

AMERICAN COMMUNITY PROPERTIES TRUST  
Form DEF 14A  
April 23, 2007

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

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934

Filed by the Registrant  [X]  
Filed by a Party other than the Registrant  [ ]

Check the appropriate box:

- [ ] Preliminary Proxy Statement  
 [ ] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))  
 [X] Definitive Proxy Statement  
 [ ] Definitive Additional Materials  
 [ ] Soliciting Material Pursuant to §240.14a-12

**American Community Properties Trust**

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- [X] No fee required.  
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  - 4) Date Filed:
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**AMERICAN COMMUNITY PROPERTIES TRUST  
222 SMALLWOOD VILLAGE CENTER  
ST. CHARLES, MD 20602**

April 23, 2007

Dear Shareholders:

On behalf of the officers and trustees of American Community Properties Trust (the "Company"), you are cordially invited to attend the Company's Annual Meeting of Shareholders to be held at 10:00 a.m. EDT, on Wednesday, June 6, 2007, at the Holiday Inn, James Craik Room, 45 St. Patrick's Drive, St. Charles, Maryland.

At the meeting, shareholders of the Company will be asked to consider and act upon the election of two trustees to serve until 2010 as described in the accompanying Notice of Meeting and Proxy Statement.

The trustees of the Company unanimously recommend that all shareholders of the Company vote in favor of the proposal presented. Your vote is important regardless of the number of shares you own. We strongly encourage all shareholders of the Company to participate by voting their shares by proxy whether or not they plan to attend the meeting. Please sign, date and mail the enclosed proxy as soon as possible. If you do attend the meeting, you may still vote in person.

Sincerely,

/s/ J. Michael Wilson

J. Michael Wilson  
*Chairman and  
Chief Executive Officer*

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**AMERICAN COMMUNITY PROPERTIES TRUST  
222 SMALLWOOD VILLAGE CENTER  
ST. CHARLES, MD 20602**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD JUNE 6, 2007**

TO THE SHAREHOLDERS OF AMERICAN COMMUNITY PROPERTIES TRUST:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of American Community Properties Trust (the "Company") will be held on Wednesday, June 6, 2007, at 10:00 a.m. EDT at the Holiday Inn, James Craik Room, 45 St. Patrick's Drive, St. Charles, Maryland, for the following purposes:

- (1) To elect two trustees of the Company to serve until the Annual Meeting of Shareholders in 2010; and
- (2) To transact such other business as may properly come before the meeting or any adjournments or postponements of the meeting.

The Board of Trustees has fixed the close of business on April 6, 2007 as the record date for the determination of the shareholders entitled to notice of and to vote at the meeting and at any adjournment or postponement of the meeting.

Shareholders are invited to attend the meeting. Whether or not you expect to attend, we urge you to sign, date and promptly return the enclosed proxy card in the enclosed postage prepaid envelope. If you attend the meeting, you may vote your shares in person, which will revoke any previously executed proxy.

If your shares are held of record by a broker, bank or other nominee and you wish to attend the meeting, you must obtain a letter from the broker, bank or other nominee confirming your beneficial ownership of the shares and bring it to the meeting. In order to vote your shares at the meeting, you must obtain from the record holder a proxy issued in your name.

By Order of the Board of Trustees

/s/ Cynthia L. Hedrick

Cynthia L. Hedrick  
*Secretary*

St. Charles, Maryland  
April 23, 2007

**AMERICAN COMMUNITY PROPERTIES TRUST  
222 SMALLWOOD VILLAGE CENTER  
ST. CHARLES, MD 20602**

**PROXY STATEMENT  
ANNUAL MEETING OF SHAREHOLDERS  
To Be Held June 6, 2007**

This proxy statement is furnished in connection with the solicitation of proxies on behalf of the Board of Trustees of American Community Properties Trust, a Maryland real estate investment trust (the "Company" or "ACPT"), for the 2007 Annual Meeting of the shareholders of the Company (the "2007 Annual Meeting") to be held at the Holiday Inn, James Craik Room, 45 St. Patrick's Drive, St. Charles, Maryland on Wednesday, June 6, 2007 at 10:00 a.m. EDT. The Notice of the 2007 Annual Meeting, this proxy statement and the accompanying proxy card are first being mailed on or about April 23, 2007 to shareholders of record of the Company's common shares ("Common Shares") as of the close of business on April 6, 2007. You can ensure that your shares are voted at the meeting by signing, dating and promptly returning the enclosed proxy card in the envelope provided. Each share entitles the registered holder to one vote. As of April 6, 2007, there were 5,229,954 Common Shares outstanding and entitled to vote at the 2007 Annual Meeting. Sending in a signed proxy will not affect your right to attend the meeting and vote in person. You may revoke your proxy at any time before it is counted by notifying the Secretary of the Company in writing, or by executing a subsequent proxy, which revokes your previously executed proxy. Additionally, if you attend the meeting, you may vote your shares in person, which will revoke any previously executed proxy.

At the 2007 Annual Meeting, shareholders will have the opportunity to elect two trustees to serve until the Annual Meeting in 2010 and to transact such other business as may properly come before the meeting.

The Company's principal executive offices are located at 222 Smallwood Village Center, St. Charles, Maryland, 20602.

## **VOTING OF PROXIES**

Proxies will be voted as specified by the shareholders. Where specific choices are not indicated, proxies will be voted FOR the election of all nominees for trustee. The presence in person or by proxy of shareholders entitled to cast a majority of all votes entitled to be cast at the 2007 Annual Meeting constitutes a quorum. A properly executed proxy marked to withhold authority with respect to the election of a trustee nominee will not be voted with respect to such nominee, although it will be counted for purposes of determining whether there is a quorum. Accordingly, "withhold authority" votes will have the effect of a vote against the election of the nominee. The election of trustees requires the affirmative vote of a plurality of the votes cast at the 2007 Annual Meeting, which means the nominees who receive the most votes will be elected. Votes submitted by mail must be received on or before June 5, 2007.

## **ELECTION OF TRUSTEES**

At the 2007 Annual Meeting, the shareholders will be voting for two nominees to serve as trustees until the Annual Meeting in 2010. The two nominees for election until the 2010 Annual Meeting are J. Michael Wilson and Thomas J. Shafer. Mr. Wilson has been a trustee since March 1997. Mr. Shafer has been a trustee since August 1998. Information regarding the Board's nominees for trustees is set forth below. Information regarding the other trustees whose terms expire in 2008 and 2009 is also set forth below.

Pursuant to the Company's Bylaws, the Board of Trustees consists of not less than three nor more than nine trustees, with the present number of trustees set at six. The Board of Trustees is divided into three classes serving staggered terms, with each class consisting of one-third of the total number of trustees.

The accompanying proxy, if signed and returned, will be voted for election of the Board's nominees unless contrary instructions are given. If the Board's nominees are unable to serve, which is not anticipated, the persons named as proxies intend to vote, unless the number of trustees is reduced by the Board of Trustees in accordance with the Bylaws, for such other person as the Board of Trustees may designate.

Recommendation of the Board of Trustees

**THE BOARD OF TRUSTEES RECOMMENDS A VOTE FOR THE ELECTION OF MR. J. MICHAEL WILSON AND MR. THOMAS J. SHAFER AS TRUSTEES.**

**Nominees for Election to the Board of Trustees for a Three Year Term to Expire at the 2010 Annual Meeting of Shareholders**

J. Michael Wilson, 41. Mr. Wilson has been a trustee of the Company since March 1997 and has served as Chairman and Chief Executive Officer of the Company since July 1998. Mr. Wilson was a Director of Interstate General Management Corporation ("IGMC"), the managing general partner of Interstate General Company L.P. ("IGC"), the predecessor to the Company, from 1996 to 1998 and from January 1997 to November 1998 was Vice Chairman, Secretary, and Chief Financial Officer of IGC. He has been President and Chief Operating Officer of Interstate Business Corporation ("IBC"), a general partner of IGC, since 1994 and a Director of IBC since 1991. He served as Vice President of IBC from 1991 to 1994. He has been a director of Wilson Securities Corporation since 1991, and President since March 1996. He was Vice President of Wilson Securities Corporation from 1991 to 1996. He has been Vice President of Interstate Waste Technologies, a subsidiary of IGC, since 1994 and in July 2006 was appointed to their Board of Directors.

Thomas J. Shafer, 77. Mr. Shafer has been a trustee of the Company since August 1998. He is a registered professional engineer specializing in real estate evaluation and land development. Prior to his retirement in 1997, he was a partner in Whitman, Requardt and Associates, LLP ("Whitman Requardt"), an engineering and architectural firm from 1976 through 1997 and its managing partner from 1989 through 1997. He was a director of IGMC from January 1998 to June 2000. He is a member of the Urban Land Institute, the American Society of Professional Engineers and numerous other technical organizations. Whitman Requardt has provided engineering services to the Company for over thirty years.

**Members of the Board of Trustees Continuing in Office with a Term to Expire at the 2008 Annual Meeting of Shareholders**

T. Michael Scott, 48. Mr. Scott has been a trustee of the Company since December 1999. Mr. Scott has served as President of Cambridge Holdings, a real estate company in Fairfax County, Virginia, since 1992. He has been a principal of the Cambridge companies since 1986. Mr. Scott also serves on the Board of Directors of Tier Technologies, Inc. He is a member of the National Association of Industrial and Office Properties and serves on the Executive Committee of the Washington/Baltimore Chapter of the Young President's Organization. He received a B.S. in Engineering from Cornell University and an MBA from Harvard University.

Thomas S. Condit, 65. Mr. Condit has been a trustee of the Company since January 2003. Prior to his retirement, he served as President and Chief Executive Officer of Craver, Mathews, Smith & Co., Inc., a fundraising and membership development firm, from 1993 to 1995. Prior to that, he served as President and Chief Executive Officer of the National Cooperative Bank in Washington, D.C. He has extensive experience in mortgage banking, investment banking, consumer financial services, federally insured depository services, and community economic development. He earned his juris doctorate from the National Law Center at George Washington University, and a Bachelor of Arts degree from Stanford University.

**Members of the Board of Trustees Continuing in Office with a Term to Expire at the 2009 Annual Meeting of Shareholders**

Antonio Ginorio, 64. Mr. Ginorio has been a trustee of the Company since January 2001. Prior to his retirement in 2000, he was a Senior Audit Partner in the San Juan Office of PricewaterhouseCoopers, a globally-recognized public accounting firm, for 36 years. He has extensive audit experience in banking, manufacturing, retail and real estate.

Edwin L. Kelly, 65. Mr. Kelly has been a trustee of the Company since March 1997 and has served as President and Chief Operating Officer of the Company since July 1998. Mr. Kelly was President and Chief Operating Officer of IGC and IGMC from 1997 to 1998. Prior to that, he served as Senior Vice President and Treasurer of IGC and Senior Vice President of IGMC since their formation in 1986. He has served in various executive positions with IGC and its predecessor companies since 1974, including as a Director of IGMC from 1986 to 1998.



## BOARD AND COMMITTEE MATTERS

### Requirements of Board Members

Pursuant to the Company's Declaration of Trust not fewer than two of the members of the Board of Trustees must be persons who are not employed by (i) the Company, (ii) any Affiliate of the Company, or (iii) a member of the family of James J. Wilson, the President and Chief Executive Officer of IGC and the father of J. Michael Wilson.

During the fiscal year 2006, the Board of Trustees held four regular meetings and one special meeting. All trustees attended at least 75% of the total meetings of the Board of Trustees and committees of the Board on which they served. In accordance with Company policy, all members of our Board attended last year's annual meeting.

### Trustee Independence

The Company has established Trustee independence standards to assist the Board in determining Trustee independence in accordance with the requirements of the American Stock Exchange's ("AMEX") corporate governance listing standards. The Company considers all relevant facts and circumstances in making an independence determination. To be considered "independent" under our independence standards, our Board of Trustees must determine that the trustee has no material relationship with us (other than as a trustee) directly or indirectly, that would interfere with the exercise of independent judgment.

Our Board has affirmatively determined that Messrs. Shafer, Scott, Ginorio and Condit are independent pursuant to our independence standards and have no material relationship with us, directly or indirectly, that would interfere with the exercise of independent judgment. Mr. Shafer has a consulting agreement with the Company, described below under the heading "Compensation Committee Interlocks and Insider Participation" which does not interfere with his independence as a Trustee, but does preclude him from being able to serve as a member of the Audit Committee.

### Committees of the Board

The Board of Trustees has established three committees: the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. The charters for the Audit Committee and the Nominating and Corporate Governance Committee may be found on our website at [www.acptrust.com](http://www.acptrust.com). You may also obtain a copy of the Audit Committee and the Nominating and Corporate Governance Committee charters without charge by writing to the Secretary of the Company at the principal executive offices of the Company.

*Audit Committee.* The Audit Committee consists of three members, each of whom qualifies as an independent trustee under AMEX listing requirements. The responsibilities of the Audit Committee include the appointment and termination of the independent auditors, reviewing the plans for and results of the annual audit engagement with the independent auditors, approval of any other professional services provided by the independent auditors, approval of the fees paid to the independent auditors for audit and non-audit services, and periodically reviewing, with the assistance of the independent auditors, the adequacy of ACPT's internal accounting controls. The members of the Audit Committee for 2006 were Messrs. Ginorio (Chairman), Condit and Scott. The Audit Committee held five meetings during the year ended December 31, 2006.

The Board of Trustees has determined that each member of the Audit Committee is, as required by AMEX rules, able to read and understand fundamental financial statements and that at least one member of the committee, Mr. Ginorio, Chairman of the Audit Committee, is "*financially sophisticated*" under the AMEX rules and is an "*audit committee financial expert*" as defined in Item 407(d)(5) of Regulation S-K.

*Compensation Committee.* The Compensation Committee consists of four members, each of whom is an independent trustee under the AMEX listing requirements. The Compensation Committee does not currently have a charter. However, as an organized subcommittee to the Board of Trustees, it is responsible for approving the compensation of the executive officers of ACPT, including the CEO and for the administration of the Share Incentive Plan. The members of the Compensation Committee for 2006 were Messrs. Shafer (Chairman), Condit, Ginorio and Scott. The Compensation Committee met three times during 2006.

*Nominating and Corporate Governance Committee.* The Nominating and Corporate Governance Committee consists of four members, each of whom is an independent trustee under the AMEX listing requirements. The Committee assists our Board with: identifying qualified individuals to become members of our Board in the event of any vacancy on the Board, recommending to the Board from time to time the member who should serve as Chairman of the Board, determining the composition of the committees of the Board, recommending to the Board, on an annual basis, trustee nominees for the Board to be presented at the annual shareholders meeting, monitoring a process to assess Board effectiveness and developing and implementing our corporate governance guidelines. The members of the Nominating and Corporate Governance Committee for 2006 were Messrs. Scott (Chairman), Condit, Ginorio, and Shafer. The Nominating and Corporate Governance Committee met twice during 2006.

There are no differences in the way the Nominating and Corporate Governance Committee evaluates nominees suggested by shareholders from those suggested by Board members or management.

## INDEPENDENT AUDITOR FEES AND SERVICES

The following table sets forth the aggregate fees for professional services rendered by Ernst & Young LLP, the Company's independent registered public accounting firm, for the audit of the Company's annual financial statements for the years ended December 31, 2006 and December 31, 2005 and fees billed for other services rendered by Ernst & Young LLP during those periods.

	2006	2005
Audit Fees	\$ 802,400	\$ 753,235
Audit-Related Fees	28,200	22,235
Tax Fees	186,326	261,143
All Other Fees	-	-

### *Audit Fees*

Audit fees in 2006 and 2005 represented fees for professional services provided in connection with the annual audit of our financial statements reported on Form 10-K and review of our quarterly financial statements reported on Form 10-Q.

Audit fees in 2006 also included fees for professional services rendered in connection with the audit of the Company's adoption of Emerging Issues Task Force (EITF) 04-05 on January 1, 2006. Fees billed by Ernst & Young in 2005 also included fees related to the restatement of our Form 10-K for the year ended December 31, 2004 and Form 10-Qs for the periods ended March 31, 2005 and June 30, 2005 of \$138,500.

### *Audit-Related Fees*

Audit-related services in 2006 and 2005 included the audit of the Retirement Benefit Plan, the Company's subscription to Ernst & Young's on-line accounting and auditing research tool and technical accounting assistance.

### *Tax Fees*

We use Ernst & Young for tax services, including tax compliance, tax advice and tax planning. Also included in the tax fees for 2006 and 2005 are amounts relating to assisting the Company in reaching a Closing Agreement with the

IRS.

*Other Fees*

We did not engage the independent auditor to provide services other than those identified in the above categories for us in 2006 or 2005.

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*Pre-Approval Policies and Procedures*

The Audit Committee adopted a policy that requires approval in advance of all audit, audit-related, tax services, and other services performed by the independent auditor outside of the audit engagement letter. The policy provides for pre-approval by the Audit Committee of specifically defined audit and non-audit services. The policy states that the Audit Committee must pre-approve the permitted service before the independent auditor is engaged to perform it. The Audit Committee reports that all services rendered in fiscal year 2006 were pre-approved.

Appointment of Principal Independent Auditor for 2008

The Audit Committee of the Board of Trustees has appointed Ernst & Young LLP as the Company's independent registered public accounting firm for fiscal 2007. Ernst & Young LLP has served in this capacity since May 15, 2002. Ernst & Young LLP will audit and report to shareholders on the consolidated financial statements of the Company and its subsidiaries.

Representatives of Ernst & Young LLP will be present at the annual meeting, will have an opportunity to make a statement if they so desire, and are expected to be available to respond to appropriate questions.

## **AUDIT COMMITTEE REPORT**

With respect to the Company's financial reporting process, the management of the Company has the primary responsibility for establishing and maintaining internal controls and preparing the Company's consolidated financial statements. The independent registered public accounting firm, Ernst & Young LLP, is responsible for auditing these financial statements. It is the responsibility of the Audit Committee to oversee these activities. It is not the responsibility of the Audit Committee to prepare or certify the Company's financial statements or guarantee the audits or reports of the independent auditors, nor is it the duty of the Audit Committee to certify that the independent auditor is "independent" under applicable rules. These are the fundamental responsibilities of Company management and the independent auditors. In the performance of its oversight function, the Audit Committee has:

- Reviewed and discussed the audited financial statements with the independent registered public accounting firm and management, including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements;
- Discussed with the independent registered public accounting firm the matters required to be discussed by the Statement on Auditing Standards No. 61, Communication with Audit Committees, as currently in effect;
- Received the written disclosures and the letter from the independent registered public accounting firm required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, as currently in effect, and has discussed with the independent registered public accounting firm their independence;
- Considered whether the provision of non-audit services is compatible with maintaining the independent registered public accountant's independence; and
- Concluded that the independent registered public accounting firm is independent from the Company and its management.

The Audit Committee discussed with the Company's independent auditors the overall scope and plans for their respective audits. The Committee meets with the independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal controls, and the overall quality of the Company's financial reporting.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Trustees (and the board has approved) that the audited financial statements for 2006 be included in the Annual Report on Form 10-K for the year ended December 31, 2006 filed with the Securities and Exchange Commission.

### **Audit Committee**

Antonio Ginorio, Committee Chairman  
Thomas S. Condit  
T. Michael Scott

April 23, 2007

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

#### **General Overview**

The Compensation Committee of our Board of Trustees (the “Committee”), comprised of members previously identified, is responsible for establishing and implementing, and monitoring adherence with, the Company’s compensation philosophy. This responsibility also includes establishing and approving the compensation and benefit programs of all officers of ACPT, which the Committee believes is fair, reasonable and competitive. Additionally, the Committee seeks to maintain the continuity of our management team, and especially the continuity of our senior executive officers.

The Compensation Committee understands the unique nature of the Company’s diversified operations and relative size in the marketplace. Accordingly, the Compensation Committee considers, but does not rely heavily on comparative compensation data from one specific industry. Rather, the Compensation Committee utilizes comparative compensation data for publicly-held organizations of similar size in both the land development and REIT sectors. A variety of external compensation sources and data is used, which includes compensation information extracted from our identified peer group’s proxy statements. The peer group companies we specifically track include: Acadia Realty Trust; American Campus Communities; Associated Estates Realty Trust; Cedar Shopping Centers Inc.; Consolidated Tomoka Land Co.; Stratus Properties Inc.; and Tejon Ranch Co. These companies were chosen for comparison due to their relative size and/or their principal business.

#### **Compensation Philosophy and Objectives**

ACPT’s executive compensation program is designed to attract, retain and motivate highly qualified individuals for senior management positions whose goal is to achieve superior operating performance that is critical to the long term success of the company. This objective can best be obtained by developing both annual and long term goals and relating compensation to the progress made in meeting these goals. The compensation program for ACPT officers consists of a base salary adjusted annually and performance based compensation that includes bonuses and may include share based grants. In addition, with the exception of J. Michael Wilson, the Chief Executive Officer of ACPT, the officers are entitled to participate in the Company’s qualified defined contribution retirement plan. Stock price performance is reviewed for comparison to peer companies, but is not a significant factor in determining annual compensation due to the long range nature of land development and because the price of our common stock is subject to a variety of factors outside management’s control. For this reason, and because our Chief Executive Officer’s family owns a controlling interest in the Company, we do not rely heavily on share based compensation as a significant component of our compensation program.

In implementing this overall compensation philosophy for the Company’s named executive officers, the Committee believes that the Company must offer competitive total compensation to recruit key executive talent when necessary, and to provide meaningful rewards to our named executive officers so that they are encouraged to remain with the Company and work to enhance shareholder value. Specifically, the Committee seeks to provide base salaries in the upper quartile of the prevailing market practices and annual bonuses derived from progress made in achieving the management goals described in more detail below. In addition, the Committee seeks to provide moderate retirement and health and welfare benefits to the named executive officers in the context of their compensation program as the Committee considers these benefits to be important for each employee.

The Committee annually evaluates the Company’s performance, as well as the personal performance of the Chief Executive Officer and the other officers of the Company. After reviewing the compensation policies and the results of our survey of peer companies, the Committee has adopted guidelines for the determination of executive compensation. Comparisons with peer groups include trends in revenues, net income, dividends, share price and earnings per share evaluated on both an annual and five year basis. The Committee believes that it has designed and implemented a compensation structure that provides appropriate awards and incentives for the Company’s executive officers as they

work to sustain and improve the Company's overall performance. Compensation will be determined by assigning a base salary at the beginning of each calendar year and a bonus to be determined after year end based on the performance of each officer. The maximum bonus amount awarded to each executive will not exceed fifty percent of his or her base salary for the calendar year.

**Role of Executive Officers in Setting Executive Compensation**

The Compensation Committee approves all compensation awarded to ACPT's named executive officers. The President and Chief Executive Officer make recommendations to the Committee regarding all compensation to be awarded to other officers, which are generally accepted by the Committee. These recommendations are based on salary information for comparable positions at other similarly sized, publicly traded companies, as well as individual performance. The Committee deliberates on and establishes the compensation of the President and Chief Executive Officer in executive session of the Committee, without the presence of the President or the Chief Executive Officer.

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## Elements of Compensation

### Base Salary

The purpose of the base salary is to provide fair compensation for the responsibilities of each office and the market value of each position. Base salaries are determined annually by the performance in that position, by comparison with the compensation paid by our peer group companies reflected in their proxy statements and by other recognized business indices for comparable positions in the real estate industry. The Company believes that the retention of key executives stabilizes the Company and is consistent with the long term goals of the Company.

For 2006, the Committee reviewed the relevant market data and considered individual performance of the named executive officers, as well as certain other factors described below, and determined that the base salaries should be adjusted as follows:

Name	Title	2005 Base Salary	2006 Base Salary	% Change
J. Michael Wilson	Chairman & Chief Executive Officer	\$350,000	\$375,000	7.14%
Edwin L. Kelly	President & Chief Operating Officer	\$375,300	\$400,300	6.66%
Carlos R. Rodriguez	Executive Vice President	\$260,300	\$300,300	15.37%
Cynthia L. Hedrick	Executive Vice President and Chief Financial Officer	\$225,300	\$250,300	11.10%
Jorge Garcia Massuet	Vice President	\$190,300	\$200,300	5.25%

The Committee also considers the limited number of officers on staff and the wide range of responsibilities for each of these officers in determining the base salary adjustments. Mr. Wilson and Mr. Kelly received salary increases of 7.14% and 6.66%, respectively. These increases reflect our understanding of economic trends and the compensation of comparative executive positions. The Committee also noted that Mr. Wilson serves as Chairman of the Board of Trustees without additional compensation and does not participate in the Company's retirement plan. The base salary increase of 15.37% for Mr. Rodriguez represented an incentive to retain his services for an additional year as a result of his expressed desire to relocate. Ms. Hedrick's salary was increase by 11.10% due to increased responsibilities and time commitment required to satisfy the new and increasing SEC reporting requirements. The base salary adjustment of 5.25% for Jorge Garcia Massuet maintains his salary within the upper quartile of salaries for comparable positions. The Committee's decisions regarding base salaries do not affect its decisions with regard to any other element of compensation (e.g., annual incentive amount or the amount of the long-term incentive award).