FRANKLIN STREET PROPERTIES CORP /MA/
Form 424B3
February 25, 2005

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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 25, 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:

- 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

- 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 28, 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 25, 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:

o 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.

o 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 28, 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 25, 2005.

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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 April 22, 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:

- 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.

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 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 April 29, 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.

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.

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

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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:

- the target REIT's prior financial performance;
- the projected future performance of the target REIT as determined by the appraisal the target REIT obtained and shared with FSP Corp.;
- 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
- 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:

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

- 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;

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 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.

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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 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 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:

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

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.

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

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

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Royal Ridge

(In thousands, except share and per share data)	For the Nine Months Ended September 30, 2004	2003	For the Year Ended December 31, 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

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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;

- 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.

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 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:

- liabilities for clean-up or remediation of environmental conditions;
- claims of tenants, vendors or other persons dealing with the former owners of the properties; and
- 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.

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.

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 April 29, 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

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 April 29, 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."

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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.

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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.

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.

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:

- the target REIT's prior financial performance;
- the projected future performance of the target REIT as determined by the appraisal the target REIT obtained and shared with FSP Corp.;
- 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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- 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:

- 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.

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:

- 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.

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 Acquisition Corp.	- formed for the sole purpose of acquiring 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,

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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;

- 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

- 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:

- 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;

- 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;

- 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 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;

- the special committees retained and were advised by A.G. Edwards, its independent financial advisor; and

- 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 March 20, 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;

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. 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.

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

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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

o historical dividend payments made by FSP Corp.;

o 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.

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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.

	Shares of FSP Common Stock	Total Shares of