

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D. C. 20549

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**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2004

OR

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

FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_.

**COMMISSION FILE NUMBER: 000-25771**

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**CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED**

(Exact name of Registrant as specified in its charter)

**Maryland**  
(State of incorporation)

**13-3951476**  
(I.R.S. Employer Identification No.)

**50 Rockefeller Plaza**  
**New York, New York 10020**  
(Address of principal executive office)

**10020**  
(Zip code)

**Registrant's telephone numbers:**

**Investor Relations (212) 492-8920**  
**(212) 492-1100**

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**Securities registered pursuant to Section 12(b) of the Act: None**

**Securities registered pursuant to Section 12 (g) of the Act:**  
**Common stock, \$.001 par value**

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CPA<sup>®</sup>:14 has **SHARES OF COMMON STOCK** registered pursuant to Section 12(g) of the Act.

CPA<sup>®</sup>:14 **HAS NO SECURITIES** registered on any exchanges.

CPA<sup>®</sup>:14 does not have any Securities registered pursuant to Section 12(b) of the Act.

CPA<sup>®</sup>:14 (1) has filed all reports required by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes  No .

CPA<sup>®</sup>:14 has no active market for common stock at May 6, 2004.

CPA<sup>®</sup>:14 has 67,110,556 shares of common stock, \$.001 par value outstanding at May 6, 2004.

# CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

## INDEX

	<u>Page No.</u>
<u>PART I</u>	
Item 1. – Financial Information*	
Condensed Consolidated Balance Sheets as of March 31, 2004 and December 31, 2003	2
Condensed Consolidated Statements of Income for the three months ended March 31, 2004 and 2003	3
Condensed Consolidated Statements of Comprehensive Income for the three months ended March 31, 2004 and 2003	3
Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2004 and 2003	4
Notes to Condensed Consolidated Financial Statements	5-8
Item 2. – Management's Discussion and Analysis of Financial Condition and Results of Operations	9-12
Item 3. – Quantitative and Qualitative Disclosures About Market Risk	13
Item 4. – Controls and Procedures	13
<u>PART II</u> – Other Information	
Item 2. – Changes in Securities, Use of Proceeds and Issuer Purchases of Equity Securities	14
Item 4. – Submission of Matters to a Vote of Security Holders	14
Item 6. – Exhibits and Reports on Form 8-K	14
Signatures	15

\* The summarized condensed consolidated financial statements contained herein are unaudited; however, in the opinion of management, all adjustments necessary for a fair presentation of such financial statements have been included.

CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

PART I

Item 1. - FINANCIAL INFORMATION

CONDENSED CONSOLIDATED BALANCE SHEETS

*(in thousands, except share amounts)*

	<u>March 31, 2004</u> <u>(Unaudited)</u>	<u>December 31, 2003</u> <u>(Note)</u>
<b>ASSETS:</b>		
Land and buildings, net of accumulated depreciation of \$67,739 at March 31, 2004 and \$62,105 at December 31, 2003	\$ 999,585	\$1,010,438
Net investment in direct financing leases	115,433	114,907
Equity investments	120,227	120,388
Cash and cash equivalents	49,997	54,675
Marketable securities	6,921	6,792
Other assets	39,172	38,547
Total assets	<u>\$1,331,335</u>	<u>\$1,345,747</u>
 <b>LIABILITIES, MINORITY INTEREST AND SHAREHOLDERS' EQUITY:</b>		
Liabilities:		
Mortgage notes payable	\$ 695,445	\$ 702,175
Accrued interest	4,387	4,461
Due to affiliates	3,801	4,559
Accounts payable and accrued expenses	4,375	5,968
Prepaid rental income and security deposits	19,825	19,607
Deferred acquisition fees payable to affiliate	19,263	22,530
Dividends payable	12,718	12,662
Total liabilities	<u>759,814</u>	<u>771,962</u>
Minority interest	<u>27,180</u>	<u>27,356</u>
Commitments and contingencies		
Shareholders' equity:		
Common stock, \$.001 par value; authorized, 120,000,000 shares; issued and outstanding, 67,990,109 shares at March 31, 2004 and 67,694,702 shares at December 31, 2003	68	68
Additional paid-in capital	609,496	606,380
Dividends in excess of accumulated earnings	(67,765)	(64,036)
Accumulated other comprehensive income	10,350	11,150
	552,149	553,562
Less, treasury stock at cost, 878,854 shares at March 31, 2004 and 802,642 shares at December 31, 2003	<u>(7,808)</u>	<u>(7,133)</u>
Total shareholders' equity	<u>544,341</u>	<u>546,429</u>
Total liabilities, minority interest and shareholders' equity	<u>\$1,331,335</u>	<u>\$1,345,747</u>

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

Note: The balance sheet at December 31, 2003 has been derived from the audited consolidated financial statements at that date.

CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

CONDENSED CONSOLIDATED STATEMENTS of INCOME (Unaudited)

*(in thousands, except share and per share amounts)*

	<u>Three Months Ended March 31,</u>	
	<u>2004</u>	<u>2003</u>
Revenues:		
Rental income	\$28,249	\$26,559
Interest income from direct financing leases	3,388	3,229
Other operating income	<u>220</u>	<u>2,651</u>
	<u>31,857</u>	<u>32,439</u>
Operating expenses:		
Depreciation	5,859	5,596
General and administrative	1,802	2,161
Property expenses	<u>4,866</u>	<u>4,592</u>
	<u>12,527</u>	<u>12,349</u>
Income from continuing operations before other interest income, minority interest, equity investments, interest expense and (loss) gain	19,330	20,090
Other interest income	331	425
Minority interest in income	(406)	(472)
Income from equity investments	3,367	3,138
Interest expense	<u>(13,518)</u>	<u>(12,787)</u>
Income from continuing operations before (loss) gain	9,104	10,394
Unrealized (loss) gain on derivative instruments and foreign currency transactions, net	(168)	210
Gain on foreign currency transactions, net	<u>53</u>	<u>-</u>
Net income	<u>\$ 8,989</u>	<u>\$10,604</u>
Basic and diluted earnings per share:	<u>\$ .13</u>	<u>\$ .16</u>
Weighted average shares outstanding – basic and diluted	<u>67,129,602</u>	<u>66,351,057</u>

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)

*(in thousands)*

	<u>Three Months Ended March 31,</u>	
	<u>2004</u>	<u>2003</u>
Net income	<u>\$8,989</u>	<u>\$10,604</u>
Other comprehensive income:		
Change in foreign currency translation adjustment	(955)	1,055
Unrealized appreciation of marketable securities	<u>155</u>	<u>263</u>
	<u>(800)</u>	<u>1,318</u>
Comprehensive income	<u>\$8,189</u>	<u>\$11,922</u>

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

CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

CONDENSED CONSOLIDATED STATEMENTS of CASH FLOWS (Unaudited)

(in thousands)

	<u>Three Months Ended March 31,</u>	
	<u>2004</u>	<u>2003</u>
Cash flows from operating activities:		
Net income	\$ 8,989	\$10,604
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	6,158	5,885
Straight-line rent adjustments	(1,138)	(1,012)
Income from equity investments in excess of distributions received	(258)	(494)
Issuance of shares in satisfaction of current and accrued performance fees	1,906	1,461
Minority interest in income	406	472
Unrealized loss (gain) on warrants and foreign currency transactions, net	173	(210)
Gain on foreign currency transactions	(58)	-
Increase (decrease) in prepaid rents and security deposits	83	(702)
Change in other operating assets and liabilities, net	<u>(458)</u>	<u>(470)</u>
Net cash provided by operating activities	<u>15,803</u>	<u>15,534</u>
Cash flows from investing activities:		
Distributions from operations of equity investments in excess of equity income	419	395
Purchases of real estate and equity investments and additional capitalized costs	(368)	(29,563)
Distributions of mortgage financing proceeds received from equity investee	-	8,722
Payment of value added taxes from purchase of real estate	(1,617)	-
Payment of deferred acquisition fees	<u>(3,266)</u>	<u>(2,373)</u>
Net cash used in investing activities	<u>(4,832)</u>	<u>(22,819)</u>
Cash flows from financing activities:		
Proceeds from mortgages	-	3,017
Funds released by mortgage lenders	96	-
Payments of mortgage principal	(2,716)	(2,099)
Distributions to minority interest partner	(582)	(754)
Proceeds from issuance of shares, net of costs	1,209	100
Deferred financing costs	-	21
Dividends paid	(12,662)	(12,488)
Purchase of treasury stock	<u>(675)</u>	<u>(400)</u>
Net used in financing activities	<u>(15,330)</u>	<u>(12,603)</u>
Effect of exchange rate changes on cash	<u>(319)</u>	<u>206</u>
Net decrease in cash and cash equivalents	(4,678)	(19,682)
Cash and cash equivalents, beginning of period	<u>54,675</u>	<u>74,107</u>
Cash and cash equivalents, end of period	<u>\$49,997</u>	<u>\$54,425</u>

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

# CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*(Amounts in thousands, except share and per share amounts)*

### Note 1. Basis of Presentation:

The accompanying unaudited condensed consolidated financial statements of Corporate Property Associates 14 Incorporated (the "Company") have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Article 10 of Regulation S-X of the Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. All significant intercompany balances and transactions have been eliminated. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the results of the interim period presented have been included. The results of operations for the interim period are not necessarily indicative of results for the full year. These condensed consolidated financial statements should be read in conjunction with the audited financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2003.

Certain prior year amounts have been reclassified to conform to current year financial statement presentation.

### Note 2. Transactions with Related Parties:

In connection with performing services on behalf of the Company, the Advisory Agreement between the Company and W. P. Carey & Co. LLC (the "Advisor"), provides that the Advisor receive asset management and performance fees, each of which are 1/2 of 1% of Average Invested Assets as defined in the Advisory Agreement. The Advisor has elected at its option to receive the performance fee in restricted shares of common stock rather than cash. The Advisor is also reimbursed for the actual cost of personnel needed to provide administrative services necessary to the operation of the Company. Asset management fees were \$2,103 and \$1,854 for the three months ended March 31, 2004 and 2003, respectively, with performance fees in like amount. For the three months ended March 31, 2004 and 2003, the Company incurred personnel reimbursements of \$775 and \$803, respectively.

Fees are payable to the Advisor for services provided to the Company relating to the identification, evaluation, negotiation, financing and purchase of properties. A portion of such fees are deferred and are payable in equal installments over no less than eight years following the first anniversary of the date a property is purchased. No such fees were incurred during the three months ended March 31, 2004. Current and deferred fees incurred during the three months ended March 31, 2003 were \$1,825 and \$1,460, respectively.

### Note 3. Equity Investments:

The Company owns interests in single-tenant net leased properties leased to corporations through noncontrolling interests (i) in various partnerships and limited liability companies and (ii) as tenants-in-common subject to joint control. The ownership interests range from 33.33% to 50%. All of the underlying investments are owned with affiliates that have similar investment objectives as the Company. The lessees are Advanced Micro Devices, Inc., Compucom Systems, Inc., Textron, Inc., CheckFree Holdings, Inc., Special Devices, Inc., Applied Materials, Inc., TruServ Corporation, Clear Channel Communications, Inc. and Starmark Camhood, LLC.

Summarized financial information of the Company's equity investees is as follows:

<i>(In thousands)</i>	<u>March 31, 2004</u>	<u>December 31, 2003</u>
Assets (primarily real estate)	\$778,543	\$781,144
Liabilities (primarily mortgage notes payable)	468,670	471,052
Partners' and members' equity	309,873	310,092
	<u>Three Months Ended March 31,</u>	
	<u>2004</u>	<u>2003</u>
Revenues (primarily rental revenues)	\$ 20,569	\$ 19,470
Expenses (primarily interest on mortgages and depreciation)	(11,770)	(11,214)
Net income	<u>\$ 8,799</u>	<u>\$ 8,256</u>

CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands, except share and per share amounts)

**Note 4. Interest in Mortgage Loan Securitization:**

The Company is accounting for its subordinated interest in the Carey Commercial Mortgage Trust mortgage securitization as an available-for-sale marketable security which is measured at fair value with all gains and losses from changes in fair value reported as a component of other comprehensive income as part of shareholders' equity. As of March 31, 2004, the fair value of the Company's interests was \$6,921, reflecting an aggregate unrealized gain of \$1,054 and cumulative net amortization of \$164 (\$26 for the three months ended March 31, 2004). The fair value of the Company's interests in the trust is determined using a discounted cash flow model with assumptions of market rates and the credit quality of the underlying lessees.

One of the key variables in determining fair value of the subordinated interest is current interest rates. As required by Statement of Financial Accounting Standards ("SFAS") No. 140, "Accounting for Transfer and Servicing of Financial Assets and Extinguishments of Liabilities," a sensitivity analysis of the current value of the interest based on adverse changes in market interest rates of 1% and 2% is as follows:

	<u>Fair Value at March 31, 2004</u>	<u>1% Adverse Change</u>	<u>2% Adverse Change</u>
Fair value of the interests	\$6,921	\$6,586	\$6,273

The above sensitivity is hypothetical and changes in fair value, based on a 1% or 2% variation, should not be extrapolated because the relationship of the change in assumption to the change in fair value may not always be linear.

**Note 5. Lease Revenues:**

The Company's operations consist of the investment in and the leasing of industrial and commercial real estate. The financial reporting sources of the lease revenues for the three-month periods ended March 31, 2004 and 2003 are as follows:

	<u>2004</u>	<u>2003</u>
Per Statements of Income:		
Rental income from operating leases	\$28,249	\$26,559
Interest from direct financing leases	3,388	3,229
Adjustment:		
Share of leasing revenue applicable to minority interest	(1,995)	(2,045)
Share of leasing revenue from equity investments	<u>7,873</u>	<u>7,047</u>
	<u>\$37,515</u>	<u>\$34,790</u>

For the three-month periods ended March 31, 2004 and 2003, the Company earned its net lease revenues from its investments as follows:

	<u>2004</u>	%	<u>2003</u>	%
Carrefour France, SAS	\$3,372	9%	\$ 2,603	7%
Starmark Camhood, L.L.C. (a)	1,873	5	1,094	3
Nortel Networks Limited.	1,500	4	1,500	4
Petsmart, Inc. (b)	1,453	4	1,453	4
Clear Channel Communications, Inc. (a)	1,415	4	1,415	4
TruServ Corporation (a)	1,264	3	1,264	4
Atrium Companies, Inc.	1,139	3	1,112	3
Advance PCS, Inc.	1,075	3	1,075	3
Federal Express Corporation (b)	997	3	986	3
Tower Automotive, Inc.	974	3	974	3
Galyan's Trading Company	953	3	953	3
Katun Corporation	955	3	925	3
Collins & Aikman Corporation	837	2	819	2
Advanced Micro Devices, Inc. (a)	815	2	815	2
Metaldyne Company LLC	813	2	791	2
Applied Materials, Inc. (a)	789	2	774	2

## CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

*(Amounts in thousands, except share and per share amounts)*

	<u>2004</u>	%	<u>2003</u>	%
PerkinElmer, Inc.	891	2	707	2
APW North America Inc.	731	2	690	2
Amerix Corporation	624	2	614	2
Mayo Foundation	605	2	605	2
Institutional Jobbers Company	568	2	568	2
Buffets, Inc.	568	2	556	2
Gerber Scientific, Inc.	564	2	546	2
Other (a) (b) (c)	<u>12,740</u>	<u>31</u>	<u>11,951</u>	<u>34</u>
	<u>\$37,515</u>	<u>100%</u>	<u>\$34,790</u>	<u>100%</u>

(a) Represents the Company's proportionate share of lease revenues from its equity investments.

(b) Net of minority interest of an affiliate.

(c) Net of minority interest of an unaffiliated third party.

#### Note 6. Subsequent Event:

On April 29, 2004, the Company, along with two affiliates, Corporate Property Associates 15 Incorporated, and Corporate Property Associates 16 – Global Incorporated through a limited partnership in which the Company owns an approximate 11% interest through two subsidiaries, one of which is the general partner, purchased 78 retail self-storage and truck rental facilities and entered into master lease agreements with two lessees that operate the facilities under the U-Haul brand name. The self-storage facilities are leased to Mercury Partners, LP, (“Mercury”), and the truck rental facilities are leased to UHaul Moving Partners, Inc., (“U-Haul”). The total cost was \$312,445. In connection with the purchase, the limited partnership obtained \$183,000 of limited recourse mortgage financing collateralized by the properties and lease assignments.

The Mercury lease has an initial term of 20 years with two 10-year renewal options and provides for annual rent of \$18,551. The U-Haul lease has an initial term of 10 years with two 10-year renewal options and provides for annual rent of \$9,990. In the event that U-Haul does not renew its lease, Mercury will assume the lease obligation for the truck rental facilities. Each lease provides for rent increases every five years based on a formula indexed to the CPI.

The loan provides for monthly payments of principal and interest of \$1,230 at a fixed annual interest rate of 6.449% and based on a 25-year amortization schedule. The loan matures on May 1, 2014.

#### Note 7. Accounting Pronouncements:

In November 2002, the Financial Accounting Standards Board (“FASB”) issued Interpretation No. 45, “Guarantor’s Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others,” (“FIN 45”) which changes the accounting for, and disclosure of certain guarantees. Beginning with transactions entered into after December 31, 2002, certain guarantees are required to be recorded at fair value, which is different from prior practice, under which a liability was recorded only when a loss was probable and reasonably estimable. In general, the change applies to contracts or indemnification agreements that contingently require the Company to make payments to a guaranteed third-party based on changes in an underlying asset, liability, or an equity security of the guaranteed party. The adoption of the accounting provisions of FIN 45 on January 1, 2003 did not have a material effect on the Company’s financial statements.

In December 2002, the FASB issued Statement of Financial Accounting Standards (“SFAS”) No. 148, “Accounting for Stock-Based Compensation – Transition and Disclosure,” which amends SFAS No. 123, Accounting for Stock Based Compensation. SFAS No. 148 provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock based compensation (i.e., recognition of a charge for issuance of stock options in the determination of income.). However, SFAS No. 148 does not permit the use of the original SFAS No. 123 prospective method of transition for changes to the fair value based method made in fiscal years beginning after December 15, 2003. In addition, this Statement amends the disclosure requirements of SFAS No. 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock based employee compensation, description of transition method utilized and the effect of the method used on reported results. The transition and annual disclosure provisions for valuing stock-based compensation of SFAS No.

## CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

*(Amounts in thousands, except share and per share amounts)*

148 are to be applied for fiscal years ending after December 15, 2002. The Company does not have any employees nor any stock-based compensation plans. Accordingly, the adoption of SFAS No. 148 did not impact the Company.

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities" ("FIN 46"), the primary objective of which is to provide guidance on the identification of entities for which control is achieved through means other than voting rights ("variable interest entities" or "VIEs") and to determine when and which business enterprise should consolidate the VIE (the "primary beneficiary"). In December 2003, the FASB issued a revised FIN 46 which modifies and clarifies various aspects of the original Interpretation. FIN 46 applies when either (1) the equity investors (if any) lack one or more of the essential characteristics of controlling financial interest, (2) the equity investment at risk is insufficient to finance that entity's activities without additional subordinated financial support or (3) the equity investors have voting rights that are not proportionate to their economic interest. In addition FIN 46 requires additional disclosures. The adoption of FIN 46 did not have a material impact on the financial statements as none of its investments in unconsolidated joint ventures are VIEs.

On April 30, 2003, the FASB issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." SFAS No. 149 amends and clarifies accounting for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging under SFAS No. 133. The changes in the statement improve financial reporting by requiring that contracts with comparable characteristics be accounted for similarly. In particular, the statement (1) clarifies under what circumstances a contract with an initial net investment meets the characteristics of a derivative instrument discussed in paragraph 6(b) of SFAS No. 133, (2) clarifies when a derivative contains a financing component, (3) amends the definition of an underlying to conform it to language used in FIN 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others", and (4) amends certain other existing pronouncements. SFAS No. 149 is generally effective for contracts entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003. The adoption of FASB No. 149 did not have a material effect on the financial statements.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." SFAS No. 150 establishes standards for the classification and measurement of certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability (or an asset in some circumstances). In particular, it requires that mandatorily redeemable financial instruments be classified as liabilities and reported at fair value and that changes in their fair values be reported as interest cost.

This statement was effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective for the Company as of July 1, 2003. On November 7, 2003, the FASB indefinitely deferred the classification and measurement provisions of SFAS No. 150 as they apply to certain mandatorily redeemable noncontrolling interests entered into before November 5, 2003. This deferral is expected to remain in effect while these provisions are further evaluated by the FASB. The Company has interests in five limited partnerships that are consolidated and have minority interests that have finite lives and were considered mandatorily redeemable noncontrolling interests prior to the issuance of the deferral. Accordingly, in accordance with the deferral noted above, these minority interests have not been reflected as liabilities. The carrying value and fair value of these minority interests at March 31, 2004 are approximately \$12,414 and \$18,078, respectively. Based on the FASB's deferral of this provision, the adoption of SFAS No. 150 did not have a material effect on the Company's financial statements.

## CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

### Item 2. – MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*(Dollars in thousands, except share and per share amounts)*

The following discussion and analysis of financial condition and results of operations of Corporate Property Associates 14 Incorporated (“CPA<sup>®</sup>:14”) should be read in conjunction with the condensed consolidated financial statements and notes thereto as of March 31, 2004 included in this quarterly report and CPA<sup>®</sup>:14’s Annual Report on Form 10-K for the year ended December 31, 2003. The following discussion includes forward-looking statements. Forward-looking statements, which are based on certain assumptions, describe future plans, strategies and expectations of CPA<sup>®</sup>:14. Forward-looking statements discuss matters that are not historical facts. Because they discuss future events or conditions, forward-looking statements may include words such as “anticipate”, “believe”, “estimate”, “intend”, “could”, “should”, “would”, “may”, or similar expressions. Do not unduly rely on forward-looking statements. They give our expectations about the future and are not guarantees, and speak only as of the date they are made. Such statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievement of CPA<sup>®</sup>:14 to be materially different from the results of operations or plan expressed or implied by such forward looking statements. The risk factors are fully described in Item 1 of the Annual Report on Form 10-K for the year ended December 31, 2003. Accordingly, such information should not be regarded as representations by CPA<sup>®</sup>:14 that the results or conditions described in such statements or objectives and plans of CPA<sup>®</sup>:14 will be achieved. Additionally, a description of CPA<sup>®</sup>:14’s critical accounting estimates is included in the management’s discussion and analysis in the Annual Report on Form 10-K. There has been no significant change in such critical accounting estimates.

Management evaluates the results of CPA<sup>®</sup>:14 with a primary focus on the ability to generate cash flow necessary to meet its investment objectives of overall property appreciation and increasing its distribution rate to its shareholders. As a result, Management’s assessment of operating results gives less emphasis to the effect of unrealized gains and losses which may cause fluctuations in net income for comparable periods but has no impact on cash flow and to other noncash charges such as depreciation and impairment charges. Management believes that as the portfolio matures there is a potential for a substantial increase in the value of the portfolio and that any increase will not be reflected in its financial statements until actual sales occur. In evaluating cash flow from operations, Management includes equity distributions that are included in investing activities to the extent that the distributions in excess of equity income are the result of noncash charges such as depreciation and amortization. Management does not consider unrealized gains and losses from foreign currency or derivative instruments when evaluating its ability to fund dividends. For the three months ended March 31, 2004, cash flow generated from operations was greater than dividends paid and was sufficient to fully meet other obligations including paying scheduled mortgage principal payments and making distributions to minority interests which hold ownership interests in several of CPA<sup>®</sup>:14’s properties. Management expects based on its projections that over the long-term, cash flow from operations and equity investments will meet the objective of increasing the distribution rate and meeting other cash obligations. CPA<sup>®</sup>:14 has more than \$15,000 of cash available for investment in real estate. It is likely that additional investments will be made with affiliates. These funds are currently invested in money market instruments and CPA<sup>®</sup>:14 expects to invest these funds in real estate investments which Management and the Investment Committee of the Advisor believe are suitable. Cash flow from operations and equity investments for the three months ended March 31, 2004 reflected a moderate increase over the comparable three-month period ended March 31, 2003. Management’s evaluation of CPA<sup>®</sup>:14’s potential for generating cash flow is based on long-term projections.

#### RESULTS OF OPERATIONS:

Net income for the three-month period ended March 31, 2004 decreased by \$1,615 to \$8,989 as compared with net income of \$10,604 for the three-month period ended March 31, 2003. Income for the three-month period ended March 31, 2003 included \$2,588 recognized from a forfeiture of a security deposit. During the current period, CPA<sup>®</sup>:14 benefited from increases in lease revenues and income from equity investments as well as a decrease in general and administrative expense, but these benefits were offset by increases in depreciation, interest and property expenses.

Lease revenues (rental income and interest income from direct financing leases) increased by \$1,849 for the comparable three-month periods as a result of an acquisition and the completion of build-to-suit projects during 2003 and the impact of favorable changes in foreign exchange rates on rents from our foreign properties. During 2003, CPA<sup>®</sup>:14 completed build-to-suit commitments at properties leased to Waddington North America, Inc.,

## CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

### Item 2. – MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

*(Dollars in thousands, except share and per share amounts)*

Career Education Group and Rave Motion Pictures LLC, which provided \$677 of the increase in lease revenues during the current three-month period. Lease revenues also increased by \$276 as the result of the expansion in July 2003 at a property in LeMans, France leased to Carrefour S.A. Scheduled rent increases at 30 properties since March 31, 2003 contributed an additional \$459 to lease revenues. Approximately 20 properties have scheduled rent increases during 2004. The rent increase are generally determined by formulas that are indexed to increases in the Consumer Price Index. Lease revenues from CPA<sup>®</sup>:14’s properties in Europe and the United Kingdom benefited from the changes in foreign exchange rates, with \$643 of the increase in lease revenues attributable to the favorable changes in the average exchange rates for the Euro and the British Pound as compared with average exchange rates in 2003.

On January 1, 2004, CPA<sup>®</sup>:14 entered into a net lease with The Retail Distribution Group for a property in Grand Rapids, Michigan in which CPA<sup>®</sup>:14 owns a 60% interest. The Grand Rapids property had been vacant since May 2003. The Retail Distribution lease provides for initial annual rent of \$903, of which CPA<sup>®</sup>:14’s share is \$542, and has an initial term through August 31, 2009. The Retail Distribution lease provides for adjustments to its rent as it vacated another property which is still subject to lease in order to lease the Grand Rapids property. Any adjustments to rent will be reduced by any sublease rentals Retail Distribution receives from the other property. The Retail Distribution lease contributed \$216 of lease revenues during the current period, of which CPA<sup>®</sup>:14’s share is \$130. In December 2003, CPA<sup>®</sup>:14 entered into a net lease with Wavetronix LLC for a portion of a property in Lindon, Utah which will contribute \$301 of annual lease revenues upon completion of certain improvements at the property, expected to occur in May 2004. The lease has an initial term of five years and seven months. In November 2003, Scott Companies, Inc. entered into liquidation proceedings and subsequently terminated its lease at its property in Gardena, California. CPA<sup>®</sup>:14 has entered into a lease at the Gardena property at an initial annual rent of \$356. The lease is subject to a due diligence review through May 12, 2004. If accepted, the lease will have an initial five-year term and provide for a purchase option on the property.

Interest expense increased by \$731 for the comparable three-month periods, of which \$308 was attributable to the change in foreign exchange rates and \$317 to new mortgages obtained during 2003 on properties leased to Carrefour, Career Education and Nascar Technical Institute, Inc. Of the increase in depreciation expense of \$263, \$182 is attributable to depreciation on three build-to-suit projects completed in 2003 and the Carrefour expansion, while \$98 results from the increase in average exchange rates for the comparable periods. Property expense increased by \$274 as the result of an increase in asset management and performance fees of \$498 over the comparable period in 2003, which was partially offset by a decrease in charges for uncollectible receivables. The asset-based fees increased as a result of the growth of CPA<sup>®</sup>:14’s asset base and the appreciation of existing properties.

Income from equity investments increased by \$229 for the three-month period ended March 31, 2004, substantially all of which was the result of acquiring a noncontrolling interest in properties leased to Starmark Camhood, LLC in February 2003. On April 29, 2004, CPA<sup>®</sup>:14 along with two affiliates through a newly-formed limited partnership purchased 78 self-storage and truck leasing facilities and entered into two net leases with lessees that operate the properties under the UHaul brand name. CPA<sup>®</sup>:14’s annual cash flow from its approximate 11% interest is estimated to be \$1,516.

#### FINANCIAL CONDITION:

There has been no material change in CPA<sup>®</sup>:14’s financial condition since December 31, 2003. CPA<sup>®</sup>:14’s cash has decreased by \$4,678 since December 31, 2003 to \$49,997, primarily as a result of repaying value added taxes related to the funding of the Carrefour expansion in July 2003, and making a scheduled payment on deferred acquisition fees payable to an affiliate. CPA<sup>®</sup>:14 intends to use its cash to purchase new properties to further diversify its portfolio and maintain cash balances sufficient to meet working capital needs. As of May 5, 2004, CPA<sup>®</sup>:14 had in excess of \$15,000 of cash available for the acquisition of real estate investments.

For the three months ended March 31, 2004, cash flows from operating activities and equity investments of \$16,222 were sufficient to pay dividends to shareholders of \$12,662, meet scheduled principal payment installments on mortgage debt of \$2,716 and distribute \$582 to minority partners. Annual operating cash flow is expected to continue to increase as a result of signing the Retail Distribution and Wavetronix leases, acquiring the Carrefour

## CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

### Item 2. – MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

*(Dollars in thousands, except share and per share amounts)*

expansion in July 2003 and completing three build-to-suit projects during 2003. The Retail Distribution and Wavetronix leases will contribute annual cash flow (lease revenues, net of property-level debt service) of up to \$549. Annual cash flow from the three build-to-suit projects and the Carrefour expansion, net of property-level debt service, is approximately \$2,360. Based on the projected increase in operating cash flows from the new leases, the completed build-to-suit projects and the Carrefour expansion, cash flow from operations and distributions from operations of equity investments in excess of equity income is expected to continue to be sufficient to meet operating cash flow objectives. Accordingly, CPA<sup>®</sup>:14 expects to have sufficient cash flow to continue increasing the distribution rate to its shareholders. Distributions are determined by Management’s long-term projections of cash flow.

CPA<sup>®</sup>:14’s investing activities included paying its annual installment of deferred acquisition fees in January 2004 of \$3,266. Additionally, \$1,617 was used to pay off a payable for refundable value added taxes (“VAT”) due to the French government in connection with the Carrefour expansion. The payable was repaid after the VAT had been fully refunded to CPA<sup>®</sup>:14 as of December 31, 2003. CPA<sup>®</sup>:14 also used \$202 to fund leasehold improvements at the Lindon, Utah building in connection with signing the Wavetronix lease and \$166 to pay final construction costs for the Waddington and Rave Reviews build-to-suit projects which were placed in service in 2003. Remaining costs to complete the Wavetronix improvement are estimated to be approximately \$260. Since March 31, 2004, CPA<sup>®</sup>:14 has used approximately \$14,465 to purchase its interest in the 78 U-Haul properties.

In addition to making scheduled mortgage principal payments, paying dividends to shareholders and making distributions to minority partners, CPA<sup>®</sup>:14 obtained \$1,209 as a result of shares issued through its dividend reinvestment plan, and used \$675 to purchase treasury shares. CPA<sup>®</sup>:14 has no mortgage balloon payments scheduled until February 2008. Substantially all of CPA<sup>®</sup>:14’s mortgages are limited recourse and bear interest at fixed rates. Accordingly, CPA<sup>®</sup>:14’s cash flow should not be adversely affected by increases in interest rates which are at or near historical lows. A lender on limited recourse mortgage debt has recourse only to the property collateralizing such debt and not to any of CPA<sup>®</sup>:14’s other assets, while unsecured financing would give a lender recourse to all of CPA<sup>®</sup>:14’s assets. The use of limited recourse debt, therefore, will allow CPA<sup>®</sup>:14 to limit its exposure of all of its assets to any one debt obligation. Management believes that the strategy of combining equity and limited recourse mortgage debt will allow CPA<sup>®</sup>:14 to meet its short-term and long-term liquidity needs and will help to diversify CPA<sup>®</sup>:14’s portfolio and, therefore, reduce concentration of risk in any particular lessee.

CPA<sup>®</sup>:14 conducts business in Europe and may recognize transaction gains and losses from its foreign operations. Foreign currency transaction gains and losses were not material to CPA<sup>®</sup>:14’s results of operations for the current three-month period. CPA<sup>®</sup>:14 is subject to material foreign currency exchange rate risk from the effects of changes in exchange rates. To date, CPA<sup>®</sup>:14 has not entered into any foreign currency forward exchange contracts or other derivative financial instruments to hedge the effects of adverse fluctuations in foreign currency exchange rates. CPA<sup>®</sup>:14 has obtained limited recourse mortgage financing at fixed rates of interest in the local currency. To the extent that currency fluctuations increase or decrease rental revenues as translated to dollars, the change in debt service, as translated to dollars, will partially offset the effect of fluctuations in revenue, and, to some extent mitigate the risk from changes in foreign currency rates. As of March 31, 2004, Carrefour, which leases properties in France, contributed 9% of lease revenues (see Note 4 to the accompanying condensed consolidated financial statements). The leverage used on the limited recourse financing of the Carrefour investments is higher than the average leverage on CPA<sup>®</sup>:14’s domestic real estate investments.

CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

Item 2. – MANAGEMENT’S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

*(Dollars in thousands, except share and per share amounts)*

OFF-BALANCE SHEET ARRANGEMENTS, GUARANTEES AND AGGREGATE CONTRACTUAL AGREEMENTS:

A summary of CPA<sup>®</sup>:14’s contractual obligations and commitments is as follows:

<i>(in thousands)</i>	<u>Total</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Thereafter</u>
Obligations:							
Mortgage notes payable <sup>(1)</sup>	\$695,445	\$8,281	\$12,008	\$12,981	\$13,939	\$20,112	\$628,124
Deferred acquisition fees	19,263	-	3,483	3,483	3,483	3,214	5,600
Subordinated disposition fees	240	-	-	-	-	-	240
Commitments:							
Commitments for tenant improvements	260	260	-	-	-	-	-
Share of minimum rents payable under office cost-sharing agreement	903	250	373	280	-	-	-
	<u>\$716,111</u>	<u>\$8,791</u>	<u>\$15,864</u>	<u>\$16,744</u>	<u>\$17,422</u>	<u>\$23,326</u>	<u>\$633,964</u>

- (1) The mortgage notes payable were obtained in connection with the acquisition of properties in the ordinary course of business.

## CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

### Item 3. – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

*(in thousands)*

Market risk is the exposure to loss resulting from changes in interest rates, foreign currency exchange rates and equity prices. In pursuing its business plan, the primary market risks to which CPA<sup>®</sup>:14 is exposed are interest rate risk and foreign currency exchange risk.

The value of CPA<sup>®</sup>:14's real estate is subject to fluctuations based on changes in interest and foreign currency exchange rates, local and regional economic conditions and changes in the creditworthiness of lessees. These factors may affect CPA<sup>®</sup>:14's ability to refinance its debt when balloon payments are scheduled.

CPA<sup>®</sup>:14 owns marketable securities through its ownership interests in Carey Commercial Mortgage Trust ("CCMT"). The value of the marketable securities is subject to fluctuation based on changes in interest rates, economic conditions and the creditworthiness of lessees at the mortgaged properties. As of March 31, 2004, CPA<sup>®</sup>:14's interests in CCMT had a fair value of \$6,921.

Approximately \$667,370 of CPA<sup>®</sup>:14's long-term debt bears interest at fixed rates, and therefore the fair value of these instruments is affected by changes in the market interest rates. The following table presents principal cash flows based upon expected maturity dates of the debt obligations and the related weighted-average interest rates by expected maturity dates for the fixed rate debt. The interest rate on the fixed rate debt as of March 31, 2004 ranged from 6.091% to 8.85%. The interest rate on the variable rate debt as of March 31, 2004 ranged from 2.15% to 6.27%.

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Thereafter</u>	<u>Total</u>	<u>Fair Value</u>
Fixed rate debt	\$7,842	\$11,401	\$12,355	\$13,293	\$19,447	\$603,032	\$667,370	\$682,793
Weighted average interest rate	7.18%	7.18%	7.18%	7.19%	7.34%	7.47%		
Variable rate debt	\$439	\$607	\$626	\$646	\$665	\$25,092	\$28,075	\$28,075

Annual interest expense from variable rate debt would increase or decrease by approximately \$281 for each change of 1% in annual interest rates.

CPA<sup>®</sup>:14 has foreign operations. Accordingly, CPA<sup>®</sup>:14 is subject to foreign currency exchange risk from the effects of exchange rate movements of foreign currencies and this may affect future costs and cash flows; however, exchange rate movements to date have not had a significant effect on CPA<sup>®</sup>:14's financial position or results of operations. To date CPA<sup>®</sup>:14 has not entered into any foreign currency forward exchange contracts to hedge the effects of adverse fluctuations in foreign currency exchange. One of CPA<sup>®</sup>:14's lease agreements provides the option to receive a portion of the rent in dollars or the local currency; this option is considered a derivative financial instrument and changes in the fair value of the option, which were not significant, are included in the determination of net income.

### Item 4. – CONTROLS AND PROCEDURES

The Co-Chief Executive Officers and Chief Financial Officer of the Company have conducted a review of the Company's disclosure controls and procedures as of March 31, 2004.

The Company's disclosure controls and procedures include the Company's controls and other procedures designed to ensure that information required to be disclosed in this and other reports filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is accumulated and communicated to the Company's management, including its Co-Chief Executive Officers and Chief Financial Officer, to allow timely decisions regarding required disclosure and to ensure that such information is recorded, processed, summarized and reported, within the required time periods.

Based upon this review, the Company's Co-Chief Executive Officers and Chief Financial Officer have concluded that the Company's disclosure controls (as defined in Rule 13a-14(c) promulgated under the Exchange Act) are sufficiently effective to ensure that the information required to be disclosed by the Company in the reports it files under the Exchange Act is recorded, processed, summarized and reported with adequate timeliness.

# CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

## PART II

### Item 2. - CHANGES IN SECURITIES, USE OF PROCEEDS AND ISSUER PURCHASES OF EQUITY SECURITIES

- (c) For the quarter ended March 31, 2004, 168,685 shares were issued to the Advisor as consideration for performance fees and 126,722 shares were issued pursuant to the Company's Stock Purchase and Dividend Reinvestment Plan. Shares were issued at per share amounts which ranged from \$10.00 to \$11.30.

- (e) Issuer Purchases of Equity Securities

<u>Period</u>	<u>Total Number of Shares Purchased</u>	<u>Average Price Paid Per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</u> <sup>(1)</sup>
January 1, 2004 – January 31, 2004	47,328	\$8.89	N/A
February 1, 2004 – February 29, 2004	28,884	8.85	N/A
March 1, 2004 – March 31, 2004	-	-	N/A
Total	<u>76,212</u>		

- (1) All shares were purchased pursuant to the Company's Redemption Plan. The maximum amount of shares purchasable in any period depends on the availability of funds generated by the Dividend Reinvestment Plan and other factors at the discretion of the Company's Board of Directors.

### Item 4. - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

During the quarter ended March 31, 2004, no matters were submitted to a vote of Security Holders.

### Item 6. - EXHIBITS AND REPORTS ON FORM 8-K:

- (a) Exhibits:

- 31.1 Certification of Co-Chief Executive Officers
- 31.2 Certification of Chief Financial Officer
- 32.1 Certification of Co-Chief Executive Officers Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2 Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

- (b) Reports on Form 8-K:

During the quarter ended March 31, 2004, the Company furnished a report on Form 8-K on March 25, 2004, which included an Item 9 disclosure with respect to the Company's dividend.

CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

SIGNATURES

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

CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

5/6/2004  
Date

By: /s/ John J. Park  
John J. Park  
Managing Director and  
Chief Financial Officer  
(Principal Financial Officer)

5/6/2004  
Date

By: /s/ Claude Fernandez  
Claude Fernandez  
Managing Director and  
Chief Accounting Officer  
(Principal Accounting Officer)

CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED  
CERTIFICATIONS OF CO-CHIEF EXECUTIVE OFFICERS  
PURSUANT TO RULE 13a-14(a)

We, William Polk Carey and Gordon F. DuGan, certify that:

1. We have reviewed this Quarterly Report on Form 10-Q of Corporate Property Associates 14 Incorporated (the "Registrant");
2. Based on our knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on our knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this quarterly report;
4. The Registrant's other certifying officer and we are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the Registrant and we have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and
  - d) Disclosed in this quarterly report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and we have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls over financial reporting.

Date 5/6/2004

Date 5/6/2004

/s/ William Polk Carey

/s/ Gordon F. DuGan

William Polk Carey  
 Chairman  
 (Co-Chief Executive Officer)

Gordon F. DuGan  
 Vice Chairman  
 (Co-Chief Executive Officer)

## CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

CERTIFICATION OF CHIEF FINANCIAL OFFICERPURSUANT TO RULE 13a-14(a)

I, John J. Park, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Corporate Property Associates 14 Incorporated (the "Registrant");

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this quarterly report;

4. The Registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the Registrant and we have:

- a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
- b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and
- d) Disclosed in this quarterly report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

- a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls over financial reporting.

Date 5/6/2004

/s/ John J. Park

John J. Park  
Chief Financial Officer

CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

**CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICERS  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Corporate Property Associates 14 Incorporated (the "Company") on Form 10-Q for the period ending March 31, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, William Polk Carey, Co-Chief Executive Officer of the Company, and Gordon F. DuGan, Co-Chief Executive Officer of the Company, certify, to the best of our knowledge and belief, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ William Polk Carey

William Polk Carey  
Chairman  
(Co-Chief Executive Officer)

5/6/2004

Date

/s/ Gordon F. DuGan

Gordon F. DuGan  
Vice Chairman  
(Co-Chief Executive Officer)

5/6/2004

Date

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Corporate Property Associates 14 Incorporated and will be retained by Corporate Property Associates 14 Incorporated and furnished to the Securities and Exchange Commission or its staff upon request.

CORPORATE PROPERTY ASSOCIATES 14 INCORPORATED

**CERTIFICATION OF CHIEF FINANCIAL OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Corporate Property Associates 14 Incorporated (the "Company") on Form 10-Q for the period ending March 31, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John J. Park, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ John J. Park

John J. Park  
Chief Financial Officer

5/6/2004

Date

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Corporate Property Associates 14 Incorporated and will be retained by Corporate Property Associates 14 Incorporated and furnished to the Securities and Exchange Commission or its staff upon request.