, 2004, 334 shares of preferred stock were issued and outstanding. FSP Royal Ridge Corp. is authorized to issue 297.5 shares of preferred stock. On August 13, 2004, 297.5 shares of preferred stock were issued and outstanding.	
Description of preferred stock	Under the bylaws of each target REIT, each target board has the authority, subject to the provisions of the charter or a vote by the target REIT stockholders, to issue, sell, transfer, or otherwise dispose of the whole or any part of any unissued balance of the authorized capital stock, including preferred stock, of the target REIT for such lawful consideration and on such terms as such target board may determine. Any issuance of any new class or classes or series of capital stock or any increase in the number of authorized shares of any existing class or classes or series of capital stock requires the affirmative vote or written consent of the holders of not less than 66.67% of the then outstanding shares of preferred stock. Except as provided by law, the holders of preferred stock have no voting rights on any matter presented to	Under FSP Corp.'s charter, the FSP board has the authority, without further action by the FSP stockholders, to issue up to 20,000,000 shares of preferred stock in one or more separately designated classes. The FSP board may authorize the issuance of shares of preferred stock with terms and conditions which could have the effect of discouraging a takeover or other transaction in which holders of some, or a majority of, shares of FSP common stock might receive a premium for their shares of FSP common stock over the then-prevailing market price of those shares of FSP common stock.

the target REIT stockholders for their action or consideration at any meeting (or by written action of stockholders in lieu of a meeting), with the exception of (1) any amendment of or the repeal or addition of

	Target REIT (Delaware)	FSP Corp. (Maryland)
	any provision to the target REIT's charter, (2) any merger or consolidation into or with any other corporation or other entity or sale of all of substantially all of the target REIT's assets, (3) the removal of one or more members of the target REIT board pursuant to a class vote provision contained in the charter (see "Removal of directors," below), and (4) the election of directors to fill a vacancy created by any such removal.	
Ownership limits related to status as a real estate investment trust	The charter of each target REIT provides that any purported transfer or acquisition of preferred stock that would result in the disqualification of the corporation as a real estate investment trust is void.	FSP Corp.'s charter provides that an FSP stockholder may be limited to owning, either directly or under applicable attribution rules of the tax code, no more than 9.8% of the lesser of the value or the number of equity shares of FSP Corp., which we call the ownership limit. No FSP stockholder may acquire or transfer shares that would result in shares of FSP common stock being beneficially owned by fewer than 100 persons and any such purported acquisition or transfer will be void. Any transfer that would cause a stockholder to beneficially or constructively own shares of FSP Corp. in excess of the ownership limit will result in the excess number of shares automatically being transferred to a trust created for the purpose of holding such shares for the

		benefit of one or more non-profit organizations. The FSP board has the right to refuse to give effect to the acquisition or transfer of shares by an FSP stockholder in violation of these provisions.

	Target REIT (Delaware)	FSP Corp. (Maryland)
Rights of stockholders to redeem shares	The target REIT stockholders have no redemption rights for the target stock.	FSP Corp.'s charter provides that on an annual basis FSP Corp. will use its best efforts to redeem any shares of FSP common stock from FSP stockholders desiring to sell shares. Any FSP stockholder wishing to take advantage of this opportunity must so request no later than July 1 of any year for a redemption that would be effective the following January 1. Any such request will be irrevocable. The purchase price paid by FSP Corp. will be 90% of the fair market value of the shares purchased, as determined by the FSP board in its sole and absolute discretion after consultation with an adviser selected by the FSP board. FSP Corp. will treat all redemption requests in the same manner, meaning that if a stockholder complies with the provision of FSP Corp.'s charter regarding redemption, FSP Corp. will not discriminate among redeeming stockholders based on the timing or amount of the redemption request; however, FSP Corp.'s charter provides that in the event FSP Corp. has insufficient funds or is otherwise prohibited from redeeming all of the shares requested, it will redeem based on the order in which effective offers are received.

FSP Corp. will not redeem any shares of FSP common stock pursuant to this provision if: FSP Corp. is insolvent or the redemption would render FSP Corp. insolvent; the redemption would impair the capital or operations of FSP Corp.; the redemption would contravene

Target REIT (Delaware)	FSP Corp. (Maryland)
	any provision of federal or state securities laws; the redemption would result in FSP Corp.'s failing to qualify as a real estate investment trust; or the FSP board determines that the redemption would otherwise not be in the best interests of FSP Corp. If FSP Corp. is unable to purchase any shares of FSP common stock offered for redemption, FSP Corp. will use its best efforts to arrange for a purchase by a third party or parties, each of whom must be an accredited investor within the meaning of Regulation D and must have a pre-existing relationship with FSP Corp. In addition, FSP Corp. will have the right to satisfy its obligation to effect redemption by arranging for a purchase by such a third party or parties at the redemption price. FSP Corp. has no obligations to, and does not intend to, redeem shares of FSP common stock during any period that the FSP common stock is listed for trading on a national securities exchange, such as the AMEX, or the NASDAQ National Market System. FSP Corp. also does not intend to accept any requests for

		redemption from the time of the mailing of this Consent Solicitation/Prospectus until the effective date of the mergers.
Special meetings of stockholders	Under the Delaware general corporation law, a special meeting of stockholders may be called by the board of directors or by any persons as may be authorized by a corporation's charter or bylaws.	Under Maryland law, a special meeting of stockholders may be called by the president, the board of directors, or any other person as may be authorized by a corporation's charter or bylaws. A special meeting of stockholders may

	Target REIT (Delaware)	FSP Corp. (Maryland)
	The bylaws of each target REIT provide that the President, the Chairman of the Board (for Addison Circle and Royal Ridge only), or the target REIT board may call a special meeting of the stockholders at any time.	also be called by the written request of stockholders entitled to cast at least 25 percent of all the votes entitled to be cast at the meeting, subject to certain statutory provisions. FSP Corp.'s bylaws provide that the President, Chief Executive Officer or a majority of the FSP board may call a special meeting of the stockholders. Special meetings shall also be called by the Secretary of FSP Corp. upon the written request of the holders of shares entitled to cast more than 50% of the votes entitled to be cast at such a meeting.
Action by written consent in lieu of a stockholder meeting	Under the Delaware general corporation law, any action required or permitted to be taken at a meeting of the stockholders may be taken without a meeting by written consent of the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.	Under Maryland law, any action required or permitted to be taken at a meeting of the FSP stockholders may be taken without a meeting if a unanimous consent which sets forth the action is given in writing or by electronic transmission by each stockholder entitled to vote on the matter, and filed in paper or electronic form with the records of meetings of stockholders. In actions concerning the election of

	The bylaws of each target REIT provide that the target REIT stockholders may take action by written consent without a meeting and without prior notice, provided that a consent in writing, setting forth the action so taken, is signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote on such action were present and voted.	directors, unless the charter requires otherwise, the holders of any class of stock other than common stock entitled to vote generally in the election of directors may take action or consent to any action by delivering a consent in writing or by electronic transmission of the stockholders entitled to cast not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting of stockholders if the corporation gives notice of the action to each stockholder not later than

	Target REIT (Delaware)	FSP Corp. (Maryland)
		ten days after the effective time of the action. FSP Corp.'s bylaws provide that any action required or permitted to be taken at a meeting of stockholders may be taken without such a meeting by unanimous written consent of the stockholders entitled to vote on the matter provided that any stockholder entitled to receive notice (but not vote) has provided a written waiver of any right to dissent from such action.
Record date	Under the Delaware general corporation law, the board of directors may fix a record date for determining the stockholders entitled to vote at any meeting of the stockholders, provided that the record date does not precede the date of the resolution fixing the record date nor fall more than 60 nor less than ten days before the date of such meeting. If no record date is fixed by the board of directors, the record date will be the close of	Under Maryland law, the board of directors has the sole power to fix the record date for determining stockholders entitled to request a special meeting of the stockholders and the record date for determining stockholders entitled to notice of and to vote at the special meeting. FSP Corp.'s bylaws provide that the FSP board may set a record date for the determination of the stockholders entitled to

business on the day next preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. The bylaws of each target REIT provide that such target REIT board may fix a date as a record date for the determination of the stockholders entitled to notice of or to vote at any meeting of stockholders, or to express consent or dissent to action in writing without a meeting, or entitled to receive payment	notice of or to vote at any meeting of stockholders, or stockholders entitled to receive payment of any dividend or the allotment of any other rights, or in order to make determination of stockholders for any other proper purpose; provided that the date is not more than 90 days and, in the case of a meeting of stockholders, not less than ten days, before the date on which the meeting or particular action requiring such determination of stockholders is to be held or taken. If no record date is fixed, the record date

Target REIT (Delaware)	FSP Corp. (Maryland)
of any dividend or other distribution or allotment of any rights, or for the purpose of any other lawful action; provided that that date is not more than 60 days nor less than ten days before the date of such meeting, nor more than ten days after the date of adoption of a record date for a written consent without a meeting, nor more than 60 days prior to any other action to which such record date relates. If no record date is fixed, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be the close of business on the day before the meeting. The record date for determining stockholders entitled to express written consent without a meeting shall be the day on which the first written consent is properly delivered to the corporation. The record date for any other purpose shall be the close of the business day on which the	for the determination of stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day on which the notice of meeting is mailed or the 30th date before the meeting, whichever is the closer date to the meeting; and the record date for the determination of stockholders entitled to receive payment of a dividend or an allotment of any other rights shall be the close of business on the day on which the resolution of the directors declaring the dividend or allotment of rights is adopted, but the payment or allotment may not be made more than 60 days following the date on which such resolution is adopted.

	target REIT board adopts the resolution relating to such purpose.	
Notice requirement for stockholder meetings	Under the Delaware general corporation law, written notice of any meeting of the stockholders must be given not less than ten nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting. The bylaws of each target REIT provide that except as otherwise provided by law, written notice of any meeting of the stockholders shall be given not less than ten nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting.	Under Maryland law, written or electronic notice of any meeting of the stockholders must be given not less than ten nor more than 90 days before the date of the meeting to each stockholder entitled to vote at such meeting or otherwise entitled to notice of such meeting. FSP Corp.'s bylaws provide that not less than ten nor more than 90 days before each meeting of stockholders, the secretary shall give to each stockholder entitled to vote at such meeting and to each stockholder not entitled to

	Target REIT (Delaware)	FSP Corp. (Maryland)
		vote, who is nevertheless entitled to notice of the meeting, written or printed notice stating the time and place of the meeting and, in the case of a special meeting or as otherwise may be required by statute, the purpose for which the meeting is called.
Advance notice provisions for board nomination and other stockholder business-annual meetings	The Delaware general corporation law does not contain any specific advance notice provisions for notice of stockholder nominations of directors or stockholder proposals of business. The charters and bylaws of the target REITs do not contain any specific advance notice provisions for notice of stockholder nominations of directors or stockholder proposals of business for an annual meeting.	Under Maryland law, the charter or bylaws of a corporation may require any stockholder proposing a nominee for election as a director or any other matter for consideration at a meeting of the stockholders to provide advance notice of the nomination or proposal to the corporation of (1) not more than 90 days before the date of the meeting; or, (2) in the case of an annual meeting, 90 days before either (a) the first anniversary of the mailing date of the notice of the preceding year's annual

		meeting or (b) the preceding year's annual meeting; or (3) another time specified in the charter or bylaws. FSP Corp.'s bylaws provide that nominations of directors or stockholder proposals of business may be made at an annual meeting by any stockholder entitled to vote at that meeting if (1) that stockholder has delivered notice of such nominations or other business to the Secretary of FSP Corp. not less than 90 days nor more than 120 days prior to the first anniversary of the mailing date of the notice of the preceding year's annual meeting, and (2) such stockholder was a stockholder of record at the time of giving notice.

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	Target REIT (Delaware)	FSP Corp. (Maryland)
Advance notice provisions for board nomination and other stockholder business-special meetings	The Delaware general corporation law does not contain any specific advance notice provisions for notice of stockholder nominations of directors or stockholder proposals of business. The target REITs' bylaws provide that business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of the meeting. The charters and bylaws of the target REITs do not contain any specific advance notice provisions for notice of stockholder nominations of directors or stockholder proposals of business for special meetings.	Under Maryland law, the charter or bylaws of a corporation may require any stockholder proposing a nominee for election as a director or any other matter for consideration at a meeting of the stockholders to provide advance notice of the nomination or proposal to the corporation of not more than 90 days before the date of the meeting or another time that may be specified in the corporation's charter or bylaws. FSP Corp.'s bylaws provide that business shall be conducted at a special meeting of stockholders and shall be limited to matters relating to the purpose or purposes stated in the notice of the meeting. Stockholder nominations of

		directors may be made at a special meeting at which directors are to be elected, by any stockholder entitled to vote at that meeting if (1) that stockholder has delivered notice of such nominations to the Secretary of FSP Corp. not earlier than the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the FSP board, and (2) such stockholder was a stockholder of record at the time of giving notice.
Number of directors	The Delaware general corporation law requires that there be a board of directors of the corporation with at least one director. The bylaws of each target	Maryland law requires that there be a board of directors of the corporation with at least one director. FSP Corp.'s charter and bylaws provide that the

	Target REIT (Delaware)	FSP Corp. (Maryland)
	REIT provide that the number of directors be determined by resolution of the stockholders or the target REIT board, but in no event shall it be less than one. The number of directors may be decreased by the stockholders or by a majority of the directors in office, but only to eliminate vacancies existing by reason of the death, resignation, removal or expiration of the term of one or more directors. The number of directors may be increased at any time by the stockholders or by a majority of the directors then in office. Addison Circle's board of	number of directors never be reduced to less than the minimum number required by Maryland law. The number of directors may be increased or decreased by the vote of a majority of the entire Board of Directors at any regular meeting or any special meeting called for that purpose, provided that the tenure of office of a director cannot be affected by any decrease in the number of directors. FSP Corp.'s board of directors currently consists of seven directors.

	directors currently consists of six directors. Collins Crossing's board of directors currently consists of six directors. Montague's board of directors currently consists of six directors. Royal Ridge's board of directors currently consists of six directors.	
Election of directors	Directors are elected by a plurality of the votes cast on the election by stockholders entitled to vote on such election. Stockholders do not have cumulative voting rights in the election of directors.	Directors are elected by a plurality of the votes cast at a meeting of stockholders at which a quorum is present. Stockholders do not have cumulative voting rights in the election of directors.
Classified board of directors	The Delaware general corporation law provides that a corporation's board of directors may be divided into one, two or three classes with staggered terms of office. Each of the Target REITs' directors currently holds office until the next annual meeting of stockholders.	Maryland law provides that a corporation may divide its board into classes with terms of office provided by the bylaws so long as (1) no term of office is longer than five years, (2) no term of office is shorter than the period between annual meetings, and (3) the term of office of at least one class expires each year.

	Target REIT (Delaware)	FSP Corp. (Maryland)
		FSP Corp. directors are divided into three classes and are elected to a term of three years and hold office until the third annual stockholder meeting after their election.
Removal of directors	Under the Delaware general corporation law, a director may be removed from office, with or without cause, by the affirmative vote of a majority of the shares then entitled to vote at an election of directors, except (1) unless a corporation's charter provides otherwise, a	Under Maryland law, unless otherwise provided by a corporation's charter, a director may be removed from office, with or without cause, by the affirmative vote of a majority of the shares then entitled to vote at an election of directors, except (1) a director sitting on a classified

director sitting on a classified board may only be removed for cause, (2) if a corporation has cumulative voting and less than the entire board is to be removed a director cannot be removed without cause if the votes cast against his removal would be sufficient to elect him if then cumulatively voted at an election of the entire board of directors, and (3) if the stockholders of any class or series are entitled separately to elect one or more directors, a director elected by a class or series may not be removed without cause except by the affirmative vote of a majority of all the votes of that class or series.	board of directors may only be removed for cause, (2) if a corporation has cumulative voting and less than the entire board is to be removed, a director cannot be removed without cause if the votes cast against his removal would be sufficient to elect him if then cumulatively voted at an election of the entire board of directors, and (3) if the stockholders of any class or series are entitled separately to elect one or more directors, a director elected by a class or series may not be removed without cause except by the affirmative vote of a majority of all the votes of that class or series.
The target REITs' charters and bylaws provide that except as otherwise provided by the General Corporation Law of Delaware, any director may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors, except that the directors elected by the holders of a particular	FSP Corp.'s charter provides that a director may be removed from office only for cause based on a material breach of his duties or obligations to FSP Corp., and then only by the affirmative vote of the holders of at least two-thirds of the votes entitled to be cast in the election of directors.

Target REIT (Delaware)	FSP Corp. (Maryland)
class or series of stock may be removed without cause only by vote of the holders of a majority of the outstanding shares of such class or series. A meeting for the purpose of removing one or more directors may be called by the holders of 35% or more of the outstanding shares of preferred stock and at such a meeting any director may be removed with or without cause by a vote of greater than 50% of the outstanding shares of preferred stock.	

Board of director vacancies	Under the Delaware general corporation law, any vacancy is to be filled as the bylaws of the corporation provide. The target REITs' bylaws provide that any vacancy, unless and until filled by the stockholders, including a vacancy resulting from an increase in the number of directors, may be filled by vote of a majority of the directors then in office, although less than a quorum, or by a sole remaining director.	Under Maryland law, the stockholders may elect a successor to fill a vacancy on the board of directors which results from the removal of a director, except that if the stockholders of any class or series are entitled separately to elect one or more directors, the stockholders of that class or series may elect a successor to fill a vacancy on the board of directors which results from the removal of a director elected by that class or series. Also, unless otherwise provided by the corporation's charter, a majority of the sitting directors may fill a vacancy on the board except that if the stockholders of any class or series are entitled separately to elect one or more directors, a majority of the remaining directors elected by that class or series or the sole remaining director elected by that class or series may fill any vacancy among the number of directors elected by that class or series. FSP Corp.'s charter provides that any vacancy, other than

	Target REIT (Delaware)	FSP Corp. (Maryland)
		that resulting from an increase in the number of authorized directors, shall be filled by the vote of a majority of the directors then in office. A vacancy created by an increase in the number of authorized directors shall be filled by the vote of a majority of the entire Board of Directors.
Special meetings of the board of	The target REITs' bylaws provide that special	FSP Corp.'s bylaws provide that special meetings of the

directors	meetings of the Board of Directors may be held at any time and place designated in a call by the Chairman of the Board (in the case of Royal Ridge and Addison Circle alone), the President, two or more directors, or by one director in the event that there is only a single director in office.	board of directors may be called by the Chairman of the Board, the President, or a majority of the directors then in office.
Indemnification	Under the Delaware general corporation law, a corporation has the power to indemnify any officer, director, employee or agent made a party to any proceeding by reason of service in that capacity if the party acted in good faith and in a manner the party reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct in question was unlawful. However, indemnification for liability to the corporation itself may only be given if the Court of Chancery or the court in which such action or suit was brought determines that such person is fairly and reasonably entitled to indemnity. Any such indemnification can only be made once authorized	Under Maryland law, a corporation may indemnify any director, officer, employee, or agent made a party to any proceeding by reason of service in that capacity unless it is established that the act or omission of the party was material to the matter giving rise to the proceeding, and (1) was committed in bad faith; (2) was the result of active and deliberate dishonesty; (3) the party actually received an improper personal benefit in money, property, or services; or (4) in the case of any criminal proceeding, the party had reasonable cause to believe that the act or omission was unlawful. Before indemnification can be granted, there must be an authorization by the board of directors, special legal counsel appointed by the board of directors, or the

	Target REIT (Delaware)	FSP Corp. (Maryland)
	by (1) a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, (2) a committee of such directors designated by majority vote of such directors, even though less than a quorum, (3) if there are no such directors, or if such	stockholders, that the conduct of the director, officer, employee or agent seeking indemnification meets the standard given above. Unless limited by the corporation's charter, a director, officer, employee, or agent who has been

directors so direct, by independent legal counsel in a written opinion, or (4) the stockholders. Notwithstanding any of the provisions above, the Delaware general corporation law dictates that to the extent that a present or former director or officer of a corporation has been successful on the merits or otherwise in defense of any action arising out of his service, that director or officer shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred in the defense. The target REITs' charters provide for indemnification of directors and officers of the corporation to the full extent permitted by the Delaware general corporation law, subject to the conditions that (1) the target REIT shall not indemnify any party in connection with a proceeding (or part thereof) initiated by that same party unless the initiation was approved by the Board of Directors and (2) the target REIT shall not indemnify any party to the extent such party is reimbursed from the proceeds of insurance.	successful, on the merits or otherwise, in the defense of any proceeding referred to above shall be indemnified against reasonable expenses incurred by that party in connection with the proceeding. Any indemnification of, or advance of expenses to, a director, officer, employee, or agent must be reported in writing to the stockholders with the notice of the next stockholders' meeting or prior to the meeting. FSP Corp.'s charter and bylaws provide that FSP Corp. will indemnify its directors and officers to the full extent permitted by Maryland law, subject to the conditions that (1) no indemnification will be given if the director or officer is held liable to the corporation itself and (2) the termination of any proceeding by conviction, or a plea of nolo contendere or an entry of probation prior to judgment each creates a rebuttable presumption that the officer or director did not meet the requisite standard of conduct for indemnification. FSP Corp. will not indemnify in any suit where the potential indemnitee is found to be liable for receiving improper benefit and will not indemnify any party to the extent that such party is reimbursed from the proceeds of insurance.

Target REIT (Delaware)	FSP Corp. (Maryland)
	Notwithstanding any of the provisions above, FSP Corp. will indemnify any director or officer that is successful in defense of any action arising out of his position with FSP Corp. or his service at the request

		of FSP Corp.
Charter amendment, merger, sale of assets, share exchange and consolidation	Under the Delaware general corporation law, any amendment to a corporation's charter requires the affirmative vote of a majority of the outstanding stock entitled to vote on the matter, and a majority of the outstanding stock of each class entitled to vote on the matter as a class. The holders of the outstanding shares of a class are entitled to vote as a class if the amendment would increase or decrease the aggregate number of authorized shares of such class, increase or decrease the par value of the shares of such class, or alter or change the powers, preferences, or special rights of the shares of such class so as to affect them adversely. Under the Delaware general corporation law, any merger, consolidation, or sale of substantially all assets requires the affirmative vote of a majority of the outstanding stock of the corporation entitled to vote on the matter. The target REITs' charters provide that, in addition to a majority of the shares of outstanding capital stock, as required by law, the affirmative vote of a majority of shares of preferred stock is required to amend or repeal any	Under Maryland law, any charter amendment, merger, sale of assets, share exchange or consolidation requires the affirmative vote of two-thirds of the shares of stock entitled to vote on the matter, unless a lesser percentage (but not less than a majority of all the votes to be cast on the matter) is set forth in the corporation's charter. FSP Corp.'s charter provides that, in addition to a majority of the shares of outstanding capital stock, as required by law, the affirmative vote of a majority of shares of preferred stock is required to amend the charter, merge or consolidate into or with any other corporation or other entity, sell all or substantially all of its assets, or engage in a share exchange.

	Target REIT (Delaware)	FSP Corp. (Maryland)
	provision of, or add any provision to the charter, merge or consolidate into or with any other corporation or other entity, or sell all or substantially all of its assets.	

Amendment of bylaws	Under the Delaware general corporation law, the power to adopt, amend or repeal bylaws is vested in the stockholders. The fact that such power may be conferred upon the directors or governing body does not divest the stockholders of their power to adopt, amend or repeal bylaws. The target REITs' bylaws provide that the bylaws may be amended or repealed by the affirmative vote of a majority of the directors present at any regular or special meeting of the target REIT board at which a quorum is present. Furthermore, the bylaws may be amended or repealed by the affirmative vote of the holders of a majority of the shares of the capital stock of the corporation issued and outstanding and entitled to vote at any regular meeting of stockholders, or at any special meeting of stockholders, provided notice of such amendment or repeal has been stated in the notice of such special meeting.	Under Maryland law, the power to adopt, alter, and repeal the bylaws of the corporation is vested in the stockholders except to the extent that the charter or bylaws vest it in the board of directors. FSP Corp.'s bylaws provide that the Board of Directors shall have the power to adopt, alter or repeal any provision of the bylaws and to make new bylaws.
Anti-takeover statutes	The target REITs' charters provide that Delaware's anti-takeover statute does not apply to each target REIT.	Under Maryland law, a corporation may not engage in any business combination with any stockholder who owns, directly or indirectly, 10% or more of the outstanding voting stock of the corporation (an "interested stockholder") or any affiliate of the interested stockholder for a period of 5 years following the most recent date on

	Target REIT (Delaware)	FSP Corp. (Maryland)
		which the interested stockholder became an interested stockholder unless the Board of

		Directors of the corporation approves and exempts the business combination from such requirement or there are fewer than 100 beneficial owners of stock in the corporation or certain other conditions are met.
Par value, dividends, and repurchases of shares	The Delaware general corporation law permits a corporation to declare and pay dividends out of its surplus (usually net assets minus aggregate par value of outstanding shares) or out of its net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year. If the capital of the corporation is diminished by depreciation of losses to an amount less than the aggregate amount of the capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets, then the directors cannot declare and pay dividends out of net profits until the deficiency of capital has been repaired. While Delaware grants no explicit statutory authority to repurchase shares, there is also no law supporting the proposition that directors of a company cannot approve efforts to repurchase shares for the benefit of the company.	Maryland law permits a corporation to declare and pay dividends and make other distributions to shareholders, unless after giving effect to the distribution (1) the corporation would not be able to pay indebtedness of the corporation as it becomes due in the usual course of business, or (2) the corporation's total assets would be less than the sum of its total liabilities plus, unless the charter permits otherwise, the amount that would be needed if the corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of stockholders whose preferential rights on dissolution are superior to those receiving the distribution. In addition, Maryland law provides that a corporation may acquire its own shares and that shares so acquired constitute authorized but unissued shares.
Dissenters' or appraisal rights	Under the Delaware general corporation law, appraisal rights are generally available for holders of any class or series of stock of a constituent corporation in a merger or consolidation who do not vote in favor of	Under Maryland law, a stockholder of a Maryland corporation has the right to demand and receive payment of the fair value of his stock in the event of (1) any merger or consolidation of the corporation, (2) any

	Target REIT (Delaware)	FSP Corp. (Maryland)
	or otherwise consent to the	transfer of assets requiring

merger or consolidation and who continue to hold stock through the effective date of the merger or consolidation. However, no appraisal rights are available for the shares of any class or series of stock that, at the record date fixed to determine the stockholders entitled to receive notice of and to vote upon merger or consolidation, were either (1) listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc. or (2) held of record by more than 2,000 holders; and no appraisal rights are available for any shares of stock of the constituent corporation surviving a merger if the merger did not require for its approval the vote of the stockholders of the surviving corporation. Notwithstanding the provisions above, appraisal rights are available under the Delaware general corporation law where the consideration received in a merger or consolidation is anything other than (1) shares of stock of the surviving corporation, (2) shares of stock of any other corporation, which at the effective date of the merger or consolidation will be either listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc. or held of record by more than 2,000 holders, (3) cash	stockholder approval, (3) any charter amendment which alters the contract rights, as expressly set forth in the charter, of any outstanding stock and substantially adversely affects the stockholder's rights, unless the right to do so is reserved by the charter of the corporation, or (4) any business combination covered by the Maryland Business Combination Act, unless (a) the stock received is listed on a national securities exchange or (b) the stock received is that of the surviving corporation in a merger that meets certain requirements including that the survivor's charter does not alter the contract rights of the stockholders or reserve the right to do so.

Target REIT (Delaware)	FSP Corp. (Maryland)

	in lieu of fractional shares, or (4) any combination of the above. Dissenters' rights of target REIT stockholders are discussed in greater detail in the section of this prospectus entitled "The Mergers - Appraisal Rights of Dissenting Stockholders of Target REITs."	
Inspection rights	Under the Delaware general corporation law, any stockholder has the right to inspect for any proper purpose and to make copies and extracts from the corporation's stock ledger, a list of its stockholders, its other books and records and a subsidiary's books and records, to the extent that the corporation has actual possession and control of such records of such subsidiary or the corporation could obtain such records through the exercise of control over such subsidiary without violating its contractual obligations to the subsidiary or the subsidiary's legal rights.	Under Maryland law, any stockholder may inspect and copy that corporation's bylaws, the minutes of the proceedings of its stockholders, its annual statements of affairs and voting trust agreements on file at the corporation's principal office. Any stockholder may present to any officer or resident agent of the corporation a written request for a statement showing all stock and securities issued by the corporation during a specified period of not more than 12 months before the date of the request. Furthermore, one or more persons who together are and for at least six months have been stockholders of record of at least 5 percent of the outstanding stock of any class of a corporation may inspect and copy during usual business hours the corporation's books of account and its stock ledger; present to any officer or resident agent of the corporation a written request for a statement of its affairs; and in the case of any corporation which does not maintain the original or a duplicate stock ledger at its principal office, present to any officer or resident agent of the corporation a written request for a list of its stockholders.

BUSINESS AND PROPERTIES OF THE TARGET REITs

Each target REIT was formed for the purpose of acquiring, developing and operating its property. The principal investment objectives of the target REITs are to provide their target REIT stockholders with regular quarterly cash distributions; to obtain long-term appreciation in the value of their property; and to preserve and protect their target REIT stockholders' capital. The target REITs share executive offices with FSP Corp. Each target board believes the property owned by its related target REIT is adequately covered by insurance.

There is no established public trading market for the preferred stock of any of the target REITs.

The following table indicates the number of holders of record of preferred stock in each of the target REITs as of August 13, 2004, based upon the number of record holders reflected in the corporate records of that target REIT.

Target REIT	Number of Record Holders
Addison Circle	380
Collins Crossing	449
Montague	331
Royal Ridge	246

Set forth below are the distributions per share of preferred stock that each target REIT has made in each quarter since the quarter ended December 31, 2002 or since such target REIT was syndicated, if such syndication occurred after December 31, 2002.

	Target REIT						
	Dividends Distributed per Share of Preferred						
Target REIT	Quarter Ended						
	12/31/02	3/31/03	6/30/03	9/30/03	12/31/03	3/31/04	6/30/0
Addison Circle	N/A	1,189.22	2,050.00	2,031.00	2,008.00	1,989.00	2,025.0
Collins Crossing	N/A	N/A	97.78	1,471.64	2,067.00	2,399.00	2,223.0
Montague	860.75	2,702.00	2,737.00	2,817.00	2,863.00	2,873.00	2,934.5
Royal Ridge	N/A	N/A	1,073.50	1,783.00	1,766.00	1,802.00	1,799.0

(1) Dividends in these amounts were declared by the applicable target REITs on 12/31/04 to be payable on 2/15/05.

Each target REIT expects to declare in April 2005 and pay to its target

REIT stockholders thereafter a dividend with respect to its first and second quarter 2005 operations. Pursuant to the merger agreement, such dividends will be paid in an amount consistent with past practice and custom of the relevant target REIT. The cash paid out in these dividends will reduce the amount of cash held by each target REIT and acquired by FSP Corp. upon consummation of the mergers. Because the target REITs have not yet declared these cash dividends, FSP Corp. cannot estimate the aggregate amount of such dividends. As the target REITs will cease to exist upon consummation of the mergers, FSP Corp. does not expect that they will continue to pay quarterly dividends after such consummation.

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The following table sets forth the percentage of leased space and weighted annual average base rent per square foot for each property owned by the target REITs for the years ended December 31, 2001, 2002 and 2003 (to the extent applicable).

Target REIT	Percentage of Leased Space	Weighted Annual Average Base Rent/Net Rentable Square Foot*
Addison Circle		
December 31, 2002	100%	$22.74
December 31, 2003	100%	$23.08
Collins Crossing		
December 31, 2003	100%	$22.34
Montague		
December 31, 2002	100%	$24.99
December 31, 2003	100%	$25.96
Royal Ridge**		
December 31, 2003	100%	$13.32

* All rents are base rent only without step rents or operating expense recoveries. Montague and Royal Ridge are net leases and Addison Circle and Collins Crossing are gross rent leases.

** Royal Ridge rents for 2003 included a credit from the seller of the property for free rental periods.

The following table sets forth for each property owned by the target REITs, the number of tenants leasing 10% or more of the rentable square feet, the principal nature of the business of such tenant and the principal businesses, occupations and professions carried on in the property:

	Number of Tenants Leasing 10% or More of Space as of	Principal Nature of Tenant's Business	Principal Businesses on in the Property 9/30/04
Addison Circle	Three	Provider of integrated communications and	None; tenant has part subleased space to ge

		telecommunications services	tenants
		Real estate services company	General office use
		Software developer	General office use
Collins Crossing	Two	Provider of communications software solutions	General office use
		Software provider	None; tenant has part subleased space to ge tenants
Montague	One	Provider of sophisticated manufacturing systems used to create advanced integrated circuits	General office use
Royal Ridge	Three	Insurance company	General office use
		Distributor of electrical materials	General office use
		Real estate developer	General office use

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The following table sets forth, for each tenant leasing 10% or more of the rentable square feet in the properties owned by the target REITs, the principal provisions of their leases:

Target REIT	Tenant	Current Base Rent as of 9/30/04 Annualized and Percentage of Square Feet Leased as of 9/30/04	Expiration Date
Addison Circle	McLeod	$2,312,952 31%	March 31, 2007
	Staubach	$1,907,356 30%	April 30, 2009
	Peoplesoft	$1,442,559 20%	February 28, 2005
Collins Crossing	Tektronix	$5,367,284 80%	June 30, 2010
	Macromedia	$1,378,956 18%	February 28, 2006
Montague	Novellus	$4,045,755 100%	December 31, 2006
Royal Ridge	Combined Specialty	$1,183,688	November 30, 2012

Insurance Company	51%	
Hagemeyer North America	$778,193 38%	October 31, 2012
CK Royal LLC	$232,444 11%	January 29, 2005

The following table sets forth for each property owned by the target REITs a schedule of lease expirations for each of the ten years beginning with 2004, the number of tenants whose leases will expire, the total area in square feet covered by such leases, the annual rental represented by such leases and the percentage of gross annual rental represented by such leases:

Target REIT	Number of Lease Expirations	Total Square Feet	Total Annual Contract Rent as of 9/30/04 annualized	Percentage of Annual Gross Rent
Addison Circle				
2004	One	9,139	$ 182,780	3%
2005	Two	64,076	$1,574,600	23%
2006	--	--	--	--
2007	Two	112,474	$2,849,446	41%
2008	One	4,508	$ 76,636	1%
2009	Two	89,470	$2,089,390	30%
2010	One	8,868	$ 212,832	3%
2011	--	--	--	--
2012	--	--	--	--
2013	--	--	--	--
2014	--	--	--	--
Collins Crossing				
2004	--	--	--	--
2005	--	--	--	--
2006	One	55,394	$1,378,956	20%
2007	--	--	--	--
2008	--	--	--	--
2009	One	2,000	$ 16,800	0%
2010	One	241,372	$5,367,284	79%
2011	--	--	--	--
2012	--	--	--	--
2013	--	--	--	--
2014	--	--	--	--

			Total Annual	

Target REIT	Number of Lease Expirations	Total Square Feet	Contract Rent as of 9/30/04 annualized	Percentage of Annual Gross Rent
Montague				
2004	--	--	--	--
2005	--	--	--	--
2006	One	145,951	$4,045,755	100%
2007	--	--	--	--
2008	--	--	--	--
2009	--	--	--	--
2010	--	--	--	--
2011	--	--	--	--
2012	--	--	--	--
2013	--	--	--	--
2014	--	--	--	--
Royal Ridge				
2004	--	--	--	--
2005	One	18,142	$ 232,444	11%
2006	--	--	--	--
2007	--	--	--	--
2008	--	--	--	--
2009	--	--	--	--
2010	--	--	--	--
2011	--	--	--	--
2011	--	--	--	--
2012	--	--	--	--
2013	--	--	--	--
2014	Two	143,224	$1,981,328	89%

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SELECTED FINANCIAL INFORMATION OF ADDISON CIRCLE

The following selected financial information is derived from the historical financial statements of Addison Circle. This information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 161 to 168 of this Consent Solicitation/Prospectus.

Addison Circle was organized on August 21, 2002 and purchased the property on September 30, 2002. No information is presented prior to the date the target REIT was organized.

Total assets at merger value represent the sum of the real estate being acquired at its appraised value plus the amount of adjusted cash reserves. See page 10 for the values ascribed for each Target REIT.

	For the Nine Months Ended September 30,		For the Year Ended December 31,	(
(In thousands, except share and per share data)	2004	2003	2003	

Operating Data:			
Total revenue	$ 6,892	$ 6,448	$ 8,554
Net income (loss)	3,288	3,073	4,005
Net income (loss) attributable to preferred shareholders	3,288	3,073	4,005
Ratio of earnings to fixed charges (Addison Circle has no permanent debt)	N/A	N/A	N/A
Net (decrease) increase in cash and cash equivalents	(474)	278	647
Net cash provided by (used for) operating activities	3,929	3,724	5,393
Net cash used for distributions	3,857	3,446	4,721
Balance Sheet Data			
Cash and cash equivalents	5,492	5,680	5,966
Total assets at book value	55,722	56,611	56,667
Total assets at merger value	56,117	--	--
Long term liabilities	--	--	
Total liabilities	1,714	2,947	3,355
Total stockholders' equity	54,008	53,664	53,312
Per Share Data:			
Weighted average preferred shares outstanding	636	636	636
Net income (loss) per preferred share	$ 5,170	$ 4,832	$ 6,297
Book value per preferred share	84,918	84,377	83,824
Merger value per preferred share	88,329	--	--
Distributions paid per preferred share	6,064	5,270	7,275
Distributions paid per preferred share (return of capital)	--	--	1,154

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Selected unaudited quarterly financial data for Addison Circle

(in thousands, except shares and per share data)

	2004		
	First Quarter	Second Quarter	Third Quarter
Revenue	$ 2,503	$ 2,218	$92,171
Net income	$ 1,380	$ 1,135	$ 773
Income to preferred shareholders	$ 1,380	$ 1,135	$ 773
Income per preferred share	$ 2,169	$ 1,786	$ 1,215

Shares	636	636	636

	2003			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	$2,107	$2,226	$2,098	$2,106
Net income	$1,066	$1,070	$ 957	$ 912
Income to preferred shareholders	$1,066	$1,070	$ 957	$ 912
Income per preferred share	$1,676	$1,682	$1,505	$1,436
Shares	636	636	636	636

	2002			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	N/A	N/A	N/A	$ 2,102
Net income	N/A	N/A	N/A	$(2,869)
Distributions to common shareholders	N/A	N/A	N/A	$ 313
Loss to preferred shareholders	N/A	N/A	N/A	$(3,182)
Loss per preferred share	N/A	N/A	N/A	$(5,003)
Shares	N/A	N/A	N/A	636

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SELECTED FINANCIAL INFORMATION OF COLLINS CROSSING

The following selected financial information is derived from the historical financial statements of Collins Crossing. This information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 161 to 168 of this Consent Solicitation/Prospectus.

Collins Crossing was organized on January 16, 2003 and purchased the property on March 3, 2003. No information is presented prior to the date the target REIT was organized.

Total assets at merger value represent the sum of the real estate being acquired at its appraised value plus the amount of adjusted cash reserves. See page 10 for the values ascribed for each Target REIT.

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(In thousands, except share and per share data)	Nine Months Ended September 30, 2004	Ended September 30, 2003	(date to ---
Operating Data:			
Total revenue	$ 5,205	$ 3,976	
Net income (loss)	2,108	(1,611)	
Net income (loss) attributable to preferred shareholders	2,108	(1,981)	
Ratio of earnings to fixed charges (Royal Ridge has no permanent debt)	N/A	N/A	
Net increase in cash and cash equivalents	(432)	4,421	
Net cash provided by (used for) operating activities	3,322	222	
Net cash used for distributions	3,746	1,245	
Balance Sheet Data			
Cash and cash equivalents	4,634	4,421	
Total assets at book value	47,472	49,289	
Total assets at merger value	50,485	--	
Long term liabilities	--	--	
Total liabilities	1,377	2,192	
Total stockholders' equity	46,095	47,097	
Per Share Data:			
Weighted average preferred shares outstanding	555	555	
Net income (loss) per preferred share	$ 3,798	$ (3,569)	
Book value per preferred share	83,054	86,926	
Merger value per share	90,964	--	
Distributions paid per preferred share	6,750	1,569	
Distributions paid per preferred share (return of capital)	--	--	

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Selected unaudited quarterly financial data for Collins Crossing

(in thousands, except shares and per share data)

	2004 First Quarter	2004 Second Quarter	2004 Third Quarter
Revenue	$1,702	$1,747	1,756
Income to preferred shareholders	$ 753	$ 700	655

Income per preferred share	$1,357	$1,261	$1,180
Shares	555	555	555

	2003			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	$574	$ 1,678	$1,724	$1,696
Income (loss) to preferred shareholder	$163	$(2,698)	$ 554	$ 634
Income (loss) to preferred share	$294	$(4,861)	$ 998	$1,140
Shares	555	555	555	555

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SELECTED FINANCIAL INFORMATION OF MONTAGUE

The following selected financial information is derived from the historical financial statements of Montague. This information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 161 to 168 of this Consent Solicitation/Prospectus.

Montague was organized on July 22, 2002 and purchased the property on August 27, 2002. No information is presented prior to the date the target REIT was organized.

Total assets at merger value represent the sum of the real estate being acquired at its appraised value plus the amount of adjusted cash reserves. See page 10 for the values ascribed for each Target REIT.

	For the Nine Months Ended September 30,		For the Year Ended December 31,
(In thousands, except share and per share data)	2004	2003	2003
Operating Data:			
Total revenue	$ 2,592	$ 2,737	$ 3,645
Net income (loss)	1,861	1,992	2,669
Net income (loss) attributable to preferred shareholders	1,861	1,992	2,669
Ratio of earnings to fixed charges (Royal Ridge has no permanent debt)	N/A	N/A	N/A
Net increase in cash and cash equivalents	39	244	630
Net cash provided by (used for)			

operating activities	2,992	3,002	4,699
Net cash used for distributions	2,953	2,758	3,714
Balance Sheet Data			
Cash and cash equivalents	3,633	3,574	3,594
Total assets at book value	27,412	28,412	28,450
Total assets at merger value	22,035	--	--
Long term liabilities	--	--	--
Total liabilities	465	1,049	1,371
Total stockholders' equity	26,947	27,363	27,079
Per Share Data:			
Weighted average preferred shares outstanding	334	334	334
Net income (loss) per preferred share	$ 5,572	$ 5,964	$ 7,991
Book value per preferred share	80,680	81,925	81,075
Merger value per share	65,973	--	--
Distributions paid per preferred share	7,763	8,257	11,120
Distributions paid per preferred share (return of capital)	--	--	--

Selected unaudited quarterly financial data for Montague

(in thousands, except shares and per share data)

	2004		
	First Quarter	Second Quarter	Third Quarter
Revenue	$ 865	$ 849	878
Income to preferred shareholders	$ 660	$ 624	577
Income per preferred share	$1,976	$1,868	$1,728
Shares	334	334	334

	2003			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	$1,186	$ 662	$ 889	$ 908
Net Income	$ 915	$ 421	$ 656	$ 677
Income per preferred share	$2,740	$1,260	$1,964	$2,027
Shares	334	334	298	334

	2002			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	N/A	N/A	$ 211	$ 797
Net Income (loss)	N/A	N/A	$(1,480)	$ 231
Distributions to common shareholders	N/A	N/A	$ --	$ 32
Income (loss) to preferred shareholders	N/A	N/A	$(1,480)	$ 199
Income (loss) per preferred share	N/A	N/A	$(4,431)	$ 596
Shares	N/A	N/A	334	334

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SELECTED FINANCIAL INFORMATION OF ROYAL RIDGE

The following selected financial information is derived from the historical financial statements of Royal Ridge. This information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 161 to 168 of this Consent Solicitation/Prospectus.

Royal Ridge was organized on December 20, 2002 and purchased the property on January 30, 2003. No information is presented prior to the date the target REIT was organized. No information is presented prior to the date the target REIT was organized.

Total assets at merger value represent the sum of the real estate being acquired at its appraised value plus the amount of adjusted cash reserves. See page 10 for the values ascribed for each Target REIT.

	For the Nine Months Ended September 30,		For the Year Ended December 31,
(In thousands, except share and per share data)	2004	2003	2003
Operating Data:			
Total revenue	$ 2,286	$ 1,562	$ 2,264
Net income (loss)	942	(1,222)	(958)
Net income (loss) attributable to preferred shareholders	942	(1,236)	(972)
Ratio of earnings to fixed charges (Royal Ridge has no permanent debt)	N/A	N/A	N/A
Net increase in cash and cash equivalents	259	2,479	1,214
Net cash provided by (used for)			

operating activities	1,873	(1,610)	(2,350)
Net cash used for distributions	1,614	864	1,389
Balance Sheet Data			
Cash and cash equivalents	2,510	2,479	2,251
Total assets at book value	24,732	25,659	25,170
Total assets at merger value	27,042	--	--
Long term liabilities	--		
Total liabilities	475	994	776
Total stockholders' equity	24,257	24,665	24,394
Per Share Data:			
Weighted average preferred shares outstanding	297.50	297.50	297.50
Net income (loss) per preferred share	$ 3,166	$ (4,155)	$ (3,267)
Book value per preferred share	81,536	82,908	81,997
Merger value per share	90,897	--	--
Distributions paid per preferred share	5,426	2,857	4,623
Distributions paid per preferred share (return of capital)	--	2,857	4,623

Selected unaudited quarterly financial data for Royal Ridge

(in thousands, except shares and per share data)

	2004		
	First Quarter	Second Quarter	Third Quarter
Revenue	$ 762	$ 755	$ 769
Income to preferred shareholders	$ 344	$ 333	$ 264
Income per preferred share	$1,157	$1,119	$ 887
Shares	297.5	297.5	297.5

	2003			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	$ 343	$ 491	$ 728	$ 702
Net Income (loss)	$(1,650)	$ 101	$ 327	$ 264
Distributions to common shareholders	$ --	$ 14	$ --	$ --
Income (loss) to preferred shareholders	$(1,650)	$ 87	$ 327	$ 264

Income (loss) per preferred share	$(5,546)	$ 292	$1,099	$ 888
Shares	297.5	297.5	297.5	297.5

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE TARGET REITS

The following discussion should be read in conjunction with the financial statements of Addison Circle, Collins Crossing, Montague and Royal Ridge and notes thereto appearing elsewhere in this consent solicitation/prospectus. Historical results and percentage relationships set forth in the respective target REIT financial statements should not be taken as necessarily indicative of future operations.

Trends and Uncertainties

Real Estate Operations

It is difficult for management to predict what will happen to occupancy or rents during the remainder of 2004 and beyond because the need for space and the price tenants are willing to pay are tied to both the local economy and to the larger trends in the economy, such as job growth, interest rates, and corporate earnings, which in turn are tied to even larger macroeconomic and political factors, such as the risk of war and terrorism. In addition to the difficulty of predicting macroeconomic factors, it is difficult to predict how local markets, projects, or tenants will suffer or benefit from changes in the larger economy. Because each property is in a single geographical market and each property's tenants are in diverse industries, these macroeconomic trends may have a different effect on a property and on its tenants.

Addison Circle

Addison Circle is located in Dallas, Texas. The vacancy rate was approximately 17% for the third quarter of 2004 for Class A space in the Far North Dallas Market. The Far North Dallas market has been outperforming the overall Dallas/Fort Worth market, and management currently expects that trend to continue in the fourth quarter of 2004.

Collins Crossing

Collins Crossing is located in Plano, Texas. The vacancy rate was approximately 30% for the third quarter of 2004 for Class A space in the Richardson/Plano submarket, which is an increase in the vacancy rate from the second quarter of 2004. However, since 80% of Collins Crossing is leased until 2010, and the remaining 20% is leased until 2006, management cannot project what impact current market conditions will have on leasing terms and rates when Collins Crossing's leases expire.

Montague

Montague is located in San Jose, California. The San Jose, California market continues to see positive absorption combined with declining rental rates. If the positive absorption and current general economic trends continue, then management expects this trend of declining rental rates to continue. Management cannot predict whether these trends will continue or what the market will be at December 31, 2006, when the lease expires for Montague's single tenant, Novellus.

Royal Ridge

The Alpharetta/Roswell, Georgia market, where Royal Ridge is located, had a slight decline in vacancy rate in the third quarter of 2004, and a continuing decline in rental rates for Class A space. Management does not know how much longer this trend will continue or when it might reverse. In 2005, one lease for approximately 11% of Royal Ridge will expire; the rest of the leases do not expire until 2012. Management expects that the space becoming vacant in 2005 may lease for $0.50 to $1.00 per square foot less if it is leased in the fourth quarter of 2004, but management cannot predict when the space will be leased.

Results of Operations of Addison Circle

The Addison Circle property consists of a ten-story Class "A" suburban office tower that contains approximately 293,787 square feet of space situated on approximately 3.61 acres of land. Addison Circle acquired the property on September 30, 2002.

The property is leased to three major tenants that provide approximately 79% of the revenue. Bankruptcy or a material adverse change in financial condition of any of these tenants may cause a material adverse affect to Addison Circle. Peoplesoft, a tenant contributing approximately 21% of the revenues, exercised its termination option and notified Addison Circle of its intent to terminate its lease as of March 1, 2005. The expiring base rent for Peoplesoft is approximately $25 per square foot, and current market rents are $1 to $5 per square foot below that rate. Peoplesoft leased approximately 58,741 square feet of rentable space in the Addison Circle office tower. As of December 20, 2004, 27,955 rentable square feet previously leased to Peoplesoft have been leased to a new tenant for three years at $19.00 per square foot for the first year with an increase to $19.50 in the second year and to $20.00 per square foot in the third year. FSP Corp. has signed a non-binding letter of intent with another new tenant regarding the remaining 30,786 square feet of space. Management currently expects that the remaining space will be leased at current market rents before the expiration of the term in March 2005 or shortly thereafter.

Comparison of the nine months ended September 30, 2004 to the nine months ended September 30, 2003

Revenue

Total revenue increased $0.4 million, to $6.8 million for the nine months ended September 30, 2004, as compared to $6.4 million for the nine months ended September 30, 2003. This increase is primarily due to a termination fee paid by a tenant that exercised a termination option on its lease.

Expenses

Total expenses were $3.6 million for the nine months ended September 30, 2004, and were consistent with the comparable period in 2003.

Comparison of the year ended December 31, 2003 to the period ended December 31, 2002

As discussed above, Addison Circle acquired the property on September 30, 2002; accordingly, there were twelve months of operations in 2003 compared to three months of operations in 2002.

Revenue

Total revenue increased $6.5 million, to $8.6 million for the year ended December 31, 2003, as compared to $2.1 million for the period ended December 31, 2002.

The increase in rental income of $6.5 million, as compared to the period ended December 31, 2002, is primarily attributable to the twelve months of operations in 2003 compared to three months of operations in 2002.

Expenses

Total expenses decreased $0.3 million for the year ended December 31, 2003, as compared to the period ended December 31, 2002. This decrease is primarily attributable to a decrease in interest expense of $3.9 million due to a loan payable being paid in full in 2002.

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The decrease was offset by an increase of taxes and insurance of $1.0 million, an increase in operating expenses of $1.4 million and an increase in depreciation and amortization of $1.1 million as a result of a full year of operations in 2003 compared to three months of operations for the period ended December 31, 2002.

Liquidity and Capital Resources

Cash and cash equivalents were $5.5 million and $6.0 million at September 30, 2004 and December 31, 2003, respectively. This decrease of $0.5 million is attributable to $3.6 million provided by operating activities, offset by $0.2 million used for investing activities and $3.9 million used for financing activities. Management believes that existing cash and cash anticipated to be generated internally by operations will be sufficient to meet working capital requirements and anticipated capital expenditures for at least the next 12 months.

Operating Activities

The cash provided by our operating activities of $3.6 million is primarily attributable to net income of $3.3 million plus the add-back of $1.1 million of non-cash activity, principally depreciation and amortization. This was offset by a decrease in operating assets of $0.8 million primarily related to accounts payable and accrued expenses and payments of deferred leasing costs.

Investing Activities

Cash used for investing activities of $0.2 million is attributable to the purchase and/or improvement of real estate assets, including tenant improvements.

Financing Activities

Cash used by financing activities of $3.9 million is attributable to distributions to shareholders.

Sources and Uses of Funds

Addison Circle's principal demands on liquidity are cash for operations and dividends to equity holders. As of September 30, 2004 Addison Circle had approximately $1.7 million in liabilities and no long-term debt. In the near term, liquidity is generated from funds from operations.

Results of Operations of Collins Crossing

The Collins Crossing property consists of an eleven story Class "A" suburban office tower that contains approximately 298,766 square feet of space situated on approximately ten acres of land (including an undeveloped parcel containing approximately 3.5 acres). Collins Crossing acquired the property on March 3, 2003.

The major tenant at Collins Crossing provides approximately 80% of the revenue and a second tenant provides approximately the remaining 20% of the revenue. Inet Technologies, Inc., the major tenant at Collins Crossing, held a special meeting of stockholders on September 30, 2004 and approved its acquisition by Textronix, Inc. The lease to which Inet is a party specifies that any successor shall remain liable for Inet's obligations under the lease. Pursuant to its terms, the lease expires in June 2010. Bankruptcy or a material adverse change in financial condition of these tenants may cause a material adverse affect to Collins Crossing.

Comparison of the nine months ended September 30, 2004 to the nine months ended September 30, 2003

As discussed above, Collins Crossing acquired its property on March 3, 2003; accordingly, there are nine and seven months of operations for the nine months ended September 30, 2004 and 2003, respectively.

Revenue

Total revenue increased $1.2 million, to $5.2 million for the nine months ended September 30, 2004, as compared to $4.0 million for the nine months ended September 30, 2003. This increase is primarily due to a full six months of revenue in 2004 offset by the amortization of favorable leases acquired at purchase as compared to four months of operations in 2003.

Expenses

Total expenses decreased $2.5 million to $3.1 million for the nine months ended September 30, 2004, as compared to $5.6 million at September 30, 2003. This decrease is primarily attributable to a $3.4 million decrease in interest expense offset by nine months of operations in 2004 compared to seven months in 2003.

Comparison of the year ended December 31, 2003 to the year ended December 31, 2002

Because the property was purchased in 2003, there are no comparable amounts for prior years.

Revenue

Total revenue was $5.6 million for the year ended December 31, 2003.

This is comprised of $5.6 million in rental income, $0.6 million of recoverable expenses, $0.2 million of straight-line rents offset by $0.8 million of amortization of acquired favorable leases.

Expenses

Total expenses were $6.7 million for the year ended December 31, 2003. The expenses consist of:

- operating and maintenance expenses of $1.4 million;
- real estate taxes and insurance of $0.8 million;
- interest expense and commitment fees of $3.5 million; and
- depreciation and amortization of $1.0 million.

Liquidity and Capital Resources

Cash and cash equivalents were $4.6 million and $5.0 million at September 30, 2004 and December 31, 2003, respectively. This decrease of $0.4 million is attributable to $3.7 million used for financing activities, offset by $3.3 million provided by operating activities. Management believes that existing cash and cash anticipated to be generated internally by operations will be sufficient to meet working capital requirements and anticipated capital expenditures for at least the next 12 months.

Operating Activities

The cash provided by operating activities of $3.3 million is primarily attributable to net income of $2.1 million plus the add-back of $1.7 million of non-cash activity. This was offset by a decrease in operating assets of $0.5 million, primarily related to approximately $0.2 million of step rent receivable and $0.2 million of accounts payable and accrued expenses.

Investing Activities

No cash was provided by or used for investing activities.

Financing Activities

Cash used by financing activities of $3.7 million is attributable to distributions to shareholders.

Sources and Uses of Funds

Collins Crossing's principal demands on liquidity are cash for operations and dividends to equity holders. As of September 30, 2004 Collins Crossing had approximately $1.4 million in liabilities and no long-term debt. In the near term, liquidity is generated from funds from operations.

Results of Operations of Montague

The Montague property contains approximately 145,951 square feet of space situated on approximately 9.95 acres of land. Montague acquired the property on August 27, 2002.

The property is leased to a single tenant, Novellus, which provides 100% of the revenue. Bankruptcy or a material adverse change in financial condition of this tenant may cause a material adverse affect to Montague. Moreover, Montague's property is leased to a single tenant through December 31, 2006 at a rate that is currently significantly above market. Following the termination of this lease, the property may only be able to release the space at a rate that is significantly lower than the current rate, possibly causing a material adverse effect to Montague.

Comparison of the nine months ended September 30, 2004 to the nine months ended September 30, 2003

Revenue

Total revenue decreased $0.2 million, to $2.6 million for the nine months ended September 30, 2004, as compared to $2.7 million for the nine months ended September 30, 2003. This decrease is primarily due to a slight reduction in reimbursable operating expenses, real estate taxes and insurance which resulted in lower billings to the tenant.

Expenses

Total expenses decreased less than $0.1 million and remained at $0.8 million for the nine months ended September 30, 2004 and for the nine months ended September 30, 2003. This decrease is primarily due to a minor cost savings in various operating expenses and a small decrease in real estate taxes as a result of a lower tax assessment.

Comparison of the year ended December 31, 2003 to the period ended December 31, 2002.

As discussed above, Montague acquired the property on August 27, 2002; accordingly, there are twelve months of operations in 2003 compared to approximately four months of operations in 2002.

Revenue

Total revenue increased $2.6 million, to $3.6 million for the year ended December 31, 2003, as compared to $1.0 million for the period ended December 31, 2002.

The increase in rental income of $2.6 million, as compared to the year ended December 31, 2002, is attributable to twelve months of operations in 2003 compared to four months of operations in 2002.

Expenses

Total expenses decreased $1.2 million to $1.0 million for the year ended December 31, 2003, as compared to the period ended December 31, 2002.

The decrease is primarily attributable to a decrease in interest expense of $1.9 million due to a loan payable being paid in full in 2002, which was offset by:

- an increase of $0.3 million in taxes and insurance of which $0.1 million is a result of rate increases and $0.2 million is a result of twelve months of operations in 2004 compared to four months in 2003;

- a combined increase in management fee and operating and maintenance expenses of $0.2 million; and

- an increase in depreciation and amortization of $0.2 million as a result of twelve months of operations in 2003 compared to four months of operations in 2002.

Liquidity and Capital Resources

Cash and cash equivalents were $3.6 million at September 30, 2004 and at December 31, 2003. This is attributable to $3.0 million provided by operating activities, offset by $3.0 million used for financing activities. Management believes that existing cash and cash anticipated to be generated internally by operations will be sufficient to meet working capital requirements and anticipated capital expenditures for at least the next 12 months.

Operating Activities

The cash provided by operating activities of $3.0 million is primarily attributable to net income of $1.9 million plus the add-back of $1.2 million of non-cash activity, principally depreciation and amortization. This was offset by a decrease in operating assets of less than $0.1 million primarily related to accounts payable and accrued expenses.

Investing Activities

No cash was provided by or used for investing activities.

Financing Activities

Cash used by financing activities of $3.0 million is attributable to distributions to shareholders.

Sources and Uses of Funds

Montague's principal demands on liquidity are cash for operations and dividends to equity holders. As of September 30, 2004 Montague had approximately $0.4 million in liabilities. There is no long-term debt. In the near term, liquidity is generated from funds from operations.

Results of Operations of Royal Ridge

Royal Ridge owns and operates a six-story Class "A" suburban office building containing approximately 161,366 rental square feet of space located on approximately 13.2 acres of land in Alpharetta, Georgia. Royal Ridge acquired the property on January 30, 2003.

The property is leased to two major tenants, Combined Speciality Insurance and Hagemeyer North America, which together provide approximately 90% of the revenue. Bankruptcy or a material adverse change in financial condition to either of these tenants may cause a material adverse affect to Royal Ridge.

On January 30, 2003, Royal Ridge purchased a building for which the construction was completed in December 2001. The two major tenants executed their respective leases between May and June 2002.

Because Royal Ridge purchased the property on January 30, 2003; there were nine and eight months of operations for the nine months ended September 30, 2004 and 2003, respectively.

Comparison of the nine months ended September 30, 2004 to the nine months ended September 30, 2003

Revenue

Total revenue was $2.3 million for the nine months ended September 30, 2004, as compared to $1.6 million for the nine months ended September 30, 2003.

The increase in rental income of $0.7 million is primarily attributable to nine months of operations in 2004 compared to eight months of operations in 2003 and billing of recoverable operating expenses.

Expenses

Total expenses decreased $1.4 million, to $1.4 million for the nine months ended September 30, 2004, as compared to $2.8 million for the nine months ended September 30, 2003. This decrease is primarily attributable to decreased interest expense of $1.7 million offset by an additional month of operations in 2004.

Comparison of the year ended December 31, 2003 to the year ended December 31, 2002

Royal Ridge had no operations in 2002.

Revenue

Total revenue was $2.2 million for the year ended December 31, 2003. The revenue includes rental income of $1.2 million, recoverable expenses of $0.5 million, and step rents of $0.9 million offset by amortization of favorable leases of $0.4 million.

Expenses

Total expenses were $3.3 million for the year ended December 31, 2003. The expenses include:

- rental operating expenses of $0.7 million;
- real estate taxes and insurance of $0.2 million;
- interest and commitment fees of $1.7 million; and
- depreciation and amortization of $0.5 million.

Liquidity and Capital Resources

Cash and cash equivalents were approximately $2.5 million and $2.3 million at September 30, 2004 and December 31, 2003, respectively. This is attributable to $1.3 million provided by operating activities, offset by $1.1 million used for financing activities. Management believes that existing cash and cash anticipated to be generated internally by operations will be sufficient to meet working capital requirements and anticipated capital expenditures for at least the next 12 months.

Operating Activities

The cash provided by operating activities of $1.9 million is primarily attributable to net income of $0.9 million plus the add-back of $0.8 million of non-cash activity, principally depreciation and amortization.

Investing Activities

No cash was provided by or used for investing activities.

Financing Activities

Cash used by financing activities of $1.6 million is attributable to distributions to shareholders.

Sources and Uses of Funds

Royal Ridge's principal demands on liquidity are cash for operations and dividends to equity holders. As of September 30, 2004 Royal Ridge had approximately $0.5 million in liabilities and no long-term debt. In the near term, liquidity is generated from funds from operations.

Contractual Obligations and Off Balance Sheet Arrangements

None of the target REITs has any long term contractual obligations or is a party to any off balance sheet arrangements. Moreover, no target REIT has a proposed program for the renovation, improvement or development of any of their real properties other than normal tenant improvements or replacements of equipment in the ordinary course of ongoing operations.

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a general summary of the material United States federal income tax considerations associated with the mergers and with the acquisition, ownership and disposition of FSP common stock pursuant to the mergers. The following summary is not exhaustive of all possible tax considerations. Moreover, the summary contained herein does not address all aspects of taxation that may be relevant to particular target REIT stockholders in light of their personal tax circumstances, or to certain types of stockholders subject to special treatment under federal income tax laws, including insurance companies, tax-exempt organizations (except to the extent discussed below under the heading "Taxation of Tax-Exempt Shareholders"), financial institutions, broker-dealers, and foreign corporations and persons who are not citizens or residents of the United States (except to the extent discussed below under the heading "Taxation of Non-U.S. Shareholders"). For purposes of this summary, references to the "combined company" exclude any taxable REIT subsidiaries (as described below) of FSP Corp.

Assuming no material changes in the applicable federal income tax laws prior to the effective date of the mergers, Wilmer Cutler Pickering Hale and Dorr LLP will issue an opinion to FSP Corp. and each target REIT based upon certain factual representations made by FSP Corp. and the target REITs that (i) the mergers will constitute reorganizations within the meaning of Section 368(a) of the tax code, and (ii) to the extent that the matters discussed under this heading "Material United States Federal Income Tax Considerations" constitute matters of law, they are accurate in all material respects. In addition, Wilmer Cutler Pickering Hale and Dorr LLP has rendered its opinion, based upon various assumptions specified therein and upon FSP Corp.'s representations, FSP Corp. has been organized and operated in conformity with the requirements for qualification as a real estate investment trust for each taxable year beginning with its taxable year ending December 31, 2002 and that FSP Corp.'s current organization and method of operation (as described in this (Consent solicitation/Prospectus) will enable FSP Corp. to continue to meet the requirements for qualification and taxation as a real estate investment trust.

The statements in this summary are, and the opinions of Wilmer Cutler Pickering Hale and Dorr LLP will be, based on the provisions of the Internal Revenue Code, or the tax code, applicable United States Treasury regulations promulgated thereunder, and judicial and administrative decisions and rulings all as in effect on the date rendered. Neither the statements below nor the opinions are binding on the Internal Revenue Service or the courts, and there can be no assurance that the Internal Revenue Service or the courts will not take a contrary view. No ruling from the Internal Revenue Service has been or will be sought. Future legislative, judicial or administrative changes or interpretations could alter or modify the statements and conclusions set forth herein, possibly adversely.

EACH TARGET REIT STOCKHOLDER IS URGED TO CONSULT HIS, HER, OR ITS OWN TAX ADVISOR REGARDING THE SPECIFIC TAX CONSEQUENCES TO THE TARGET REIT STOCKHOLDER OF THE MERGERS AND OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF STOCK IN AN ENTITY ELECTING TO BE TAXED AS A REAL ESTATE INVESTMENT TRUST, INCLUDING FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES, AS WELL AS POTENTIAL CHANGES IN THE APPLICABLE TAX LAWS.

Tax Consequences of the Mergers

In the opinion of Wilmer Cutler Pickering Hale and Dorr LLP, each merger will be treated as a "reorganization" within the meaning of Section 368(a) of the tax code. Accordingly, subject to the limitations and qualifications referred to herein, the following tax consequences will result:

- No gain or loss will be recognized by the target REIT stockholders upon the receipt of FSP common stock in exchange for target stock in the merger, except with respect to any cash received in lieu of a fractional share of FSP common stock.

- The aggregate tax basis of the FSP common stock received by a target REIT stockholder in the merger will be the same as the aggregate basis of the target stock surrendered by the stockholder in the exchange, reduced by any the portion of such basis attributable to the shares of target stock exchanged for cash in lieu of a fractional share of FSP Corp. common stock.

- The holding period of the FSP common stock received by each target REIT stockholder in the merger will include the holding period for the target stock surrendered by the stockholder in the exchange.

A successful Internal Revenue Service challenge to the "reorganization" status of the merger would result in each target REIT stockholder recognizing gain or loss with respect to each share of target stock surrendered in the applicable merger equal to the difference between the stockholder's basis in his target stock and the fair market value, as of the completion of the merger, of the FSP common stock received in exchange therefor. In the event of a successful challenge, the total tax basis in the FSP common stock so received would equal its fair market value, as of the completion of the merger, and the holding period for the FSP common stock would begin the day after the merger.

Each target REIT stockholder who receives shares of FSP common stock in a merger will be required to file a statement with his, her or its federal income tax return setting forth the stockholder's basis in the shares of target stock surrendered and the fair market value of FSP common stock received in the merger. The target REIT stockholder will be required to retain permanent records of these facts relating to the transaction.

Certain Tax Risks Relating to the Mergers

The mergers entail certain tax risks which, if realized, may cause the combined company to fail to qualify as a REIT in the year of the mergers or in any subsequent year, or may result in substantial penalties (excise taxes) being imposed upon the combined company. As a result of the mergers, for example:

- The combined company may, directly or indirectly, improperly own 10% or more of a tenant from which the combined company collects rent, causing the rent received from such tenant to fail to qualify as rents from real property, as described below under "Requirements for Taxation as a Real Estate Investment Trust - Income Tests".

- The combined company may improperly own (i) more than 10% of the outstanding voting securities of any issuer, or (ii) more than 10% of the value of the securities of any issuer, causing the combined company to fail to satisfy the asset tests, as described below under "Requirements for Taxation as a Real Estate Investment Trust - Asset Tests".

- The combined company would be disqualified as a REIT if any of the target REITs did not qualify as a REIT and, as a result, had any undistributed "earnings and profits" at the time of the mergers.

If the combined company fails to qualify as a REIT, the combined company could be disqualified from treatment as a REIT in the year in which such failure occurred and for the next four taxable years and, consequently, would be taxed as a regular corporation during such years. Other tax costs that could result if one or more of the mergers caused the combined company to acquire impermissible assets or income are described below under "Tax Consequences of REIT Election - Taxation of the combined company - General."

Tax Consequences of REIT Election

Introduction. FSP Corp. has elected under Section 856 of the tax code to be taxed as a real estate investment trust. Following the mergers, subject to the risks described above, the combined company intends to continue to be taxed as a REIT. Generally, companies that meet the eligibility requirements for treatment as a real estate investment trust and that elect to be so treated are not subject to federal income tax on the income they distribute to their stockholders. FSP Corp. believes that it is organized and has operated in a manner so as to meet these eligibility requirements. In addition, FSP Corp.'s counsel, Wilmer Cutler Pickering Hale and Dorr LLP, has rendered its opinion, based upon various assumptions specified therein and upon FSP Corp.'s representations, that FSP Corp. has been organized and operated in conformity with the requirements for qualification as a real estate investment trust for each taxable year beginning with its taxable year ending December 31, 2002 and that FSP Corp.'s current organization and method of operation (as described in this prospectus) will enable it to continue to meet the requirements for qualification and taxation as a real estate investment trust. Qualification as a REIT, however, depends upon FSP Corp.'s ability to meet, through actual annual (or in some cases quarterly) operating results, requirements (discussed in greater detail below) relating to, among other things, the sources of FSP Corp.'s income, the nature of its assets, the level of its distributions and the diversity of our share ownership. Wilmer Cutler Pickering Hale and Dorr LLP has not reviewed and will not review these results on an independent basis. Given the complex nature of the REIT qualification requirements, the ongoing importance of factual determinations and the possibility of future changes in our circumstances, there can be no assurance that FSP Corp.'s actual operating results will satisfy the requirements for taxation as a REIT under the tax code for any particular taxable year.

Taxation of the combined company

General. If the combined company continues to qualify as a real estate investment trust, it generally will not be subject to federal corporate income taxes on its net income to the extent that the income is currently distributed to its shareholders. The benefit of this tax treatment is that it substantially eliminates the "double taxation" resulting from the taxation at both the corporate and shareholder levels that generally results from owning stock in a corporation. Accordingly, income generated by the combined company generally will be subject to taxation solely at the shareholder level upon a distribution from the combined company. The combined company will, however, be required to pay certain federal income taxes, including in the following circumstances:

- The combined company will be subject to federal income tax at regular corporate rates on taxable income, including net capital gain, that the combined company does not distribute to shareholders during, or within a specified time period after, the calendar year in which such income is earned.

- The combined company will be subject to the "alternative minimum tax" with respect to its undistributed alternative minimum taxable income.

- The combined company will be subject to a 100% tax on net income from certain sales or other dispositions of property that it holds primarily for sale to customers in the ordinary course of business, also known as "prohibited transactions".

- If the combined company fails to satisfy the 75% gross income test or the 95% gross income test, both described below, but nevertheless qualifies as a real estate investment trust, the combined company will be subject to a 100% tax on an amount equal to (i) the gross income attributable to the greater of the amount by which the combined company fails the 75% or 95% gross income test multiplied by (ii) a fraction intended to reflect the combined company's profitability.

- If the combined company fails to satisfy the securities asset test, described below, and such failure exceeds a de minimis threshold, then the combined company must dispose of the non-qualifying securities and will be subject to a tax equal to the greater of $50,000 and the highest corporate tax rate multiplied by the income generated by the non-qualifying securities for the period beginning with the first date of the failure and ending on the date that the combined company disposed of the securities.

- If the combined company fails to distribute during the calendar year at least the sum of (i) 85% of its real estate investment trust ordinary income for such year, (ii) 95% of its real estate investment trust capital gain net income for such year, and (iii) any undistributed taxable income from prior periods, the combined company will pay a 4% excise tax on the excess of such required distribution over the amount actually distributed to its shareholders.

- The combined company may elect to retain and pay income tax on some or all of its long-term capital gain, as described below.

- The combined company may be subject to a 100% excise tax on transactions with any of its taxable REIT subsidiaries that are not conducted on an arm's-length basis.

- If the combined company fails to satisfy one or more of the other requirements for real estate investment trust qualification for reasonable cause and not due to willful neglect, then in order to avoid disqualification as a real estate investment trust, the combined company would be required to pay a penalty of $50,000 for each such failure.

Requirements for Qualification as a Real Estate Investment Trust

Introduction. In order to qualify as a real estate investment trust for federal income tax purposes a REIT must elect (or have elected, and have not revoked its election) to be treated as a REIT and must satisfy certain statutory tests relating to, among other things, (i) the sources of its income, (ii) the nature of its assets, (iii) the amount of its distributions, and (iv) the ownership of its stock. FSP Corp. has elected to be treated as a REIT and has endeavored, and the combined company will endeavor, to satisfy the tests for REIT qualification.

A real estate investment trust may own a "qualified REIT subsidiary." A qualified REIT subsidiary is a corporation, all of the capital stock of which is owned by a real estate investment trust, and for which subsidiary no election has been made to treat it as a "taxable REIT subsidiary" (as discussed below). A corporation that is a qualified REIT subsidiary is not treated as a corporation separate from its parent real estate investment trust for federal income tax purposes. All assets, liabilities, and items of income, deduction, and credit of a qualified REIT subsidiary are treated as the assets, liabilities, and items of income, deduction and credit of the parent real estate investment trust. Thus, in applying the requirements described herein, any qualified REIT subsidiary of the combined company will be ignored, and all assets, liabilities and items of income, deduction and credit of such subsidiary will be treated as the assets, liabilities, and items of income deduction and credit of the combined company.

In the event that the combined company becomes a partner in a partnership, the combined company will be deemed to own its proportionate share (based upon its share of the capital of the partnership) of the assets of the partnership and will be deemed to be entitled to the income of the partnership attributable to such share. In addition, the assets and income of the partnership so attributed to the combined company will retain their same character as in the hands of the partnership for purposes of determining whether the combined company satisfies the income and asset tests described below.

A real estate investment trust may own up to 100% of the stock of one or more taxable REIT subsidiaries. A taxable REIT subsidiary may earn income that would not be qualifying income, as described below, if earned directly by the parent real estate investment trust. Both the subsidiary and the parent real estate investment trust must jointly elect to treat the subsidiary as a taxable REIT subsidiary. Overall, not more than 20% of the value of a REIT's assets may consist of securities of one or more taxable REIT subsidiaries. A taxable REIT subsidiary will pay tax at regular corporate rates on any income that it earns.

There is a 100% excise tax imposed on certain transactions involving a taxable REIT subsidiary and its parent real estate investment trust that are not conducted on an arm's-length basis. An election has been made to treat FSP Investments as a taxable REIT subsidiary. FSP Investments pays corporate income tax on its taxable income and its after-tax net income will be available for distribution to the combined company, generally as a dividend.

Income Tests - General. The combined company must satisfy annually two tests regarding the sources of its gross income in order to maintain its real estate investment trust status. First, at least 75% of the combined company's gross income, excluding gross income from certain "dealer" sales, for each taxable year generally must consist of defined types of income that the combined company derives, directly or indirectly, from investments relating to real property or mortgages on real property or temporary investment income, also known as the "75% gross income test". Qualifying income for purposes of the 75% gross income test generally includes:

- "rents from real property" (as described below);
- interest from debt secured by mortgages on real property or on interests in real property;
- dividends or other distributions on, and gain from the sale of, shares in other real estate investment trusts;
- gain from the sale or other disposition of real property or mortgages on real property;
- amounts (other than amounts the determination of which depends in whole or in part on the income or profits of any person) received as consideration for entering into agreements to make loans secured by mortgages on real property or on interests in real property or agreements to purchase or lease real property; and
- certain investment income attributable to temporary investment of capital raised by the combined company.

Second, at least 95% of the combined company's gross income, excluding gross income from certain "dealer" sales, for each taxable year generally must consist of income that is qualifying income for purposes of the 75% gross income test, as well as dividends, other types of interest, and gain from the sale or disposition of stock or securities, also known as the "95% gross income test".

Income Tests - Rents from Real Property. Rent that the combined company receives from real property that it owns and leases to tenants will qualify as "rents from real property" if the following conditions are satisfied:

- First, the rent must not be based, in whole or in part, on the income or profits of any person. An amount will not fail to qualify as rent from real property solely by reason of its being based on a fixed percentage (or percentages) of sales or receipts.
- Second, neither the combined company nor any direct or indirect owner of 10% or more of its stock may own, actually or constructively, 10% (by vote or value) or more of the tenant from which the combined company collects the rent.
- Third, all of the rent received under a lease will not qualify as

rents from real property unless the rent attributable to the personal property leased in connection with the real property constitutes no more than 15% of the total rent received under the lease.

- Finally, the combined company generally must not operate or manage its real property or furnish or render services to its tenants, other than through an "independent contractor" who is adequately compensated and from whom the combined company does not derive revenue. The combined company may provide services directly, however, if the services are "usually or customarily rendered" in connection with the rental of space for occupancy only and are not otherwise considered rendered "primarily for the occupant's convenience." In addition, the combined company may render, other than through an independent contractor, a de minimis amount of "non-customary" services to the tenants of a property as long as the combined company's income from such services does not exceed 1% of its gross income from the property.

Although no assurances can be given that either of the gross income tests will be satisfied in any given year, the combined company anticipates that its operations will allow it to meet each of the 75% gross income test and the 95% gross income test. Such belief is premised in large part on the combined company's expectation that substantially all of the amounts received by the company with respect to its properties will qualify as "rents from real property." Shareholders should be aware, however, that there are a variety of circumstances, as described above, in which rent received from a tenant will not be treated as rents from real property.

Income Tests - Failure to Satisfy Gross Income Tests. If the combined company fails to satisfy either or both of the 75% or 95% gross income tests for taxable years beginning before October 22, 2004, the combined company may nevertheless qualify as a real estate investment trust for that year if it is eligible for relief under certain provisions of the federal income tax laws. Those relief provisions generally will be available if:

- the combined company's failure to meet the gross income test was due to reasonable cause and not due to willful neglect;

- the combined company attaches a schedule of the sources of its income to its federal income tax return; and

- any incorrect information on the schedule is not due to fraud with intent to evade tax.

Pursuant to the American Jobs Creation Act of 2004 (the "2004 Tax Act"), if the combined company fails to satisfy either or both of the 75% or 95% gross income tests for any taxable year beginning after October 22, 2004, the relief provisions generally will be available if:

- following the combined company's identification of the failure to meet the gross income test for any taxable year, a description of each item of its gross income included in the 75% and 95% gross income tests is set forth in a schedule for such taxable year filed in accordance with regulations to be prescribed by the Treasury Secretary; and

- the combined company's failure to meet the gross income test was due to reasonable cause and not due to willful neglect.

It is not possible to state whether the combined company would be entitled to the benefit of the above relief provisions in a particular circumstance that might arise in the future. Furthermore, as discussed above under "Taxation of the combined company - General," even if the relief provisions apply, the combined company would incur a 100% tax on the gross income attributable to the greater of the amounts by which it fails the 75% and 95% gross income tests, multiplied by a fraction that reflects the combined company's profitability.

Asset Tests. The combined company also must satisfy the following four tests relating to the nature of its assets at the close of each quarter of its taxable year.

- First, at least 75% of the value of the combined company's total assets must consist of cash or cash items (including receivables), government securities, "real estate assets," or qualifying temporary investments, also known as the "75% asset test";

- Second, no more than 25% of the value of the combined company's total assets may be represented by securities other than those that are qualifying assets for purposes of the 75% asset test or of certain entities that qualify as taxable REIT subsidiaries, also known as the "25% asset test";

- Third, of the investments included in the 25% asset test, the value of any one issuer's securities that the combined company owns may not exceed 5% of the value of the combined company's total assets, and the combined company may not own 10% or more of the total combined voting power or 10% or more of the total value of the securities of any issuer, unless such issuer and the combined company make an election to treat the issuer as a taxable REIT subsidiary or the issuer is a "disregarded entity" for federal income tax purposes or is itself a REIT (the "securities asset test"); and

- Fourth, while the combined company may own up to 100% of the stock of a corporation that elects to be treated as a taxable REIT subsidiary for federal income tax purposes, the total value of the combined company's stock ownership in one or more taxable REIT subsidiaries may not exceed 20% of the value of the combined company's gross assets.

The combined company intends to operate so that it will not acquire any assets that would cause it to violate any of the asset tests. If, however, the combined company should fail to satisfy any of the asset tests at the end of a calendar quarter, it would not lose its real estate investment trust status if (i) the combined company satisfied the asset tests at the end of the close of the preceding calendar quarter, and (ii) the discrepancy between the value of the combined company's assets and the asset test requirements arose from changes in the market values of the combined company's assets and was not wholly or partly caused by the acquisition of one or more nonqualifying assets. If the combined company did not satisfy the condition described in clause (ii) of the preceding sentence, it could still avoid disqualification as a real estate investment trust by eliminating any discrepancy within 30 days after the close of the calendar quarter in which the discrepancy arose.

Pursuant to the 2004 Tax Act, for taxable years beginning after October 22, 2004, the combined company may also be able to avoid disqualification as a real estate investment trust as a result of a failure of the securities asset test if:

- such failure is due to the ownership of assets the total value of which does not exceed the lesser of $10 million and 1% of the total value of the combined company's assets at the end of the quarter (the "de minimis threshold") and the combined company disposes of the assets in order to satisfy the securities asset test within six months after the last day of the quarter in which the combined company identified the failure or such other time period prescribed by the Treasury Secretary and in the manner prescribed by the Treasury Secretary; or

- in the case of a failure that involves the ownership of assets the total value of which exceeds the de minimis threshold, (i) the combined company prepares a schedule that sets forth each asset that causes it to fail the securities asset test and files such schedule in accordance with regulations to be prescribed by the Treasury Secretary, (ii) the failure to satisfy the securities asset test is due to reasonable cause and is not due to willful neglect, and (ii) the combined company pays a tax equal to the greater of $50,000 or the highest corporate tax rate multiplied by the net income generated by the non-qualifying asset for the period beginning on the first date of the failure and ending on the date that the combined company disposed of the asset.

Distribution Requirements. Each taxable year, the combined company must distribute dividends to its shareholders in an amount at least equal to:

- 90% of the combined company's "real estate investment trust taxable income," computed without regard to the dividends paid deduction and the combined company's net capital gain or loss; and

- certain items of noncash income.

The combined company must make such distributions in the taxable year to which they relate, or in the following taxable year if the combined company declares the distribution before it timely files its federal income tax return for such year and pays the distribution on or before the first regular distribution date after such declaration. Further, if the combined company fails to meet the 90% distribution requirement as a result of an adjustment to its tax returns by the Internal Revenue Service, the combined company may, if the deficiency is not due to fraud with intent to evade tax or a willful failure to file a timely tax return, and if certain other conditions are met, retroactively cure the failure by paying a deficiency dividend (plus interest) to its shareholders.

The combined company will be subject to federal income tax on its taxable income, including net capital gain that it does not distribute to its shareholders. Furthermore, if the combined company fails to distribute during a calendar year, or, in the case of distributions with declaration and record dates falling within the last three months of the calendar year, by the end of the January following such calendar year, at least the sum of:

- 85% of the combined company's real estate investment trust ordinary income for such year;

- 95% of the combined company's real estate investment trust capital gain income for such year; and

- any of the combined company's undistributed taxable income from prior periods,

the combined company will be subject to a 4% nondeductible excise tax on the excess of such required distribution over the amount actually distributed. If the combined company elects to retain and pay income tax on the net capital gain that it receives in a taxable year, the combined company will be deemed to have distributed any such amount for the purposes of the 4% excise tax described in the preceding sentence.

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The combined company intends to make distributions to holders of FSP common stock in a manner that will allow it to satisfy the distribution requirements described above. It is possible that, from time to time, the combined company's pre-distribution taxable income may exceed its cash flow and that the combined company may have difficulty satisfying the distribution requirements. The combined company intends to monitor closely the relationship between its pre-distribution taxable income and its cash flow and intends to borrow funds or liquidate assets in order to overcome any cash flow shortfalls if necessary to satisfy the distribution requirements imposed by the tax code. It is possible, although unlikely, that the combined company may decide to terminate its real estate investment trust status as a result of any such cash shortfall. Such a termination would have adverse tax consequences to the combined company's stockholders. See "Taxation of the combined company - General".

Recordkeeping Requirements. The combined company must maintain records of information specified in applicable Treasury Regulations in order to maintain its qualification as a real estate investment trust. In addition, in order to avoid monetary penalties, the combined company must request on an annual basis certain information from its shareholders designed to disclose the actual ownership of the combined company's outstanding stock. The combined company intends to comply with these recordkeeping requirements.

Ownership Requirements. For the combined company to qualify as a real estate investment trust, shares of the combined company must be held by a minimum of 100 persons for at least 335 days in each taxable year. Further, at no time during the second half of any taxable year may more than 50% of the combined company's shares be owned, actually or constructively, by five or fewer "individuals" (which term is defined for this purpose to include certain tax-exempt entities including pension trusts). The FSP common stock will be held by 100 or more persons. The combined company intends to continue to comply with these ownership requirements. Also, the combined company's charter contains ownership and transfer restrictions designed to prevent violation of these requirements.

Failure to Qualify. If the combined company failed to satisfy all of the above requirements for any taxable year beginning before October 22, 2004 and no relief provisions in effect for such years applied, then the combined company would fail to qualify as a real estate investment trust. If the combined company failed to satisfy all of the above requirements for any taxable year beginning after October 22, 2004 and no relief provisions in effect for such years applied, then the combined company could nevertheless qualify as a real estate investment trust if:

- such failures are due to reasonable cause and not due to willful neglect, and
- the combined company pays (in the manner prescribed by the Treasury Secretary in regulations) a penalty of $50,000 for each such

failure.

It is not possible to state whether the combined company would be entitled to the benefit of the relief provisions in a particular circumstance. If such relief is not available, the combined company would fail to qualify as a real estate investment trust.

If the combined company does fail to qualify as a real estate investment trust in any taxable year, the combined company would be subject to federal income tax, including any applicable alternative minimum tax, on its taxable income at regular corporate rates. In calculating the combined company's taxable income in a year in which it did not qualify as a real estate investment trust, the combined company would not be able to deduct amounts paid out to its shareholders. The combined company would not be required to distribute any amounts to its shareholders in such taxable year. In such event, to the extent of the combined company's current and accumulated earnings and profits, all distributions to shareholders would be characterized as dividends and would be taxable as ordinary income. Non-corporate shareholders, however, could qualify for a lower maximum tax rate on such dividends in most circumstances. Moreover,

subject to certain limitations under the tax code, corporate shareholders might be eligible for the dividends received deduction. Unless the combined company qualified for relief under specific statutory provisions, the combined company would be disqualified from taxation as a real estate investment trust for the four taxable years following the year in which it ceased to qualify as a real estate investment trust. The combined company cannot predict whether it would qualify for such statutory relief in a particular circumstance that might arise in the future.

Taxation of Taxable U.S. Shareholders

As used herein, the term "taxable U.S. shareholder" means a shareholder that, for United States federal income tax purposes, is:

- a citizen or resident of the United States;
- a corporation, partnership, or other entity created or organized in or under the laws of the United States or any state or political subdivision thereof;
- an estate the income of which is includible in gross income for United States federal income tax purposes regardless of such estate's connection with the conduct of a trade or business within the United States; or
- any trust with respect to which (i) a United States court is able to exercise primary supervision over the administration of such trust, an