

AMREIT
Form DEF 14A
April 17, 2008

AmREIT
8 Greenway Plaza, Suite 1000
Houston, Texas 77046

Notice of Annual Meeting of Shareholders
To be Held June 3, 2008

To Our Shareholders:

You are invited to attend the annual meeting of shareholders of AmREIT, to be held at 8 Greenway Plaza, Suite 1000, Houston, Texas, on Wednesday, June 3, 2008, at 10:00 a.m., Central Daylight Time. The purpose of the meeting is to vote on the following proposals:

Proposal 1: To elect five trust managers to serve until their successors are elected and qualified.

Proposal 2: To transact any other business that may properly be brought before the annual meeting or any adjournments thereof.

The board of trust managers has fixed the close of business on April 8, 2008 as the record date for determining shareholders entitled to notice of and to vote at the annual meeting. A form of proxy card and a copy of our annual report to shareholders for the fiscal year ended December 31, 2007 are enclosed with this notice of annual meeting and proxy statement.

YOUR VOTE IS IMPORTANT

Submitting your proxy does not affect your right to vote in person if you attend the Annual Meeting. Instead, it benefits us by reducing the expenses of additional proxy solicitation. Therefore, you are urged to submit your proxy as soon as possible, regardless of whether or not you expect to attend the Annual Meeting. You may revoke your proxy at any time before its exercise by (i) delivering written notice of revocation to our Corporate Secretary, Chad C. Braun, at the above address, (ii) submitting to us a duly executed proxy card bearing a later date, (iii) voting via the telephone at a later date, or (iv) appearing at the Annual Meeting and voting in person; provided, however, that no such revocation under clause (i) or (ii) shall be effective until written notice of revocation or a later dated proxy card is received by our Corporate Secretary at or before the Annual Meeting, and no such revocation under clause (iii) shall be effective unless received on or before 11:59 p.m., Central Daylight Time, on June 2, 2008.

When you submit your proxy, you authorize H. Kerr Taylor and Chad C. Braun or either one of them, each with full power of substitution, to vote your shares at the Annual Meeting in accordance with your instructions or, if no instructions are given, to vote for the election of the director nominees and to vote on any adjournments or postponements of the Annual Meeting. The Company's Annual Report for the year ended December 31, 2007 is also enclosed, although it does not constitute part of this proxy statement.

BY ORDER OF THE BOARD OF TRUST MANAGERS

/s/ H. Kerr Taylor

H. Kerr Taylor
Chairman of the Board, Chief Executive Officer,
and President

April 15, 2008
Houston, Texas

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

Tuesday, June 3, 2008

AmREIT

8 Greenway Plaza, Suite 1000
Houston, Texas 77046

The board of trust managers of AmREIT is soliciting proxies to be used at the 2008 Annual Meeting of shareholders to be held at 8 Greenway Plaza, Suite 1000, Houston, Texas, on Tuesday, June 3, 2008, at 10:00 a.m., Central Daylight Time. This proxy statement, accompanying proxy and annual report to shareholders for the fiscal year ended December 31, 2007 are first being mailed to shareholders on or about April 21, 2008. Although the annual report is being mailed to shareholders with this proxy statement, it does not constitute part of this proxy statement.

Who Can Vote

Only shareholders of record as of the close of business on April 8, 2008, are entitled to notice of and to vote at the annual meeting. As of April 8, 2008, we had approximately 5,814,810 class A common shares, 4,154,691 class C common shares and 11,039,914 class D common shares outstanding (collectively, the "shares"). Each holder of record of the shares on the record date is entitled to one vote on each matter properly brought before the annual meeting for each share held. All classes of common shares vote as a single class on all matters properly brought before the annual meeting.

How You Can Vote

Shareholders cannot vote at the annual meeting unless the shareholder is present in person or represented by proxy. You may vote using any of the following methods:

- **BY MAIL:** Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided. The named proxies will vote your shares according to your directions. If you submit a signed proxy card without indicating your vote, the person voting the proxy will vote your shares in favor of proposal one.
- **BY PHONE:** Call 1-800-560-1965 and use any touch-tone telephone to transmit your voting instruction up until 12:00 p.m. Central Daylight Time on June 2, 2008. Have your proxy card in hand when you call and then follow the instructions as prompted.
- **BY INTERNET:** Go to www.eproxy.com/amy/ and use the Internet to transmit your voting instructions and for electronic delivery of information until 12:00 P.M. Central Daylight Time on June 2, 2008. Have your proxy card in hand when you access the Web site and then follow the instructions.
- **BY ATTENDING THE ANNUAL MEETING IN PERSON:** The Annual Meeting will be held at 10:00 a.m., Central Daylight Time, at 8 Greenway Plaza, Suite 1000 Houston, Texas 77046. You may revoke your proxy at any time before it is exercised by:

§ Giving written notice of revocation to our Executive Vice President and Secretary, Chad C. Braun, at AmREIT, 8 Greenway Plaza, Suite 1000, Houston, Texas 77046;

§ Timely delivering a properly executed, later-dated proxy; or

§ Voting in person at the annual meeting.

Voting by proxy will in no way limit your right to vote at the annual meeting if you later decide to attend in person. If your shares are held in the name of a bank, broker or other holder of record, you must obtain a proxy, executed in your favor, to be able to vote at the annual meeting. If no direction is given and the proxy is validly executed, the shares represented by the proxy will be voted in favor of proposal one. The persons authorized under the proxies will vote upon any other business that may properly come before the annual meeting according to their best judgment to the same extent as the person delivering the proxy would be entitled to vote. We do not anticipate that any other matters will be raised at the annual meeting.

Required Vote

The presence, in person or represented by proxy, of the holders of a majority of the shares (10,504,709 shares) entitled to vote at the annual meeting is necessary to constitute a quorum at the annual meeting. However, if a quorum is not present at the annual meeting, a majority of the shareholders, present in person or represented by proxy, have the power to adjourn the annual meeting until a quorum is present or represented.

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy is required to elect trust managers.

Votes cast by proxy or in person will be counted by two persons appointed by us to act as inspectors for the annual meeting. The election inspectors will treat shares represented by proxies that reflect abstentions as shares that are present and entitled to vote for the purpose of determining the presence of a quorum; however, abstentions will not be deemed outstanding and, therefore, will not be counted in the tabulation of votes cast on proposals presented to shareholders.

The Texas Real Estate Investment Trust Act and our bylaws do not specifically address the treatment of abstentions and broker non-votes. The election inspectors will treat shares referred to as “broker non-votes” (i.e., shares held by brokers or nominees as to which instructions have not been received from the beneficial owners and as to which the broker or nominee does not have discretionary voting power on a particular matter) as shares that are present and entitled to vote for the purpose of determining the presence of a quorum. However, for the purpose of determining the outcome of any matter as to which the broker or nominee has indicated on the proxy that it does not have discretionary authority to vote, those shares will be treated as not present and not entitled to vote with respect to that matter (even though those shares are considered entitled to vote for quorum purposes and may be entitled to vote on other matters).

Cost of Proxy Solicitation

The cost of soliciting proxies will be borne by us. Proxies may be solicited on our behalf by our trust managers, officers or employees in person, by telephone, facsimile or by other electronic means. None of such persons shall receive compensation for such services.

In accordance with SEC regulations, we will reimburse brokerage firms and other custodians, nominees and fiduciaries for their expenses incurred in sending proxies and proxy materials and soliciting proxies from the beneficial owners of shares.

PROPOSAL ONE

ELECTION OF TRUST MANAGERS

Pursuant to the Texas Real Estate Investment Trust Act, our amended and restated declaration of trust and our amended and restated bylaws, our business, property and affairs are managed under the direction of the board of trust managers. At the annual meeting, five trust managers will be elected by the shareholders, each trust manager to serve until his successor has been duly elected and qualified, or until the earliest of his death, resignation or retirement. Regardless of the number of votes each nominee receives, pursuant to the Texas Real Estate Investment Trust Act, each trust manager will continue to serve unless another nominee receives the affirmative vote of the holders of 66 2/3% of our outstanding common shares.

The persons named in the enclosed proxy will vote your shares as you specify on the enclosed proxy form. If you return your properly executed proxy but fail to specify how you want your shares voted, the shares will be voted in favor of the nominees listed below. Our board of trust managers has proposed the following nominees for election as trust managers at the annual meeting.

Nominees

H. Kerr Taylor. For a description of the business experience of Mr. Taylor, see “Management.” Age 57.

Robert S. Cartwright, Jr. - Mr. Cartwright has been a trust manager or director of our company or our predecessor corporation since 1993. Mr. Cartwright is a Professor of Computer Science at Rice University. Mr. Cartwright earned a bachelor’s degree magna cum laude in Applied Mathematics from Harvard College (Phi Beta Kappa) in 1971 and a doctoral degree in Computer Science from Stanford University in 1977. Mr. Cartwright has been a member of the Rice faculty since 1980 and twice served as department Chair. Mr. Cartwright has compiled an extensive record of professional service. He is a Fellow of the Association for Computing Machinery (ACM), a member of the Sun Microsystems Developer Advisory Council, and the Computer Science Advisory Committee for Prairie View A&M University. He served on the ACM Education Board from 1997 to 2006 and the Board of Directors of the Computing Research Association from 1994 to 2000. Mr. Cartwright has served as a charter member of the editorial boards of two professional journals and has also chaired several major ACM conferences. From 1991-1996, he was a member of the ACM Turing Award Committee, which selects the annual recipient of the most prestigious international prize for computer science research. Age 58.

G. Steven Dawson - Mr. Dawson has been a trust manager or director of AmREIT or our predecessor corporation since 2000. He also has been designated by our board as the “audit committee financial expert,” as such term is defined in the Rules of the Securities and Exchange Commission. He has primarily been a private investor since 2003 and from 1990 to 2003 he served as the Chief Financial Officer of Camden Property Trust and its predecessors. Camden is a large multifamily REIT based in Houston with apartment operations, construction and development activities throughout the United States. Mr. Dawson serves on the boards of Alesco Financial, Inc., a structured finance REIT; American Campus Communities, a student housing REIT; Desert Capital REIT, Inc. (“DCR”) an unlisted, public mortgage REIT; and Medical Properties Trust, a hospital/healthcare REIT, and has other private interests. Mr. Dawson currently serves as the Chief Financial Officer of DCR and the Managing Director of Sandstone Equity Investors, LLC, the outside advisor for DCR. Mr. Dawson holds a degree in business from Texas A&M University, where he serves on the Real Estate Council of the Mays Graduate School of Business. Age 50.

Philip Taggart - Mr. Taggart has been a trust manager or director of AmREIT or our predecessor corporation since 2000. Mr. Taggart has specialized in investor relations activities since 1964 and is the President and Chief Executive Officer of Taggart Financial Group, Inc. He is the co-author of the book “Taking Your Company Public”, and has

provided communications services for 58 initial public offerings, more than 200 other new issues, 210 mergers and acquisitions, 3,500 analyst meetings and annual and quarterly reports for over 25 years. Mr. Taggart serves on the boards of International Expert Systems, Inc. and served on the board of the Foundation of Texas State Technical College for 10 years. A distinguished alumnus of the University of Tulsa, he also has been a university instructor in investor relations at the University of Houston. Age 77.

H. L. "Hank" Rush, Jr. – Mr. Rush has been a trust manager of AmREIT since 2006. Mr. Rush presently serves as Executive Vice President and Chief Operating Officer, and a member of the Compensation Committee of the Board of Directors of PropertyInfo Corporation, a wholly owned subsidiary of Stewart Information Services Corp.. This corporation provides real estate information and online software tools for the title, realtor, lender, builder/developer and government sectors of the real estate industry. He has over 20 years of senior executive and start-up management experience in IT development and outsourcing, residential and commercial construction and energy. For 10 years prior to joining PropertyInfo Corporation, Mr. Rush served as chairman and co-founder of EC Power, Inc., an internet transaction services company. In addition, he founded and served for eight years as President and Chief Executive Officer of a high-end residential construction company in Houston and served as a senior executive with BMC Software, Inc., where he managed the initial phase of BMC's new headquarters land acquisition and construction. Texas Eastern Corp., now a part of Duke Energy, was his professional home for almost 17 years prior to his move to BMC. Age 56.

The governance committee will consider trust manager candidates nominated by shareholders. Recommendations, including the nominee's name and an explanation of the nominee's qualifications should be sent to Robert Cartwright, Governance and Nominating Committee Chairman, 8 Greenway Plaza, Suite 1000, Houston, Texas 77046. The procedure for nominating a person for election as a trust manager is described under "Shareholder Nominees" on page 8.

Our board of trust managers unanimously recommends that you vote FOR the election of trust managers as set forth in Proposal One.

Meetings and Committees of the Board of Trust Managers

General. During the fiscal year ended December 31, 2007, our board of trust managers held four regular quarterly meetings and seven special meetings. Each of the trust managers attended all meetings held by our board of trust managers and all meetings of each committee of our board of trust managers on which such trust managers served during the fiscal year ended December 31, 2007. Four of our five trust managers were in attendance at our annual shareholders' meeting in May 2007. Our board of trust managers has an audit committee, compensation committee, pricing committee, and nominating and corporate governance committee.

Name	Executive Committee	Pricing Committee	Audit Committee	Compensation	Nominating and Corporate Governance
H. Kerr Taylor*	x	x			
Robert S. Cartwright, Jr.			x	x	x
G. Steven Dawson		x	x	x	x
Philip Taggart			x	x	x
H. L. "Hank" Rush, Jr.			x	x	x

* Chairman of the Board

Pricing Committee. The pricing committee is authorized to exercise all the powers of the board of trust managers in connection with the offering, issuance and sale of our securities. The pricing committee did not meet during 2007.

Audit Committee. Our audit committee consists of Mr. Dawson (chairman), Mr. Cartwright, Mr. Taggart, and Mr. Rush. Our audit committee met five times during the fiscal year ended December 31, 2007. Our audit committee is comprised entirely of trust managers who meet the independence and financial literacy requirements of the American Stock Exchange (AMEX) listing standards as well as the standards established under the Sarbanes-Oxley Act of 2002. In addition, our board has determined that Mr. Dawson qualifies as an "audit committee financial expert" as defined in SEC rules. Our audit committee operates under its charter, which is available on our website at www.amreit.com. Our audit committee's responsibilities include preparing the audit committee report for inclusion in the annual proxy statement, reviewing the audit committee charter and the audit committee's performance, providing assistance to our board in fulfilling its responsibilities with respect to oversight of the integrity of our financial statements, our compliance with legal and regulatory requirements, the independent auditors' qualifications, performance and independence, and the performance of our outsourced internal audit function. In accordance with its charter, the audit committee has sole authority to appoint and replace the independent auditors, who report directly to the committee, approve the engagement fee of the independent auditors and pre-approve the audit services and any permitted non-audit services they may provide to us. In addition, our audit committee reviews the scope of audits as well as the annual audit plan, evaluates matters relating to our audit and internal controls and approves all related party transactions. The audit committee also oversees investigations into complaints concerning financial matters. Our audit committee holds separate executive sessions, outside the presence of senior management, with our independent auditors.

Compensation Committee. Our compensation committee consists of Mr. Taggart (chairman), Mr. Dawson, Mr. Cartwright, and Mr. Rush. Our compensation committee is comprised entirely of trust managers who meet the independence requirements of the AMEX listing standards. Our compensation committee operates under its charter, which is available on our website at www.amreit.com. The compensation committee's responsibilities include establishing our general compensation philosophy, overseeing our compensation programs and practices, including incentive and equity-based compensation plans, reviewing and approving executive compensation plans in light of corporate goals and objectives, evaluating the performance of our chief executive officer in light of these criteria and establishing our chief executive officer's compensation level based on such evaluation, evaluating the performance of the other executive officers and their salaries, bonus and incentive and equity compensation, reviewing and making recommendations concerning proposals by management regarding compensation, bonuses, employment agreements, loans to non-executive employees and other benefits and policies respecting such matters for employees. The compensation committee prepares the Compensation Committee Report, which among other things includes the Compensation Discussion and Analysis, prepared by management, for inclusion in the Annual Report. The compensation committee met two times during the fiscal year ended December 31, 2007.

Nominating and Corporate Governance Committee. The nominating and corporate governance committee consists of Mr. Cartwright (chairman), Mr. Dawson, Mr. Rush, and Mr. Taggart. Our nominating and corporate governance committee operates under its charter, which is available on our website at www.amreit.com. The committee's duties include adopting criteria for recommending candidates for election or re-election to our board and its committees, retaining consultants or advisors to assist in the identification or evaluation of prospective trust managers, considering issues and making recommendations regarding the size and composition of our board. The committee will also consider nominees for trust manager suggested by shareholders in written submissions to Mr. Cartwright, our committee chairman. The nominating and corporate governance committee did not meet during the fiscal year ended December 31, 2007.

GOVERNANCE OF THE COMPANY

Board of Trust Managers

Pursuant to our declaration of trust and our bylaws, our business, property and affairs are managed under the direction of our board of trust managers. Members of our board are kept informed of our business through discussions with the chairman of the board and our officers, by reviewing materials provided to them and by participating in meetings of our board and its committees. Board members have complete access to the Company's management team and the independent auditors. Our board and each of the key committees—pricing, audit, compensation, nominating and corporate governance—also have authority to retain, at our expense, outside counsel, consultants or other advisors in the performance of their duties. Our Corporate Governance Guidelines require that a majority of the trust managers be independent within the meaning of the AMEX standards.

Statement on Corporate Governance

We are dedicated to establishing and maintaining the highest standards of corporate governance. The board has implemented many corporate governance measures designed to serve the long-term interests of our shareholders and further align the interests of trustees and management with our shareholders. The major measures approved by the board, through the adoption of a Code of Business Conduct and Ethics and Corporate Governance Guidelines and enacted by us include:

- prohibiting the re-pricing of options under our incentive plan;
- increasing the overall independence of our board and its committees;

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- scheduling executive sessions of the non-management trust managers on a regular basis;
- conducting annual evaluations of our board, the Committees and individual trust managers;
 - establishing share ownership guidelines for our senior officers and trust managers;
 - requesting trust managers to visit properties every year;
- limiting members of our audit committee to service on not more than three other public company audit committees without prior board approval;
 - adopting a pre-approval policy for audit and non-audit services;
- limiting the CEO's service to not more than three other public company boards;
 - reviewing and revising the existing audit committee charter; and
 - adopting formal charters for our board committees.

Executive Sessions. Pursuant to the our Corporate Governance Guidelines, our non-management trust managers are required to meet in separate executive sessions at least three times a year. Our non-management trust managers met in executive sessions four times during the year ended December 31, 2007. These trust managers may invite the chief executive officer or others, as they deem appropriate, to attend a portion of these sessions.

Contacting the Board. Our board welcomes your questions and comments. If you would like to communicate directly with our board, or if you have a concern related to our business ethics or conduct, financial statements, accounting practices or internal controls, then you may submit your correspondence to the chairman of our audit committee at our principal executive office.

Code of Business Conduct and Ethics. Our board has adopted a Code of Business Conduct and Ethics that applies to all trust managers, officers and employees, including our principal executive officer, principal financial officers and principal accounting officers. The purpose of the Code of Business Conduct and Ethics is to promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships to promote full, fair, accurate, timely and understandable disclosure in periodic reports required to be filed by us; and to promote compliance with all applicable rules and regulations that apply to the Company and our officers and trust managers. If our board amends any provisions of the Code of Business Conduct and Ethics that apply to our chief executive officer or senior financial officers or grants a waiver in favor of any such persons, it will promptly publish the text of the amendment or the specifics of the waiver on its website.

As you may be aware, there has been a dramatic and continuing evolution of ideas about sound corporate governance. We intend to continue to act promptly to incorporate not only the actual requirements of rules adopted but additional voluntary measures we deem appropriate. Charters for our board committees and our Corporate Governance Guidelines and Code of Business Conduct and Ethics may be viewed on our website at www.amreit.com under the Investor section. In addition, we will mail copies of our Corporate Governance Guidelines to shareholders upon their request.

Trust Manager Nomination Procedures

Trust Manager Qualifications. Our nominating committee has established policies for the desired attributes of our board as a whole. The board seeks to ensure that a majority of its members are independent within AMEX listing standards. Each trust manager generally may not serve as a member of more than six other public company

boards. Each member of our board must possess the individual qualities of integrity and accountability, informed judgment, financial literacy, maintain high performance standards, and must be committed to representing our long-term interests. Above all, we look to people who possess high character, competence, communication skills and the ability to engender chemistry among peers. In addition, trust managers must be committed to devoting the time and effort necessary to be responsible and productive members of our board. Our board values diversity, in its broadest sense, reflecting, but not limited to, profession, geography, gender, ethnicity, skills and experience.

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Identifying and Evaluating Nominees. Our nominating committee regularly assesses the appropriate number of trust managers comprising our board, and whether any vacancies on our board are expected due to retirement or otherwise. The nominating committee may consider those factors it deems appropriate in evaluating trust manager candidates including judgment, skill, diversity, strength of character, experience with businesses and organizations comparable in size or scope to us, experience and skill relative to other board members, and specialized knowledge or experience. Depending upon the current needs of our board, certain factors may be weighed more or less heavily by the nominating committee. In considering candidates for our board, the nominating committee evaluates the entirety of each candidate's credentials and, other than the eligibility requirements established by our nominating committee, does not have any specific minimum qualifications that must be met by a nominee. The nominating committee considers candidates for the board from any reasonable source, including current board members, shareholders, professional search firms or other persons. The nominating committee does not evaluate candidates differently based on who has made the recommendation. The nominating committee has the authority under its charter to hire and pay a fee to consultants or search firms to assist in the process of identifying and evaluating candidates.

Shareholder Nominees. Our bylaws permit shareholders to nominate trust managers for consideration at an annual meeting of shareholders. The nominating committee will consider properly submitted shareholder nominees for election to our board and will apply the same evaluation criteria in considering such nominees as it would to persons nominated under any other circumstances. Such nominations may be made by a shareholder entitled to vote who delivers written notice along with the additional information and materials required by the bylaws to the corporate secretary not later than the close of business on the 70th day, and not earlier than the close of business on the 90th day, prior to the anniversary of the preceding year's annual meeting. For our annual meeting in the year 2008, the secretary must receive this notice after the close of business on March 1, 2009, and prior to the close of business on March 22, 2009. You can obtain a copy of the full text of the bylaw provision by contacting the Secretary of AmREIT, 8 Greenway Plaza, Suite 1000, Houston, Texas 77046.

Any shareholder nominations proposed for consideration by the nominating committee should include the nominee's name and sufficient biographical information to demonstrate that the nominee meets the qualification requirements for board service as set forth under "Trust Manager Qualifications." The nominee's written consent to the nomination should also be included with the nomination submission, which should be addressed to: AmREIT, 8 Greenway Plaza, Suite 1000, Houston, Texas 77046, Attn: Chief Financial Officer and Secretary.

Independence of Trust Managers

Pursuant to our Corporate Governance Guidelines, which require that a majority of our trust managers be independent within the meaning of AMEX corporate governance standards, our board undertook a review of the independence of trust managers nominated for election at the meeting. During this review, our board considered any transactions and relationships during the prior year between us and each trust manager or any member of his or her immediate family, of which there were none. As provided in the Corporate Governance Guidelines, the purpose of this review was to determine whether any such relationships or transactions were inconsistent with a determination that the trust manager is independent.

As a result of this review, our board affirmatively determined that all the trust managers nominated for election at the 2008 annual meeting are independent with the exception of Mr. Taylor.

Trust Manager Compensation Table

The following table provides compensation information for the one year period ended December 31, 2007 for each non-officer member of our board of trust managers.

Trust Manager Compensation for the Year Ended December 31, 2007

Name	Fees Earned or Paid in Cash (1) (\$)	Share Awards (2) (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Non-Qualified Deferred Earnings (\$)	All Other Compensation (\$)	Total (\$)
G. Steven							
Dawson	\$ 23,000	\$ 47,118	\$ -	\$ -	\$ -	\$ -	\$ 70,118
R o b e r t							
Cartwright	21,000	30,328	-	-	-	-	48,828
Philip Taggart	28,500	24,729	-	-	-	-	46,229
H. L. "Hank"							
Rush, Jr.	30,000	11,223	-	-	-	-	41,223

(1) Each non-employee trust manager received an annual retainer fee of \$12,000. Additionally, each non-employee trust manager received fees for attending meeting and committee meetings as follows: \$1,000 for each board meeting attended in person, \$1,000 for each audit committee meeting attended in person, \$1,000 for each compensation, governance or pricing committee meetings, and \$1,000 for each board or committee meeting attended via teleconference. The audit committee chairman received \$5,000. The chairman for all other committees received \$3,000. Each non-employee trust manager can elect to defer up to \$10,000 of cash compensation into restricted shares with a 25% premium (\$10,000 of cash deferred into \$12,500 in shares). The restricted shares vest 33% on the date of grant and equally on each of the next two anniversaries.

(2) Each non-employee trust manager received an award of 2,000 restricted shares that vest 33% on the date of grant and equally on each of the next two anniversaries. Additionally, the Lead Independent Trust Manager receives an additional award of 2,000 restricted shares that vest the same way. The amounts reflected in the table above reflects the value of the restricted share awards that vested during 2007.

Compensation Committee Interlocks and Insider Participation

During our 2007 fiscal year, all of our independent trust managers served on the compensation committee: Mr. Taggart (Chair), Mr. Dawson, Mr. Cartwright and Mr. Rush. Mr. Taylor is our only executive officer who is a member of our board of trust managers. No member of board of trust managers has any interlocking relationship involving our company that requires disclosure under the executive compensation rules of the SEC.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the beneficial ownership of our common shares as of April 2, 2008 by (1) each person known by us to own beneficially more than 5% of our outstanding class A common shares, (2) all current trust managers, (3) each current named executive officer, and (4) all current trust managers and current named executive officers as a group. The number of shares beneficially owned by each entity, person, trust manager or executive officer is determined under the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares as to which the individual has the sole or shared voting power or investment power and also any shares that the individual has a right to acquire as of June 2, 2008 (60 days after April 2, 2008) through the exercise of any share option or other right. Unless otherwise indicated, each person has sole voting and investment power (or shares such powers with his spouse) with respect to the shares set forth in the following table.

Name	Amount and Nature of Beneficial Ownership	Percent of Voting Common shares
H. Kerr Taylor – Chairman, President & CEO	1,136,333	5.41%
Robert S. Cartwright – Trust Manager	33,291	*
G. Steven Dawson – Trust Manager	32,710	