

CAMDEN PROPERTY TRUST

Form S-3ASR

May 20, 2009

Table of Contents

As filed with the Securities and Exchange Commission on May 20, 2009

Registration No. 333-

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

**FORM S-3
REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933
CAMDEN PROPERTY TRUST**

(Exact name of registrant as specified in its charter)

Texas

(State or other jurisdiction of incorporation or
organization)

76-6088377

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

**Three Greenway Plaza, Suite 1300
Houston, Texas 77046
(713) 354-2500**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Richard J. Campo
Chairman of the Board and Chief Executive Officer
Camden Property Trust
3 Greenway Plaza, Suite 1300
Houston, Texas 77046
(713) 354-2500**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

**Bryan L. Goolsby
Toni Weinstein
Locke Lord Bissell & Liddell LLP
2200 Ross Avenue, Suite 2200
Dallas, Texas 75201
(214) 740-8000
Facsimile: (214) 740-8800**

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this Registration Statement as determined by market conditions.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. ☐

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. ☐

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

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

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If this form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. ☐

If this form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐
(Do not check if a smaller reporting company)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered (1)	Proposed Maximum Offering Price per Unit (1)	Proposed Maximum Aggregate Offering Price (1)	Amount of Registration Fee (1)
Debt Securities				\$0
Preferred Shares				\$0
Common Shares				\$0
Securities Warrants				\$0

(1) An unspecified aggregate initial offering price or number of the securities of each identified class is being registered as may from time to time be issued at unspecified prices. Separate consideration may or may not be received for securities that are issuable on exercise, conversion or exchange of other securities. In accordance with Rules 456(b) and 457(r), the

Registrant is
deferring
payment of all
of the
registration fee.

This Registration Statement contains a prospectus relating to both the offering of newly issued securities and resales by selling securityholders that may occur on an ongoing basis in securities that may be issued under this Registration Statement.

Table of Contents

PROSPECTUS

**Camden Property Trust
Common Shares, Preferred Shares, Debt Securities and Warrants**

We may offer and sell from time to time common shares, preferred shares, debt securities and warrants. The preferred shares or warrants may be convertible into or exercisable or exchangeable for common or preferred shares or other of our securities. Our common shares are listed on the New York Stock Exchange and trade under the symbol CPT.

We may offer and sell these securities to or through one or more underwriters, dealers or agents, or directly to purchasers, on a continuous or delayed basis. In addition, selling securityholders may sell these securities, from time to time, on terms described in the applicable prospectus supplement.

This prospectus describes some of the general terms which may apply to the securities we may offer and sell from time to time. Prospectus supplements will be filed and other offering material may be provided at later dates which will contain specific terms of each issuance of securities.

None of the Securities and Exchange Commission, any state securities commission nor any other regulatory body has approved or disapproved of these securities nor passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

This prospectus and applicable prospectus supplement may be used either in the initial sale of the securities or in resales by selling securityholders.

The date of this prospectus is May 20, 2009.

TABLE OF CONTENTS

	Page
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	1
<u>THE COMPANY</u>	2
<u>CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS</u>	2
<u>USE OF PROCEEDS</u>	3
<u>DESCRIPTION OF CAPITAL SHARES</u>	4
<u>DESCRIPTION OF WARRANTS</u>	5
<u>DESCRIPTION OF DEBT SECURITIES</u>	5
<u>PLAN OF DISTRIBUTION</u>	14
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	15
<u>FEDERAL INCOME TAX CONSIDERATIONS AND CONSEQUENCES OF YOUR INVESTMENT</u>	16
<u>LEGAL MATTERS</u>	32
<u>EXPERTS</u>	32
<u>EX-5.1</u>	
<u>EX-8.1</u>	
<u>EX-12.1</u>	
<u>EX-23.1</u>	

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION

We are a public company and file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any document we file at the SEC's public reference room at 100 F Street, NE, Washington, D.C. 20549. You can request copies of these documents by writing to the SEC and paying a fee for the copying cost. Please call the SEC at 1-800-SEC-0330 for more information about the operation of the public reference room. Our SEC filings are also available to the public at the SEC's web site at www.sec.gov and on our website address at www.camdenliving.com. The information on our website is not a part of this prospectus.

This prospectus is only part of a registration statement on Form S-3 we have filed with the SEC under the Securities Act of 1933 and therefore omits some of the information contained in the registration statement. We have also filed exhibits and schedules to the registration statement which are excluded from this prospectus, and you should refer to the applicable exhibit or schedule for a complete description of any statement referring to any contract or other document. You may inspect or obtain a copy of the registration statement, including the exhibits and schedules, as described in the previous paragraph.

The SEC allows us to incorporate by reference the information we file with it, which means we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus and the information we file later with the SEC will automatically update and supersede this information.

We incorporate by reference the documents listed below and any future filings made with the SEC (File No. 1-12110) under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until this offering is completed:

Annual Report on Form 10-K for the year ended December 31, 2008;

Quarterly Report on Form 10-Q for the quarter ended March 31, 2009;

Current Reports on Form 8-K dated January 28, 2009, April 20, 2009 (except Item 7.01), April 22, 2009, April 29, 2009 and May 5, 2009; and

the description of our common shares contained in our Registration Statement on Form 8-A filed with the SEC on June 21, 1993.

You may request a copy of these filings at no cost by writing or telephoning Investor Relations at the following address and telephone number:

Camden Property Trust
Three Greenway Plaza, Suite 1300
Houston, Texas 77046
(713) 354-2500

You should rely only on the information incorporated by reference or provided in this prospectus or in the supplement. We have not authorized anyone else to provide you with different information. You should not assume the information in this prospectus or any supplement is accurate as of any date other than the date on the front of those documents.

Table of Contents

THE COMPANY

Camden Property Trust is a real estate investment trust, or REIT, engaged in the ownership, development, construction, and management of multifamily apartment communities. As of March 31, 2009, we owned interests in, operated, or were developing 186 multifamily properties comprising 64,329 apartment homes across the United States. We had 1,060 apartment homes under development at four of our multifamily properties, including 807 apartment homes at three multifamily properties owned through nonconsolidated joint ventures and 253 apartment homes at one multifamily property owned through a fully consolidated joint venture, in which we own an interest. In addition, we own other sites we may develop into multifamily apartment communities. One property comprised of 671 apartment homes was designated as held for sale.

Our executive offices are located at 3 Greenway Plaza, Suite 1300, Houston, Texas 77046, and our telephone number is (713) 354-2500.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

We have made statements in this prospectus and any supplement which are forward-looking in that they do not discuss historical fact, but instead note future expectations, projections, intentions or other items relating to the future. These forward-looking statements include those made in the documents incorporated by reference in this prospectus.

Reliance should not be placed on these forward-looking statements because they are subject to known and unknown risks, uncertainties and other factors which may cause our actual results or performance to differ materially from those contemplated by the forward-looking statements. Many of those factors are noted in conjunction with the forward-looking statements in the text.

Factors which may cause our actual results or performance to differ materially from those contemplated by forward-looking statements include, but are not limited to, the following:

Volatility in capital and credit markets could adversely impact us;

We could be negatively impacted by the condition of Fannie Mae or Freddie Mac;

Unfavorable changes in economic conditions could adversely impact occupancy or rental rates;

We face risks associated with land holdings;

Difficulties of selling real estate could limit our flexibility;

Compliance or failure to comply with laws requiring access to our properties by disabled persons could result in substantial cost;

Competition could limit our ability to lease apartments or increase or maintain rental income;

Development and construction risks could impact our profitability;

Our acquisition strategy may not produce the cash flows expected;

Competition could adversely affect our ability to acquire properties;

Losses from catastrophes may exceed our insurance coverage;

Table of Contents

Investments through joint ventures and partnerships involve risks not present in investments in which we are the sole investor;

We face risks associated with investments in and management of discretionary funds;

We depend on our key personnel;

Changes in laws and litigation risks could affect our business;

Tax matters, including failure to qualify as a REIT, could have adverse consequences;

Insufficient cash flows could limit our ability to make required payments for debt obligations or pay distributions to shareholders;

We have significant debt, which could have important adverse consequences;

We may be unable to renew, repay, or refinance our outstanding debt;

Variable rate debt is subject to interest rate risk;

We may incur losses on interest rate hedging arrangements;

Issuances of additional debt or equity may adversely impact our financial condition;

Failure to maintain current credit ratings could adversely affect our cost of funds, related margins, liquidity, and access to capital markets;

Share ownership limits and our ability to issue additional equity securities may prevent takeovers beneficial to shareholders;

Our share price will fluctuate; and

We may reduce dividends on our equity securities or elect to pay a portion of the dividend in common shares. These forward-looking statements represent our estimates and assumptions only as of the date of this prospectus.

USE OF PROCEEDS

We intend to use the net proceeds from the sale of the securities for general corporate purposes. Those purposes include the repayment or refinancing of debt, property acquisitions and development in the ordinary course of business, working capital, investment in financing transactions and capital expenditures.

We will describe in the supplement any proposed use of proceeds other than for general corporate purposes.

Table of Contents

DESCRIPTION OF CAPITAL SHARES

Our declaration of trust provides we may issue up to 110,000,000 shares of beneficial interest, consisting of 100,000,000 common shares and 10,000,000 preferred shares. At May 18, 2009, 66,677,763 common shares were outstanding and no preferred shares were outstanding.

Common Shares

Holders of common shares are entitled to one vote per share. There is no cumulative voting in the election of trust managers. The board may declare dividends on common shares in its discretion if funds are legally available for those purposes. On liquidation, common shareholders are entitled to receive pro rata any of our remaining assets, after we satisfy or provide for the satisfaction of all liabilities and obligations on our preferred shares, if any. Common shareholders do not have preemptive rights to subscribe for or purchase any of our capital shares or any other of our securities, except as may be granted by the board.

Preferred Shares

Under our declaration of trust, the board is authorized, without shareholder approval, to issue preferred shares in one or more series, with the designations, powers, preferences, rights, qualifications, limitations and restrictions as the board determines. Thus, the board, without shareholder approval, could authorize the issuance of preferred shares with voting, conversion and other rights which could adversely affect the voting power and other rights of common shareholders or could make it more difficult for another company to enter into a business combination with us.

Restrictions on Ownership

In order for us to qualify as a REIT, under the Internal Revenue Code, not more than 50% in value of our outstanding capital shares may be owned, directly or indirectly, by five or fewer individuals or entities during the last half of a taxable year. In addition, our capital shares must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months, or during a proportionate part of a shorter taxable year.

Because our board believes it is essential for us to continue to qualify as a REIT, our declaration of trust provides, in general, no holder may own, or be deemed to own by virtue of the attribution provisions of the Internal Revenue Code, more than 9.8% of our total outstanding capital shares. Any transfer of shares will not be valid if it would:

- create a direct or indirect ownership of shares in excess of 9.8% of our total outstanding capital shares;

- result in shares being owned by fewer than 100 persons;

- result in our being closely held within the meaning of Section 856(h) of the Internal Revenue Code; or

- result in our disqualification as a REIT.

If any person owns or is deemed to own more than 9.8% of our total outstanding capital shares, the shares exceeding this ownership limit will automatically be deemed to be transferred to us. We will act as trustee of a trust for the exclusive benefit of the transferees to whom these shares may ultimately be transferred without violating the 9.8% ownership limit. While in trust, these shares will not be entitled to participate in dividends or other distributions and, except as required by law, will not be entitled to vote. We will have the right, for a period of 90 days during the time any securities are held by us in trust, to purchase all or any portion of these securities from the original shareholder at the lesser of the price paid for the shares and the market price of the shares on the date we

Table of Contents

exercise our option to purchase. All certificates representing capital shares will bear a legend referring to the restrictions described above.

These restrictions on ownership may have the effect of precluding acquisition of control unless the board and shareholders determine that maintenance of REIT status is no longer in our best interests.

Shareholder Liability

Our declaration of trust provides that no shareholder will be personally or individually liable in any manner whatsoever for any debt, act, omission or obligation incurred by us or our board. A shareholder will be under no obligation to us or to our creditors with respect to such shares, other than the obligation to pay to us the full amount of the consideration for which such shares were issued or to be issued. By statute, the State of Texas provides limited liability for shareholders of a REIT organized under the Texas Real Estate Investment Trust Act.

Transfer Agent and Registrar

American Stock Transfer & Trust Company or its successor is the transfer agent and registrar for our common shares.

DESCRIPTION OF WARRANTS

We may issue warrants for the purchase of debt securities, preferred shares or common shares. We may issue warrants independently or together with debt securities, preferred shares or common shares or attached to or separate from the offered securities. We will issue each series of warrants under a separate warrant agreement between us and a bank or trust company as warrant agent. The warrant agent will act solely as our agent in connection with the warrants and will not act for or on behalf of warrant holders.

This summary of some of the provisions of the warrants is not complete. You should refer to the provisions of the warrant agreement which will be filed with the SEC as part of the offering of any warrants. To obtain a copy of this document, see [Where You Can Find More Information](#) on page 1.

DESCRIPTION OF DEBT SECURITIES

The debt securities will be issued under an indenture between us and U.S. Bank Corporate Trust Services, as successor to SunTrust Bank, as trustee.

The following summary of some of the provisions of the indenture is not complete. You should look at the indenture, which is filed as an exhibit to the registration statement of which this prospectus is a part. To obtain a copy of the indenture or other documents we file with the SEC, see [Where You Can Find More Information](#) on page 1.

General

The debt securities will be direct, unsecured and unsubordinated obligations and will rank equally with all other of our unsecured and unsubordinated indebtedness. The indenture does not limit the amount of debt securities we can offer under it.

We may issue additional debt securities without your consent. We may issue debt securities in one or more series. We are not required to issue all debt securities of one series at the same time. Also, unless otherwise provided, we may open a series without the consent of the holders of the debt securities of such series, for issuances of additional debt securities of such series.

The supplement will address the following terms of the debt securities:

Table of Contents

their title;

any limits on the principal amounts to be issued;

the dates on which the principal is payable;

the rates, which may be fixed or variable, at which they will bear interest, or the method for determining rates;

the dates from which the interest will accrue and be payable, or the method of determining those dates, and any record dates for the payments due;

any provisions for redemption, conversion or exchange, at our option or otherwise, including the periods, prices and terms of redemption or conversion;

any sinking fund or similar provisions, whether mandatory or at the holder's option, along with the periods, prices and terms of redemption, purchase or repayment;

the amount or percentage payable if we accelerate their maturity, if other than the principal amount;

any changes to the events of default or covenants set forth in the indenture;

the terms of subordination, if any;

whether the series may be reopened; and

any other terms consistent with the indenture.

We may authorize and determine the terms of a series of debt securities by resolution of our board of trust managers or one of its committees or through a supplemental indenture.

Form of Debt Securities

Unless the supplement otherwise provides, the debt securities will be issued in registered form. We will issue debt securities only in denominations of \$1,000 and integral multiples of such amount.

Unless the supplement otherwise provides, we will issue debt securities as one or more global securities. This means we will not issue certificates to each holder. We generally will issue global securities in the total principal amount of the debt securities in a series. Debt securities in global form will be deposited with or on behalf of a depository. Debt securities in global form may not be transferred except as a whole among the depository, a nominee of or a successor to the depository and any nominee of such successor. Unless otherwise identified in the supplement, the depository will be The Depository Trust Company (DTC).

We may determine not to use global securities for any series. In such event, we will issue debt securities in certificated form.

The laws of some jurisdictions require some purchasers of securities take physical delivery of securities in certificated form. Those laws and some conditions on transfer of global securities may impair the ability to transfer interests in global securities.

Table of Contents

Ownership of Global Securities

So long as the depositary or its nominee is the registered owner of a global security, this entity will be the sole holder of the debt securities represented by such instrument. Both we and the trustee are only required to treat the depositary or its nominee as the legal owner of those securities for all purposes under the indenture.

Unless otherwise specified in this prospectus or the supplement, no actual purchaser of debt securities represented by a global security will be entitled to receive physical delivery of certificated securities or will be considered the holder of those securities for any purpose under the indenture. In addition, no actual purchaser will be able to transfer or exchange global securities unless otherwise specified in this prospectus or the supplement. As a result, each actual purchaser must rely on the procedures of the depositary to exercise any rights of a holder under the indenture. Also, if an actual purchaser is not a participant in the depositary, the actual purchaser must rely on the procedures of the participant through which it owns its interest in the global security.

The Depositary Trust Company

The following is based on information furnished by DTC and applies to the extent it is the depositary, unless otherwise provided in the supplement.

Registered Owner. The debt securities will be issued as fully registered securities in the name of Cede & Co., which is DTC's partnership nominee. The trustee will deposit the global security with the depositary. The deposit with the depositary and its registration in the name of Cede & Co. will not change the nature of the actual purchaser's ownership interest in the debt securities.

DTC's Organization. DTC is a member of the U.S. Federal Reserve System, a limited-purpose trust company under New York State banking law and a registered clearing agency with the Securities and Exchange Commission.

DTC's Activities. DTC holds securities its participants deposit with it. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participant's accounts. Doing so eliminates the need for physical movement of securities certificates.

Participants' Records. Except as otherwise provided in this prospectus or a supplement, purchases of debt securities must be made by or through a direct participant, which will receive a credit for the securities on the depositary's records. The purchaser's interest is in turn to be recorded on the participants' records. Actual purchasers will not receive written confirmations from the depositary of their purchase, but they generally receive confirmations along with periodic statements of their holdings from the participants through which they entered into the transaction.

Transfers of interest in the global securities will be made on the books of the participants on behalf of the actual purchasers. Certificates representing the interest of the actual purchasers in the securities will not be issued unless the use of global securities is suspended.

The depositary has no knowledge of the actual purchasers of global securities. The depositary's records only reflect the identity of the direct participants, who are responsible for keeping account of their holdings on behalf of their customers.

Notices Among the Depositary, Participants and Actual Owners. Notices and other communications by the depositary, its participants and the actual purchasers will be governed by arrangements among them, subject to any legal requirements in effect.

Voting Procedures. Neither DTC nor Cede & Co. will give consents for or vote the global securities. The depositary generally mails an omnibus proxy to us just after the applicable record date. This proxy assigns Cede & Co.'s voting rights to the direct participants to whose accounts the securities are credited at such time.

Table of Contents

Payments. Principal and interest payments made by us will be delivered to the depository. DTC's practice is to credit direct participants' accounts on the applicable payment date unless it has reason to believe it will not receive payment on such date. Payments by participants to actual purchasers will be governed by standing instructions and customary practices, as is the case with securities held for customers in bearer form or registered in street name. Those payments will be the responsibility of such participant, not the depository, the trustee or us, subject to any legal requirements in effect at such time.

We are responsible for payment of principal, interest and premium, if any, to the trustee, who is responsible to pay it to the depository. The depository is responsible for disbursing those payments to direct participants. The participants are responsible for disbursing payment to the actual purchasers.

Transfer or Exchange of Debt Securities

You may transfer or exchange debt securities other than global securities without service charge at the corporate trust office of the trustee. You may also surrender debt securities other than global securities for conversion or registration of transfer without service charge at the corporate trust office of the trustee. You must execute a proper form of transfer and pay any taxes or other governmental charges resulting from this action.

Transfer Agent

If we designate a transfer agent in addition to the trustee in a supplement, we may at any time rescind this designation or approve a change in the location through which the transfer agent acts. We will, however, be required to maintain a transfer agent in each place of payment for a series of debt securities. We may at any time designate additional transfer agents for a series of debt securities.

Limitations on Incurrence of Indebtedness

Under the indenture, we may not, and may not permit any of our Subsidiaries (as defined below) to, incur any Debt (as defined below) if, immediately after giving effect to the incurrence of such additional Debt and the application of the proceeds thereof, the aggregate principal amount of all of our and our Subsidiaries' outstanding Debt on a consolidated basis determined in accordance with generally accepted accounting principles is greater than 60% of the sum of (without duplication):

1. our and our Subsidiaries' Total Assets (as defined below) as of the end of the calendar quarter covered in our Annual Report on Form 10-K or Quarterly Report on Form 10-Q, as the case may be, most recently filed with the SEC (or, if such filing is not permitted under the Securities Exchange Act of 1934 with the trustee) prior to the incurrence of such additional Debt; and
2. the purchase price of any real estate assets or mortgages receivable acquired, and the amount of any securities offering proceeds received (to the extent such proceeds were not used to acquire real estate assets or mortgages receivable or used to reduce Debt), by us or any of our Subsidiaries since the end of such calendar quarter, including those proceeds obtained in connection with the incurrence of such additional Debt.

In addition, we may not, and may not permit any of our Subsidiaries to, incur any Debt secured by any Encumbrance (as defined below) upon any of our or our Subsidiaries' property if, immediately after giving effect to the incurrence of such additional Debt and the application of the proceeds thereof, the aggregate principal amount of all of our and our Subsidiaries' outstanding Debt on a consolidated basis which is secured by any Encumbrance on our or any of our Subsidiaries' property is greater than 40% of the sum of (without duplication):

1. our and our Subsidiaries' Total Assets as of the end of the calendar quarter covered in our Annual Report on Form 10-K or Quarterly Report on Form 10-Q, as the case may be, most recently filed with the SEC (or, if such filing is not permitted under the Securities Exchange Act of 1934, with the trustee) prior to the incurrence of such additional Debt; and

Table of Contents

2. the purchase price of any real estate assets or mortgages receivable acquired, and the amount of any securities offering proceeds received (to the extent such proceeds were not used to acquire real estate assets or mortgages receivable or used to reduce Debt), by us or any of our Subsidiaries since the end of such calendar quarter, including those proceeds obtained in connection with the incurrence of such additional Debt.

Also, neither we nor our Subsidiaries may at any time own Total Unencumbered Assets (as defined below) equal to less than 150% of the aggregate outstanding principal amount of the Unsecured Debt (as defined below) on a consolidated basis.

Furthermore, we may not, and may not permit any of our Subsidiaries to, incur any Debt if the ratio of Consolidated Income Available for Debt Service (as defined below) to the Annual Service Charge (as defined below) for the four consecutive fiscal quarters most recently ended prior to the date on which such additional Debt is to be incurred will have been less than 1.5:1, on a pro forma basis after giving effect thereto and to the application of the proceeds therefrom, and calculated on the following assumptions:

1. such Debt and any other Debt we or any of our Subsidiaries incur since the first day of such four-quarter period and the application of the proceeds therefrom, including to refinance other Debt, had been incurred at the beginning of such period;
2. the repayment or retirement of any other of our and our Subsidiaries Debt since the first day of such four-quarter period had been repaid or retired at the beginning of such period (except, in making such computation, the amount of Debt under any revolving credit facility will be computed based upon the average daily balance of such Debt during such period);
3. in the case of Acquired Debt (as defined below) or Debt incurred in connection with any acquisition since the first day of such four-quarter period, the related acquisition had occurred as of the first day of such period with appropriate adjustments with respect to such acquisition being included in such pro forma calculation; and
4. if we or any of our Subsidiaries acquire or dispose of any asset or group of assets since the first day of such four-quarter period, whether by merger, share purchase or sale, or asset purchase or sale, such acquisition or disposition or any related repayment of Debt had occurred as of the first day of such period with the appropriate adjustments with respect to such acquisition or disposition being included in such pro forma calculation.

Acquired Debt means Debt of a person:

1. existing at the time such person becomes a Subsidiary; or
2. assumed in connection with the acquisition of assets from such person or entity, in each case, other than Debt incurred in connection with, or in contemplation of, such person becoming a Subsidiary or such acquisition. Acquired Debt will be deemed to be incurred on the date of the related acquisition of assets from any person or the date the acquired person becomes a Subsidiary.

Annual Service Charge as of any date means the maximum amount which is payable in any period for interest on, and original issue discount of, our and our Subsidiaries Debt and the amount of dividends which are payable in respect of any Disqualified Shares (as defined below).

Consolidated Income Available for Debt Service for any period means our and our Subsidiaries Earnings from Operations (as defined below) plus amounts deducted, and minus amounts added, for the following (without duplication):

1. our and our Subsidiaries interest on Debt;

Table of Contents

2. our and our Subsidiaries provision for taxes based on income;
3. amortization of debt discount and deferred financing costs;
4. provisions for gains and losses on properties and property depreciation and amortization;
5. the effect of any noncash charge resulting from a change in accounting principles in determining Earnings from Operations for such period; and
6. amortization of deferred charges.

Debt means, without duplication, any of our and our Subsidiaries indebtedness, whether or not contingent, in respect of:

1. borrowed money or evidenced by bonds, notes, debentures or similar instruments;
 2. indebtedness for borrowed money secured by any Encumbrance existing on our or any of our Subsidiaries property;
 3. the reimbursement obligations, contingent or otherwise, in connection with any letters of credit actually issued (other than letters of credit issued to provide credit enhancement or support with respect to other of our or any of our Subsidiaries indebtedness otherwise reflected as Debt under this definition) or amounts representing the balance deferred and unpaid of the purchase price of any property or services, except any such balance constituting an accrued expense or trade payable, or all conditional sale obligations or obligations under any title retention agreement;
 4. the principal amount of all of our and our Subsidiaries obligations with respect to redemption, repayment or other repurchase of any Disqualified Shares; or
 5. any lease of property in which we or any of our Subsidiaries is a lessee which is reflected on our consolidated balance sheet as a capitalized lease in accordance with generally accepted accounting principles,
- to the extent, in the case of items of indebtedness under (1) through (3) above, any such items (other than letters of credit) would appear as a liability on our consolidated balance sheet in accordance with generally accepted accounting principles, and also includes, to the extent not otherwise included, any of our or our Subsidiaries obligations to be liable for, or to pay, as obligor, guarantor or otherwise (other than for purposes of collection in the ordinary course of business), Debt of a person other than us or any of our Subsidiaries (it being understood we will be deemed to incur Debt whenever we or any of our Subsidiaries creates, assumes, guarantees or otherwise becomes liable in respect thereof).

Disqualified Shares means, with respect to any person, any capital shares of such person which by the terms of such capital shares (or by the terms of any security into which they are convertible or for which they are exchangeable or exercisable), upon the happening of any event or otherwise:

1. mature or are mandatorily redeemable, pursuant to a sinking fund obligation or otherwise (other than capital shares which are redeemable solely in exchange for common shares);
 2. are convertible into or exchangeable or exercisable for Debt or Disqualified Shares; or
 3. are redeemable at the option of the holder thereof, in whole or in part (other than capital shares which are redeemable solely in exchange for common shares),
- in each case on or prior to the stated maturity of the debt securities.

Table of Contents

Earnings from Operations for any period means net earnings excluding gains and losses on sales of investments, as reflected in our consolidated financial statements for such period determined on a consolidated basis in accordance with generally accepted accounting principles.

Encumbrance means any mortgage, lien, charge, pledge or security interest of any kind.

Subsidiary means any corporation or other entity of which we directly, or indirectly through one or more of our Subsidiaries, own a majority of the voting power of the voting equity securities or the outstanding equity interests. For the purposes of this definition, **voting equity securities** means equity securities having voting power for the election of directors, whether at all times or only so long as no senior class of security has such voting power by reason of any contingency.

Total Assets as of any date means the sum of:

1. the Undepreciated Real Estate Assets; and
2. all of our and our Subsidiaries' other assets determined in accordance with generally accepted accounting principles (but excluding accounts receivable and intangibles).

Total Unencumbered Assets means the sum of

1. those Undepreciated Real Estate Assets not subject to an Encumbrance; and
2. all of our and our Subsidiaries' other assets not subject to an Encumbrance determined in accordance with generally accepted accounting principles (but excluding accounts receivable and intangibles).

Undepreciated Real Estate Assets as of any date means the cost (original cost plus capital improvements) of our and our Subsidiaries' real estate assets on such date, before depreciation and amortization, determined on a consolidated basis in accordance with generally accepted accounting principles.

Unsecured Debt means Debt not secured by any Encumbrance upon any of our or our Subsidiaries' properties.

See **Covenants** for a description of additional covenants applicable to us.

Covenants

The following is a summary of some of the covenants we have made in the indenture.

Existence. Except in connection with permitted mergers, consolidations or sales of assets, we agreed to do or cause to be done all things necessary to preserve and keep our corporate existence, rights and franchises in full force and effect. We are not, however, required to preserve any right or franchise if we determine its preservation is no longer desirable in the conduct of our business and the loss is not disadvantageous in any material respect to the holders of debt securities.

Maintenance of Properties. We agreed to maintain and keep in good condition all of our material properties used or useful in the conduct of our business. This does not, however, preclude us from disposing of our properties in the ordinary course of business.

Insurance. We agreed to maintain with insurers of recognized responsibility insurance concerning our properties against such casualties and contingencies and of such types and in such amounts as is customary for the same or similar businesses.

Table of Contents

Payment of Taxes and Other Claims. We agreed to pay or discharge before they become delinquent all taxes and other governmental charges levied or imposed on us and all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien upon our property. We are not, however, required to pay or discharge any such charge whose amount, applicability or validity is being contested in good faith by appropriate proceedings.

Provision of Financial Information. We agreed, whether or not we are subject to Section 13 or 15(d) of the Securities Exchange Act of 1934, to prepare the annual reports, quarterly reports and other documents we would have been required to file with the SEC pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 within 15 days of each of the respective required filing dates and to:

transmit by mail to all holders of debt securities, as their names and addresses appear in the security register, copies of such annual reports, quarterly reports and other documents;

file with the trustee copies of such annual reports, quarterly reports and other documents; and

promptly upon written request and payment of the reasonable cost of duplication and delivery, supply copies of such documents to any prospective holder.

Merger, Consolidation and Sale

Under the indenture, we may consolidate with, or sell, lease or convey all or substantially all of our assets to, or merge with or into, any other entity, provided:

1. either we are the continuing entity, or the successor entity expressly assumes the debt securities and all of our obligations relating to the debt securities;
2. immediately after giving effect to such transaction and treating any indebtedness which becomes our obligation as a result thereof as having been incurred by us at the time of such transaction, no event of default under the indenture, and no event which, after notice or the lapse of time, or both, would become such an event of default, has occurred and is continuing; and
3. an officers certificate and legal opinion covering such conditions is delivered to the trustee.

Events of Default, Notice and Waiver

The indenture provides the following events are Events of Default with respect to any series of debt securities:

1. default for 30 days in the payment of any installment of interest and other amounts payable (other than principal) on any debt securities of such series when due and payable;
2. default in the payment of the principal or premium, if any, of any debt securities of such series when due and payable;
3. default in the performance, or breach, of any of our covenants contained in the indenture, other than a covenant added to the indenture solely for the benefit of a series of debt securities other than such series, which continues for 60 days after written notice as provided in the indenture;
4. default under any other bond, debenture, note, mortgage, indenture or instrument with an aggregate principal amount outstanding of at least \$10,000,000, which default has resulted in such indebtedness becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable, without such indebtedness having been discharged or such acceleration having been rescinded or annulled within a period of 30 days after written notice to us as provided in the indenture;

Table of Contents

5. the entry by a court of competent jurisdiction of one or more judgments, orders or decrees against us in an aggregate amount (excluding amounts covered by insurance) in excess of \$10,000,000 and such judgments, orders or decrees remain undischarged, unstayed and unsatisfied in an aggregate amount (excluding amounts covered by insurance) in excess of \$10,000,000 for a period of 30 consecutive days; or

6. certain events of bankruptcy, insolvency or reorganization or appointment of a receiver, liquidator or trustee.

If an event of default occurs and continues, the trustee and the holders of not less than 25% in principal amount of the series may declare the principal amount of all of the debt securities of such series to be immediately due and payable.

The rights of holders of a series to commence an action for any remedy is subject to a number of conditions, including requiring the holders of 25% in principal amount of such series request the trustee take action and offer a reasonable indemnity to the trustee against its liabilities incurred in doing so. This provision will not, however, prevent any holder from instituting suit for the enforcement of payment.

Subject to provisions in the indenture relating to the trustee's duties in case of default, the trustee is under no obligation to exercise any of its rights or powers under the indenture at the request or direction of any holder unless the holder has offered to the trustee reasonable security or indemnity. However, the trustee may refuse to follow any direction which is in conflict with any law or the indenture, may involve the trustee in personal liability or may be unduly prejudicial to holders.

Modification of the Indenture

We must obtain the consent of holders of at least a majority in principal amount of all outstanding debt securities affected by a change to the indenture. The consent of holders of at least a majority in principal amount of each series of outstanding debt securities is required to waive compliance by us with some of the covenants in the indenture. We must obtain the consent of each holder affected by a change to extend the maturity; reduce the principal, redemption premium or interest rate; change the place of payment, or the coin or currency, for payment; limit the right to sue for payment; reduce the level of consents needed to approve a change to the indenture; or modify any of the foregoing provisions or any of the provisions relating to the waiver of some past defaults or covenants, except to increase the required level of consents needed to approve a change to the indenture.

Defeasance

We may defease the debt securities of a series, which means we would satisfy our duties under such series before maturity. We may do so by depositing with the trustee, in trust for the benefit of the holders, sufficient funds to pay the entire indebtedness on that series, including principal, premium, if any, and interest. Some other conditions must be met before we may do so. We must also deliver an opinion of counsel to the effect that the holders of such series will have no federal income tax consequences as a result of such deposit.

Conversion

Debt securities may be convertible into or exchangeable for common shares, preferred shares or debt securities of another series. The supplement will describe the terms of any conversion rights. To protect our status as a REIT, debt securities are not convertible if, as a result of a conversion, any person would then be deemed to own, directly or indirectly, more than 9.8% of our capital shares.

Subordination

The terms and conditions of any subordination of subordinated debt securities to other of our indebtedness will be described in the supplement. The terms will include a description of the indebtedness ranking senior to the subordinated debt securities, the restrictions on payments to the holders of subordinated debt securities while a

Table of Contents

default exists with respect to senior indebtedness, any restrictions on payments to the holders of the subordinated debt securities following an event of default and provisions requiring holders of the subordinated debt securities to remit payments to holders of senior indebtedness.

Because of the subordination, if we become insolvent, holders of subordinated debt securities may recover less, ratably, than other of our creditors, including holders of senior indebtedness.

PLAN OF DISTRIBUTION

We may offer securities directly or through underwriters, dealers or agents. The supplement will identify those underwriters, dealers or agents and will describe the plan of distribution, including commissions to be paid. If we do not name a firm in the supplement, the firm may not directly or indirectly participate in any underwriting of those securities, although it may participate in the distribution of securities under circumstances entitling it to a dealer's allowance or agent's commission.

An underwriting agreement will entitle the underwriters to indemnification against specified civil liabilities under the federal securities laws and other laws. The underwriters' obligations to purchase securities will be subject to specified conditions and generally will require them to purchase all of the securities if any are purchased.

Unless otherwise noted in the supplement, the securities will be offered by the underwriters, if any, when, as and if issued by us, delivered to and accepted by the underwriters and subject to their right to reject orders in whole or in part.

We may sell securities to dealers, as principals. Those dealers then may resell the securities to the public at varying prices set by those dealers from time to time.

We may also offer securities through agents. Agents generally act on a "best efforts" basis during their appointment, meaning they are not obligated to purchase securities.

Dealers and agents may be entitled to indemnification as underwriters by us against some liabilities under the federal securities laws and other laws.

We or the underwriters or the agent may solicit offers by institutions approved by us to purchase securities under contracts providing for further payment. Permitted institutions include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions and others. Certain conditions apply to those purchases.

An underwriter may engage in over-allotment, stabilizing transactions, short covering transactions and penalty bids in accordance with Regulation M under the Securities Exchange Act of 1934. Over-allotment involves sales in excess of the offering size, which creates a short position. Stabilizing transactions permit bidders to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Short covering transactions involve purchases of the securities in the open market after the distribution is completed to cover short positions. Penalty bids permit the underwriters to reclaim a selling concession from a dealer when the securities originally sold by the dealer are purchased in a covering transaction to cover short positions. Those activities may cause the price of the securities to be higher than it would otherwise be. The underwriters may engage in any activities on any exchange or other market in which the securities may be traded. If commenced, the underwriters may discontinue those activities at any time.

The supplement or pricing supplement, as applicable, will set forth the anticipated delivery date of the securities being sold at such time.

Selling securityholders may use this prospectus in connection with resales of the securities. The applicable prospectus supplement will identify the selling securityholders and the terms of the securities. Selling securityholders may be deemed to be underwriters in connection with the securities they resell and any profits on the

Table of Contents

sales may be deemed to be underwriting discounts and commissions under the Securities Act. The selling securityholders will receive all the proceeds from the sale of the securities. We will not receive any proceeds from sales by selling securityholders.

RATIO OF EARNINGS TO FIXED CHARGES

The ratio of earnings to fixed charges for each of our last five fiscal years and the three months ended March 31, 2009 are presented below. We computed our ratios of earnings to fixed charges by dividing earnings by fixed charges. For these purposes, earnings have been calculated by adding fixed charges to income from continuing operations before income taxes. Fixed charges consist of interest costs, the interest portion of rental expense, other than on capital leases, estimated to represent the interest factor in this rental expense and the amortization of debt discounts and issue costs.

	Three months ended March 31, 2009 (unaudited)(1)	2008 (2)	Year ended December 31, 2007 (3)	2006 (4)	2005 (5)	2004 (6)
Ratio of earnings to fixed charges	1.14	0.88	1.20	1.73	1.87	1.14

(1) Earnings include a \$166,000 impact related to gain on early retirement of debt. Excluding this impact, the ratio would be 1.13.

(2) We would have needed to generate additional earnings of \$19,871,000 to achieve a coverage of one-to-one in 2008. Earnings include a \$51,323,000 impact related to impairment loss on land, a \$13,566,000 impact related to gain on early

retirement of
debt, and a
\$2,929,000
impact related
to gain on sale
of properties,
including land.
Excluding these
impacts, the
ratio would be
1.09.

- (3) Earnings
include a
\$1,447,000
impact related
to impairment
loss on land.
Excluding this
impact, the ratio
would be 1.21.

- (4) Earnings
include a
\$97,452,000
impact related
to gain on sale
of properties,
including land.
Excluding this
impact, the ratio
would be 1.08.

- (5) Earnings
include a
\$132,914,000
impact related
to gain on sale
of properties,
including land.
Excluding this
impact, the ratio
would be 0.92.

- (6) Earnings
include a
\$1,642,000
impact related
to gain on sale
of properties,
including land.

Excluding this
impact, the ratio
would be 1.12.

Table of Contents

FEDERAL INCOME TAX CONSIDERATIONS AND CONSEQUENCES OF YOUR INVESTMENT

The following is a general summary of the material federal income tax considerations associated with an investment in the securities. The summary is based on current law. It is not tax advice and presents general information only. The summary does not deal with particular types of securityholders subject to special treatment under the Internal Revenue Code, such as insurance companies, financial institutions and broker-dealers. In addition, the summary is not exhaustive of all possible tax considerations. Your actual tax consequences as a taxpayer can be complicated and will depend on your specific situation, including variables you cannot control. You should consult your own tax advisor for a full understanding of the tax consequences of the purchase, holding and sale of the securities. You should also consult your tax advisor to determine the effect of any potential changes in applicable tax laws. The Internal Revenue Code provisions governing the federal income tax treatment of REITs are highly technical and complex, and the summary is qualified in its entirety by the applicable Internal Revenue Code provisions, rules and regulations promulgated thereunder, and administrative and judicial interpretations thereof. The following discussion is based upon current law and on representations from us concerning our compliance with the requirements for qualification as a REIT.

We urge you, as a prospective investor, to consult your own tax advisor with respect to the specific federal, state, local, foreign and other tax consequences to you of the purchase, holding and sale of our securities.

We have elected to be taxed as a REIT under the Internal Revenue Code since our taxable year ended December 31, 1993. We believe that we have been organized and have operated in a manner that qualifies for taxation as a REIT under the Internal Revenue Code. We also believe that we will continue to operate in a manner that will preserve our status as a REIT. We cannot, however, assure you that these requirements will be met in the future.

We have not requested a ruling from the Internal Revenue Service regarding our REIT status. However, we have received an opinion from the law firm of Locke Lord Bissell & Liddell LLP to the effect that:

we have met the requirements for qualification and taxation as a REIT for each taxable year commencing with the taxable year ended December 31, 1993;

our diversity of equity ownership, operations through the date of the opinion and proposed method of operation should allow us to qualify as a REIT for the taxable year ending December 31, 2009; and

the discussion regarding Federal Income Tax Considerations and Consequences of Your Investment set forth in this section, to the extent that it describes matters of law or legal conclusions, is correct in all material respects.

The opinion is expressed as of its date and Locke Lord Bissell & Liddell LLP has no obligation to advise us of any change in applicable law or of any matters stated, represented or assumed, after the date of this opinion.

You should be aware that opinions of counsel are not binding upon the Internal Revenue Service or any court. Our opinion of counsel is based upon factual representations and covenants made by us regarding the past, present and future conduct of our business operations. Furthermore, our opinion of counsel regarding our continued qualification as a REIT is conditioned upon, and our continued qualification as a REIT will depend on, our ability to meet, through actual annual operating results, the various REIT qualification tests under the Internal Revenue Code.

In addition, we cannot assure you that new legislation, regulations or adminis