

DIVIDEND CAPITAL TRUST INC
Form 8-K/A
March 02, 2004

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **December 15, 2003**

DIVIDEND CAPITAL TRUST INC.

(Exact name of small business issuer as specified in its charter)

Maryland

(State or other jurisdiction of
incorporation or organization)

333-86234

(Commission File No.)

82-0538520

(I.R.S. Employer Identification
No.)

518 17th Street, Suite 1700

Denver, CO 80202

(Address of principal executive offices)

(303) 228-2200

(Registrant's telephone number)

Item 2. Acquisition or Disposition of Assets

Purchase of the Park West, Pinnacle and DFW Facilities. We filed a Form 8-K dated December 15, 2003, on December 30, 2003 with regard to the acquisition of six distribution facilities located in Hebron, Kentucky, a submarket of Cincinnati (Park West) and Dallas, Texas (Pinnacle and DFW), without the requisite financial information. Accordingly, we are filing this Form 8-K/A to include that financial information.

Item 7. Financial Statements and Exhibits.

(a) Financial Statements of Real Estate Property Acquired:

Park West, Pinnacle and DFW Distribution Facilities:

Independent Auditors Report

Combined Statements of Revenue and Certain Expenses for the Nine Months Ended September 30, 2003 (Unaudited) and for the Year Ended December 31, 2002

Notes to Combined Statements of Revenue and Certain Expenses

(b) Unaudited Pro Forma Financial Information:

Pro Forma Financial Information (Unaudited)

Pro Forma Consolidated Balance Sheet as of September 30, 2003 (Unaudited)

Pro Forma Consolidated Statements of Operations for the Nine Months Ended September 30, 2003 (Unaudited)

Pro Forma Consolidated Statements of Operations for the Year Ended December 31, 2002 (Unaudited)

Notes to Pro Forma Consolidated Financial Statements (Unaudited)

(c) Statement of Estimated Taxable Operating Results and Cash to be Made Available by Operations for the Year ended December 31, 2002 (Unaudited)

Note to Statement of Estimated Taxable Operating Results and Cash to be Made Available by Operations (Unaudited)

(d) Exhibits:

| Exhibit Number | Exhibit Title |
|-----------------------|---------------------------------------|
| 99.1 | Press Release dated December 16, 2003 |

SIGNATURES

Edgar Filing: DIVIDEND CAPITAL TRUST INC - Form 8-K/A

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

DIVIDEND CAPITAL TRUST INC.

March 1, 2004

By: /s/ *Evan H. Zucker*
 Evan H. Zucker
 Chief Executive Officer

3

Independent Auditors Report

The Board of Directors

Dividend Capital Trust Inc.:

We have audited the accompanying combined statement of revenue and certain expenses of the Park West, Pinnacle and DFW Distribution Facilities located in Hebron, Kentucky and Dallas, Texas (together the Properties) for the year ended December 31, 2002. This financial statement is the responsibility of the Property's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

The combined statement of revenue and certain expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and for inclusion in the Current Report on Form 8-K/A of Dividend Capital Trust Inc., as described in note 2. The presentation is not intended to be a complete presentation of the Property's revenue and expenses.

In our opinion, the combined financial statement referred to above presents fairly, in all material respects, the combined revenue and certain expenses of the Park West, Pinnacle and DFW Distribution Facilities for the year ended December 31, 2002, in conformity with accounting principles generally accepted in the United States of America.

/s/ KPMG LLP

Denver, Colorado
December 19, 2003

F-1

Park West, Pinnacle and DFW Distribution Facilities

Combined Statements of Revenue and Certain Expenses

| | For the Nine Months Ended September 30, 2003 (Unaudited) | For the Year Ended December 31, 2002 |
|--|--|--|
| REVENUE: | | |
| Rental revenue | \$ 3,130,351 | \$ 2,645,527 |
| Other revenue | 908,052 | 701,477 |
| Total revenue | 4,038,403 | 3,347,004 |
| CERTAIN EXPENSES: | | |
| Property taxes | 579,667 | 693,267 |
| Repairs and maintenance | 78,854 | 93,536 |
| Management fees | 103,266 | 88,915 |
| Other operating expenses | 409,046 | 496,805 |
| Total expenses | 1,170,833 | 1,372,523 |
| EXCESS OF REVENUE OVER CERTAIN EXPENSES | \$ 2,867,570 | \$ 1,974,481 |

The accompanying notes are an integral part of these financial statements

Park West, Pinnacle and DFW Distribution Facilities

Notes to Combined Statements of Revenue and Certain Expenses

as of December 31, 2002

Note 1 Business

The accompanying combined statements of revenue and certain expenses reflects the operations of the Park West, Pinnacle and DFW Distribution Facilities (together the Properties) for the nine months ended September 30, 2003 and for the year ended December 31, 2002. Completed in 2001 and 2003, the Properties contain six one-story distribution facilities. Three buildings are located in Dallas, Texas (Pinnacle and DFW) and three buildings are located in Hebron, KY, a submarket of Cincinnati (Park West).

The Properties were acquired by Dividend Capital Trust Inc. and subsidiary (the Company) on December 15, 2003 for a combined purchase price of approximately \$63.6 million.

Note 2 Basis of Presentation

The accompanying combined statements of revenue and certain expenses has been prepared for the purpose of complying with Rule 3-14 of the Securities and Exchange Commission Regulation S-X and for inclusion in the Current Report on Form 8-K/A of Dividend Capital Trust Inc. and is not intended to be a complete presentation of the Properties revenues and expenses. The financial statements of the Properties have been combined for presentation purposes due to the acquisitions being related acquisitions.

The accounting records of the Properties are maintained on the accrual basis. The accompanying combined statements of revenue and certain expenses was prepared in accordance with accounting principles generally accepted in the United States of America pursuant to the rules and regulations of the Securities and Exchange Commission. These statements exclude certain expenses such as mortgage interest, depreciation and amortization, professional fees and other costs not directly related to future operations of the Properties.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Interim Information (unaudited)

Edgar Filing: DIVIDEND CAPITAL TRUST INC - Form 8-K/A

In the opinion of management, the unaudited information as of September 30, 2003 included herein contains all the adjustments necessary, which are of a normal recurring nature, to present fairly the revenue and certain expenses for the nine months ended September 30, 2003. Results of interim periods are not necessarily indicative of results to be expected for the year. Management is not aware of any material factors that would cause the information included herein to not be indicative of future operating results.

Note 3 Operating Leases

The Properties' revenue is obtained from tenant rental payments as provided for under non-cancelable operating leases. As of December 31, 2003, the Properties were net leased to 15 tenants. Net means that the tenants are responsible for repairs, maintenance, property taxes, utilities, insurance and other operating costs while we as landlord, have responsibility for capital repairs or replacement of

F-3

Edgar Filing: DIVIDEND CAPITAL TRUST INC - Form 8-K/A

specific structural components of a property such as the roof of the building, the truck court and parking areas, as well as the interior floor or slab of the building. The Company records rental revenue for the full term of the lease on a straight-line basis. In this case, where the minimum rental payments increase over the life of the lease, the Company records a receivable due from tenants for the difference between the amount of revenue recorded and the amount of cash received.

Future minimum rental payments due under the leases, excluding tenant reimbursements of operating expenses, as of December 31, 2002, are as follows:

| Year Ending December 31: | |
|--------------------------|----------------------|
| 2003 | \$ 3,727,990 |
| 2004 | 4,848,345 |
| 2005 | 4,779,337 |
| 2006 | 4,231,786 |
| 2007 | 3,802,034 |
| Thereafter | 9,952,053 |
| Total | \$ 31,341,545 |

Tenant reimbursements of operating expenses are included in other revenue on the accompanying combined statements of revenue and certain expenses.

As of December 31, 2002, the Property was leased to various tenants which operate in various industries such as manufacturing, distribution and transportation of goods. As of December 31, 2002, Sandvik Inc., International Truck and Engine Corp. and Associated Sales and Bag Company represented 10% or more of the aggregate future rental revenues to be received by the Properties or 10% or more of the gross leasable space provided by the Properties. The following table describes these tenants and terms of their respective lease agreements.

| Tenant | Leased Square Feet | Percent of Properties | Annualized Rental Revenue | Percent of Properties | Lease Expiration | Rental Increases | Industry/Business |
|--------------------------------------|--------------------|-----------------------|---------------------------|-----------------------|------------------|----------------------|---|
| Sandvik Inc. | 99,092 | 7.5% | \$ 485,551 | 10.0% | 9/30/12 | 10/01/07 - \$558,879 | High-technology material engineering and manufacturing |
| International Truck and Engine Corp. | 280,000 | 21.2% | \$ 882,000 | 18.2% | 12/15/12 | 12/01/08 - \$988,400 | Manufacturing and distribution of midsized trucks, school buses, diesel engines and replacement parts |
| Associated Sales and Bag Company | 133,332 | 10.1% | \$ 413,328 | 8.5% | 1/31/09 | None | Distribution of packaging and shipping supplies |
| Total | 512,424 | 38.8 % | \$ 1,780,879 | 36.7 % | | | |

Dividend Capital Trust Inc. and Subsidiary

Pro Forma Financial Information

(Unaudited)

The accompanying unaudited pro forma consolidated balance sheet presents the historical financial information of the Company as of September 30, 2003 as adjusted for the previous acquisitions of the Rancho Business Center, Mallard Lake and West by Northwest, all made subsequent to September 30, 2003, and the Park West, Pinnacle and DFW acquisitions as if these transactions had occurred on September 30, 2003.

The accompanying unaudited pro forma consolidated statements of operations for the nine months ended September 30, 2003 and the year ended December 31, 2002 combine the historical operations of the Company with the historical operations of acquired properties, with the exception of Rancho Business Center, as if these transactions had occurred on January 1, 2002. Rancho Business Center was acquired with no operating history and as such no activity associated with Rancho Business Center has been assumed in the presentation of the unaudited pro forma consolidated statements of operations for the nine months ended September 30, 2003 and the year ended December 31, 2002.

The unaudited pro forma consolidated financial statements have been prepared by the Company's management based upon the historical financial statements of the Company and of the individually acquired properties. These pro forma statements may not be indicative of the results that actually would have occurred if the combination had been in effect on the dates indicated or which may be obtained in the future. The pro forma financial statements should be read in conjunction with the historical financial statements included in the Company's previous filings with the Securities and Exchange Commission.

F-5

Dividend Capital Trust Inc. and Subsidiary

Pro Forma Consolidating Balance Sheet

As of September 30, 2003

(Unaudited)

| | DCT Historical | Rancho Business Center | Mallard Lake | West by Northwest | Park West, Pinnacle and DFW | Pro Forma Adjustments | Pro Forma Consolidated |
|---|-------------------|------------------------------|------------------|----------------------|-----------------------------------|--------------------------|---------------------------|
| ASSETS | | | | | | | |
| Real Estate | \$ 34,876,256 | \$ 9,281,409(b) | \$ 10,122,156(b) | \$ 7,526,436(b) | \$ 61,327,691(b) | | \$ 123,133,948 |
| Intangible lease costs | 4,560,182 | 556,985(b) | 1,247,414(b) | 1,070,491(b) | 5,727,995(b) | | 13,163,067 |
| Acc. Dep. & Amort | (428,668) | | | | | | (428,668) |
| Net Investment in Real Estate | 39,007,770 | 9,838,394 | 11,369,570 | 8,596,927 | 67,055,686 | | 135,868,347 |
| Cash and cash equivalents | 16,415,362 | (9,775,841)(a) | (11,087,705)(a) | (7,668,438)(a) | (25,146,429)(a) | 46,487,728(j) | 9,224,677 |
| Other assets, net | 1,551,852 | 12,832(c)(d) | (231,865)(d) | (348,232)(d) | 287,288(e) | | 1,271,875 |
| Total Assets | \$ 56,974,984 | \$ 75,385 | \$ 50,000 | \$ 580,257 | \$ 42,196,545 | \$ 46,487,728 | \$ 146,364,899 |
| LIABILITIES & SHAREHOLDERS' EQUITY | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts Payable & Accrued Expenses | \$ 591,531 | \$ 30,385(f) | (f) | \$ 164,399(f) | | | \$ 786,315 |
| Dividends Payable | 695,850 | | | | | | 695,850 |
| Other liabilities | 458,699 | 45,000(g) | 50,000(g) | 415,858(h) | 370,097(h) | | 1,339,654 |
| Intangible Lease Liability, net | 127,421 | | | | 1,326,448(b) | | 1,453,869 |
| Total Mortgage Note Payable | | | | | 40,500,000(i) | | 40,500,000 |
| Total Liabilities | 1,873,501 | 75,385 | 50,000 | 580,257 | 42,196,545 | | 44,775,688 |
| Minority Interest | 1,000 | | | | | | 1,000 |
| Shareholders' Equity: | | | | | | | |
| Common Stock | 63,981 | | | | | 53,129(j) | 117,110 |
| Additional Paid-in-Capital | 55,920,950 | | | | | 46,434,599(j) | 102,355,549 |
| Distributions in Excess of Earnings | (884,448) | | | | | | (884,448) |
| Total Shareholders' Equity | 55,100,483 | | | | | 46,487,728(j) | 101,588,211 |
| | \$ 56,974,984 | \$ 75,385 | \$ 50,000 | \$ 580,257 | \$ 42,196,545 | \$ 46,487,728 | \$ 146,364,899 |

**Total Liabilities &
Shareholders' Equity**

F-6

Dividend Capital Trust Inc. and Subsidiary

Pro Forma Statement of Operations

For the Nine Months Ended September 30, 2003

(Unaudited)

| | DCT Corporate | Chickasaw Facility | Mallard Lake | West by Northwest | Park West, Pinnacle and DFW | Pro Forma Adjustments(1) | Consolidated |
|---|-------------------|-----------------------|-------------------|----------------------|-----------------------------------|-----------------------------|---------------------|
| REVENUE: | | | | | | | |
| Rental revenue | \$ 960,115 | \$ 598,888(1) | \$ 721,989(1) | \$ 212,318(1) | \$ 3,154,540(1) | | \$ 5,647,850 |
| Other income | 50,748 | 203,143(1) | 1,275(1) | 119,761(1) | 908,052(1) | | 1,282,979 |
| Total Income | 1,010,863 | 802,031 | 723,264 | 332,079 | 4,062,592 | | 6,930,829 |
| EXPENSES: | | | | | | | |
| Operating Expenses | 88,978 | 217,995(1) | 11,757(1) | 228,019(1) | 1,170,833(1) | | 1,717,582 |
| Depreciation & amortization | 428,391 | 362,726(1) | 201,060(1) | 155,606(1) | 2,353,591(1) | | 3,501,374 |
| Interest expense | 164,263 | | | | 1,518,750(1) | | 1,683,013 |
| General and administrative expenses | 223,491 | | | | | | 223,491 |
| Total Operating Expenses | 905,123 | 580,721 | 212,817 | 383,625 | 5,043,174 | | 7,125,460 |
| NET INCOME (LOSS) | \$ 105,740 | \$ 221,310 | \$ 510,447 | \$ (51,546) | \$ (980,582) | | \$ (194,631) |
| WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING | | | | | | | |
| Basic | 2,160,712 | | | | | 9,550,237(2) | 11,710,949 |
| Diluted | 2,180,712 | | | | | 9,550,237(2) | 11,730,949 |
| NET INCOME (LOSS) PER COMMON SHARE | | | | | | | |
| Basic and Diluted | \$ 0.05 | | | | | | \$ (0.02) |

Dividend Capital Trust Inc. and Subsidiary

Pro Forma Statement of Operations

For the Year Ended December 31, 2002

(Unaudited)

| | DCT Corporate | Chickasaw Facility | Mallard Lake Facility | West by Northwest Facility | Park West, Pinnacle and DFW | Pro Forma Adjustments(1) | Consolidated |
|---|------------------|-----------------------|--------------------------|----------------------------------|-----------------------------------|-----------------------------|----------------|
| REVENUE: | | | | | | | |
| Rental revenue | \$ | \$ 649,849(1) | \$ 957,577(1) | \$ 707,684(1) | \$ 2,677,779(1) | | \$ 4,992,889 |
| Other income | | 155 | 91,381(1) | 14,412(1) | 292,636(1) | 701,477(1) | 1,100,061 |
| Total Income | | 155 | 741,230 | 971,989 | 1,000,320 | 3,379,256 | 6,092,950 |
| EXPENSES: | | | | | | | |
| Operating Expenses | | 262,178(1) | 23,252(1) | 296,467(1) | 1,372,523(1) | | 1,954,420 |
| Depreciation & amortization | | 725,453(1) | 268,079(1) | 207,475(1) | 3,138,121(1) | | 4,339,128 |
| Interest expense | | | | | 2,025,000(1) | | 2,025,000 |
| General and administrative expenses | 212,867 | | | | | | 212,867 |
| Total Operating Expenses | 212,867 | 987,631 | 291,331 | 503,942 | 6,535,644 | | 8,531,415 |
| NET INCOME (LOSS) before minority interest | (212,712) | (246,401) | 680,658 | 496,378 | (3,156,388) | | (2,438,465) |
| Minority Interest | 200,000 | | | | | | 200,000 |
| NET INCOME (LOSS) | \$ (12,712) | \$ (246,401) | \$ 680,658 | \$ 496,378 | \$ (3,156,388) | \$ | \$ (2,238,465) |
| WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING | | | | | | | |
| Basic | 200 | | | | | 11,710,749(2) | 11,710,949 |
| Diluted | 200 | | | | | 11,730,749(2) | 11,730,949 |
| NET INCOME (LOSS) PER COMMON SHARE | | | | | | | |
| Basic and Diluted | \$ (63.56) | | | | | | \$ (0.19) |

F-8

Dividend Capital Trust Inc. and Subsidiary

Notes to Pro Forma Consolidated Financial Statements

(Unaudited)

Pro Forma Consolidated Balance Sheet as of September 30, 2003:

(a) Cash paid for the acquisitions closed subsequent to September 30, 2003 consists of the following:

| | Rancho Business Center | Mallard Lake | West by Northwest | Park West, Pinnacle and DFW |
|---|---------------------------------------|----------------------|------------------------------|--|
| Purchase Price | \$ 10,001,955 | \$ 10,978,631 | \$ 8,275,000 | \$ 63,550,000 |
| Closing Costs | 5,898 | 715 | 445 | 69,706 |
| Over Funding Due From Title Company | | | | 287,288 |
| Acquisition fee paid to affiliate | 298,373 | 329,359 | 248,250 | 1,906,500 |
| Less: | | | | |
| Debt proceeds | | | | 40,500,000 |
| Earnest money | 500,000 | 221,000 | 330,000 | |
| Credit for Tenant Security Deposits | | | 21,336 | 167,065 |
| Credit for Tenant Improvement Allowance | | | 290,000 | |
| Credit for Pre-paid Rents | | | 49,522 | |
| Credit for Real Estate Taxes | 30,385 | | 164,399 | |
| Cash paid at closing | 9,775,841 | 11,087,705 | 7,668,438 | 25,146,429 |
| Add: | | | | |
| Debt proceeds | | | | 40,500,000 |
| Earnest money | 500,000 | 221,000 | 330,000 | |
| Credits | 30,385 | | 525,257 | (120,224) |
| Estimated remaining closing costs | 45,000 | 50,000 | 55,000 | 203,032 |
| Due Diligence costs | 12,551 | 10,865 | 18,232 | |
| Total Acquisition Costs | \$ 10,363,777 | \$ 11,369,570 | \$ 8,596,927 | \$ 65,729,237 |

(b) The purchase price of these acquisitions were allocated to tangible and intangible assets in accordance with SFAS No. 141, Business Combinations.

SIGNATURES

- (c) This amount consists of a restricted cash item related to an allowance for tenant improvements.
- (d) These amounts represent deferred acquisition costs that were reclassified to investment in real estate. Deferred acquisition costs are costs incurred prior to the closing of the acquisition such as due diligence costs.
- (e) This amount represents the amount due from the title company as a result of over funding at closing.
- (f) These amounts are accruals related to property taxes and other payables assumed at closing for which we were given a credit to reduce cash due upon closing of the property.
- (g) This amount consists of tenant deposits and management's estimate on remaining acquisition costs.

(h) This amount consists of tenant deposits, management's estimate on remaining acquisition costs and certain liabilities assumed at closing for commitments associated with new leases such as tenant improvements and leasing commissions.

(i) The Company used certain debt financing in the amount of \$40.5 million to acquire the Park West, Pinnacle and DFW distribution facilities (see note (3)).

(j) A certain amount of capital was raised through the Company's public offering after September 30, 2003 which was used to fund the Rancho Business Center, Mallard Lake, West by Northwest and Park West, Pinnacle and DFW. As such, management included the number of shares that were sold subsequent to September 30, 2003 through December 15, 2003, the date of the latest acquisition in order to facilitate adequate funding of these acquisitions.

| | | |
|--|----|-------------|
| Shares Sold from October 1 through December 15, 2003 | | 5,312,883 |
| Gross Proceeds | \$ | 53,128,832 |
| Less Selling Costs | | (6,641,104) |
| Net Proceeds | \$ | 46,487,728 |

Pro Forma Consolidated Statements of Operations for the Nine Months Ended September 30, 2003 and for the Twelve Months Ended December 31, 2002:

(1) In accordance with Rule 3.14 of Regulation S-X, the following acquisitions required an audit of the statement of revenue and certain expenses. The pro forma adjustments presented are based on the historical information reported within the audited statement of revenue and certain expenses plus certain adjustments as follows:

Chickasaw

| | 9-Months (e) | | | | 12-Months(c) | | | |
|---------------------|---------------------|-----------------------|-----------------|--|---------------------|-----------------------|-----------------|--|
| | Chickasaw Facility* | Pro Forma Adjustments | Total Pro Forma | | Chickasaw Facility* | Pro Forma Adjustments | Total Pro Forma | |
| REVENUE: | | | | | | | | |
| Rental revenue | \$ 588,729 | \$ 10,159 (a) | \$ 598,888 | | \$ 629,530 | \$ 20,319 (a) | \$ 649,849 | |
| Other income | 203,143 | | 203,143 | | 91,381 | | 91,381 | |
| Total Income | 791,872 | 10,159 | 802,031 | | 720,911 | 20,319 | 741,230 | |
| EXPENSES: | | | | | | | | |

Edgar Filing: DIVIDEND CAPITAL TRUST INC - Form 8-K/A

| | | | | | | | | |
|-------------------------------------|------------|--------------|-----|------------|------------|--------------|-----|--------------|
| Operating Expenses | 217,995 | | | 217,995 | 262,178 | | | 262,178 |
| Depreciation & amortization | | 362,726 | (b) | 362,726 | | 725,453 | (b) | 725,453 |
| Interest expense | | | | | | | | |
| General and administrative expenses | | | | | | | | |
| Total Operating Expenses | 217,995 | 362,726 | | 580,721 | 262,178 | 725,453 | | 987,631 |
| NET INCOME (LOSS) | \$ 573,877 | \$ (352,567) | | \$ 221,310 | \$ 458,733 | \$ (705,134) | | \$ (246,401) |

F-10

Mallard Lake

| | 9-Months | | | | 12-Months | | | |
|-------------------------------------|------------------------|--|-----------------------|-----------------|------------------------|--|-----------------------|-----------------|
| | Mallard Lake Facility* | | Pro Forma Adjustments | Total Pro Forma | Mallard Lake Facility* | | Pro Forma Adjustments | Total Pro Forma |
| REVENUE: | | | | | | | | |
| Rental revenue | \$ 721,989 | | (a) | \$ 721,989 | \$ 957,577 | | (a) | \$ 957,577 |
| Other income | 1,275 | | | 1,275 | 14,412 | | | 14,412 |
| Total Income | 723,264 | | | 723,264 | 971,989 | | | 971,989 |
| EXPENSES: | | | | | | | | |
| Operating Expenses | 11,757 | | | 11,757 | 23,252 | | | 23,252 |
| Depreciation & amortization | | | 201,060 (b) | 201,060 | | | 268,079 (b) | 268,079 |
| Interest expense | | | | | | | | |
| General and administrative expenses | | | | | | | | |
| Total Operating Expenses | 11,757 | | 201,060 | 212,817 | 23,252 | | 268,079 | 291,331 |
| NET INCOME (LOSS) | \$ 711,507 | | \$ (201,060) | \$ 510,447 | \$ 948,737 | | \$ (268,079) | \$ 680,658 |

West by Northwest

| | 9-Months | | | | 12-Months | | | |
|-------------------------------------|-----------------------------|--|-----------------------|-----------------|-----------------------------|--|-----------------------|-----------------|
| | West by Northwest Facility* | | Pro Forma Adjustments | Total Pro Forma | West by Northwest Facility* | | Pro Forma Adjustments | Total Pro Forma |
| REVENUE: | | | | | | | | |
| Rental revenue | \$ 212,318 (c) | | (a) | \$ 212,318 | \$ 707,684 (c) | | (a) | \$ 707,684 |
| Other income | 119,761 | | | 119,761 | 292,636 | | | 292,636 |
| Total Income | 332,079 | | | 332,079 | 1,000,320 | | | 1,000,320 |
| EXPENSES: | | | | | | | | |
| Operating Expenses | 228,019 | | | 228,019 | 296,467 | | | 296,467 |
| Depreciation & amortization | | | 155,606 (b) | 155,606 | | | 207,475 (b) | 207,475 |
| Interest expense | | | | | | | | |
| General and administrative expenses | | | | | | | | |
| Total Operating Expenses | 228,019 | | 155,606 | 383,625 | 296,467 | | 207,475 | 503,942 |
| NET INCOME (LOSS) | \$ 104,060 | | \$ (155,606) | \$ (51,546) | \$ 703,853 | | \$ (207,475) | \$ 496,378 |

Park West, Pinnacle and DFW

| | 9-Months | | | | 12-Months | | | |
|-------------------------------------|------------------------------------|--------------------------|--------------------|--|------------------------------------|--------------------------|--------------------|--|
| | Park West, Pinnacle and DFW* | Pro Forma Adjustments | Total Pro Forma | | Park West, Pinnacle and DFW* | Pro Forma Adjustments | Total Pro Forma | |
| REVENUE: | | | | | | | | |
| Rental revenue | \$ 3,130,351 | \$ 24,189 (a) | \$ 3,154,540 | | \$ 2,645,527 | \$ 32,252 (a) | \$ 2,677,779 | |
| Other income | 908,052 | | 908,052 | | 701,477 | | 701,477 | |
| Total Income | 4,038,403 | 24,189 | 4,062,592 | | 3,347,004 | 32,252 | 3,379,256 | |
| EXPENSES: | | | | | | | | |
| Operating Expenses | 1,170,833 | | 1,170,833 | | 1,372,523 | | 1,372,523 | |
| Depreciation & amortization | | 2,353,591 (b) | 2,353,591 | | | 3,138,121 (b) | 3,138,121 | |
| Interest expense | | 1,518,750 (d) | 1,518,750 | | | 2,025,000 (d) | 2,025,000 | |
| General and administrative expenses | | | | | | | | |
| Total Operating Expenses | 1,170,833 | 3,872,341 | 5,043,174 | | 1,372,523 | 5,163,121 | 6,535,644 | |
| NET INCOME (LOSS) | \$ 2,867,570 | \$ (3,848,152) | \$ (980,582) | | \$ 1,974,481 | \$ (5,130,869) | \$ (3,156,388) | |

* As Filed Rule 3.14 of Regulation S-X

(a) In accordance with SFAS No. 141, these amounts represent the amortization amounts of the above and below market values of the in-place leases. The intangible lease assets and liabilities are amortized over the life of the lease to rental income.

(b) Depreciation and amortization expense for the Pro Forma periods presented is based on the allocation of the purchase price between tangible and intangible assets. The Company depreciates these assets on a straight-line basis over the estimated useful life of the assets. The following table represents the allocation of the total cost of the Company's properties:

| | Depreciation or Amortization Period | Consolidated |
|---------------------|-------------------------------------|---------------|
| Land | N/A | \$ 15,986,243 |
| Buildings | 40 Years | 94,099,446 |
| Land Improvements | 20 Years | 6,170,188 |
| Tenant Improvements | Term of the Lease | 6,878,070 |

Edgar Filing: DIVIDEND CAPITAL TRUST INC - Form 8-K/A

| | | | |
|--|-----------------------|----|-------------|
| Intangible Lease and Acquisition Costs | Average Life of Lease | | 11,727,964 |
| Total Cost | | \$ | 134,861,911 |

(c) One of the property's two tenants vacated their space during December 2002. There were no adjustments made to the historical financial information that would consider this vacant space during 2003.

F-12

(d) Interest expense for the Pro Forma periods presented was calculated given the terms of our mortgage note. The following table sets forth the calculation for the pro forma adjustments as if the notes were outstanding as of January 1, 2002:

(e) These proforma amounts only reflect the operating results prior to acquisition as the actual operating results since acquisition are reflected in the Capital companies historical operating results.

| | | | | Pro Forma Amounts | | | |
|--------|------------|---------------|------------------------------------|---------------------------|-----------|-----------------------------|-----------|
| Amount | | Note | Interest Rate | For the Nine Month Period | | For the Twelve Month Period | |
| \$ | 40,500,000 | Mortgage Note | Annual interest rate equal to 5.0% | \$ | 1,518,750 | \$ | 2,025,000 |
| Total | | | | \$ | 1,518,750 | \$ | 2,025,000 |

(2) For purposes of calculating the pro forma weighted average number of common shares outstanding, management determined the number of shares sold as of the latest acquisition, Park West, Pinnacle and DFW, which was December 15, 2003. As the pro forma financial information presented assumes these acquisitions occurred on January 1, 2002, the number of shares outstanding as of December 15, 2003 are assumed to have been outstanding as of January 1, 2002 as well.

Dividend Capital Trust Inc. and Subsidiary

Statement of Estimated Taxable Operating Results and Cash

to be Made Available by Operations

For the Year Ended December 31, 2002

(Unaudited)

The following represents an estimate of the taxable operating results and cash to be made available by operations expected to be generated by the Company (including the operations of the recently acquired properties) based upon the pro forma consolidated statement of operations for the year ended December 31, 2002. These estimated results do not purport to represent results of operations for these properties in the future and were prepared on the basis described in the accompanying note, which should be read in conjunction herewith.

| | | |
|---|----|-----------|
| Revenue | \$ | 5,272,596 |
| Expenses | | |
| Operating expenses | | 1,954,420 |
| Depreciation and amortization expense | | 3,362,771 |
| Interest expense | | 2,025,000 |
| General and administrative expenses | | 212,867 |
| Total expenses | | 7,555,058 |
| Estimated Taxable Operating Loss | \$ | 2,282,462 |
| Add Depreciation and amortization expense | | 3,362,771 |
| Estimated Cash to be Made Available by Operations | \$ | 1,080,309 |

Dividend Capital Trust Inc. and Subsidiary

Note to Statement of Estimated Taxable Operating Results

And Cash to be Made Available by Operations

For the Year Ended December 31, 2002

(Unaudited)

Note 1 Basis of Presentation

Depreciation has been estimated based upon an allocation of the purchase price of the Properties to land, building, land improvements and building improvements and assuming (for tax purposes) a 39.5-year, 20-year and 10-year useful life, respectively, for the depreciable assets applied on a straight-line method.

No income taxes have been provided because the Company is organized and operates in such a manner so as to qualify as a Real Estate Investment Trust (REIT) under the provisions of the Internal Revenue Code (the Code). Accordingly, the Company generally will not pay Federal income taxes provided that distributions to its stockholders equal at least the amount of its REIT taxable income as defined under the Code.

F-15
