CHESROWN CHEVROLET LLC
Form POSASR
February 23, 2010
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As Filed with the Securities and Exchange Commission on February 23, 2010

Registration No. 333-157354

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

POST-EFFECTIVE AMENDMENT NO. 1

TO

FORM S-3

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

AutoNation, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**73-1105145**
(State or Other Jurisdiction of Incorporation or Organization)	*(IRS Employer Identification Number)*

200 SW 1st Ave

Fort Lauderdale, FL 33301

(954) 769-6000

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

Jonathan P. Ferrando

Executive Vice President, General Counsel and Secretary

200 SW 1st Ave

Fort Lauderdale, FL 33301

(954) 769-6000

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

Approximate Date of Commencement of Proposed Sale to the Public: From time to time after the effective date of this registration statement.

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. x

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please 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. ¨

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. x

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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 class of securities pursuant to Rule 413(b) under the Securities Act, check the following box. x

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.

Large accelerated filer þ	Accelerated filer ¨
Non-accelerated filer ¨ (Do not check if a smaller reporting company)	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)**
Common Stock, $0.01 par value				
Preferred Stock, $0.01 par value				
Debt Securities				
Warrants				
Subscription Rights				
Depositary Shares				
Stock Purchase Contracts				
Units(2)				
Guarantees of Debt Securities(3)				

(1) An indeterminate aggregate initial offering price, principal amount or number of the securities of each identified class is being registered as may from time to time be issued at indeterminate prices or upon conversion, exchange or exercise of securities registered hereunder to the extent any such securities are, by their terms, convertible into, or exchangeable or exercisable for, such securities. Separate consideration may or may not be received for securities that are issuable on exercise, conversion or exchange of other securities. In accordance with Rule 456(b) and Rule 457(r), the Registrant is deferring payment of the registration fee.

(2) Any securities registered hereunder may be sold separately or as units with other securities registered hereunder.

(3) Guarantees of the debt securities may be issued by subsidiaries of AutoNation, Inc. that are listed on the following page under the caption Table of Additional Registrants. Pursuant to Rule 457(o), no separate registration fee is payable in respect of the registration of the guarantees.

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TABLE OF ADDITIONAL REGISTRANTS

Exact name of additional registrant as specified in its charter	State or Other Jurisdiction of Incorporation or Organization	IRS Employer Identification Number
7 ROD REAL ESTATE NORTH, a limited liability company	Wyoming	84-1167321
7 ROD REAL ESTATE SOUTH, a limited liability company	Wyoming	84-1167320
Abraham Chevrolet-Miami, Inc.	Delaware	65-0802822
Abraham Chevrolet-Tampa, Inc.	Delaware	65-0802820
ACER Fiduciary, Inc.	Delaware	65-0945065
AL MAROONE FORD, LLC	Delaware	65-0944227
Albert Berry Motors, Inc.	Texas	74-1487498
Allison Bavarian	California	94-2707588
ALLISON BAVARIAN HOLDING, LLC	Delaware	20-5224408
ALL-STATE RENT A CAR, INC.	Nevada	88-0143152
American Way Motors, Inc.	Tennessee	62-1333714
AN CADILLAC OF WPB, LLC	Delaware	35-2234609
AN Central Region Management, LLC	Delaware	01-0756957
AN Chevrolet - Arrowhead, Inc.	Delaware	91-1933520
AN CHEVROLET OF PHOENIX, LLC	Delaware	52-2102866
AN CJ VALENCIA, INC.	Delaware	20-2859034
AN COLLISION CENTER OF ADDISON, INC.	Delaware	75-1053127
AN COLLISION CENTER OF NORTH HOUSTON, INC.	Delaware	26-3118395
AN Collision Center of Tempe, Inc.	Delaware	86-0928952
AN CORPORATE MANAGEMENT PAYROLL CORP.	Delaware	26-3725783
AN Corpus Christi Chevrolet, LP	Texas	32-0031564
AN Corpus Christi GP, LLC	Delaware	32-0031563
AN Corpus Christi Imports Adv. GP, LLC	Delaware	90-0080282
AN Corpus Christi Imports Adv., LP	Texas	90-0080295
AN Corpus Christi Imports GP, LLC	Delaware	27-0041420
AN Corpus Christi Imports II GP, LLC	Delaware	27-0041425
AN Corpus Christi Imports II, LP	Texas	32-0031566
AN Corpus Christi Imports, LP	Texas	32-0031567
AN CORPUS CHRISTI MOTORS, INC.	Delaware	20-5547917
AN Corpus Christi T. Imports GP, LLC	Delaware	27-0041422
AN Corpus Christi T. Imports, LP	Texas	13-4214051
AN County Line Ford, Inc.	Texas	75-1687008
AN Dealership Holding Corp.	Florida	65-0608572
AN Florida Region Management, LLC	Delaware	52-2135867
AN Fremont Luxury Imports, Inc.	Delaware	86-0928954
AN IMPORTS OF FT. LAUDERDALE, INC.	Delaware	20-5147883
AN IMPORTS OF LITHIA SPRINGS, LLC	Delaware	35-2229690
AN IMPORTS OF SPOKANE, INC.	Delaware	26-4461138
AN Imports on Weston Road, Inc.	Florida	59-1968718
AN LUXURY IMPORTS GP, LLC	Delaware	90-0121570
AN LUXURY IMPORTS HOLDING, LLC	Delaware	20-5682480
AN LUXURY IMPORTS OF PALM BEACH, INC.	Delaware	20-8671889
AN LUXURY IMPORTS OF PEMBROKE PINES, INC.	Delaware	22-3869449
AN Luxury Imports of Phoenix, Inc.	Delaware	26-4461301
AN LUXURY IMPORTS OF SAN DIEGO, INC.	Delaware	20-5682367
AN Luxury Imports of Sarasota, Inc.	Delaware	20-0551681
AN LUXURY IMPORTS OF SPOKANE, INC.	Delaware	27-1210937
AN Luxury Imports of Tucson, Inc.	Delaware	26-1182858
AN Luxury Imports, Ltd.	Texas	90-0121575
AN MOTORS OF DALLAS, INC.	Delaware	26-1769977
AN MOTORS OF DELRAY BEACH, INC.	Delaware	20-1405067
AN MOTORS OF SCOTTSDALE, LLC	Delaware	52-2102864
AN Pontiac GMC Houston North GP, LLC	Delaware	16-1641915
AN Pontiac GMC Houston North, LP	Texas	13-4214055
AN SUBARU MOTORS, INC.	Delaware	20-5685964

AN Texas Region Management, Ltd.	Texas	02-0654987
AN West Central Region Management, LLC	Delaware	02-0654986

Exact name of additional registrant as specified in its charter	**State or Other Jurisdiction of Incorporation or Organization**	**IRS Employer Identification Number**
AN Western Region Management, LLC	Delaware	01-0756952
AN/CF Acquisition Corp.	Delaware	65-0927849
AN/FMK Acquisition Corp.	Delaware	65-0978211
AN/GMF, Inc.	Delaware	36-3087611
AN/KPBG Motors, Inc.	Washington	91-1739519
AN/MF Acquisition Corp.	Delaware	65-0961375
AN/MNI Acquisition Corp.	Delaware	65-1024377
AN/PF Acquisition Corp.	Delaware	65-0927848
AN/STD Acquisition Corp.	Delaware	65-0952134
Anderson Chevrolet	California	94-1503305
Anderson Chevrolet Los Gatos, Inc.	California	77-0262368
Anderson Cupertino, Inc.	California	65-0770033
Appleway Chevrolet, Inc.	Washington	91-0538143
Atrium Restaurants, Inc.	Florida	59-2424477
Auto Ad Agency, Inc.	Maryland	52-1295158
AUTO CAR HOLDING, LLC	Delaware	20-5225856
Auto Car, Inc.	California	68-0129623
AUTO HOLDING, LLC	Delaware	52-2107831
AUTO MISSION HOLDING, LLC	Delaware	20-5226182
Auto Mission Ltd.	California	94-3141091
Auto West, Inc.	California	94-2946518
Autohaus Holdings, Inc.	Delaware	80-0052569
AutoNation Benefits Company, Inc.	Florida	34-1135160
AutoNation Corporate Management, LLC	Delaware	22-3850167
AutoNation Dodge of Pembroke Pines, Inc.	Delaware	65-0948962
AutoNation Enterprises Incorporated	Florida	65-0608578
AUTONATION FINANCIAL SERVICES, LLC	Delaware	65-0725080
AutoNation Fort Worth Motors, Ltd.	Texas	65-1152832
AutoNation GM GP, LLC	Delaware	65-0944592
AutoNation Holding Corp.	Delaware	65-0723604
AutoNation Imports of Katy GP, LLC	Delaware	56-2307537
AutoNation Imports of Katy, L.P.	Texas	65-0957160
AutoNation Imports of Lithia Springs, Inc.	Delaware	65-1003051
AutoNation Imports of Longwood, Inc.	Delaware	65-1032195
AutoNation Imports of Palm Beach, Inc.	Delaware	65-1102140
AutoNation Imports of Winter Park, Inc.	Delaware	65-1032110
AutoNation Motors Holding Corp.	Delaware	65-1132563
AutoNation Motors of Lithia Springs, Inc.	Delaware	65-1002966
AutoNation North Texas Management GP, LLC	Delaware	33-1037931
AutoNation Northwest Management, LLC	Delaware	01-0756954
AutoNation Orlando Venture Holdings, Inc.	Delaware	65-1137521
AUTONATION OXNARD VENTURE HOLDINGS, INC.	Delaware	26-3454865
AutoNation Realty Corporation	Delaware	65-0711536
AutoNation USA of Perrine, Inc.	Delaware	65-0899807
AUTONATION V. IMPORTS OF DELRAY BEACH, LLC	Delaware	36-4558039
AutoNationDirect.com, Inc.	Delaware	65-0945066
Bankston Auto, Inc.	Texas	75-1336358
Bankston Chrysler Jeep of Frisco, L.P.	Texas	65-1052692
Bankston CJ GP, LLC	Delaware	56-2307538
BANKSTON FORD OF FRISCO, LTD. CO	Texas	75-2529822
Bankston Nissan in Irving, Inc.	Texas	75-1325663
Bankston Nissan Lewisville GP, LLC	Delaware	73-1670796
Bankston Nissan Lewisville, Ltd.	Texas	06-1699681
Bargain Rent-A-Car	California	95-3821161
Batfish, LLC	Colorado	84-1261352
BBCSS, Inc.	Arizona	58-2434441
Beach City Chevrolet Company, Inc.	California	95-1879646
BEACH CITY HOLDING, LLC	Delaware	20-5226233
Beacon Motors, Inc.	Florida	65-0582254
Bell Dodge, L.L.C.	Delaware	52-2102862
BENGAL MOTOR COMPANY, LTD.	Florida	59-2985277
Bengal Motors, Inc.	Florida	65-0165367

Bill Ayares Chevrolet, LLC	Delaware	47-0922618
BLEDSOE DODGE, LLC	Delaware	65-0944613

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TABLE OF ADDITIONAL REGISTRANTS (CONTINUED)

Exact name of additional registrant as specified in its charter	State or Other Jurisdiction of Incorporation or Organization	IRS Employer Identification Number
Bob Townsend Ford, Inc.	Delaware	31-0669965
Body Shop Holding Corp.	Delaware	52-2124065
BOSC Automotive Realty, Inc.	Delaware	38-3262849
Brown & Brown Chevrolet - Superstition Springs, LLC	Arizona	86-0904747
Brown & Brown Chevrolet, Inc.	Arizona	86-0128003
Brown & Brown Nissan Mesa, L.L.C.	Arizona	86-0795376
Brown & Brown Nissan, Inc.	Arizona	86-0677220
BUICK MART LIMITED PARTNERSHIP	Georgia	88-0377744
BULL MOTORS, LLC	Delaware	65-0944614
C. Garrett, Inc.	Colorado	84-1264053
CARLISLE MOTORS, LLC	Delaware	65-0944616
CARWELL HOLDING, LLC	Delaware	20-5224795
CARWELL, LLC	Delaware	65-0944617
CERRITOS BODY WORKS HOLDING, LLC	Delaware	20-5225440
Cerritos Body Works, Inc.	California	33-0374316
CERRITOS IMPORTS HOLDING, LLC	Delaware	20-5226306
Cerritos Imports, Inc.	Delaware	52-2119516
CHAMPION CHEVROLET HOLDING, LLC	Delaware	20-5224897
CHAMPION CHEVROLET, LLC	Delaware	65-0944618
Champion Ford, Inc.	Texas	76-0171196
Charlie Hillard, Inc.	Texas	75-0922515
Charlie Thomas Chevrolet GP, LLC	Delaware	73-1670803
Charlie Thomas Chevrolet, Ltd.	Texas	20-0058033
Charlie Thomas Chrysler-Plymouth, Inc.	Texas	76-0010351
Charlie Thomas Courtesy GP, LLC	Delaware	73-1670811
Charlie Thomas Courtesy Leasing, Inc.	Texas	74-1850452
Charlie Thomas F. GP, LLC	Delaware	33-1062335
Charlie Thomas Ford, Ltd.	Texas	20-0058561
Charlie Thomas Courtesy Ford, Ltd.	Texas	06-1699682
CHESROWN AUTO, LLC	Delaware	65-0944619
CHESROWN CHEVROLET, LLC	Delaware	65-0944620
Chesrown Collision Center, Inc.	Colorado	84-1358588
Chesrown Ford, Inc.	Colorado	84-1164224
Chevrolet World, Inc.	Florida	59-2216673
Chuck Clancy Ford of Marietta, LLC	Delaware	47-0922626
CJ VALENCIA HOLDING, LLC	Delaware	20-5226043
Coastal Cadillac, Inc.	Florida	59-3023188
Consumer Car Care Corporation	Tennessee	62-1151481
Contemporary Cars, Inc.	Florida	59-1635976
Cook-Whitehead Ford, Inc.	Florida	59-1165955
Corporate Properties Holding, Inc.	Delaware	65-0948961
COSTA MESA CARS HOLDING, LLC	Delaware	20-5226339
Costa Mesa Cars, Inc.	California	33-0626084
Courtesy Auto Group, Inc.	Florida	59-2360236
Courtesy Broadway, LLC	Colorado	20-5417194
Covington Pike Motors, Inc.	Tennessee	58-1366612
CT Intercontinental GP, LLC	Delaware	33-1062337
CT Intercontinental, Ltd.	Texas	20-0057835
CT Motors, Inc.	Texas	76-0387042
D/L Motor Company	Florida	59-3237877
Deal Dodge of Des Plaines, Inc.	Illinois	36-3862968
Dealership Properties, Inc.	Nevada	74-2869002
Dealership Realty Corporation	Texas	76-0218062
Desert Buick-GMC Trucks, L.L.C.	Delaware	52-2102859

Desert Chrysler-Plymouth, Inc.	Delaware	88-0121640
Desert Dodge, Inc.	Nevada	88-0227814
Desert GMC, L.L.C.	Delaware	52-2102860
Desert Lincoln-Mercury, Inc.	Nevada	88-0168433
Dobbs Brothers Buick-Pontiac, Inc.	Tennessee	62-1038471
Dobbs Ford of Memphis, Inc.	Delaware	65-1065025
Dobbs Ford, Inc.	Florida	59-1584177
Dobbs Mobile Bay, Inc.	Alabama	62-1196110
Dobbs Motors of Arizona, Inc.	Arizona	93-0929951
Dodge of Bellevue, Inc.	Delaware	94-3009590
Don Mealey Chevrolet, Inc.	Florida	59-1553076
Don Mealey Imports, Inc.	Florida	59-3099049
Don-A-Vee Jeep-Eagle, Inc.	California	33-0203778

Exact name of additional registrant as specified in its charter	**State or Other Jurisdiction of Incorporation or Organization**	**IRS Employer Identification Number**
Downers Grove Dodge, Inc.	Delaware	36-2804667
Driver s Mart Worldwide, Inc.	Virginia	38-3275555
EASTGATE FORD, INC.	Ohio	31-0736141
Ed Mullinax Ford, LLC	Delaware	57-1174464
Edgren Motor Company, Inc.	California	94-1561041
EDGREN MOTOR HOLDING, LLC	Delaware	20-5225254
EL MONTE IMPORTS HOLDING, LLC	Delaware	20-5226399
El Monte Imports, Inc.	Delaware	65-0881906
EL MONTE MOTORS HOLDING, LLC	Delaware	20-5226498
El Monte Motors, Inc.	Delaware	65-0881905
Elmhurst Auto Mall, Inc.	Illinois	36-4185090
EMICH CHRYSLER PLYMOUTH, LLC	Delaware	65-0944625
EMICH DODGE, LLC	Delaware	65-0944626
EMICH OLDSMOBILE, LLC	Delaware	65-0944593
EMICH SUBARU WEST, LLC	Delaware	65-0944597
Empire Services Agency, Inc.	Florida	65-0329882
Financial Services GP, LLC	Delaware	02-0695729
Financial Services, Ltd.	Texas	20-0057657
First Team Automotive Corp.	Delaware	59-3440254
First Team Ford of Manatee, Ltd.	Florida	59-3446538
First Team Ford, Ltd.	Florida	59-3366156
First Team Imports, Ltd.	Florida	59-3298470
First Team Jeep Eagle, Chrysler-Plymouth, Ltd.	Florida	59-3446556
First Team Management, Inc.	Florida	59-2714981
First Team Premier, Ltd.	Florida	59-3392621
FIT KIT HOLDING, LLC	Delaware	20-5225481
Fit Kit, Inc.	California	33-0115670
Florida Auto Corp.	Delaware	65-0837116
FORD OF GARDEN GROVE LIMITED PARTNERSHIP	Georgia	88-0377746
Ford of Kirkland, Inc.	Washington	91-1425985
Fox Chevrolet, LLC	Delaware	47-0922620
Fox Imports, LLC	Delaware	47-0922622
FOX MOTORS, LLC	Delaware	47-0922619
Fred Oakley Motors, Inc.	Delaware	75-1524534
FREMONT LUXURY IMPORTS HOLDING, LLC	Delaware	20-5226133
Ft. Lauderdale Nissan, Inc.	Florida	65-0273822
G.B. IMPORT SALES & SERVICE HOLDING, LLC	Delaware	20-5224826
G.B. IMPORT SALES & SERVICE, LLC	Delaware	65-0944605
GENE EVANS FORD, LLC	Delaware	65-0944608
George Sutherlin Nissan, LLC	Delaware	47-0922627
Government Boulevard Motors, Inc.	Alabama	62-1502108
Gulf Management, Inc.	Florida	59-2908603
Hayward Dodge, Inc.	Delaware	94-1689551
Hillard Auto Group, Inc.	Texas	75-1965005
Hollywood Imports Limited, Inc.	Florida	59-2025810
Hollywood Kia, Inc.	Florida	65-0619873
HORIZON CHEVROLET, INC.	Ohio	34-1245635
HOUSE OF IMPORTS HOLDING, LLC	Delaware	20-5226553
House of Imports, Inc.	California	95-2498811
Houston Auto M. Imports Greenway, Ltd.	Texas	20-0057720
Houston Auto M. Imports North, Ltd.	Texas	20-0058197

Houston Imports Greenway GP, LLC	Delaware	56-2307542
Houston Imports North GP, LLC	Delaware	56-2307540
Hub Motor Company, LLC	Delaware	47-0922628
IRVINE IMPORTS HOLDING, LLC	Delaware	20-5225601
Irvine Imports, Inc.	California	33-0374310
IRVINE TOYOTA/NISSAN/VOLVO LIMITED PARTNERSHIP	Georgia	88-0377749
JEMAUTCO, INC.	Ohio	31-1153168
JERRY GLEASON CHEVROLET, INC.	Illinois	36-2840037
Jerry Gleason Dodge, Inc.	Illinois	36-4074146
Jim Quinlan Chevrolet Co.	Delaware	59-1055603
Jim Quinlan Ford Lincoln-Mercury, Inc.	Florida	59-2690846
Joe MacPherson Ford	California	33-0180618

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TABLE OF ADDITIONAL REGISTRANTS (CONTINUED)

Exact name of additional registrant as specified in its charter	State or Other Jurisdiction of Incorporation or Organization	IRS Employer Identification Number
Joe MacPherson Imports No. I	California	33-0745137
Joe MacPherson Infiniti	California	33-0127306
JOE MACPHERSON INFINITI HOLDING, LLC	Delaware	20-5224941
JOE MACPHERSON OLDSMOBILE	California	33-0293599
JOHN M. LANCE FORD, LLC	Delaware	65-0944184
J-R Advertising Company	Colorado	84-1177523
J-R Motors Company North	Colorado	84-1167355
J-R Motors Company South	Colorado	84-1167319
JRJ Investments, Inc.	Nevada	88-0199942
J-R-M MOTORS COMPANY NORTHWEST LLC	Colorado	84-1363627
Kenyon Dodge, Inc.	Florida	59-0479520
King s Crown Ford, Inc.	Delaware	59-2018826
L.P. Evans Motors WPB, Inc.	Florida	59-0684221
L.P. Evans Motors, Inc.	Florida	59-0601584
Lance Children, Inc.	Ohio	34-1789728
Leesburg Imports, LLC	Delaware	06-1712528
Leesburg Motors, LLC	Delaware	06-1712525
Les Marks Chevrolet, Inc.	Texas	76-0375065
Lew Webb s Ford, Inc.	California	33-0677560
LEW WEBB S IRVINE NISSAN HOLDING, LLC	Delaware	20-5225321
Lew Webb s Irvine Nissan, Inc.	California	33-0374313
Lewisville Imports GP, LLC	Delaware	16-1640974
Lewisville Imports, Ltd.	Texas	06-1647785
LEXUS OF CERRITOS LIMITED PARTNERSHIP	Georgia	88-0378242
Lot 4 Real Estate Holdings, LLC	Delaware	32-0103034
MacHoward Leasing	California	95-2267692
MACHOWARD LEASING HOLDING, LLC	Delaware	20-5224996
MacPherson Enterprises, Inc.	California	95-2706038
Magic Acquisition Corp.	Delaware	65-0711428
MAGIC ACQUISITION HOLDING, LLC	Delaware	20-5226582
Marks Family Dealerships, Inc.	Texas	74-1405873
Marks Transport, Inc.	Texas	76-0444883
Maroone Chevrolet Ft. Lauderdale, Inc.	Florida	65-0721018
MAROONE CHEVROLET, LLC	Delaware	65-0944183
MAROONE DODGE, LLC	Delaware	65-0944181
MAROONE FORD, LLC	Delaware	65-0944179
Maroone Management Services, Inc.	Florida	65-0721017
Maroone Oldsmobile, LLC	Delaware	52-2135875
MC/RII, LLC	Ohio	31-1751162
Mealey Holdings, Inc.	Florida	59-3280283
Mechanical Warranty Protection, Inc.	Florida	65-0062054
Metro Chrysler Jeep, Inc.	Florida	59-3002195
Midway Chevrolet, Inc.	Texas	75-1631858
Mike Hall Chevrolet, Inc.	Delaware	74-1940031
Mike Shad Chrysler Plymouth Jeep Eagle, Inc.	Florida	65-0731779
Mike Shad Ford, Inc.	Florida	65-0730472
MILLER-SUTHERLIN AUTOMOTIVE, LLC	Delaware	65-0944177
Mission Blvd. Motors, Inc.	California	94-3179908
MR. WHEELS HOLDING, LLC	Delaware	20-5225351
Mr. Wheels, Inc.	California	95-3050274
Mullinax East, LLC	Delaware	57-1174463
MULLINAX FORD NORTH CANTON, INC.	Ohio	34-1706005
Mullinax Ford South, Inc.	Florida	59-2745619
Mullinax Insurance Agency, Inc.	Ohio	34-1090817

Mullinax Lincoln-Mercury, Inc.	Delaware	34-1555317
Mullinax of Mayfield, LLC	Delaware	57-1174466
Mullinax Used Cars, Inc.	Ohio	34-1663489
Naperville Imports, Inc.	Delaware	65-1151451
NEWPORT BEACH CARS HOLDING, LLC	Delaware	20-5224604
NEWPORT BEACH CARS, LLC	Delaware	65-0944175
Nichols Ford, Ltd.	Texas	20-0057609
Nichols GP, LLC	Delaware	33-1062338
Nissan of Brandon, Inc.	Florida	59-2872723
Northpoint Chevrolet, LLC	Delaware	47-0922630

Exact name of additional registrant as specified in its charter	**State or Other Jurisdiction of Incorporation or Organization**	**IRS Employer Identification Number**
Northpoint Ford, Inc.	Delaware	65-0964278
Northwest Financial Group, Inc.	Washington	91-1666832
Ontario Dodge, Inc.	California	33-0380793
ORANGE COUNTY AUTOMOTIVE IMPORTS, LLC	Delaware	65-0944636
Payton-Wright Ford Sales, Inc.	Texas	75-1231297
Peyton Cramer Automotive	California	33-0612289
PEYTON CRAMER AUTOMOTIVE HOLDING, LLC	Delaware	20-5226609
PEYTON CRAMER F. HOLDING, LLC	Delaware	20-5225040
Peyton Cramer Ford	California	95-3410394
Peyton Cramer Infiniti	California	33-0567152
PEYTON CRAMER INFINITI HOLDING, LLC	Delaware	20-5226653
Peyton Cramer Jaguar	California	33-0567150
Peyton Cramer Lincoln-Mercury	California	33-0679879
PEYTON CRAMER LM HOLDING, LLC	Delaware	20-5224570
Pierce Automotive Corporation	Arizona	86-0811184
PIERCE, LLC	Delaware	65-0944638
Pitre Buick-Pontiac-GMC of Scottsdale, Inc.	Delaware	86-0928953
Pitre Chrysler-Plymouth-Jeep of Scottsdale, Inc.	Delaware	86-0928955
Pitre Chrysler-Plymouth-Jeep on Bell, Inc.	Delaware	86-0928950
Plains Chevrolet GP, LLC	Delaware	06-1699677
Plains Chevrolet, Ltd.	Texas	20-0058622
PMWQ, Inc.	Nevada	75-2748417
PMWQ, Ltd.	Texas	75-2748419
Port City Imports, Inc.	Texas	74-2403712
Prime Auto Resources, Inc.	California	33-0718037
Quality Nissan GP, LLC	Delaware	06-1699678
Quality Nissan, Ltd.	Texas	20-0058629
Quinlan Motors, Inc.	Florida	59-3268936
R. Coop Limited	Colorado	84-1251979
R.L. Buscher II, Inc.	Colorado	84-1171763
R.L. Buscher III, Inc.	Colorado	84-1171764
Real Estate Holdings, Inc.	Florida	65-0789583
Republic DM Property Acquisition Corp.	Delaware	52-2099740
Republic Resources Company	Delaware	51-0370517
Republic Risk Management Services, Inc.	Florida	65-0782124
Resources Aviation, Inc.	Florida	65-0858501
RI Merger Corp.	Colorado	84-1492421
RI/ASC Acquisition Corp.	Delaware	84-1491657
RI/BB Acquisition Corp.	Delaware	52-2127466
RI/BBNM Acquisition Corp	Arizona	86-0914399
RI/BRC Real Estate Corp.	California	65-0942312
RI/DM Acquisition Corp.	Delaware	52-2099741
RI/Hollywood Nissan Acquisition Corp.	Delaware	65-0784675
RI/LLC Acquisition Corp.	Colorado	84-1459545
RI/LLC-2 Acquisition Corp.	Colorado	84-1459544
RI/PII Acquisition Corp.	Delaware	52-2124965
RI/RMC Acquisition GP, LLC	Delaware	33-1062340
RI/RMC Acquisition, Ltd.	Texas	20-0057572
RI/RMP Acquisition Corp.	Delaware	52-2109996
RI/RMT Acquisition GP, LLC	Delaware	02-0695720
RI/RMT Acquisition, Ltd.	Texas	20-0058111
RI/WFI Acquisition Corporation	Delaware	52-2124969
RKR Motors, Inc.	Florida	65-0070349
ROSECRANS INVESTMENTS, LLC	Delaware	65-1093600

Roseville Motor Corporation	California	94-2922942
ROSEVILLE MOTOR HOLDING, LLC	Delaware	20-5225195
RRM Corporation	Delaware	52-2007719
Sahara Imports, Inc.	Nevada	86-0869592
SAHARA NISSAN, INC.	Nevada	88-0133547
SAUL CHEVROLET HOLDING, LLC	Delaware	20-5224718
SCM Realty, Inc.	Florida	59-2640748

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TABLE OF ADDITIONAL REGISTRANTS (CONTINUED)

Exact name of additional registrant as specified in its charter	State or Other Jurisdiction of Incorporation or Organization	IRS Employer Identification Number
Service Station Holding Corp.	Delaware	65-0899829
SHAMROCK F. HOLDING, LLC	Delaware	20-5226693
Shamrock Ford, Inc.	California	94-2220473
Six Jays LLC	Colorado	84-1364768
SMI MOTORS HOLDING, LLC	Delaware	20-5226719
SMI Motors, Inc.	California	95-4399082
SMYTHE EUROPEAN HOLDING, LLC	Delaware	20-5225929
Smythe European, Inc.	California	94-2633163
SOUTHWEST DODGE, LLC	Delaware	65-0944643
SPITFIRE PROPERTIES, INC.	Florida	59-2484224
STAR MOTORS, LLC	Delaware	65-0944646
Steakley Chevrolet GP, LLC	Delaware	02-0695725
Steakley Chevrolet, Ltd.	Texas	20-0058140
Steeplechase Motor Company	Texas	76-0244476
STEVE MOORE CHEVROLET DELRAY, LLC	Delaware	65-0944647
STEVE MOORE CHEVROLET, LLC	Delaware	65-0944670
Steve Moore s Buy-Right Auto Center, Inc.	Florida	65-0192329
Steve Rayman Pontiac-Buick-GMC-Truck, LLC	Delaware	65-0944669
STEVENS CREEK HOLDING, LLC	Delaware	20-5225154
Stevens Creek Motors, Inc.	California	94-3010181
Sunrise Nissan of Jacksonville, Inc.	Florida	59-3427446
Sunrise Nissan of Orange Park, Inc.	Florida	59-1357686
Sunset Pontiac-GMC Truck South, Inc.	Florida	59-3128431
Sunset Pontiac-GMC, Inc.	Michigan	38-1919584
Superior Nissan, Inc.	North Carolina	62-1306501
SUTHERLIN CHRYSLER-PLYMOUTH JEEP-EAGLE, LLC	Delaware	65-0944667
Sutherlin H. Imports, LLC	Delaware	47-0922631
Sutherlin Imports, LLC	Delaware	65-0944664
SUTHERLIN NISSAN, LLC	Delaware	65-0944665
Sutherlin Town Center, Inc.	Georgia	58-2241820
Tartan Advertising, Inc.	California	33-0191704
Tasha Incorporated	California	94-2512050
TAYLOR JEEP EAGLE, LLC	Delaware	65-0944662
Team Dodge, Inc.	Delaware	65-1040982
TERRY YORK MOTOR CARS HOLDING, LLC	Delaware	20-5226742
Terry York Motor Cars, Ltd.	California	95-3549353
Texan Ford Sales, Ltd.	Texas	20-0058068
Texan Ford, Inc.	Texas	76-0207034
Texan Lincoln-Mercury, Inc.	Delaware	76-0489587
Texan Sales GP, LLC	Delaware	02-0695727
Texas Management Companies LP, LLC	Delaware	52-2135873
The Consulting Source, Inc.	Florida	59-2183874
The Pierce Corporation II, Inc.	Arizona	86-0743383

Exact name of additional registrant as specified in its charter	State or Other Jurisdiction of Incorporation or Organization	IRS Employer Identification Number
Tinley Park A. Imports, Inc.	Delaware	52-2124968
Tinley Park J. Imports, Inc.	Delaware	52-2104777
Tinley Park V. Imports, Inc.	Delaware	84-1041105
TORRANCE NISSAN HOLDING, LLC	Delaware	20-5224866
TORRANCE NISSAN, LLC	Delaware	65-0944661
Tousley Ford, Inc.	Minnesota	41-0609970

Town & Country Chrysler Jeep, Inc.	Delaware	91-1197824
TOYOTA CERRITOS LIMITED PARTNERSHIP	Georgia	88-0377743
Triangle Corporation	Delaware	52-2025037
T-West Sales & Service, Inc.	Nevada	88-0235466
VALENCIA B. IMPORTS HOLDING, LLC	Delaware	20-5225959
Valencia B. Imports, Inc.	Delaware	20-0152054
Valencia Dodge	California	95-3935812
VALENCIA DODGE HOLDING, LLC	Delaware	20-5226772
VALENCIA H. IMPORTS HOLDING, LLC	Delaware	20-5226809
Valencia H. Imports, Inc.	Delaware	20-0152004
VALLEY CHEVROLET, LLC	Delaware	47-0922623
VANDERBEEK MOTORS HOLDING, LLC	Delaware	20-5226839
Vanderbeek Motors, Inc.	California	94-2494800
Vanderbeek Olds/GMC Truck, Inc.	California	68-0072435
VANDERBEEK TRUCK HOLDING, LLC	Delaware	20-5373982
VILLAGE MOTORS, LLC	Delaware	65-0944660
Vince Wiese Chevrolet, Inc.	Delaware	95-2703429
VINCE WIESE HOLDING, LLC	Delaware	20-5226871
W.O. Bankston Nissan, Inc.	Texas	75-1279211
WALLACE DODGE, LLC	Delaware	65-0944659
WALLACE FORD, LLC	Delaware	65-0944658
WALLACE LINCOLN-MERCURY, LLC	Delaware	65-0944657
WALLACE NISSAN, LLC	Delaware	65-0944655
Webb Automotive Group, Inc.	California	33-0338459
West Colton Cars, Inc.	California	77-0428114
West Side Motors, Inc.	Tennessee	62-1030139
Westgate Chevrolet GP, LLC	Delaware	06-1699676
Westgate Chevrolet, Ltd.	Texas	20-0058608
Westmont A. Imports, Inc.	Delaware	65-0725800
Westmont B. Imports, Inc.	Delaware	65-1151452
Westmont M. Imports, Inc.	Delaware	65-1151453
Woody Capital Investment Company II	Colorado	84-1167986
Woody Capital Investment Company III	Colorado	84-1167988
Working Man s Credit Plan, Inc.	Texas	75-2458731
YORK ENTERPRISES HOLDING, LLC	Delaware	20-5226908

* All Additional Registrants have the following principal executive office:
c/o AutoNation, Inc.

200 SW 1st Ave

Fort Lauderdale, Florida 33301

(954) 769-6000

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EXPLANATORY NOTE

This Registration Statement on Form S-3 (Registration No. 333-157354) of AutoNation, Inc. and its subsidiary guarantor registrants (the Registration Statement) is being amended to (i) add certain subsidiaries of AutoNation, Inc. as co-registrants that are, or may potentially be, guarantors of some or all of the debt securities with respect to which offers and sales are registered under this Registration Statement; (ii) add the guarantees of such subsidiaries to the Registration Statement pursuant to Rule 413(b) of the Securities Act of 1933; and (iii) update the base prospectus that forms a part of the Registration Statement and certain other information in Part II of the Registration Statement.

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PROSPECTUS

AutoNation, Inc.

COMMON STOCK

PREFERRED STOCK

DEBT SECURITIES

GUARANTEES OF DEBT SECURITIES

WARRANTS

SUBSCRIPTION RIGHTS

DEPOSITARY SHARES

STOCK PURCHASE CONTRACTS

UNITS

We may from time to time offer to sell, together or separately, common stock, preferred stock, debt securities, guarantees of debt securities, warrants, subscription rights to purchase common stock or preferred stock, depositary shares or stock purchase contracts, as well as units that include any of these securities. The debt securities may consist of debentures, notes or other types of debt and may be guaranteed by certain of our subsidiaries. The preferred stock, debt securities, warrants and stock purchase contracts may be convertible or exercisable or exchangeable for common or preferred stock or other securities.

We will provide specific terms of these securities in one or more supplements to this prospectus at the time of offering. You should read this prospectus and any relevant prospectus supplement or free writing prospectus, as well as the documents incorporated or deemed to be incorporated by reference in this prospectus, carefully before you make your investment decision with respect to any offering.

Our common stock is listed on the New York Stock Exchange and trades under the ticker symbol AN. Each prospectus supplement will indicate if the securities offered thereby will be listed on any securities exchange.

This prospectus may not be used to sell securities unless accompanied by a prospectus supplement or a free writing prospectus.

We may offer securities through underwriting syndicates managed or co-managed by one or more underwriters, or directly to purchasers. The prospectus supplement or free writing prospectus for an offering of securities will describe in detail the plan of distribution for that offering.

Investing in our securities involves certain risks. You should carefully consider the risks described under Risk

Factors in our most recent annual report on Form 10-K, which is incorporated by reference herein, as well the other information contained or incorporated by reference in this prospectus or in any applicable prospectus supplement or free writing prospectus before making a decision to invest in our securities. See Risk Factors on page 1 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is February 23, 2010

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FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference herein contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). All statements, other than statements of historical facts, included or incorporated herein regarding our strategy, future operations, financial position, future revenues, projected costs, prospects, plans and objectives are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as anticipate, believe, estimate, expect, intend, may, plan, seek, project, will, expressions or expressions of the negative of these terms. Such statements are only predictions and, accordingly, are subject to substantial risks, uncertainties and assumptions.

We intend for our forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and we set forth this statement in order to comply with such safe harbor provisions. Although we believe that the expectations, plans, intentions, and projections reflected in our forward-looking statements are reasonable, such statements are subject to known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. The risks, uncertainties, and other factors that our stockholders and prospective investors should consider include, but are not limited to, the following:

The automotive retailing industry is sensitive to changing economic conditions and various other factors. Our business and results of operations are substantially dependent on new vehicle sales levels in the United States and in our particular geographic markets and the level of gross profit margins that we can achieve on our sales of new vehicles, all of which are very difficult to predict.

Our results of operations and financial condition have been and could continue to be adversely affected by the unfavorable economic conditions in the United States.

Our revolving credit facility, term loan facility, mortgage facility, and the indenture relating to our senior unsecured notes contain certain financial ratios and other restrictions on our ability to conduct our business.

We are dependent upon the success and continued financial viability of the vehicle manufacturers and distributors with which we hold franchises.

Our substantial indebtedness could adversely affect our financial condition and operations and prevent us from fulfilling our debt service obligations.

Goodwill and other intangible assets comprise a significant portion of our total assets. We must test our intangible assets for impairment at least annually, which could result in a material, non-cash write-down of goodwill or franchise rights and could have a material adverse impact on our results of operations and stockholders equity.

Our new vehicle sales are impacted by the consumer incentive and marketing programs of vehicle manufacturers.

Natural disasters and adverse weather events can disrupt our business.

We are subject to restrictions imposed by and significant influence from vehicle manufacturers that may adversely impact our business, financial condition, results of operations, cash flows, and prospects, including our ability to acquire additional stores.

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We are subject to numerous legal and administrative proceedings, which, if the outcomes are adverse to us, could materially adversely affect our business, results of operations, financial condition, cash flows, and prospects.

Our operations are subject to extensive governmental laws and regulations. If we are found to be in violation of or subject to liabilities under any of these laws or regulations, or if new laws or regulations are enacted that adversely affect our operations, our business, operating results, and prospects could suffer.

We are subject to interest rate risk in connection with our floorplan payable, revolving credit facility, term loan facility, and floating rate senior unsecured notes that could have a material adverse effect on our profitability.

Our largest stockholder, as a result of its voting ownership, may have the ability to exert substantial influence over actions to be taken or approved by our stockholders.

Please refer to our most recent Annual Report on Form 10-K and to our subsequent filings with the Securities and Exchange Commission (the SEC) for additional discussion of the foregoing risks. Forward-looking statements speak only as of the date on which they are made, and we undertake no obligation to publicly update or revise any forward-looking statements to reflect subsequent events or circumstances, except as required by law.

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ABOUT THIS PROSPECTUS

This prospectus is part of an automatic shelf registration statement that we filed with the SEC. Under this shelf registration process, we may sell any combination of the securities described in this prospectus in one or more offerings. This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement or a free writing prospectus that will contain specific information about the terms of that offering. The prospectus supplement or free writing prospectus may also add, update or change information contained in this prospectus. You should carefully read both this prospectus and any applicable prospectus supplement or free writing prospectus together with additional information described under the heading Where You Can Find Additional Information before deciding to invest in any of the securities being offered.

You should rely only on the information contained in or incorporated by reference in this prospectus or any related prospectus supplement or free writing prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any jurisdiction where the offer is not permitted.

You should not assume that the information contained in this prospectus or any prospectus supplement or free writing prospectus is accurate on any date other than the date on the front cover of such documents or that any information we have incorporated by reference is correct on any date subsequent to the date of the document incorporated by reference, even though this prospectus or any prospectus supplement or free writing prospectus is delivered or securities are sold on a later date. Neither the delivery of this prospectus or any applicable prospectus supplement or free writing prospectus nor any distribution of securities pursuant to such documents shall, under any circumstances, create any implication that there has been no change in the information set forth in this prospectus or any applicable prospectus supplement or free writing prospectus or in our affairs since the date of this prospectus or any applicable prospectus supplement or free writing prospectus.

For convenience, the terms AutoNation, the Company, we, us, and our are used in this prospectus to refer to AutoNation, Inc. and its subsidiaries, unless otherwise required by the context. Our dealership operations are conducted by our subsidiaries.

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THE COMPANY

This summary highlights certain information about AutoNation, Inc. Because it is a summary, it does not contain all the information you should consider before investing in our securities. You should read carefully this entire prospectus, any prospectus supplement or free writing prospectus and the documents that we incorporate herein and therein by reference, including the sections entitled Risk Factors and our financial statements and related notes. You may obtain a copy of the documents that we incorporate by reference without charge by following the instructions in the section below entitled Where You Can Find Additional Information.

AutoNation, Inc., through its subsidiaries, is the largest automotive retailer in the United States. As of December 31, 2009, we owned and operated 246 new vehicle franchises from 203 stores located in major metropolitan markets, predominantly in the Sunbelt region of the United States. Our stores, which we believe are some of the most recognizable and well-known in our key markets, sell 33 different brands of new vehicles. The core brands of vehicles that we sell, representing approximately 96% of the new vehicles that we sold in 2009, are manufactured by Toyota, Ford, Honda, Nissan, General Motors, Mercedes, BMW, and Chrysler.

We offer a diversified range of automotive products and services, including new vehicles, used vehicles, parts and automotive services, and automotive finance and insurance products. We also arrange financing for vehicle purchases through third-party finance sources. We believe that the significant scale of our operations and the quality of our managerial talent allow us to achieve efficiencies in our key markets by, among other things, leveraging our market brands and advertising, improving asset management, implementing standardized processes, and increasing productivity across all of our stores.

We were incorporated in Delaware in 1991. Our principal executive offices are located at 200 SW 1st Ave, Fort Lauderdale, FL 33301, and our telephone number at that address is (954) 769-6000. We maintain a web site at *www.autonation.com*. Information contained in or accessed through our web site does not constitute a part of this prospectus.

RISK FACTORS

Investing in our securities involves risks. You should carefully consider, among other things, (i) the risk factors identified under the heading Risk Factors in Part I, Item 1A of our most recent Annual Report on Form 10-K, as updated by our Quarterly Reports on Form 10-Q and any Current Reports on Form 8-K filed subsequent to such Annual Report on Form 10-K, (ii) the risk factors identified under the heading Risk Factors in any applicable prospectus supplement or free writing prospectus, and (iii) the other information set forth in this prospectus, in any applicable prospectus supplement or free writing prospectus, and in the documents incorporated by reference into this prospectus. For more information, see the section entitled Where You Can Find Additional Information. These risks could materially and adversely affect our business, results of operations and financial condition and could result in a partial or complete loss of your investment.

USE OF PROCEEDS

Unless otherwise indicated in a prospectus supplement or a free writing prospectus, the net proceeds from the sale of the securities will be used for general corporate purposes, including working capital, acquisitions, retirement of debt and other business opportunities.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of earnings to fixed charges for the periods indicated:

	Year Ended December 31,				
	2009	2008	2007	2006	2005
Ratio of earnings to fixed charges	4.4	*	2.7	3.0	3.9

* In the year ended December 31, 2008, earnings were insufficient to cover fixed charges by $1.40 billion due to non-cash impairment charges of $1.74 billion.

The ratio of earnings to fixed charges is calculated by dividing earnings, as defined, by fixed charges, as defined. For this purpose, earnings consist of income from continuing operations before taxes, earnings from unconsolidated affiliates and fixed charges. Fixed charges consist of interest on indebtedness, including floorplan interest, amortization of debt issuance costs and the estimated portion of rental expense we deem to be representative of the interest factor of rental payments under operating leases.

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We did not have any preferred stock outstanding for the periods presented, and therefore the ratios of earnings to combined fixed charges and preferred stock dividends would be the same as the ratios of earnings to fixed charges presented above.

DESCRIPTION OF CAPITAL STOCK

The following description of our capital stock is based on our Third Amended and Restated Certificate of Incorporation, as amended (our Certificate of Incorporation), our Amended and Restated By-Laws (our By-Laws) and applicable provisions of law. We have summarized certain portions of our Certificate of Incorporation and By-Laws below. The summary is not complete and is subject to, and is qualified in its entirety by, the applicable provisions of the Delaware General Corporation Law (DGCL), our Certificate of Incorporation and our By-Laws, which are incorporated by reference herein. You should read our Certificate of Incorporation and By-Laws for the provisions that are important to you.

Copies of our Certificate of Incorporation and By-Laws are available upon request. Please see Where You Can Find Additional Information below. As used in this Description of Capital Stock, the terms our, ours and us refer only to AutoNation, Inc., a Delaware corporation, and not, unless otherwise indicated, to any of its subsidiaries.

Capital Stock

Under our Certificate of Incorporation, our authorized capital stock consists of 1,500,000,000 shares of common stock, $0.01 par value, and 5,000,000 shares of preferred stock, $0.01 par value. As of February 12, 2010, there were 170,518,986 shares of common stock issued and outstanding and no shares of preferred stock issued and outstanding.

Common Stock

Our common stock is listed on the New York Stock Exchange under the ticker symbol AN. Each holder of shares of our common stock is entitled to one vote for each share held of record on the applicable record date on all matters submitted to a vote of stockholders. Subject to any preferential dividend rights granted to the holders of any shares of our preferred stock that may at the time be outstanding, holders of our common stock are entitled to receive dividends as may be declared from time to time by our Board of Directors (Board) out of funds legally available therefor. Upon any liquidation or dissolution of AutoNation, holders of our common stock are entitled to share pro rata in all remaining assets available for distribution to stockholders after payment or providing for our liabilities and the liquidation preference of any outstanding preferred stock. Holders of our common stock have no preemptive right to purchase, subscribe for or otherwise acquire any unissued or treasury shares or other securities.

Preferred Stock

Our Certificate of Incorporation authorizes our Board to create preferred stock in one or more classes or series and to fix for each such class or series the voting powers, designations, preferences and relative, participating, optional or other special rights and any qualifications, limitations or restrictions thereof. Our Board is authorized to, among other things, provide that any such class or series of preferred stock may be (i) entitled to voting powers, full or limited; (ii) subject to redemption at such time or times and at such price or prices as our Board may establish; (iii) entitled to receive dividends (which may be cumulative or non-cumulative) at such rates, on such conditions, and at such times, and payable in preference to, or in such relation to, the dividends payable on any other class or classes or any other series as our Board may establish; (iv) entitled to such rights upon the dissolution of us, or upon any distribution of our assets, as our Board may establish; or (v) convertible into, or exchangeable for, shares of any other class or classes of stock, or of any other series of the same or any other class or classes of stock, of ours at such price or prices or at such rates of exchange and with such adjustments as our Board may establish. Issuance of preferred stock could discourage bids for the common stock at a premium as well as create a depressive effect on the market price of the common stock. As of the date hereof, no shares of preferred stock are outstanding.

Certain Anti-Takeover Provisions of Our Certificate of Incorporation and By-Laws and the DGCL

Certain provisions in our Certificate of Incorporation and By-Laws and the DGCL may have the effect of delaying, deferring or discouraging another party from acquiring us. These provisions, which are summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our Board.

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Advance Notice of Shareholder Proposals or Nominations

Our By-Laws provide that shareholders at an annual meeting may only consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of the Board or by a shareholder who was a shareholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has given to our Corporate Secretary timely written notice, in proper form, of the shareholder s intention to bring that proposal or nomination before the meeting. In addition to certain other applicable requirements, for a shareholder proposal or nomination to be properly brought before an annual meeting by a shareholder, such shareholder generally must have given notice thereof in proper written form to our Corporate Secretary not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting of shareholders. Our By-Laws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed or may discourage or defer a potential acquiror from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempting to obtain control of us.

Special Meetings of Shareholders

Our By-Laws deny shareholders the right to call a special meeting of shareholders. Our By-Laws provide that only the Board may call special meetings of the shareholders. Stockholders are permitted under our By-Laws to act by written consent in lieu of a meeting.

Delaware General Corporation Law

We are a Delaware corporation and consequently are also subject to certain anti-takeover provisions of the DGCL. Subject to certain exceptions, Section 203 of the DGCL prevents a publicly held Delaware corporation from engaging in a business combination with any interested stockholder for three years following the date that the person became an interested stockholder, unless the interested stockholder attained such status with the approval of our Board or unless the business combination is approved in a prescribed manner. A business combination includes, among other things, a merger or consolidation involving us and the interested stockholder and the sale of more than 10% of our assets. In general, an interested stockholder is any entity or person beneficially owning 15% or more of our outstanding voting stock and any entity or person affiliated with or controlling or controlled by such entity or person. Section 203 makes it more difficult for an interested stockholder to effect various business combinations with a corporation for a three-year period. This statute could prohibit or delay mergers or other takeover or change in control attempts not approved in advance by our Board and as a result could discourage attempts to acquire us, which could depress the market price of our common stock.

DESCRIPTION OF OTHER SECURITIES

We will set forth in the applicable prospectus supplement or free writing prospectus a description of any debt securities, guarantees of debt securities, warrants, subscription rights to purchase common stock or preferred stock, depositary shares, stock purchase contracts or units that may be offered under this prospectus.

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PLAN OF DISTRIBUTION

The securities being offered hereby may be sold by us:

- through underwriters or dealers;
- through agents;
- directly to purchasers, including our affiliates;
- through a combination of any such methods of sale; or
- through any other methods described in the applicable prospectus supplement or free writing prospectus.

We will identify the specific plan of distribution, including any underwriters, dealers, agents or direct purchasers and their compensation, in a prospectus supplement or a free writing prospectus.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy this information at the SEC s Public Reference Room located at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may obtain information on the operation of the SEC s Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a web site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. The address of the site is http://www.sec.gov.

The SEC allows us to incorporate by reference information into this document. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be a part of this document, except for any information superseded by information that is included directly in this document or incorporated by reference subsequent to the date of this document.

This prospectus incorporates by reference the documents listed below and any future filings that we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act (other than information in the documents or filings that is deemed to have been furnished and not filed) after the date of this prospectus and prior to the termination of the offering.

- Our Annual Report on Form 10-K for the fiscal year ended December 31, 2009, filed with the SEC on February 17, 2010;
- Our Current Report on Form 8-K filed with the SEC on February 9, 2010;
- The portions of our definitive proxy statement for our 2009 Annual Meeting of Stockholders that are deemed to have been filed and not furnished, filed with the SEC on March 23, 2009; and
- The description of our common stock contained in our registration statement on Form 8-A filed with the SEC on June 17, 1997.

You may also request a copy of any documents incorporated by reference in this prospectus (including any exhibits that are specifically incorporated by reference in them), at no cost, by writing or telephoning us at the following address or telephone number:

AutoNation, Inc.

200 SW 1st Ave

Fort Lauderdale, FL 33301

Attention: Legal Department

Telephone: (954) 769-6000

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LEGAL MATTERS

C. Coleman G. Edmunds, Senior Vice President, Deputy General Counsel and Assistant Secretary of the Company and Skadden, Arps, Slate, Meagher & Flom LLP, Chicago, Illinois will pass upon the validity of any securities issued under this prospectus. Mr. Edmunds owns shares of our common stock, and holds stock options and restricted stock awards and may receive additional awards in the future. Any underwriters will be represented by their own legal counsel.

EXPERTS

The consolidated financial statements of AutoNation, Inc. as of December 31, 2009 and 2008, and for each of the years in the three-year period ended December 31, 2009, and management s assessment of the effectiveness of internal control over financial reporting as of December 31, 2009 have been incorporated by reference herein and in the registration statement in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

The audit report covering the December 31, 2009 consolidated financial statements refers to the adoption of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (included in FASB ASC Topic 740, *Income Taxes*), effective January 1, 2007.

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 15. ***INDEMNIFICATION OF DIRECTORS AND OFFICERS***

The Company s Third Amended and Restated Certificate of Incorporation (the Certificate of Incorporation) provides that the Board shall have all powers and authority which may be granted to a board of directors of a corporation under the Delaware General Corporation Law (the DGCL) to provide indemnification for directors, officers, employees, and/or agents of the Company to the fullest extent permitted by law, subject however, to the rules against limitation on liability of directors as set forth in Section 102 of the DGCL, as amended from time to time.

In accordance with the requirements of Section 102 of the DGCL, the Certificate of Incorporation further provides that no director of the Company shall be personally liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach by a director of the duty of loyalty to the Company or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for unlawful payments of dividends, or for unlawful stock purchases or redemptions, or (iv) for any transaction from which the director derived an improper personal benefit.

The Amended and Restated By-Laws of the Company (the By-Laws) provide for a series of indemnification powers and procedures that follow the language of Section 145 of the DGCL. Article VII of the By-Laws provides that the Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Company) by reason of the fact that such person is or was a director or officer of the Company, or is or was a director or officer of the Company serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against expenses (including attorneys fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal action or proceeding, such person had no reasonable cause to believe his conduct was unlawful. The termination of an action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

The By-Laws provide that the Company s obligation to indemnify directors and officers of the Company applies to actions brought by or in the right of the Company as well, but only to the extent of defense and settlement expenses and not to any satisfaction of a judgment or settlement of the claim itself, and with the further limitation that in such actions no indemnification shall be made (i) unless the indemnified person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Company or (ii) in the event such person seeking indemnity was adjudged to be liable to the Company, unless the court, in its discretion, believes that in light of all the circumstances indemnification should nonetheless apply.

The By-Laws provide that the Company may, to the extent authorized from time to time by the Board, provide rights to indemnification and to the advancement of expenses to employees and agents of the Company similar to those rights conferred to directors and officers of the Company under Article VII.

The By-Laws provide that any decision as to indemnification, unless ordered by a court, shall be made: (a) by a majority vote of the directors who are not parties to such action, suit or proceeding (disinterested directors), even though less than a quorum; (b) by a committee of disinterested directors designated by a majority vote of all disinterested directors, even though less than a quorum; (c) if there are no such disinterested directors, or if such directors so direct, by independent legal counsel in a written opinion; or (d) by the stockholders. However, the By-Laws provide that a present or former director or officer of the Company who has been successful on the merits or otherwise in defense of any action, suit or proceeding for which indemnification would be appropriate as described above shall be indemnified without the necessity of authorization in the specific case.

The By-Laws provide that the Company shall pay expenses incurred by an officer or director in defending a civil, criminal, administrative or investigative action, suit or proceeding in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by such person to repay such amount if it shall ultimately be determined that such person is not entitled

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to indemnification. Indemnification pursuant to these provisions is not exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise and shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director or officer.

The Company may purchase and maintain insurance on behalf of any person who is or was a director or officer of the Company. Under an insurance policy maintained by the Company, the directors and officers of the Company are insured, within the limits and subject to the limitations of the policy, against certain expenses in connection with the defense of certain claims, actions, suits or proceedings, and certain liabilities which might be imposed as a result of such claims, actions, suits or proceedings, which may be brought against them by reason of being or having been such directors or officers.

The above summary is qualified in its entirety by reference to the complete text of the DGCL, Certificate of Incorporation and the By-Laws.

ITEM 16. ***EXHIBITS***

Exhibit No.	Document
1.1	Form(s) of Underwriting Agreement*
4.1	Form of Indenture
4.2	Third Amended and Restated Certificate of Incorporation of AutoNation, Inc. (incorporated by reference to Exhibit 3.1 to the Company s Quarterly Report on Form 10-Q, filed with the SEC on August 13, 1999)
4.3	Amended and Restated By-Laws of AutoNation, Inc. (incorporated by reference to Exhibit 3.1 to the Company s Current Report on Form 8-K, filed with the SEC on February 8, 2008)
4.4	Form of debt securities*
4.5	Form of guarantee*
4.6	Form of any certificate of designation, preferences and rights with respect to any preferred stock issued hereunder*
4.7	Form of any preferred stock certificate*
4.8	Form of warrant agreement*
5.1	Opinion of C. Coleman G. Edmunds, Senior Vice President, Deputy General Counsel and Assistant Secretary of the Company**
5.2	Opinion of Skadden, Arps, Slate, Meagher & Flom LLP regarding the guarantees covered by this Post-Effective Amendment No. 1 to Form S-3
12.1	Statement regarding computation of Consolidated Ratio of Earnings to Fixed Charges
23.1	Consent of KPMG LLP
23.2	Consent of C. Coleman G. Edmunds (included in exhibit 5.1)
23.3	Consent of Skadden, Arps, Slate, Meagher & Flom LLP (included in exhibit 5.2)
24.1	Powers of Attorney (included on the signature pages of the Registration Statement)
25.1	Statement of Eligibility of Trustee on Form T-1*

* To be filed by amendment or incorporated by reference in connection with the offering of any securities, as appropriate.
** Previously filed as an exhibit to the Registration Statement.

ITEM 17. ***UNDERTAKINGS***

The undersigned registrant hereby undertakes:

(a) (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

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(ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement; and

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (a)(1)(i), (a)(1)(ii) and (a)(1)(iii) above do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:

(i) Each prospectus filed by a registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(ii) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5) or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii) or (x) for the purpose of providing the information required by Section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which the prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof; *provided*, *however*, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

(5) (a) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, the registrant undertakes that in a primary offering of securities of the registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the registrant or used or referred to by the registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about a registrant or its securities provided by or on behalf of a registrant; and

(iv) Any other communication that is an offer in the offering made by a registrant to the purchaser.

(b) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant s annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan s annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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(c) The undersigned Registrant hereby undertakes to supplement the prospectus, after the expiration of the subscription period, to set forth the results of the subscription offer, the transactions by the underwriters during the subscription period, the amount of unsubscribed securities to be purchased by the underwriters, and the terms of any subsequent reoffering thereof. If any public offering by the underwriters is to be made on terms differing from those set forth on the cover page of the prospectus, a post-effective amendment will be filed to set forth the terms of such offering.

(d) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, that the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

(e) The undersigned registrant hereby undertakes to file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act (Act) in accordance with the rules and regulations prescribed by the Commission under Section 305(b)(2) of the Act.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Fort Lauderdale, Florida, on February 23, 2010.

AUTONATION, INC.

By: /s/ Michael J. Jackson
Michael J. Jackson

Chairman of the Board and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

Signature	Title(s)	Date
/s/ Michael J. Jackson	Chairman of the Board and Chief Executive Officer	February 23, 2010
Michael J. Jackson	(Principal Executive Officer)	
/s/ Michael J. Short	Executive Vice President and Chief Financial Officer	February 23, 2010
Michael J. Short	(Principal Financial Officer)	
/s/ Michael J. Stephan	Vice President Corporate Controller	February 23, 2010
Michael J. Stephan	(Principal Accounting Officer)	
*	Director	February 23, 2010
Rick L. Burdick		
*	Director	February 23, 2010
William C. Crowley		
*	Director	February 23, 2010
David B. Edelson		
*	Director	February 23, 2010
Kim C. Goodman		
*	Director	February 23, 2010
Robert R. Grusky		
*	Director	February 23, 2010

Michael E. Maroone		
*	Director	February 23, 2010
Carlos A. Migoya		

*By: /s/ MICHAEL J. JACKSON
Michael J. Jackson

Attorney-in-Fact

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the below registrants certify that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Fort Lauderdale, Florida, on February 23, 2010.

7 ROD REAL ESTATE NORTH, LLC

7 ROD REAL ESTATE SOUTH, LLC

ABRAHAM CHEVROLET-TAMPA, INC.

AL MAROONE FORD, LLC

ALBERT BERRY MOTORS, INC.

ALL-STATE RENT A CAR, INC.

AN CHEVROLET OF PHOENIX, LLC

AN CJ VALENCIA, INC.

AN CORPORATE MANAGEMENT PAYROLL CORP.

AN DEALERSHIP HOLDING CORP.

AN IMPORTS OF LITHIA SPRINGS, LLC

AN WEST CENTRAL REGION MANAGEMENT, LLC

AN/FMK ACQUISITION CORP.

AN/GMF, INC.

AN/KPBG MOTORS, INC.

AN/STD ACQUISITION CORP.

ANDERSON CHEVROLET

ANDERSON CHEVROLET LOS GATOS, INC.

ANDERSON CUPERTINO, INC.

ATRIUM RESTAURANTS, INC.

AUTO AD AGENCY, INC.

AUTO HOLDING, LLC

AUTO WEST, INC.

DON-A-VEE JEEP-EAGLE, INC.

DOWNERS GROVE DODGE, INC.

DRIVER S MART WORLDWIDE, INC.

EASTGATE FORD, INC.

EL MONTE MOTORS HOLDING, LLC

EL MONTE MOTORS, INC.

ELMHURST AUTO MALL, INC.

FLORIDA AUTO CORP.

FORD OF KIRKLAND, INC.

FOX IMPORTS, LLC

FRED OAKLEY MOTORS, INC.

HAYWARD DODGE, INC.

HOLLYWOOD KIA, INC.

HORIZON CHEVROLET, INC.

HUB MOTOR COMPANY, LLC

JEMAUTCO, INC.

JERRY GLEASON CHEVROLET, INC.

JERRY GLEASON DODGE, INC.

JOE MACPHERSON IMPORTS NO. I

JOE MACPHERSON OLDSMOBILE

J-M-R MOTORS COMPANY NORTHWEST LLC

KENYON DODGE, INC.

LES MARKS CHEVROLET, INC.

BY: PMWQ, INC.

ITS: GENERAL PARTNER

REAL ESTATE HOLDINGS, INC.

REPUBLIC DM PROPERTY ACQUISITION CORP.

REPUBLIC RESOURCES COMPANY

REPUBLIC RISK MANAGEMENT SERVICES, INC.

RESOURCES AVIATION, INC.

RI MERGER CORP.

RI/ASC ACQUISITION CORP.

RI/BBNM ACQUISITION CORP

RI/BRC REAL ESTATE CORP.

RI/DM ACQUISITION CORP.

RI/LLC-2 ACQUISITION CORP.

RI/PII ACQUISITION CORP.

RI/RMP ACQUISITION CORP.

RI/WFI ACQUISITION CORPORATION

ROSECRANS INVESTMENTS, LLC

RRM CORPORATION

SAUL CHEVROLET HOLDING, LLC

SCM REALTY, INC.

SERVICE STATION HOLDING CORP.

SHAMROCK F. HOLDING, LLC

SHAMROCK FORD, INC.

AUTONATION CORPORATE MANAGEMENT, LLC

AUTONATION ENTERPRISES INCORPORATED

AUTONATION MOTORS HOLDING CORP.

AUTONATION MOTORS OF LITHIA SPRINGS, INC.

AUTONATION NORTHWEST MANAGEMENT, LLC

AUTONATION REALTY CORPORATION

BANKSTON AUTO, INC.

BATFISH, LLC

BBCSS, INC.

BEACH CITY CHEVROLET COMPANY, INC.

BEACH CITY HOLDING, LLC

BLEDSOE DODGE, LLC

BOB TOWNSEND FORD, INC.

BOSC AUTOMOTIVE REALTY, INC.

CERRITOS IMPORTS, INC.

CHAMPION CHEVROLET HOLDING, LLC

CHAMPION CHEVROLET, LLC

CHAMPION FORD, INC.

CHARLIE THOMAS CHRYSLER-PLYMOUTH, INC.

CHESROWN AUTO, LLC

CJ VALENCIA HOLDING, LLC

CONSUMER CAR CARE CORPORATION

CORPORATE PROPERTIES HOLDING, INC.

COURTESY AUTO GROUP, INC.

DEAL DODGE OF DES PLAINES, INC.

DESERT CHRYSLER-PLYMOUTH, INC.

DESERT DODGE, INC.

LEW WEBB S FORD, INC.

LEW WEBB S IRVINE NISSAN HOLDING, LLC

LEW WEBB S IRVINE NISSAN, INC.

MACHOWARD LEASING

MARKS FAMILY DEALERSHIPS, INC.

MAROONE DODGE, LLC

MAROONE MANAGEMENT SERVICES, INC.

MAROONE OLDSMOBILE, LLC

MC/RII, LLC

MECHANICAL WARRANTY PROTECTION, INC.

METRO CHRYSLER JEEP, INC.

MIDWAY CHEVROLET, INC.

MIKE SHAD CHRYSLER PLYMOUTH JEEP EAGLE, INC.

MISSION BLVD. MOTORS, INC.

MULLINAX INSURANCE AGENCY, INC.

MULLINAX LINCOLN-MERCURY, INC.

MULLINAX OF MAYFIELD, LLC

ONTARIO DODGE, INC.

ORANGE COUNTY AUTOMOTIVE IMPORTS, LLC

PAYTON-WRIGHT FORD SALES, INC.

PEYTON CRAMER JAGUAR

PEYTON CRAMER LINCOLN-MERCURY

PEYTON CRAMER LM HOLDING, LLC

PITRE BUICK-PONTIAC-GMC OF SCOTTSDALE, INC.

PITRE CHRYSLER-PLYMOUTH-JEEP OF SCOTTSDALE, INC.

PITRE CHRYSLER-PLYMOUTH-JEEP ON BELL, INC.

SIX JAYS LLC

SMI MOTORS HOLDING, LLC

SMI MOTORS, INC.

SOUTHWEST DODGE, LLC

SPITFIRE PROPERTIES, INC.

STEAKLEY CHEVROLET GP, LLC

STEAKLEY CHEVROLET, LTD.

BY: STEAKLEY CHEVROLET GP, LLC

ITS: GENERAL PARTNER

STEEPLECHASE MOTOR COMPANY

STEVE RAYMAN PONTIAC-BUICK-GMC-TRUCK, LLC

SUNSET PONTIAC-GMC TRUCK SOUTH, INC.

SUTHERLIN CHRYSLER-PLYMOUTH JEEP-EAGLE, LLC

TARTAN ADVERTISING, INC.

TAYLOR JEEP EAGLE, LLC

TEAM DODGE, INC.

TEXAN LINCOLN-MERCURY, INC.

THE CONSULTING SOURCE, INC.

THE PIERCE CORPORATION II, INC.

TINLEY PARK A. IMPORTS, INC.

TINLEY PARK J. IMPORTS, INC.

TINLEY PARK V. IMPORTS, INC.

TRIANGLE CORPORATION

VANDERBEEK OLDS/GMC TRUCK, INC.

VANDERBEEK TRUCK HOLDING, LLC

WALLACE DODGE, LLC

WALLACE LINCOLN-MERCURY, LLC

WEST COLTON CARS, INC.

PMWQ, INC.	**WORKING MAN S CREDIT PLAN, INC.**
PMWQ, LTD.	

By: /s/ MICHAEL E. MAROONE
Michael E. Maroone

President

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POWERS OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the individuals whose signature appears below hereby constitute and appoint Michael J. Jackson and Jonathan P. Ferrando, and each of them severally, as his or her true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for him or her and in his or her name, place, and stead in any and all capacities to sign any and all amendments (including post-effective amendments and amendments filed pursuant to 462(b) under the Securities Act of 1933) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-facts and agents or any of them, or of his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

Signature	Title(s)	Date
/s/ MICHAEL E. MAROONE	President and Director	February 23, 2010
Michael E. Maroone	(Principal Executive Officer and Director)	
/s/ CHERYL SCULLY	Treasurer	February 23, 2010
Cheryl Scully	(Principal Financial Officer and Principal Accounting Officer)	
/s/ JONATHAN P. FERRANDO	Director	February 23, 2010
Jonathan P. Ferrando		

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the below registrants certify that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Clearwater, Florida, on February 23, 2010.

ABRAHAM CHEVROLET-MIAMI, INC.

AN CADILLAC OF WPB, LLC

AN FLORIDA REGION MANAGEMENT, LLC

AN IMPORTS OF FT. LAUDERDALE, INC.

AN IMPORTS ON WESTON ROAD, INC.

AN LUXURY IMPORTS OF PALM BEACH, INC.

AN LUXURY IMPORTS OF PEMBROKE PINES, INC.

AN LUXURY IMPORTS OF SARASOTA, INC.

AN MOTORS OF DELRAY BEACH, INC.

AUTOHAUS HOLDINGS, INC.

AUTONATION DODGE OF PEMBROKE PINES, INC.

AUTONATION IMPORTS OF LONGWOOD, INC.

AUTONATION IMPORTS OF PALM BEACH, INC.

AUTONATION IMPORTS OF WINTER PARK, INC.

AUTONATION ORLANDO VENTURE HOLDINGS, INC.

AUTONATION USA OF PERRINE, INC.

AUTONATION V. IMPORTS OF DELRAY BEACH, LLC

BEACON MOTORS, INC.

BENGAL MOTOR COMPANY, LTD.

BY: BENGAL MOTORS, INC.

ITS: GENERAL PARTNER

BULL MOTORS, LLC

CARLISLE MOTORS, LLC

CHEVROLET WORLD, INC.

COASTAL CADILLAC, INC.

CONTEMPORARY CARS, INC.

D/L MOTOR COMPANY

DON MEALEY CHEVROLET, INC.

DON MEALEY IMPORTS, INC.

FIRST TEAM AUTOMOTIVE CORP.

FIRST TEAM FORD OF MANATEE, LTD.

BY: FIRST TEAM MANAGEMENT, INC.

ITS: GENERAL PARTNER

FIRST TEAM FORD, LTD.

BY: FIRST TEAM MANAGEMENT, INC.

ITS: GENERAL PARTNER

FIRST TEAM IMPORTS, LTD.

BY: FIRST TEAM MANAGEMENT, INC.

ITS: GENERAL PARTNER

FIRST TEAM JEEP EAGLE, CHRYSLER-PLYMOUTH, LTD.

BY: FIRST TEAM MANAGEMENT, INC.

ITS: GENERAL PARTNER

FIRST TEAM MANAGEMENT, INC.

FIRST TEAM PREMIER, LTD.

GULF MANAGEMENT, INC.

JIM QUINLAN CHEVROLET CO.

JIM QUINLAN FORD LINCOLN-MERCURY, INC.

KING S CROWN FORD, INC.

L.P. EVANS MOTORS WPB, INC.

L.P. EVANS MOTORS, INC.

MAROONE FORD, LLC

MEALEY HOLDINGS, INC.

MIKE SHAD FORD, INC.

NISSAN OF BRANDON, INC.

QUINLAN MOTORS, INC.

RI/BB ACQUISITION CORP.

RI/HOLLYWOOD NISSAN ACQUISITION CORP.

RKR MOTORS, INC.

STAR MOTORS, LLC

STEVE MOORE CHEVROLET DELRAY, LLC

STEVE MOORE CHEVROLET, LLC

STEVE MOORE S BUY-RIGHT AUTO CENTER, INC.

SUNRISE NISSAN OF JACKSONVILLE, INC.

SUNRISE NISSAN OF ORANGE PARK, INC.

SUNSET PONTIAC-GMC, INC.

SUTHERLIN IMPORTS, LLC

BENGAL MOTORS, INC.	***BY: FIRST TEAM MANAGEMENT, INC.***	**WALLACE FORD, LLC**
BODY SHOP HOLDING CORP.	***ITS: GENERAL PARTNER***	**WALLACE NISSAN, LLC**
	FT. LAUDERDALE NISSAN, INC.	

By: /s/ James R. Bender
James R. Bender

President

POWERS OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the individuals whose signature appears below hereby constitute and appoint Michael J. Jackson and Jonathan P. Ferrando, and each of them severally, as his or her true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for him or her and in his or her name, place, and stead in any and all capacities to sign any and all amendments (including post-effective amendments and amendments filed pursuant to 462(b) under the Securities Act of 1933) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-facts and agents or any of them, or of his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

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Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

Signature	Title(s)	Date
/s/ JAMES R. BENDER	President and Sole Director	February 23, 2010
James R. Bender	(Principal Executive Officer and Director)	
/s/ RONALD J. EBERHARDT	Treasurer	February 23, 2010
Ronald J. Eberhardt	(Principal Financial Officer and Principal Accounting Officer)	

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the below registrants certify that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Fort Lauderdale, Florida, on February 23, 2010.

HOLLYWOOD IMPORTS LIMITED, INC.

MAROONE CHEVROLET FT. LAUDERDALE, INC.

MAROONE CHEVROLET, LLC

By: /s/ MICHAEL E. MAROONE
Michael E. Maroone

President

POWERS OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the individuals whose signature appears below hereby constitute and appoint Michael J. Jackson and Jonathan P. Ferrando, and each of them severally, as his or her true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for him or her and in his or her name, place, and stead in any and all capacities to sign any and all amendments (including post-effective amendments and amendments filed pursuant to 462(b) under the Securities Act of 1933) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-facts and agents or any of them, or of his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

Signature	Title(s)	Date
/s/ MICHAEL E. MAROONE	President and Director	February 23, 2010
Michael E. Maroone	(Principal Executive Officer and Director)	
/s/ RONALD J. EBERHARDT	Treasurer	February 23, 2010
Ronald J. Eberhardt	(Principal Financial Officer and Principal Accounting Officer)	
/s/ JAMES R. BENDER	Director	February 23, 2010
James R. Bender		

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the below registrant certify that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Fort Lauderdale, Florida, on February 23, 2010.

EMPIRE SERVICES AGENCY, INC.

By: /s/ MICHAEL E. MAROONE
Michael E. Maroone

President

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the individual whose signature appears below hereby constitutes and appoints Michael J. Jackson and Jonathan P. Ferrando, and each of them severally, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for him and in his name, place, and stead in any and all capacities to sign any and all amendments (including post-effective amendments and amendments filed pursuant to 462(b) under the Securities Act of 1933) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-facts and agents or any of them, or of his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following person in the capacity and on the date indicated.

Signature	Title(s)	Date
/s/ MICHAEL E. MAROONE **Michael E. Maroone**	President, Treasurer, and Sole Director (Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer and Director)	February 23, 2010

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the below registrants certify that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Norcross, Georgia, on February 23, 2010.

AMERICAN WAY MOTORS, INC.	**FOX CHEVROLET, LLC**	**MILLER-SUTHERLIN AUTOMOTIVE, LLC**
AN CENTRAL REGION MANAGEMENT, LLC	**FOX MOTORS, LLC**	**MULLINAX EAST, LLC**
AN/CF ACQUISITION CORP.	**GENE EVANS FORD, LLC**	**MULLINAX FORD NORTH CANTON, INC.**
AN/MF ACQUISITION CORP.	**GEORGE SUTHERLIN NISSAN, LLC**	**MULLINAX FORD SOUTH, INC.**
AN/MNI ACQUISITION CORP.	**GOVERNMENT BOULEVARD MOTORS, INC.**	**MULLINAX USED CARS, INC.**
AUTONATION IMPORTS OF LITHIA SPRINGS, INC.	**JOHN M. LANCE FORD, LLC**	**NAPERVILLE IMPORTS, INC.**
BILL AYARES CHEVROLET, LLC	**J-R ADVERTISING COMPANY**	**NORTHPOINT CHEVROLET, LLC**
C. GARRETT, INC.	**J-R MOTORS COMPANY NORTH**	**NORTHPOINT FORD, INC.**
CHESROWN CHEVROLET, LLC	***BY: WOODY CAPITAL INVESTMENT CO. III***	**R. COOP LIMITED**
CHESROWN COLLISION CENTER, INC.	***ITS: GENERAL PARTNER***	**R.L. BUSCHER II, INC.**
CHESROWN FORD, INC.	***BY: R. COOP LIMITED***	**R.L. BUSCHER III, INC.**
CHUCK CLANCY FORD OF MARIETTA, LLC	***ITS: GENERAL PARTNER***	**RI/LLC ACQUISITION CORP.**
COOK-WHITEHEAD FORD, INC.	***BY: R.L. BUSCHER III, INC.***	**SUPERIOR NISSAN, INC.**
COURTESY BROADWAY, LLC	***ITS: GENERAL PARTNER***	**SUTHERLIN H. IMPORTS, LLC**
COVINGTON PIKE MOTORS, INC.	**J-R MOTORS COMPANY SOUTH**	**SUTHERLIN NISSAN, LLC**
DOBBS BROTHERS BUICK-PONTIAC, INC.	***BY: WOODY CAPITAL INVESTMENT CO. II***	**SUTHERLIN TOWN CENTER, INC.**
DOBBS FORD OF MEMPHIS, INC.	***ITS: GENERAL PARTNER***	**TOUSLEY FORD, INC.**
DOBBS FORD, INC.	***BY: C. GARRETT, INC.***	**VALLEY CHEVROLET, LLC**
DOBBS MOBILE BAY, INC.	***ITS: GENERAL PARTNER***	**VILLAGE MOTORS, LLC**
ED MULLINAX FORD, LLC	***BY: R.L. BUSCHER II, INC.***	**WEST SIDE MOTORS, INC.**
EMICH CHRYSLER PLYMOUTH, LLC	***ITS: GENERAL PARTNER***	**WESTMONT A. IMPORTS, INC.**
EMICH DODGE, LLC	**LANCE CHILDREN, INC.**	**WESTMONT B. IMPORTS, INC.**
EMICH OLDSMOBILE, LLC	**LEESBURG IMPORTS, LLC**	**WESTMONT M. IMPORTS, INC.**
EMICH SUBARU WEST, LLC	**LEESBURG MOTORS, LLC**	**WOODY CAPITAL INVESTMENT COMPANY II**
	LOT 4 REAL ESTATE HOLDINGS, LLC	**WOODY CAPITAL INVESTMENT COMPANY III**

By: /s/ Henry S. Phillips

Henry S. Phillips

President

POWERS OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the individuals whose signature appears below hereby constitute and appoint Michael J. Jackson and Jonathan P. Ferrando, and each of them severally, as his or her true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for him or her and in his or her name, place, and stead in any and all capacities to sign any and all amendments (including post-effective amendments and amendments filed pursuant to 462(b) under the Securities Act of 1933) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-facts and agents or any of them, or of his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

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Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

Signature	Title(s)	Date
/s/ HENRY S. PHILLIPS **Henry S. Phillips**	President and Sole Director (Principal Executive Officer and Director)	February 23, 2010
/s/ MITCH MCGUIRE **Mitch McGuire**	Treasurer (Principal Financial Officer and Principal Accounting Officer)	February 23, 2010

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the below registrants certify that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Dallas, Texas, on February 23, 2010.

AN COLLISION CENTER OF ADDISON, INC.

AN COLLISION CENTER OF NORTH HOUSTON,

INC.

AN CORPUS CHRISTI CHEVROLET, LP

BY: AN CORPUS CHRISTI GP, LLC

ITS: GENERAL PARTNER

AN CORPUS CHRISTI GP, LLC

AN CORPUS CHRISTI IMPORTS ADV. GP, LLC

AN CORPUS CHRISTI IMPORTS ADV., LP

BY: AN CORPUS CHRISTI IMPORTS ADV GP,

LLC

ITS: GENERAL PARTNER

AN CORPUS CHRISTI IMPORTS GP, LLC

AN CORPUS CHRISTI IMPORTS II GP, LLC

AN CORPUS CHRISTI IMPORTS II, LP

BY: AN CORPUS CHRISTI IMPORTS II GP, LLC

ITS: GENERAL PARTNER

AN CORPUS CHRISTI IMPORTS, LP

BY: AN CORPUS CHRISTI IMPORTS GP, LLC

ITS: GENERAL PARTNER

AN CORPUS CHRISTI MOTORS, INC.

AN CORPUS CHRISTI T. IMPORTS GP, LLC

AN CORPUS CHRISTI T. IMPORTS, LP

BY: AN CORPUS CHRISTI T. IMPORTS GP, LLC

AUTONATION IMPORTS OF KATY, L.P.

BY: AUTONATION IMPORTS OF KATY,

GP LLC

ITS: GENERAL PARTNER

AUTONATION NORTH TEXAS

MANAGEMENT GP, LLC

BANKSTON CHRYSLER JEEP OF FRISCO, L.P.

BY: BANKSTON CJ GP, LLC

ITS: GENERAL PARTNER

BANKSTON CJ GP, LLC

BANKSTON FORD OF FRISCO, LTD. CO.

BANKSTON NISSAN IN IRVING, INC.

BANKSTON NISSAN LEWISVILLE GP, LLC

BANKSTON NISSAN LEWISVILLE, LTD.

BY: BANKSTON NISSAN LEWISVILLE GP,LTD.

ITS: GENERAL PARTNER

CHARLIE HILLARD, INC.

CHARLIE THOMAS CHEVROLET GP, LLC

CHARLIE THOMAS CHEVROLET, LTD.

BY: CHARLIE THOMAS CHEVROLET GP, LLC

ITS: GENERAL PARTNER

CHARLIE THOMAS COURTESY GP, LLC

HOUSTON AUTO M. IMPORTS NORTH, LTD.

BY: HOUSTON IMPORTS NORTH GP, LLC

ITS: GENERAL PARTNER

HOUSTON IMPORTS GREENWAY GP, LLC

HOUSTON IMPORTS NORTH GP, LLC

LEWISVILLE IMPORTS GP, LLC

LEWISVILLE IMPORTS, LTD.

BY: LEWISVILLE IMPORTS GP, LLC

ITS: GENERAL PARTNER

MARKS TRANSPORT, INC.

MIKE HALL CHEVROLET, INC.

NICHOLS FORD, LTD.

BY: NICHOLS GP, LLC

ITS: GENERAL PARTNER

NICHOLS GP, LLC

PLAINS CHEVROLET GP, LLC

PLAINS CHEVROLET, LTD.

BY: PLAINS CHEVROLET GP, LLC

ITS: GENERAL PARTNER

PORT CITY IMPORTS, INC.

QUALITY NISSAN GP, LLC

QUALITY NISSAN, LTD.

BY: QUALITY NISSAN GP, LLC

ITS: GENERAL PARTNER

AN COUNTY LINE FORD, INC.

AN LUXURY IMPORTS GP, LLC

AN LUXURY IMPORTS, LTD.

BY: AN LUXURY IMPORTS GP, LLC

ITS: GENERAL PARTNER

AN MOTORS OF DALLAS, INC.

AN PONTIAC GMC HOUSTON NORTH GP, LLC

AN PONTIAC GMC HOUSTON NORTH, LP

BY: AN PONTIAC GMC HOUSTON NORTH GP,

LLC

ITS: GENERAL PARTNER

AN TEXAS REGION MANAGEMENT, LTD.

BY: AN NORTH TEXAS MANAGEMENT GP, LLC

ITS: GENERAL PARTNER

AUTONATION FORT WORTH MOTORS, LTD.

BY: AUTONATION GM GP, LLC

ITS: GENERAL PARTNER

AUTONATION GM GP, LLC

AUTONATION IMPORTS OF KATY GP, LLC

CHARLIE THOMAS COURTESY LEASING,INC.

CHARLIE THOMAS F. GP, LLC

CHARLIE THOMAS FORD, LTD.

BY: CHARLIE THOMAS F. GP, LLC

ITS: GENERAL PARTNER

CHARLIE THOMAS COURTESY FORD, LTD.

BY: CHARLIE THOMAS COURTESY GP, LLC

ITS: GENERAL PARTNER

CT INTERCONTINENTAL GP, LLC

CT INTERCONTINENTAL, LTD.

BY: CT INTERCONTINENTAL GP, LLC

ITS: GENERAL PARTNER

CT MOTORS, INC.

FINANCIAL SERVICES GP, LLC

FINANCIAL SERVICES, LTD.

BY: FINANCIAL SERVICES GP, LLC

ITS: GENERAL PARTNER

HILLARD AUTO GROUP, INC.

HOUSTON AUTO M. IMPORTS GREENWAY,LTD.

BY: HOUSTON IMPORTS GREENWAY GP, LLC

ITS: GENERAL PARTNER

ITS: GENERAL PARTNER

RI/RMC ACQUISITION GP, LLC

RI/RMC ACQUISITION, LTD.

BY: RI/RMC ACQUISITION GP, LLC

ITS: GENERAL PARTNER

RI/RMT ACQUISITION GP, LLC

RI/RMT ACQUISITION, LTD.

BY: RI/RMT ACQUISITION GP, LLC

ITS: GENERAL PARTNER

TEXAN FORD SALES, LTD.

BY: TEXAN SALES GP, LLC

ITS: GENERAL PARTNER

TEXAN FORD, INC.

TEXAN SALES GP, LLC

TEXAS MANAGEMENT COMPANIES LP, LLC

W.O. BANKSTON NISSAN, INC.

WESTGATE CHEVROLET GP, LLC

WESTGATE CHEVROLET, LTD.

BY: WESTGATE CHEVROLET GP, LLC

ITS: GENERAL PARTNER

By: /s/ DANIEL G. AGNEW
Daniel G. Agnew

President

POWERS OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the individuals whose signature appears below hereby constitute and appoint Michael J. Jackson and Jonathan P. Ferrando, and each of them severally, as his or her true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for him or her and in his or her name, place, and stead in any and all capacities to sign any and all amendments (including post-effective amendments and amendments filed pursuant to 462(b) under the Securities Act of 1933) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-facts and agents or any of them, or of his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

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Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

Signature	Title(s)	Date
/s/ DANIEL G. AGNEW **Daniel G. Agnew**	President and Sole Director (Principal Executive Officer and Director)	February 23, 2010
/s/ IAN SWARTZ **Ian Swartz**	Treasurer (Principal Financial Officer and Principal Accounting Officer)	February 23, 2010

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the below registrant certify that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Costa Mesa, California, on February 23, 2010.

COSTA MESA CARS, INC.

By: /s/ BRIAN MCENROE
Brian McEnroe

President

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the individual whose signature appears below hereby constitutes and appoints Michael J. Jackson and Jonathan P. Ferrando, and each of them severally, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for him and in his name, place, and stead in any and all capacities to sign any and all amendments (including post-effective amendments and amendments filed pursuant to 462(b) under the Securities Act of 1933) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-facts and agents or any of them, or of his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following person in the capacity and on the date indicated.

Signature	Title(s)	Date
/s/ BRIAN MCENROE **Brian McEnroe**	President, Treasurer, and Sole Director (Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer and Director)	February 23, 2010

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the below registrant certify that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Encinitas, California, on February 23, 2010.

AN LUXURY IMPORTS OF SAN DIEGO, INC.

By: /s/ Brian Wood
Brian Wood

President

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the individual whose signature appears below hereby constitutes and appoints Michael J. Jackson and Jonathan P. Ferrando, and each of them severally, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for him and in his name, place, and stead in any and all capacities to sign any and all amendments (including post-effective amendments and amendments filed pursuant to 462(b) under the Securities Act of 1933) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-facts and agents or any of them, or of his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following person in the capacity and on the date indicated.

Signature	Title(s)	Date
/s/ Brian Wood **Brian Wood**	President, Treasurer, and Sole Director (Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer and Director)	February 23, 2010

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the below registrant certify that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Valencia, California, on February 23, 2010.

VALENCIA H. IMPORTS, INC.

By: /s/ Carlos Dominguez
Carlos Dominguez

President

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the individual whose signature appears below hereby constitutes and appoints Michael J. Jackson and Jonathan P. Ferrando, and each of them severally, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for him and in his name, place, and stead in any and all capacities to sign any and all amendments (including post-effective amendments and amendments filed pursuant to 462(b) under the Securities Act of 1933) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-facts and agents or any of them, or of his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following person in the capacity and on the date indicated.

Signature	Title(s)	Date
/s/ Carlos Dominguez **Carlos Dominguez**	President, Treasurer, and Sole Director (Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer and Director)	February 23, 2010

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the below registrant certify that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Torrance, California, on February 23, 2010.

CARWELL, LLC

By: /s/ CHARLIE ALFANO
Charlie Alfano

President

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the individual whose signature appears below hereby constitutes and appoints Michael J. Jackson and Jonathan P. Ferrando, and each of them severally, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for him and in his name, place, and stead in any and all capacities to sign any and all amendments (including post-effective amendments and amendments filed pursuant to 462(b) under the Securities Act of 1933) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-facts and agents or any of them, or of his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following person in the capacity and on the date indicated.

Signature	Title(s)	Date
/s/ CHARLIE ALFANO **Charlie Alfano**	President, Treasurer, and Sole Director (Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer and Director)	February 23, 2010

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the below registrant certify that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Valencia, California, on February 23, 2010.

VINCE WIESE CHEVROLET, INC.

By: /s/ CHUCK COIA
Chuck Coia

President

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the individual whose signature appears below hereby constitutes and appoints Michael J. Jackson and Jonathan P. Ferrando, and each of them severally, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for him and in his name, place, and stead in any and all capacities to sign any and all amendments (including post-effective amendments and amendments filed pursuant to 462(b) under the Securities Act of 1933) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-facts and agents or any of them, or of his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following person in the capacity and on the date indicated.

Signature	Title(s)	Date
/s/ CHUCK COIA **Chuck Coia**	President, Treasurer, and Sole Director (Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer and Director)	February 23, 2010

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the below registrants certify that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Torrance, California, on February 23, 2010.

G.B. IMPORT SALES & SERVICE, LLC

PEYTON CRAMER FORD

By: /s/ DAN TURNER
Dan Turner

President

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the individual whose signature appears below hereby constitutes and appoints Michael J. Jackson and Jonathan P. Ferrando, and each of them severally, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for him and in his name, place, and stead in any and all capacities to sign any and all amendments (including post-effective amendments and amendments filed pursuant to 462(b) under the Securities Act of 1933) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-facts and agents or any of them, or of his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following person in the capacity and on the date indicated.

Signature	Title(s)	Date
/s/ DAN TURNER **Dan Turner**	President, Treasurer, and Sole Director (Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer and Director)	February 23, 2010

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the below registrant certify that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Valencia, California, on February 23, 2010.

MAGIC ACQUISITION CORP.

By: /s/ Dennis Hawking
Dennis Hawking

President

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the individual whose signature appears below hereby constitutes and appoints Michael J. Jackson and Jonathan P. Ferrando, and each of them severally, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for him and in his name, place, and stead in any and all capacities to sign any and all amendments (including post-effective amendments and amendments filed pursuant to 462(b) under the Securities Act of 1933) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-facts and agents or any of them, or of his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following person in the capacity and on the date indicated.

Signature	Title(s)	Date
/s/ Dennis Hawking **Dennis Hawking**	President, Treasurer, and Sole Director (Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer and Director)	February 23, 2010

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the below registrant certify that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Tustin, California, on February 23, 2010.

JOE MACPHERSON FORD

By: /s/ George Shire
George Shire

President

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the individual whose signature appears below hereby constitutes and appoints Michael J. Jackson and Jonathan P. Ferrando, and each of them severally, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for him and in his name, place, and stead in any and all capacities to sign any and all amendments (including post-effective amendments and amendments filed pursuant to 462(b) under the Securities Act of 1933) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-facts and agents or any of them, or of his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following person in the capacity and on the date indicated.

Signature	Title(s)	Date
/s/ George Shire **George Shire**	President, Treasurer, and Sole Director (Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer and Director)	February 23, 2010

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the below registrant certify that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Roseville, California, on February 23, 2010.

AUTO CAR, INC.

By: /s/ GERALD GONZALVES
Gerald Gonzalves

President

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the individual whose signature appears below hereby constitutes and appoints Michael J. Jackson and Jonathan P. Ferrando, and each of them severally, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for him and in his name, place, and stead in any and all capacities to sign any and all amendments (including post-effective amendments and amendments filed pursuant to 462(b) under the Securities Act of 1933) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-facts and agents or any of them, or of his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following person in the capacity and on the date indicated.

Signature	Title(s)	Date
/s/ GERALD GONZALVES **Gerald Gonzalves**	President, Treasurer, and Sole Director (Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer and Director)	February 23, 2010

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the below registrant certify that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Mountain View, California, on February 23, 2010.

ALLISON BAVARIAN

By: /s/ Huck Hibberd
Huck Hibberd

President

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the individual whose signature appears below hereby constitutes and appoints Michael J. Jackson and Jonathan P. Ferrando, and each of them severally, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for him and in his name, place, and stead in any and all capacities to sign any and all amendments (including post-effective amendments and amendments filed pursuant to 462(b) under the Securities Act of 1933) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-facts and agents or any of them, or of his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following person in the capacity and on the date indicated.

Signature	Title(s)	Date
/s/ Huck Hibberd **Huck Hibberd**	President, Treasurer, and Sole Director (Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer and Director)	February 23, 2010

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the below registrant certify that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Roseville, California, on February 23, 2010.

ROSEVILLE MOTOR CORPORATION

By: /s/ JAMES RENTSCHLER
James Rentschler

President

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the individual whose signature appears below hereby constitutes and appoints Michael J. Jackson and Jonathan P. Ferrando, and each of them severally, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for him and in his name, place, and stead in any and all capacities to sign any and all amendments (including post-effective amendments and amendments filed pursuant to 462(b) under the Securities Act of 1933) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-facts and agents or any of them, or of his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following person in the capacity and on the date indicated.

Signature	Title(s)	Date
/s/ JAMES RENTSCHLER **James Rentschler**	President, Treasurer, and Sole Director (Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer and Director)	February 23, 2010

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the below registrant certify that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Santa Clara, California, on February 23, 2010.

STEVENS CREEK MOTORS, INC.

By: /s/ JOE SPURRIER
Joe Spurrier

President

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the individual whose signature appears below hereby constitutes and appoints Michael J. Jackson and Jonathan P. Ferrando, and each of them severally, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for him and in his name, place, and stead in any and all capacities to sign any and all amendments (including post-effective amendments and amendments filed pursuant to 462(b) under the Securities Act of 1933) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-facts and agents or any of them, or of his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following person in the capacity and on the date indicated.

Signature	Title(s)	Date
/s/ JOE SPURRIER **Joe Spurrier**	President, Treasurer, and Sole Director (Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer and Director)	February 23, 2010

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the below registrant certify that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Valencia, California, on February 23, 2010.

VALENCIA DODGE

By: /s/ JOSEPH CARACCIOLO
Joseph Caracciolo

President

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the individual whose signature appears below hereby constitutes and appoints Michael J. Jackson and Jonathan P. Ferrando, and each of them severally, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for him and in his name, place, and stead in any and all capacities to sign any and all amendments (including post-effective amendments and amendments filed pursuant to 462(b) under the Securities Act of 1933) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-facts and agents or any of them, or of his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following person in the capacity and on the date indicated.

Signature	Title(s)	Date
/s/ JOSEPH CARACCIOLO **Joseph Caracciolo**	President, Treasurer, and Sole Director (Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer and Director)	February 23, 2010

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the below registrant certify that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Encino, California, on February 23, 2010.

TERRY YORK MOTOR CARS, LTD.

By: /s/ LINDA TERASHITA
Linda Terashita

President

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the individual whose signature appears below hereby constitutes and appoints Michael J. Jackson and Jonathan P. Ferrando, and each of them severally, as her true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for her and in her name, place, and stead in any and all capacities to sign any and all amendments (including post-effective amendments and amendments filed pursuant to 462(b) under the Securities Act of 1933) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorneys-in-facts and agents or any of them, or of his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following person in the capacity and on the date indicated.

Signature	Title(s)	Date
/s/ LINDA TERASHITA **Linda Terashita**	President, Treasurer, and Sole Director (Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer and Director)	February 23, 2010

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the below registrant certify that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Fremont, California, on February 23, 2010.

AN FREMONT LUXURY IMPORTS, INC.

By: /s/ Mark Akbar
Mark Akbar

President

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the individual whose signature appears below hereby constitutes and appoints Michael J. Jackson and Jonathan P. Ferrando, and each of them severally, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for him and in his name, place, and stead in any and all capacities to sign any and all amendments (including post-effective amendments and amendments filed pursuant to 462(b) under the Securities Act of 1933) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-facts and agents or any of them, or of his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following person in the capacity and on the date indicated.

Signature	Title(s)	Date
/s/ Mark Akbar **Mark Akbar**	President, Treasurer, and Sole Director (Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer and Director)	February 23, 2010

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the below registrant certify that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Irvine, California, on February 23, 2010.

CERRITOS BODY WORKS, INC.

By: /s/ RONNIE VARTANIAN
Ronnie Vartanian
President

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the individual whose signature appears below hereby constitutes and appoints Michael J. Jackson and Jonathan P. Ferrando, and each of them severally, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for him and in his name, place, and stead in any and all capacities to sign any and all amendments (including post-effective amendments and amendments filed pursuant to 462(b) under the Securities Act of 1933) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-facts and agents or any of them, or of his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following person in the capacity and on the date indicated.

Signature	Title(s)	Date
/s/ RONNIE VARTANIAN	President, Treasurer, and Sole Director	February 23, 2010
Ronnie Vartanian	(Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer and Director)	

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the below registrant certify that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Torrance, California, on February 23, 2010.

PEYTON CRAMER AUTOMOTIVE

By: /s/ SEAN BEARDSLEY
Sean Beardsley
President

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the individual whose signature appears below hereby constitutes and appoints Michael J. Jackson and Jonathan P. Ferrando, and each of them severally, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for him and in his name, place, and stead in any and all capacities to sign any and all amendments (including post-effective amendments and amendments filed pursuant to 462(b) under the Securities Act of 1933) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-facts and agents or any of them, or of his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following person in the capacity and on the date indicated.

Signature	Title(s)	Date
/s/ SEAN BEARDSLEY	President, Treasurer, and Sole Director	February 23, 2010
Sean Beardsley	(Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer and Director)	

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the below registrant certify that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Valencia, California, on February 23, 2010.

VALENCIA B. IMPORTS, INC.

By: /s/ Sudhir Sood
Sudhir Sood
President

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the individual whose signature appears below hereby constitutes and appoints Michael J. Jackson and Jonathan P. Ferrando, and each of them severally, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for him and in his name, place, and stead in any and all capacities to sign any and all amendments (including post-effective amendments and amendments filed pursuant to 462(b) under the Securities Act of 1933) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-facts and agents or any of them, or of his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following person in the capacity and on the date indicated.

Signature	Title(s)	Date
/s/ Sudhir Sood	President, Treasurer, and Sole Director	February 23, 2010
Sudhir Sood	(Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer and Director)	

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the below registrant certify that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Newport Beach, California, on February 23, 2010.

NEWPORT BEACH CARS, LLC

By: /s/ Tim Tauber
Tim Tauber
President

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the individual whose signature appears below hereby constitutes and appoints Michael J. Jackson and Jonathan P. Ferrando, and each of them severally, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for him and in his name, place, and stead in any and all capacities to sign any and all amendments (including post-effective amendments and amendments filed pursuant to 462(b) under the Securities Act of 1933) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-facts and agents or any of them, or of his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following person in the capacity and on the date indicated.

Signature	Title(s)	Date
/s/ Tim Tauber	President, Treasurer, and Sole Director	February 23, 2010
Tim Tauber	(Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer and Director)	

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the below registrant certify that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Fremont, California, on February 23, 2010.

EDGREN MOTOR COMPANY, INC.

By: /s/ TODD KING
Todd King
President

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the individual whose signature appears below hereby constitutes and appoints Michael J. Jackson and Jonathan P. Ferrando, and each of them severally, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for him and in his name, place, and stead in any and all capacities to sign any and all amendments (including post-effective amendments and amendments filed pursuant to 462(b) under the Securities Act of 1933) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-facts and agents or any of them, or of his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following person in the capacity and on the date indicated.

Signature	Title(s)	Date
/s/ TODD KING	President, Treasurer, and Sole Director	February 23, 2010
Todd King	(Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer and Director)	

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the below registrant certify that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Roseville, California, on February 23, 2010.

VANDERBEEK MOTORS, INC.

By: /s/ Tom Hood
Tom Hood
President

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the individual whose signature appears below hereby constitutes and appoints Michael J. Jackson and Jonathan P. Ferrando, and each of them severally, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for him and in his name, place, and stead in any and all capacities to sign any and all amendments (including post-effective amendments and amendments filed pursuant to 462(b) under the Securities Act of 1933) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-facts and agents or any of them, or of his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following person in the capacity and on the date indicated.

Signature	Title(s)	Date
/s/ Tom Hood **Tom Hood**	President, Treasurer, and Sole Director (Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer and Director)	February 23, 2010

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the below registrant certify that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Cerritos, California, on February 23, 2010.

SMYTHE EUROPEAN, INC.

By: /s/ William R. Berman
William R. Berman
President

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the individual whose signature appears below hereby constitutes and appoints Michael J. Jackson and Jonathan P. Ferrando, and each of them severally, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for him and in his name, place, and stead in any and all capacities to sign any and all amendments (including post-effective amendments and amendments filed pursuant to 462(b) under the Securities Act of 1933) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-facts and agents or any of them, or of his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following person in the capacity and on the date indicated.

Signature	Title(s)	Date
/s/ William R. Berman **William R. Berman**	President, Treasurer, and Sole Director (Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer and Director)	February 23, 2010

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the below registrants certify that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Torrance, California, on February 23, 2010.

EL MONTE IMPORTS, INC.

JOE MACPHERSON INFINITI

PEYTON CRAMER INFINITI

By: /s/ Steve Kwak
Steve Kwak
President

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the individual whose signature appears below hereby constitutes and appoints Michael J. Jackson and Jonathan P. Ferrando, and each of them severally, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for him and in his name, place, and stead in any and all capacities to sign any and all amendments (including post-effective amendments and amendments filed pursuant to 462(b) under the Securities Act of 1933) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-facts and agents or any of them, or of his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following person in the capacity and on the date indicated.

Signature	Title(s)	Date
/s/ Steve Kwak **Steve Kwak**	President, Treasurer, and Sole Director (Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer and Director)	February 23, 2010

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the below registrant certify that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Hawthorne, California, on February 23, 2010.

TORRANCE NISSAN, LLC

By: /s/ MICHAEL A. CUNNINGHAM
Michael A. Cunningham
President

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS, that the individual whose signature appears below hereby constitutes and appoints Michael J. Jackson and Jonathan P. Ferrando, and each of them severally, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for him and in his name, place, and stead in any and all capacities to sign any and all amendments (including post-effective amendments and amendments filed pursuant to 462(b) under the Securities Act of 1933) to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-facts and agents or any of them, or of his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following person in the capacity and on the date indicated.

Signature	Title(s)	Date
/s/ MICHAEL A. CUNNINGHAM **Michael A. Cunningham**	President, Treasurer, and Sole Director (Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer and Director)	February 23, 2010

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the below registrants certify that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Cerritos, California, on February 23, 2010.

ALLISON BAVARIAN HOLDING, LLC

AN CHEVROLET - ARROWHEAD, INC.

AN COLLISION CENTER OF TEMPE, INC.

AN IMPORTS OF SPOKANE, INC.

AN LUXURY IMPORTS HOLDING, LLC

AN LUXURY IMPORTS OF PHOENIX, INC.

AN LUXURY IMPORTS OF SPOKANE, INC.

AN LUXURY IMPORTS OF TUCSON, INC.

AN MOTORS OF SCOTTSDALE, LLC

AN SUBARU MOTORS, INC.

AN WESTERN REGION MANAGEMENT, LLC

AN/PF ACQUISITION CORP.

96%

Canyon Pointe	Bothell, WA	250	210,400	1990	2003	96%
Inglenook Court	Bothell, WA	224	183,600	1985	1994	96%
Salmon Run at Perry Creek	Bothell, WA	132	117,100	2000	2000	97%
Stonehedge Village	Bothell, WA	196	214,800	1986	1997	98%
Highlands at Wynhaven	Issaquah, WA	333	424,674	2000	2008	97%
Park Hill at Issaquah	Issaquah, WA	245	277,700	1999	1999	98%
Wandering Creek	Kent, WA	156	124,300	1986	1995	96%
Bridle Trails	Kirkland, WA	108	99,700	1986(36)	1997	97%
Corbella at Juanita Bay	Kirkland, WA	169	103,339	1978	2010	96%
Evergreen Heights	Kirkland, WA	200	188,300	1990	1997	97%
Laurels at Mill Creek, The	Mill Creek, WA	164	134,300	1981	1996	96%

Morning Run(5)	Monroe, WA	222	221,786	1991	2005	97%
Anchor Village(6)	Mukilteo, WA	301	245,900	1981	1997	95%
Castle Creek	Newcastle, WA	216	191,900	1997	1997	97%
Delano	Redmond, WA	66	52,864	2011	2011	100%
Elevation (Eagle Rim)	Redmond, WA	157	138,916	1986	2010	95%
Redmond Hill East	Redmond, WA	440	381,675	1998	2011	95%
Redmond Hill West	Redmond, WA	442	350,275	1985	2011	93%
Brighton Ridge	Renton, WA	264	201,300	1986	1996	96%
Fairwood Pond	Renton, WA	194	189,200	1997	2004	96%
Forest View	Renton, WA	192	182,500	1998	2003	96%
Bernard, The	Seattle, WA	63	43,151	2008	2011	96%
Cairns, The	Seattle, WA	100	70,806	2006	2007	97%
Eastlake 2851(5)	Seattle, WA	133	234,086	2008	2008	96%
Fountain Court	Seattle, WA	320	207,000	2000	2000	96%
Joule	Seattle, WA	295	191,109	2010	2010	96%
Linden Square	Seattle, WA	183	142,200	1994	2000	96%
Tower @ 801(5)	Seattle, WA	173	118,500	1970	2005	96%
Wharfside Pointe	Seattle, WA	142	119,200	1990	1994	96%
Echo Ridge(5)	Snoqualmie, WA	120	124,359	2000	2005	97%
		7,638	6,665,328			95%
Total/Weighted Average		32,753	28,630,862			96%

Other real estate assets(1)	Location	Tenants	Rentable Square Footage	Year Built	Year Acquired	Occupancy(2)
Office Buildings						
925 / 935 East Meadow Drive(37)	Palo Alto, CA	1	31,900	1988 / 1962	1997 / 2007	100 %
6230 Sunset Blvd(38)	Los Angeles, CA	1	35,000	1938	2006	100 %
17461DerianAve(39)	Irvine, CA	6	110,000	1983	2000	93 %
Santa Clara Retail	Santa Clara, CA	3	139,000	1970	2011	100 %
Total Office Buildings		11	315,900			99 %

Footnotes to the Company's Portfolio Listing as of December 31, 2011

(1) Unless otherwise specified, the Company has a 100% ownership interest in each community.

(2) For communities, occupancy rates are based on financial occupancy for the year ended December 31, 2011; for the commercial buildings or properties which have not yet stabilized, or have insufficient operating history, occupancy rates are based on physical occupancy as of December 31, 2011. For an explanation of how financial occupancy and physical occupancy are calculated, see "Properties-Occupancy Rates" in this Item 2.

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(3) The Company has a 30% special limited partnership interest in the entity that owns this apartment community. This investment was made under arrangements whereby Essex Management Corporation ("EMC") became the general partner and the existing partners were granted the right to require the applicable partnership to redeem their interest for cash. Subject to certain conditions, the Company may, however, elect to deliver an equivalent number of shares of the Company's common stock in satisfaction of the applicable partnership's cash redemption obligation.

(4) The community is subject to a ground lease, which, unless extended, will expire in 2082.

(5) This community is owned by Fund II. The Company has a 28.2% interest in Fund II which is accounted for using the equity method of accounting.

(6) The Company holds a 1% special limited partner interest in the partnerships which own these apartment communities. These investments were made under arrangements whereby EMC became the 1% sole general partner and the other limited partners were granted the right to require the applicable partnership to redeem their interest for cash. Subject to certain conditions, the Company may, however, elect to deliver an equivalent number of shares of the Company's common stock in satisfaction of the applicable partnership's cash redemption obligation.

(7) The Company completed development of the property in 2010.

(8) The Company completed a $10.8 million redevelopment in 2009.

(9) The Company completed a $6.2 million redevelopment in 2007.

(10) Fund II completed a $5.3 million redevelopment in 2008.

(11) This community is subject to a ground lease, which, unless extended, will expire in 2067.

(12) The Company completed a $6.1 million redevelopment in 2007.

(13) This community is subject to a ground lease, which, unless extended, will expire in 2027.

(14) This community is owned by Wesco I. The Company has a 50% interest in Wesco I which is accounted for using the equity method of accounting.

(15) The Company completed a $16.6 million redevelopment in 2009.

(16) The Company is in the process of performing a $9.7 million redevelopment.

(17) Company has a 47% interest in this community which is accounted for under the equity method.

(18) The Company and EMC have a 74.0% and a 1% member interest, respectively.

(19) The community is subject to a ground lease, which, unless extended, will expire in 2028.

(20) The Company completed a $12.0 million redevelopment in 2008.

(21) The Company is in the process of performing a $8.6 million redevelopment

(22) The Company completed an $8.9 million redevelopment in 2008.

(23) The Company completed a $9.4 million redevelopment in 2009.

(24) The Company completed a $4.6 million redevelopment in 2009.

(25) Fund II completed a $4.5 million redevelopment in 2008.

(26) The Company completed construction of 114 units of the 462 total units in 2000.

(27) A portion of this community on which 84 units are presently located is subject to a ground lease, which, unless extended, will expire in 2028.

(28) The Company is in the process of performing a $9.9 million redevelopment.

(29) The community is subject to a ground lease, which, unless extended, will expire in 2070.

(30) The Company is in the process of performing a $10.4 million redevelopment.

(31) The Company completed a $12.5 million redevelopment in 2009.

(32) The Company is in the process of performing a $36.3 million redevelopment, which included the construction of 28 in-fill units in 2009.

(33) The Company completed a $7.0 million redevelopment in 2007.

(34) The Company completed a $3.9 million redevelopment in 2007.

(35) The Company is in the process of performing an $21.6 million redevelopment.

(36) The Company completed a $5.1 million redevelopment and completed construction of 16 units of the community's 108 units in 2006.

(37) The Company occupies 100% of this property.
(38) The property is leased through July 2014 to a single tenant.
(39) The Company occupies 7% of this property.

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Item 3. Legal Proceedings

There have been have been an increasing number of lawsuits in recent years against owners and managers of apartment communities alleging personal injury and property damage caused by the presence of mold in residential real estate. Some of these lawsuits have resulted in substantial monetary judgments or settlements. The Company has been sued for mold related matters and has settled some, but not all, of such matters.   Insurance carriers have reacted to mold related liability awards by excluding mold related claims from standard policies and pricing mold endorsements at prohibitively high rates. The Company has, however, purchased pollution liability insurance, which includes some coverage for mold. The Company has adopted policies for promptly addressing and resolving reports of mold when it is detected, and to minimize any impact mold might have on residents of the property. The Company believes its mold policies and proactive response to address any known existence, reduces its risk of loss from these cases. There can be no assurances that the Company has identified and responded to all mold occurrences, but the Company promptly addresses all known reports of mold. Liabilities resulting from such mold related matters are not expected to have a material adverse effect on the Company’s financial condition, results of operations or cash flows. As of December 31, 2011, potential liabilities for mold and other environmental liabilities are not considered probable or the loss cannot be quantified or estimated.

The Company is subject to various other lawsuits in the normal course of its business operations. Such lawsuits are not expected to have a material adverse effect on the Company’s financial condition, results of operations or cash flows.

Item 4. Mine Safety Disclosures

Not Applicable.

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Part II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

The shares of the Company's common stock are traded on the New York Stock Exchange ("NYSE") under the symbol ESS.

Market Information

The Company's common stock has been traded on the NYSE since June 13, 1994. The high, low and closing price per share of common stock reported on the NYSE for the quarters indicated are as follows:

Quarter Ended	High	Low	Close
December 31, 2011	$ 148.44	$ 111.25	$ 140.51
September 30, 2011	$ 145.40	$ 119.15	$ 120.04
June 30, 2011	$ 138.31	$ 122.67	$ 135.29
March 31, 2011	$ 124.41	$ 109.98	$ 124.00
December 31, 2010	$ 117.12	$ 105.60	$ 114.22
September 30, 2010	$ 115.08	$ 92.62	$ 109.44
June 30, 2010	$ 113.03	$ 89.23	$ 97.54
March 31, 2010	$ 93.98	$ 76.35	$ 89.95

The closing price as of February 23, 2012 was $139.83.

Holders

The approximate number of holders of record of the shares of the Company's common stock was 264 as of February 22, 2012. This number does not include stockholders whose shares are held in trust by other entities. The Company believes the actual number of stockholders is greater than the number of holders of record.

Return of Capital

Under provisions of the Internal Revenue Code of 1986, as amended, the portion of the cash dividend, if any, that exceeds earnings and profits is considered a return of capital. The return of capital is generated due to a variety of factors, including the deduction of non-cash expenses, primarily depreciation, in the determination of earnings and profits

The status of the cash dividends distributed for the years ended December 31, 2011, 2010, and 2009 related to common stock, and Series F and Series G preferred stock for tax purposes are as follows:

	2011	2010	2009
Common Stock			
Ordinary income	63.68 %	82.46 %	79.82 %
Capital gain	11.16 %	5.61 %	15.76 %
Unrecaptured section 1250 capital gain	0.74 %	0.00 %	4.42 %
Return of capital	24.42 %	11.93 %	0.00 %
	100.00 %	100.00 %	100.00 %

	2011		2010		2009	
Series F, G, and H Preferred stock						
Ordinary income	100.00	%	93.63	%	79.82	%
Capital gains	0.00	%	6.37	%	15.76	%
Unrecaptured section 1250 capital gain	0.00	%	0.00	%	4.42	%
Return of capital	0.00	%	0.00	%	0.00	%
	100.00	%	100.00	%	100.00	%

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Dividends and Distributions

Since its initial public offering on June 13, 1994, the Company has paid regular quarterly dividends to its stockholders. The Company has paid the following dividends per share of common stock:

Year Ended	Annual Dividend	Quarter Ended	2011	2010	2009
1995	$ 1.685	March 31	$ 1.040	$ 1.033	$ 1.030
1996	$ 1.720	June 30,	1.040	1.033	1.030
1997	$ 1.770	September 30	1.040	1.033	1.030
1998	$ 1.950	December 31	1.040	1.033	1.030
1999	$ 2.150				
2000	$ 2.380	Annual Dividend	$ 4.160	$ 4.130	$ 4.120
2001	$ 2.800				
2002	$ 3.080				
2003	$ 3.120				
2004	$ 3.160				
2005	$ 3.240				
2006	$ 3.360				
2007	$ 3.720				
2008	$ 4.080				

Future distributions by the Company will be at the discretion of the Board of Directors and will depend on the actual cash flows from operations of the Company, its financial condition, capital requirements, the annual distribution requirements under the REIT provisions of the Internal Revenue Code, applicable legal restrictions and such other factors as the Board of Directors deem relevant. There are currently no contractual restrictions on the Company’s present or future ability to pay dividends.

On February 22, 2012, the Company announced the Board of Directors approved a $0.24 per share increase to the annualized cash dividend. Accordingly, the first quarter dividend distribution, payable on April 15, 2012 to stockholders as of record as of March 31, 2012, will be $1.10 per share. On an annualized basis, the dividend represents a distribution of $4.40 per common share.

Dividend Reinvestment and Share Purchase Plan

The Company has adopted a dividend reinvestment and share purchase plan designed to provide holders of common stock with a convenient and economical means to reinvest all or a portion of their cash dividends in shares of common stock and to acquire additional shares of common stock through voluntary purchases. Computershare, LLC, which serves as the Company’s transfer agent, administers the dividend reinvestment and share purchase plan. For a copy of the plan, contact Computershare, LLC at (312) 360-5354.

Securities Authorized for Issuance under Equity Compensation Plans

See the Company’s disclosure in the 2012 Proxy Statement under the heading “Equity Compensation Plan Information”, which disclosure is incorporated herein by reference.

Issuance of Registered Equity Securities

During 2011, the Company sold 2.5 million shares of common stock for proceeds of $323.9 million, net of fees and commissions. These sales were pursuant to a registration statement and the Company used the net proceeds from the stock offerings to pay down debt, fund redevelopment and development pipelines, fund acquisitions, and general corporate purposes.

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Issuer Purchases of Equity Securities – Common Stock, Series G Cumulative Convertible Preferred Stock

In August 2007, the Company's Board of Directors authorized a stock repurchase plan to allow the Company to acquire shares in an aggregate of up to $200 million. During February 2009, the Company repurchased and retired 350,000 shares of its common stock for approximately $20.3 million. The Company did not repurchase any shares during 2011. Since the Company announced the inception of the stock repurchase plan, the Company has repurchased and retired 816,659 shares for $66.6 million at an average stock price of $81.56 per share, including commissions as of December 31, 2011.

Performance Graph

The line graph below compares the cumulative total stockholder return on the Company's common stock for the last five years with the cumulative total return on the S&P 500 and the NAREIT All Equity REIT index over the same period. This comparison assumes that the value of the investment in the common stock and each index was $100 on December 31, 2006 and that all dividends were reinvested (1).

	Period Ending					
Index	12/31/06	12/31/07	12/31/08	12/31/09	12/31/10	12/31/11
Essex Property Trust, Inc.	100.00	77.91	63.88	73.84	104.94	133.33
NAREIT All Equity REIT Index	100.00	84.31	52.50	67.20	85.98	93.10
S&P 500	100.00	105.49	66.46	84.05	96.71	98.76

(1) Common stock performance data is provided by SNL Financial

The graph and other information furnished under the above caption "Performance Graph" in this Part II Item 5 of this Form 10-K shall not deemed to be "soliciting material" or to be "filed" with the SEC or subject to Regulation 14A or 14C, or to the liabilities of the Exchange Act, as amended.

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Item 6. Selected Financial Data

The following tables set forth summary financial and operating information for the Company from January 1, 2007 through December 31, 2011.

	Years Ended December 31,				
	2011	2010	2009	2008	2007
	($ in thousands, except per share amounts)				
OPERATING DATA:					
REVENUES					
Rental and other property	$ 468,778	$ 408,734	$ 404,556	$ 400,693	$ 367,190
Management and other fees from affiliates	6,780	4,551	4,325	5,166	5,090
	475,558	413,285	408,881	405,859	372,280
EXPENSES					
Property operating expenses	160,585	144,465	138,704	131,495	120,589
Depreciation	152,228	129,011	117,296	108,955	95,859
General and administrative	25,304	25,962	28,062	27,684	26,673
Impairment and other charges	-	2,302	13,084	650	800
	338,117	301,740	297,146	268,784	243,921
Earnings from operations	137,441	111,545	111,735	137,075	128,359
Interest expense before amortization expense	(91,694)	(82,756)	(81,196)	(78,203)	(79,053)
Amortization expense	(11,474)	(4,828)	(4,820)	(6,860)	(6,843)
Interest and other income	17,139	27,841	13,040	11,337	10,310
Equity (loss) income from co-investments	(467)	(1,715)	670	7,820	3,120
Gain (loss) on early retirement of debt	(1,163)	(10)	4,750	3,997	-
Gain on the sales of real estate	-	-	103	4,578	-
Income before discontinued operations	49,782	50,077	44,282	79,744	55,893
Income from discontinued operations	7,734	705	9,457	4,651	147,168
Net income	57,516	50,782	53,739	84,395	203,061
Net income attributable to noncontrolling interest	(10,446)	(14,848)	(16,631)	(22,255)	(90,961)
Net income attributable to controlling interest	47,070	35,934	37,108	62,140	112,100
Dividends to preferred stockholders	(4,753)	(2,170)	(4,860)	(9,241)	(9,174)
Excess (deficit) of the carrying amount of preferred stock redeemed over the cash paid to redeem preferred stock	(1,949)	-	49,952	-	-
Net income available to common stockholders	$ 40,368	$ 33,764	$ 82,200	$ 52,899	$ 102,926

Per share data:					
Basic:					
Income before discontinued operations available to common stockholders	$ 1.02	$ 1.12	$ 2.69	$ 1.92	$ 1.11
Net income available to common stockholders	$ 1.24	$ 1.14	$ 3.01	$ 2.10	$ 4.19
Weighted average common stock outstanding	32,542	29,667	27,270	25,205	24,548
Diluted:					
Income before discontinued operations available to common stockholders	$ 1.02	$ 1.11	$ 2.59	$ 1.91	$ 1.08
Net income available to common stockholders	$ 1.24	$ 1.14	$ 2.91	$ 2.09	$ 4.10
Weighted average common stock outstanding	32,629	29,734	29,747	25,347	25,101
Cash dividend per common share	$ 4.16	$ 4.13	$ 4.12	$ 4.08	$ 3.72

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	As of December 31,				
	2011	2010	2009	2008	2007
	($ in thousands)				
BALANCE SHEET DATA:					
Investment in rental properties (before accumulated depreciation)	$ 4,313,064	$ 3,964,561	$ 3,412,930	$ 3,279,788	$ 3,117,759
Net investment in rental properties	3,393,038	3,189,008	2,663,466	2,639,762	2,575,772
Real estate for development	44,280	217,531	274,965	272,273	233,445
Total assets	4,036,964	3,732,887	3,254,637	3,164,823	2,980,323
Total secured indebtedness	1,745,858	2,082,754	1,832,549	1,588,931	1,362,873
Total unsecured indebtedness	615,000	176,000	14,893	165,457	282,486
Cumulative convertible preferred stock	4,349	4,349	4,349	145,912	145,912
Cumulative redeemable preferred stock	73,750	25,000	25,000	25,000	25,000
Stockholders' equity	1,437,527	1,149,946	1,053,096	852,227	803,417

	As of and for the years ended December 31,				
	2011	2010	2009	2008	2007
OTHER DATA:					
Net income	$ 57,516	$ 50,782	$ 53,739	$ 84,395	203,061
Interest expense before amortization expense	91,694	82,756	81,188	78,203	79,053
Amortization expense	11,474	4,828	4,828	6,860	6,843
Tax expense (benefit)	(1,682)	-	-	-	396
Depreciation	152,543	129,712	118,522	113,294	102,250
EBITDA(1)	$ 311,545	$ 268,078	$ 258,277	$ 282,752	391,603

(1) EBITDA is an operating measure and is defined as net income before interest expense, income taxes, depreciation and amortization. EBITDA, as defined by the Company, is not a recognized measurement under U.S. generally accepted accounting principles, or GAAP. This measurement should not be considered in isolation or as a substitute for net income, cash flows from operating activities and other income or cash flow statement data prepared in accordance with GAAP, or as a measure of profitability or liquidity. The Company's definition may not be comparable to that of other companies.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the accompanying consolidated financial statements and notes thereto. These consolidated financial statements include all adjustments which are, in the opinion of management, necessary to reflect a fair statement of the results and all such adjustments are of a normal recurring nature.

OVERVIEW

The Company is a self-administered and self-managed REIT that acquires, develops, redevelops and manages apartment communities in selected residential areas located primarily in the West Coast of the United States. The Company owns all of its interests in its real estate investments, directly or indirectly, through the Operating

Partnership. The Company is the sole general partner of the Operating Partnership and, as of December 31, 2011, had an approximately 93.8% general partner interest in the Operating Partnership.

The Company's investment strategy has two components: constant monitoring of existing markets, and evaluation of new markets to identify areas with the characteristics that underlie rental growth. The Company's strong financial condition supports its investment strategy by enhancing its ability to quickly shift acquisition, development, and disposition activities to markets that will optimize the performance of the portfolio.

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As of December 31, 2011, the Company had ownership interests in 159 communities, comprising 32,753 apartment units, and the apartment communities are located in the following major West Coast regions:

Southern California (Los Angeles, Orange, Riverside, Santa Barbara, San Diego, and Ventura counties)
Northern California (the San Francisco Bay Area)
Seattle Metro (Seattle metropolitan area)

As of December 31, 2011, the Company also had ownership interests in five commercial buildings (with approximately 315,900 square feet).

As of December 31, 2011, the Company's development pipeline was comprised of five unconsolidated joint venture projects under development, one unconsolidated joint venture predevelopment project and three consolidated land parcels held for future development or sale aggregating 2,014 units, with total incurred costs of $227.1 million, and estimated remaining project costs of approximately $282.6 million for total estimated project costs of $422.6 million. By region, the Company's operating results for 2010 and 2011 and projections for 2012 new housing supply, job growth, and rental income as follows:

Southern California Region: As of December 31, 2011, this region represented 48% of the Company's consolidated apartment units. During the year ended December 31, 2011, revenues for "2011/2010 Same-Properties" (as defined below), or "Same-Property revenues," increased 2.7% in 2011 as compared to 2010. In 2012, the Company expects new residential supply (excluding Santa Barbara and Riverside counties) of 5,400 multifamily and 5,100 single family homes, which represents a total new supply of 0.2% and 0.1% of existing stock, respectively. The Company assumes an increase of 78,800 jobs or 1.2%, and an increase in rental income of 3.0% to 5.0% in 2012.

Northern California Region: As of December 31, 2011, this region represented 30% of the Company's consolidated apartment units. Same-Property revenues increased 5.7% in 2011 as compared to 2010. In 2012, the Company expects new residential supply of 3,000 multifamily and 2,200 single family homes, which represents a total new supply of 0.3% and 0.2%, respectively, of existing stock. The Company assumes an increase of 48,000 jobs or 1.7%, and an increase in rental income of 7.0% to 9.0% in 2012.

Seattle Metro Region: As of December 31, 2011, this region represented 22% of the Company's consolidated apartment units. Same-Property revenues increased 4.6% in 2011 as compared to 2010. In 2012, the Company expects new residential supply of 1,800 multifamily and 3,400 single family homes, which represents a total new supply of 0.5% of existing stock. The Company assumes an increase of 25,000 jobs or 1.8%, and an increase in rental income of 7.0% to 9.0% in 2012.

The Company expects 2012 same-property revenues to increase between 5% and 7% compared to 2011 results, as renewal leases and new leases are signed at higher rents than 2011 during 2012. The Company expects same-property financial occupancy to be consistent with 2011 at 96.4%, thus 2012 revenues will increase 5% to 7% due to a similar increase in scheduled rent. Same-property operating expenses are expected to increase from 1.1% in 2011, to a range of 2% and 3% in 2012. Finally, same-property net operating income ("NOI") which is defined as same-property revenues less same-property operating expenses is expected to increase from 5.5% for 2011 to a range of 7% to 9% in 2012.

The Company's consolidated communities are as follows:

	As of December 31, 2011		As of December 31, 2010	
	Apartment Units	%	Apartment Units	%

Southern California	13,205	48	%	13,076	49	%
Northern California	8,106	30	%	7,696	29	%
Seattle Metro	6,108	22	%	5,980	22	%
Total	27,419	100	%	26,752	100	%

Co-investments including Fund II and Wesco I communities, Essex Skyline at MacArthur Place, and preferred equity co-investment communities are not included in the table presented above for both years.

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RESULTS OF OPERATIONS

Comparison of Year Ended December 31, 2011 to the Year Ended December 31, 2010

The Company's average financial occupancies for the Company's stabilized apartment communities or "2011/2010 Same-Properties" (stabilized properties consolidated by the Company for the years ended December 31, 2011 and 2010) decreased 50 basis points to 96.4% in 2011 from 96.9% in 2010. Financial occupancy is defined as the percentage resulting from dividing actual rental revenue by total possible rental revenue. Actual rental revenue represents contractual rental revenue pursuant to leases without considering delinquency and concessions. Total possible rental revenue represents the value of all apartment units, with occupied units valued at contractual rental rates pursuant to leases and vacant units valued at estimated market rents. We believe that financial occupancy is a meaningful measure of occupancy because it considers the value of each vacant unit at its estimated market rate.

Market rates are determined using a variety of factors such as effective rental rates at the property based on recently signed leases and asking rates for comparable properties in the market. The recently signed effective rates at the property are used as the starting point in the determination of the market rates of vacant units. The Company then increases or decreases these rates based on the supply and demand in the apartment community's market. The Company will check the reasonableness of these rents based on its position within the market and compare the rents against the asking rents by comparable properties in the market. Financial occupancy may not completely reflect short-term trends in physical occupancy and financial occupancy rates as disclosed by other REITs may not be comparable to the Company's calculation of financial occupancy.

The Company does not take into account delinquency and concessions to calculate actual rent for occupied units and market rents for vacant units. The calculation of financial occupancy compares contractual rates for occupied units to estimated market rents for unoccupied units, thus the calculation compares the gross value of all apartment units excluding delinquency and concessions. For apartment communities that are development properties in lease-up without stabilized occupancy figures, the Company believes the physical occupancy rate is the appropriate performance metric. While an apartment community is in the lease-up phase, the Company's primary motivation is to stabilize the property which may entail the use of rent concessions and other incentives, and thus financial occupancy which is based on contractual revenue is not considered the best metric to quantify occupancy.

The regional breakdown of the Company's 2011/2010 Same-Property portfolio for financial occupancy for the years ended December 31, 2011 and 2010 is as follows:

	Years ended December 31,	
	2011	2010
Southern California	96.3 %	96.8 %
Northern California	96.6 %	97.2 %
Seattle Metro	96.4 %	96.9 %

The following table provides a breakdown of revenue amounts, including the revenues attributable to 2011/2010 Same-Properties.

	Number of Properties	Years Ended December 31, 2011	2010	Dollar Change	Percentage Change
Property Revenues ($ in thousands)					
2011/2010 Same-Properties:					

Southern California	60	$ 207,813	$ 202,354	$ 5,459	2.7	%
Northern California	28	123,451	116,796	6,655	5.7	
Seattle Metro	23	61,827	59,101	2,726	4.6	
Total 2011/2010 Same-Property revenues	111	393,091	378,251	14,840	3.9	
2011/2010 Non-Same Property Revenues (1)		75,687	30,483	45,204	148.3	
Total property revenues		$ 468,778	$ 408,734	$ 60,044	14.7	%

(1) Includes twelve communities acquired after January 1, 2010, two redevelopment communities, eight development communities, and three commercial buildings.

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2011/2010 Same-Property Revenues increased by $14.8 million or 3.9% to $393.1 million for 2011 compared to $378.3 million in 2010. The increase was primarily attributable to an increase in scheduled rents of $15.2 million as reflected in an increase of 4.1% in average rental rates from $1,313 per unit for 2010 to $1,367 per unit for 2011. Scheduled rents increased in all regions by 2.7%, 6.2%, and 4.8% in Southern California, Northern California, and Seattle Metro, respectively. Other income and free rent also increased by $0.6 million and $1.7 million, respectively in 2011. Bad debt expense decreased slightly by $0.2 million and rent concessions were comparable between years. Occupancy decreased 50 basis points in 2011 to 96.4% compared to 96.9% in 2010 which resulted in a decrease in revenue of $2.5 million due to the Company's focus on increasing renewal and new lease rents at the communities compared to 2010 and 2009 when high occupancy was the primary objective due to market conditions.

2011/2010 Non-Same Property Revenues revenue increased $45.2 million in 2011 compared to 2010, due to the acquisition of twelve operating properties since January 1, 2010. Three communities were acquired in 2011 comprised of Delano, The Bernard, and 1000 Kiely and nine communities were acquired in 2010 comprised of Santee Court, Courtyard off Main, Corbella at Juanita Bay, Anavia, 416 on Broadway, 101 San Fernando, The Commons, Bella Villagio, and Elevation. The increase in non-same property revenue is also attributable to eight development communities (Via, Santee Village, Bellerive, Muse, Allegro, Axis 2300, Fourth & U and Joule) and the acquisition of the Santa Clara retail center.

Management and other fees from affiliates increased $2.2 million or 49.0% to $6.8 million in 2011 compared to $4.6 million in 2010. The increase is primarily due to the asset and property management fees earned from Wesco I and II co-investments formed during 2011, and development fees earned from the joint ventures formed in 2011 to develop Epic, West Dublin, Fountain at La Brea and Santa Monica at La Brea, and Queen Anne development projects.

Property operating expenses, excluding real estate taxes increased $11.5 million or 11.0% for 2011 compared to 2010, primarily due to the acquisition of twelve communities and one retail center, and the lease-up of eight development properties. 2011/2010 Same-Property operating expenses excluding real estate taxes increased by $2.1 million or 2.1% for 2011 compared to 2010, due primarily to an increase of $1.7 million in repairs and maintenance expenses including a $0.5 million increase in turnover costs.

Real estate taxes increased $4.6 million or 11.6% for 2011 compared to 2010, due primarily to the acquisition of twelve communities and one retail center and expensing property taxes instead of capitalizing the cost for communities that were previously under development. Same-Property real estate taxes decreased by $0.7 million or 1.9% for 2011 compared to the 2010 due to a reduction in assessed property valuations for select communities located in California and a decrease in assessed valuations for select properties in the Seattle Metro.

Depreciation expense increased by $23.2 million or 18.0% for 2011 compared to 2010, due to the acquisition of twelve communities, the completion of eight development communities, and the capitalization of approximately $95.3 million in additions to rental properties for 2011, including $45.1 million spent on redevelopment, $16.4 million spent on improvements to recent acquisitions, $7.6 million on revenue generating capital, and the capitalization of approximately $52.7 million in additions to rental properties for 2010, including the capitalization of approximately $16.3 million spent on redevelopment and revenue generating capital and $6.4 million on acquisition capital.

General and administrative expense decreased $0.7 million or 2.5% for 2011 compared to 2010 primarily due to $1.6 million in non-recurring compensation costs related to the CEO's retirement in 2010, partially offset by an increase in administrative costs of approximately $1.0 million due to the hiring of additional staff to assist with the management of Wesco I and II and the development joint ventures formed in 2011.

Impairment and other charges of $2.3 million in 2010 relates to an expense recorded by the Company due to the hedge ineffectiveness of certain forward-starting swaps that were settled in 2010.

Interest expense before amortization increased $8.9 million or 10.8% in 2011, primarily due to the increase in average outstanding debt, and a decrease in capitalized interest of $1.2 million compared to 2010.

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Amortization expense increased by $6.6 million in 2011 compared to 2010 due primarily to the settlement of forward starting swaps in the third and fourth quarters of 2010 that were applied to new 10-year secured mortgage loans, and as a result, the settlement amounts are being amortized over the ten years.

Interest and other income decreased by $10.7 million for 2011 primarily due to a decrease of $7.5 million in gains from the sales of marketable securities. The Company sold marketable securities for a gain of $5.0 million during 2011 compared to $12.5 million in gains generated from the sale of marketable securities for 2010. Additionally, interest on notes receivables decreased by $3.4 million in 2011 compared to 2010. This primarily relates to the settlement of the Santee Court note in 2010 upon the Company's acquisition of the Santee Court property and a full year of interest in 2011 on a note purchased at a discount during the fourth quarter of 2010. Finally, interest and dividends on marketable securities decreased by $1.6 million in 2011 compared to 2010 due to lower average investment balances, and this decrease was offset by a $1.6 million increase in other income resulting from an income tax benefit from a taxable REIT subsidiary that met the "more likely than not" threshold in the fourth quarter of 2011. This tax benefit relates to the write-off of an investment in a joint venture development project recognized during 2009.

Equity (loss) income in co-investments was a loss of $0.5 million in 2011 compared to a loss of $1.7 million in 2010 due primarily to the gain on the sale of a co-investment of $0.9 million and an increase in income of $3.3 million related to the Company's preferred equity investments made in 2010 and 2011, partially offset by an increase in losses attributable to Wesco I and Essex Skyline at MacArthur Place. Essex Skyline at MacArthur Place achieved stabilization in second quarter of 2011.

Gain (loss) on early retirement of debt was a loss of $1.2 million for 2011 due to the write-off of deferred financing costs related to the termination of the Company's $250 million secured line of credit with Freddie Mac and mortgages paid-off before maturity in 2011.

Income from discontinued operations for 2011 was $7.7 million and includes a gain of $5.2 million on the sale of Woodlawn Colonial and a gain of $3.2 million on the sale of Clarendon along with the operating results for these properties and internal disposition costs. For 2010 discontinued operations consisted of the operating results of these two properties.

Excess of the carrying amount of preferred stock redeemed over the cash paid to redeem preferred stock for 2011 was $1.9 million due to the redemption of all of the Series B preferred units, which resulted in excess of cash paid of $1.0 million over the carrying value of Series B preferred units and the redemption of Series F preferred stock which resulted in excess of cash paid of $0.9 million over the carrying value of Series F preferred stock due to deferred offering costs and original issuance discounts.

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Comparison of Year Ended December 31, 2010 to the Year Ended December 31, 2009

The Company's average financial occupancies for the Company's stabilized apartment communities for "2010/2009 Same-Properties" (stabilized properties consolidated by the Company for the years ended December 31, 2010 and 2009) remained consistent at 97.0% for 2010 and 2009.

The regional breakdown of the Company's stabilized 2010/2009 Same-Property portfolio for financial occupancy for the years ended December 31, 2010 and 2009 is as follows:

	Years ended December 31, 2010		2009	
Southern California	96.8	%	96.6	%
Northern California	97.3	%	97.7	%
Seattle Metro	96.9	%	97.1	%

The following table provides a breakdown of revenue amounts, including the revenues attributable to 2010/2009 Same-Properties.

	Number of Properties	Years Ended December 31, 2010	2009	Dollar Change	Percentage Change
Property Revenues ($ in thousands)					
2010/2009 Same-Properties:					
Southern California	58	$ 195,202	$ 199,197	$ (3,995)	(20) %
Northern California	28	114,346	118,776	(4,430)	(37)
Seattle Metro	23	59,101	63,575	(4,474)	(70)
Total 2010/2009 Same-Property revenues	109	368,649	381,548	(12,899)	(34)
2010/2009 Non-Same Property Revenues (1)		40,085	23,008	17,077	742
Total property revenues		$ 408,734	$ 404,556	$ 4,178	10 %

1) Includes ten communities acquired after January 1, 2009, two redevelopment communities, six development communities, and two commercial buildings.

2010/2009 Same-Property Revenues decreased by $12.9 million or 3.4% to $368.6 million for 2010 compared to $381.5 million in 2009. The decrease was primarily attributable to a decrease in 2010/2009 Same-Property community's scheduled rents of $15.1 million as reflected in a decrease of 4.0% in 2010/2009 Same-Property communities average rental rates from $1,356 per unit for 2009 to $1,301 per unit for 2010. Scheduled rents decreased in all regions and specifically by 3.0%, 3.9%, and 7.6% in Southern California, Northern California, and Seattle Metro, respectively. The Company had experienced a decrease in scheduled rents due to the slowdown in the economy coupled with job losses during 2009 and absorption of new housing supply. During 2009 and 2010, the Company experienced a decrease in gross revenue in comparison to the prior year in the Company's markets from the reduction in rents from leases entered into during those periods, but starting in the third quarter of 2010 the Company has experienced sequential revenue growth and an increase in scheduled rents. Offsetting the decrease in schedule rents, was a decrease in bad debt expense and rent concessions of $1.7 million, utility billings income increased $0.8 million, and other income decreased $0.4 million between years due primarily to a decrease in revenue from the fees charged for early termination of leases in 2009.

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2010/2009 Non-Same Property Revenues increased by $17.1 million or 74.2% to $40.1 million for 2010 from $23.0 million for 2009. The increase was primarily due to revenue generated from ten operating communities acquired after January 1, 2009 consisting of Regency at Encino, Eagle Rim, 101 San Fernando, The Commons, Bella Villagio, Santee Court, Courtyard off Main, Corbella at Juanita Bay, Anavia, and 416 on Broadway, six development communities consisting of Allegro, Joule, Fourth & U, Axis 2300, The Grand, and Belmont Station, two redevelopment communities, and two commercial buildings.

Management and other fees from affiliates increased $0.2 million to $4.5 million in 2010 compared to $4.3 million in 2009. The increase is primarily due to the acquisition fee of $0.5 million related to the purchase of Essex Skyline at MacArthur Place in a co-investment and property management fees from this co-investment that were partially offset by a decrease in development fees from Fund II.

Property operating expenses, excluding real estate taxes increased $2.9 million or 2.9% for 2010 compared to 2009, primarily due to the acquisition of ten communities, and the completion of six development properties. 2010/2009 Same-Property operating expenses excluding real estate taxes increased slightly by $0.1 million or 0.8% for 2010 compared to 2009.

Real estate taxes increased $2.8 million or 7.7% for 2010 compared to 2009, due mainly to the acquisition of ten communities which resulted in an increase in property taxes of $1.5 million and the completion of six development communities which resulted in an increase in property taxes of $0.5 million compared to 2009. For same-property results, real estate taxes are limited to a 2% increase for communities in California, and real estate taxes increased on average by 3.5% in the Seattle Metro area from 2009. During the fourth quarter of 2010, the Company received notification of temporary reductions in property taxes for the second half of 2010 for certain communities located mainly located in Contra Costa and Ventura counties, which decreased property taxes for those communities by approximately $0.5 million compared to 2009.

Depreciation and amortization expense increased by $11.7 million or 10.0% for 2010 compared to 2009, due to the acquisition of ten new communities, and the completion of six development properties. Depreciation expense also increased due to the capitalization of approximately $52.7 million in additions to rental properties during 2010 including $16.3 million spent on redevelopment and revenue generating capital expenditures along with a full year of depreciation expense in 2010 versus a partial year of depreciation expense in 2009 for approximately $55.6 million in 2009 improvements capitalized.

General and administrative expense decreased $2.1 million or 7.5% for 2010 compared to 2009, primarily due to $3.8 million in expense of unamortized costs related to the cancellation of the Outperformance Plan in 2009. During 2010, the company incurred $1.6 million in non-recurring compensation related to the CEO’s retirement, which is included in general and administrative expense.

Impairment and other charges for 2010 relates to $2.3 million in expense attributable to hedge ineffectiveness of certain forward-starting swaps that were settled in 2010, and for 2009 the Company incurred $13.1 million in impairment and other charges due to the write-off of development costs totaling $6.7 million related to two land parcels that will no longer be developed by the Company, $0.6 million recorded for additional loan loss reserves related to a note receivable secured by an apartment community in the Portland Metropolitan Area, and $5.8 million due to the write-off of an investment in a joint venture development project.

Interest and other income increased by $14.8 million for 2010 primarily due to gains on sales of marketable securities for $12.5 million compared to $1.0 million in gains on sales of securities in 2009 and an increase in 2010 of $5.3 million for interest income earned on notes receivable primarily related to the Santee Court note receivable in 2010, which was purchased in May 2010 at a discount to the outstanding principal on the note. Those increases in interest and other income were offset partially by a decrease of $1.1 million in interest earned on marketable securities and cash equivalents compared to 2009 due to lower average investment balances.

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Equity (loss) income in co-investments decreased by $2.4 million for 2010 compared to 2009 due primarily to the Company recording its $1.8 million share of loss from operations incurred by Essex Skyline at MacArthur Place which is a development community in lease-up that was acquired in the first quarter of 2010. The remainder of the difference is attributable to a decrease in earnings for Fund II in 2010 compared to 2009.

Gain(loss) on early retirement of debt was $4.8 million for 2009 due to the repurchase of the Company's exchangeable bonds totaling $166.7 million in 2009 at a discount to par value.

Income from discontinued operations for 2010 was $0.7 million which related to operations from Woodlawn Colonial and Clarendon office building which were sold in 2011. The $9.5 million for 2009 includes the operating results for Woodlawn Colonial and Clarendon office building sold in 2011, a gain of $2.9 million on the sale of Maple Leaf, a gain of $2.5 million on the sale of Spring Lake, a gain of $1.6 million on the sale of Carlton Heights Villa, a gain of $0.9 million on the sale of Grand Regency, and a gain of $0.8 million on the sale of Mountain View.

Excess of the carrying amount of preferred stock redeemed over the cash paid to redeem preferred stock for 2010 was $0 since there were no such redemptions in 2010. The $50.0 million for 2009 related to the repurchase of $145.0 million of the Company's Series G Cumulative Convertible Preferred Stock at a discount to carrying value.

Liquidity and Capital Resources

As of December 31, 2011, Standard and Poor's ("S&P") and Fitch Ratings ("Fitch") credit agencies rated Essex Property Trust, Inc. and Essex Portfolio, L.P. BBB/Stable. Also in February 2012, Moody's Investors Service initiated coverage of the Company and assigned a Baa2 issuer rating to Essex Portfolio, L.P., and the rating outlook is stable.

At December 31, 2011, the Company had $12.9 million of unrestricted cash and cash equivalents and $74.3 million in marketable securities, of which $27.5 million were held available for sale. The Company believes that cash flows generated by its operations, existing cash, cash equivalents, and marketable securities balances, availability under existing lines of credit, access to capital markets and the ability to generate cash from the disposition of real estate are sufficient to meet all of the Company's reasonably anticipated cash needs during 2012. The timing, source and amounts of cash flows provided by financing activities and used in investing activities are sensitive to changes in interest rates and other fluctuations in the capital markets environment, which can affect the Company's plans for acquisitions, dispositions, development and redevelopment activities.

The Company has two lines of credit aggregating $440.0 million as of December 31, 2011. The Company had a $425.0 million unsecured line of credit with an accordion option to $500.0 million. As of December 31, 2011 there was a $150.0 million balance on this unsecured line. The underlying interest rate on the $425.0 million line is based on a tiered rate structure tied to Fitch and S&P ratings on the credit facility and the rate was LIBOR plus 1.25% as of December 31, 2011. This facility matures in December 2014 with two one-year extensions, exercisable by the Company. During the first quarter of 2011, the Company entered into a new working capital unsecured line of credit agreement for $15.0 million. As of December 31, 2011 there was no balance outstanding on this unsecured line. The underlying interest rate on the $15.0 million line is based on a tiered rate structure tied to Fitch and S&P ratings on the credit facility of LIBOR plus 1.25%. This facility matures in January 2012 with one one-year extension, exercisable by the Company. During January 2012, the Company renegotiated the terms of the line of credit increasing the borrowing limit to $25.0 million and extended the term of the loan to January 2014, with a one year extension option.

The Company also had a $250.0 million credit facility from Freddie Mac, which was secured by eleven apartment communities. The Company elected to terminate the line of credit in the fourth quarter of 2011 and accordingly wrote off the related deferred finance charges totaling $0.6 million for year ended December 31, 2011.

The line of credit and unsecured debt agreements contain debt covenants related to limitations on indebtedness and liabilities, maintenance of minimum levels of consolidated earnings before depreciation, interest and amortization. The Company was in compliance with the debt covenants as of December 31, 2011.

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During 2011, the Company issued $265.0 million of unsecured bonds through private placement offerings, $150.0 million at 4.4% with a maturity date of March 2016, $40.0 million at 4.5% with a maturity date of September 2017, and $75.0 million at 4.92% with a maturity date of December 2019. The proceeds from the bond offerings were used primarily to repay outstanding mortgages, redeem the Series F Preferred Stock, and pay down the Company's line of credit. During the fourth quarter of 2011, the Company closed a 5-year, $200 million unsecured term loan. The term loan has a variable interest rate of 142.5 basis points over LIBOR. In conjunction with this transaction the Company has entered into interest rate swap contracts for a term of five years with a total notional amount of $150.0 million. The interest rate swaps effectively convert the borrowing rate on $150 million of the $200 million variable rate unsecured term to a fixed rate of 2.66%.

In January 2011, additional banks entered into equity distribution agreements with the Company including Barclays Capital Inc., BMO Capital Markets Corp., Liquidnet, Inc., and Mitsubishi UFJ Securities (USA), Inc. Pursuant to its equity distribution program the Company issued 2,459,947 shares of common stock for $323.9 million, net of fees and commissions, during the year ended December 31, 2011. Under this program, the Company may from time to time sell shares of common stock into the existing trading market at current market prices, and the Company anticipates using the net proceeds to pay down debt, acquire apartment communities and fund the development pipeline. As of December 31, 2011 the Company may sell an additional 566,353 shares under the current equity distribution program.

During March 2010, the Company filed a new shelf registration statement with the SEC, allowing the Company to sell an undetermined number or amount of certain equity and debt securities as defined in the prospectus.

In the second quarter of 2011, the Company issued 2,950,000 shares of 7.125% Series H Cumulative Redeemable Preferred Stock ("Series H") at a price of $25.00 per share for net proceeds of $71.2 million, net of costs and original issuance discounts. The Series H has no maturity date and generally may not be called by the Company before April 13, 2016. Net proceeds from the Series H offering were used to redeem all of the 7.875% Series B Cumulative Redeemable Preferred Units of Essex Portfolio, L.P. ("Series B") with a liquidation value of $80.0 million. The Company also redeemed its 7.8125% Series F Preferred Stock ("Series F") at liquidation value for $25.0 million.

As of December 31, 2011, the Company's mortgage notes payable totaled $1.7 billion which consisted of $1.5 billion in fixed rate debt with interest rates varying from 4.9% to 7.4% and maturity dates ranging from 2012 to 2021 and $243.6 million of variable rate debt with a weighted average interest rate of 1.7% ($202.7 million of the variable debt is tax-exempt variable rate demand notes). The tax-exempt variable rate demand notes have maturity dates ranging from 2025 to 2039, and $187.8 million are subject to interest rate caps.

The Company pays quarterly dividends from cash available for distribution. Until it is distributed, cash available for distribution is invested by the Company primarily in investment grade securities held available for sale or is used by the Company to reduce balances outstanding under its line of credit.

Derivative Activity

During the fourth quarter of 2011, the Company entered into four interest rate swap contracts with an aggregate notional amount of $150.0 million that effectively fixed the interest rate on $150.0 million of the $200.0 unsecured term loan at 2.6% through November 2016. These derivatives qualify for hedge accounting. As of December 31, 2011 the Company also had twelve interest rate cap contracts totaling a notional amount of $187.8 million that qualify for hedge accounting as they effectively limit the Company's exposure to interest rate risk by providing a ceiling on the underlying variable interest rate for $202.7 million of the Company's tax exempt variable rate debt. The aggregate carrying value of the interest rate swap contracts was a liability of $1.4 million and the aggregate carrying value of the interest rate cap contracts was an asset of $0.2 million.

During the first quarter of 2011, the Company settled its remaining $20.0 million forward starting swap contract for $2.3 million which was applied to the $32.0 million mortgage obtained in February 2011, increasing the effective borrowing rate from 5.4% to 6.2%.

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During 2010, the Company settled $355 million in forward-starting swap contracts for $81.3 million which was applied to 10-year mortgage loans obtained in 2010. The settlement of the forward-starting swaps increased the average effective interest rate on these mortgage loans from 4.5% to 6.8%. During 2010, the Company incurred $2.3 million in expense related to the ineffectiveness of certain of the settled forward-starting swap hedges, which is included in impairment and other charges in the accompanying consolidated statement of operations for the year ended December 31, 2010. No hedge ineffectiveness on cash flow hedges was incurred during the years ended December 31, 2011 and 2009.

During July 2010, the Company entered into a swap transaction (the “Swap”) with respect to $38.0 million of tax-exempt bonds for the 101 San Fernando apartment community (the “Bonds”) with Citibank, N.A. (“Citibank”). This swap is not designated as a hedge; accordingly the change in fair value of the swap is recorded as a gain or loss in the Company’s consolidated statement of operations. Under the terms of the Swap, the Company pays a variable amount equal to the SIFMA Index plus a fixed spread on a notional amount that starts at $35.2 million and over the three-year term of the swap increases ratably to $38.0 million. In return, Citibank pays an amount equal to the coupon on the Bonds multiplied by the outstanding par value of the bonds, $38.0 million. The Swap has a termination date of July 12, 2013 and may be terminated by the Company at anytime commencing in July 2011 and by Citibank if certain events occur. Upon termination of the swap, whether early or on the stated termination date, a payment based on the change in value of the Bonds will occur. Should the Bonds decline in value from the $35.2 million value of the Bonds at the inception of the swap, the Company will be obligated to make a payment equal to 100% of the price depreciation. Should the Bonds increase in value, Citibank will be obligated to make a payment equal to approximately 85% of the price appreciation. As of December 31, 2011, the fair value of the swap was a liability of $1.8 million.

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Issuance of Common Stock

Pursuant to its equity distribution program with Cantor Fitzgerald & Co., KeyBanc Capital Markets Inc., Barclays Capital Inc., BMO Capital Markets Corp., Liquidnet, Inc., and Mitsubishi UFJ Securities (USA), Inc.,in 2011, the Company issued 2.5 million shares of common stock for $323.9 million, net of fees and commissions, and in 2010, the Company issued 2.4 million shares of common stock for $251.5 million, net of fees and commissions. Under this program, the Company may from time to time sell shares of common stock into the existing trading market at current market prices, and the Company anticipates using the net proceeds to pay down debt and fund the development pipeline.

Capital Expenditures

Non-revenue generating capital expenditures are improvements and upgrades that extend the useful life of the property. For the year ended December 31, 2011, non-revenue generating capital expenditures totaled approximately $963 per unit. The Company expects to incur approximately $1,100 per unit in non-revenue generating capital expenditures for the year ending December 31, 2012. These expenditures do not include the improvements required in connection with the origination of mortgage loans, expenditures for deferred maintenance on acquisition properties, and expenditures for property renovations and improvements which are expected to generate additional revenue. The Company expects that cash from operations and/or its lines of credit will fund such expenditures. However, there can be no assurance that the actual expenditures incurred during 2012 and/or the funding thereof will not be significantly different than the Company’s current expectations.

Development and Predevelopment Pipeline

The Company defines development activities as new communities that are in various stages of active development, or the community is in lease-up and phases of the project are not completed. As of December 31, 2011, the Company had five unconsolidated joint venture active development projects comprised of 1,235 units with an estimated cost of $422.6 million, of which $202.6 million remains to be expended. See discussion in the section, “Development and redevelopment activities may delayed, not completed, and/or not achieve expected results” in Item 1A, Risk Factors, of this Form 10-K.

The Company defines the predevelopment pipeline as proposed communities in negotiation or in the entitlement process with a high likelihood of becoming entitled development projects. As of December 31, 2011, the Company had one unconsolidated joint venture development project aggregating 481 units that was classified as a predevelopment project. The estimated total cost of the predevelopment pipeline at December 31, 2011 was $42.8 million. The Company may also acquire land for future development purposes or sale. The Company has incurred $44.3 million in costs related to land held for future development or sale aggregating 298 units as of December 31, 2011.

The Company expects to fund the development and predevelopment pipeline by using a combination of some or all of the following sources: its working capital, amounts available on its lines of credit, construction loans, net proceeds from public and private equity and debt issuances, and proceeds from the disposition of properties, if any.

Redevelopment Pipeline

The Company defines redevelopment communities as existing properties owned or recently acquired, which have been targeted for additional investment by the Company with the expectation of increased financial returns through property improvement. During redevelopment, apartment units may not be available for rent and, as a result, may have less than stabilized operations. As of December 31, 2011, the Company had ownership interests in six major redevelopment communities aggregating 1,444 apartment units with estimated redevelopment costs of $96.4 million, of which approximately $43.1 million remains to be expended.

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Alternative Capital Sources

Fund II has eight institutional investors, and the Company, with combined partner equity contributions of $265.9 million. The Company contributed $75.0 million to Fund II, which represents a 28.2% interest as general partner and limited partner, and the Company uses the equity method of accounting for its investment in Fund II. Fund II utilized leverage equal to approximately 55% upon the initial acquisition of the underlying real estate. Fund II invested in apartment communities in the Company's targeted West Coast markets and, as of December 31, 2011, owned fourteen apartment communities. The Company records revenue for its asset management, property management, development and redevelopment services when earned, and promote income when realized if Fund II exceeds certain financial return benchmarks.

In 2011, the Company entered into a 50/50 programmatic joint venture, Wesco I, with an institutional partner for a total equity commitment of $200 million. Each partner's equity commitment is $100 million, and Wesco will utilize leverage equal to approximately 50% to 60%. The Company has contributed $78.3 million to Wesco I, and as of December 31, 2011, Wesco I owned six apartment communities with 2,013 units with an aggregate purchase price of $429.2 million. Investments must meet certain criteria to qualify for inclusion in the joint venture and both partners must approve any new acquisitions and material dispositions. The joint venture has an investment period of up to two years. The Company will receive asset and property management fees, and may earn a promoted interest. The Company accounts for this joint venture using the equity method.

Contractual Obligations and Commercial Commitments

The following table summarizes the maturation or due dates of the Company's contractual obligations and other commitments at December 31, 2011, and the effect such obligations could have on the Company's liquidity and cash flow in future periods ($ in thousands):

	2012	2013 and 2014	2015 and 2016	Thereafter	Total
Mortgage notes payable	$35,953	$292,762	$83,212	$1,333,931	$1,745,858
Unsecured debt	-	-	350,000	115,000	465,000
Lines of credit	-	150,000	-	-	150,000
Interest on indebtedness (1)	108,129	181,688	141,274	181,488	612,579
Redevelopment commitments	30,587	12,480	-	-	43,067
Co-investment commitments (including development)	115,100	46,600	8,000	-	169,700
	$326,040	$631,683	$574,486	$1,630,419	$3,162,628

(1) Interest on indebtedness for variable debt was calculated using interest rates as of December 31, 2011.

Variable Interest Entities

In accordance accounting standards for consolidation of variable interest entities, the Company consolidates 19 DownREIT limited partnerships (comprising twelve communities). The Company consolidates these entities because it is deemed the primary beneficiary. The total assets and liabilities related to these variable interest entities (VIEs), net of intercompany eliminations, were approximately $215.2 million and $173.4 million as of December 31, 2011 and $217.3 million and $168.0 million as of December 31, 2010, respectively. Interest holders in VIEs consolidated by the Company are allocated net income equal to the cash payments made to those interest holders for services rendered or distributions from cash flow. The remaining results of operations are generally allocated to the Company. As of December 31, 2011, the Company did not have any VIE's of which it was not deemed to be the primary beneficiary.

Critical Accounting Policies and Estimates

The preparation of consolidated financial statements, in accordance with U.S. generally accepted accounting principles requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures of contingent assets and liabilities. The Company defines critical accounting policies as those accounting policies that require the Company's management to exercise their most difficult, subjective and complex judgments. The Company’s critical accounting policies relate principally to the following key areas: (i) consolidation under applicable accounting standards of various entities; (ii) assessing the carrying values of the Company's real estate and investments in and advances to joint ventures and affiliates; and (iii) internal cost capitalization. The Company bases its estimates on historical experience, current market conditions, and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from those estimates made by management.

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The Company assesses each entity in which it has an investment or contractual relationship to determine if it may be deemed to be a VIE. If such an entity is a VIE, then the Company performs an analysis to determine who is the primary beneficiary. If the Company is the primary beneficiary, then the entity is consolidated. The analysis required to identify VIEs and primary beneficiaries is complex and judgmental, and the analysis must be applied to various types of entities and legal structures.

The Company assesses the carrying value of its real estate investments by monitoring investment market conditions and performance compared to budget for operating properties and joint ventures, and by monitoring estimated costs for properties under development. Local market knowledge and data is used to assess carrying values of properties and the market value of acquisition opportunities. Whenever events or changes in circumstances indicate that the carrying amount of a property held for investment may not be fully recoverable, the carrying amount is evaluated. If the sum of the property’s expected future cash flows (undiscounted and without interest charges) is less than the carrying amount of the property, then the Company will recognize an impairment loss equal to the excess of the carrying amount over the fair value of the property. Adverse changes in market conditions or poor operating results of real estate investments could result in impairment charges. When the Company determines that a property is held for sale, it discontinues the periodic depreciation of that property. The criteria for determining when a property is held for sale requires judgment and has potential financial statement impact as depreciation would cease and an impairment loss could occur upon determination of held for sale status. Assets held for sale are reported at the lower of the carrying amount or estimated fair value less costs to sell. With respect to investments in and advances to joint ventures and affiliates, the Company looks to the underlying properties to assess performance and the recoverability of carrying amounts for those investments in a manner similar to direct investments in real estate properties. Further, the Company evaluates whether its co-investments have other than temporary impairment and, if so, records a write down.

The Company capitalizes all direct and certain indirect costs, including interest and real estate taxes, incurred during development and redevelopment activities. Interest is capitalized on real estate assets that require a period of time to get them ready for their intended use. The amount of interest capitalized is based upon the average amount of accumulated development expenditures during the reporting period. Included in capitalized costs are management’s accounting estimates of the direct and incremental personnel costs and indirect project costs associated with the Company's development and redevelopment activities. Indirect project costs consist primarily of personnel costs associated with construction administration and development, including accounting, legal fees, and various office costs that clearly relate to projects under development.

The Company bases its accounting estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may vary from those estimates and those estimates could be different under different assumptions or conditions.

Forward Looking Statements

Certain statements in this "Management's Discussion and Analysis of Financial Condition and Results of Operations," and elsewhere in this Annual Report on Form 10-K which are not historical facts may be considered forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, as amended, including statements regarding the Company's expectations, hopes, intentions, beliefs and strategies regarding the future. Forward looking statements include statements regarding the Company's expectations as to the timing of completion of current development and redevelopment projects and the stabilization dates of such projects, expectation as to the total projected costs of development and redevelopment projects, beliefs as to the adequacy of future cash flows to meet operating requirements and anticipated cash needs and to provide for dividend payments in accordance with REIT requirements, expectations as to the amount of non-revenue generating capital expenditures, future acquisitions, the Company's and development and redevelopment pipeline, the anticipated performance of existing properties, anticipated property and growth trends in various geographic regions, statements regarding the Company's financing activities, and the use of proceeds from such activities.

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Such forward-looking statements involve known and unknown risks, uncertainties and other factors including, but not limited to, that the Company will fail to achieve its business objectives, that the actual completion of development and redevelopment projects will be subject to delays, that the stabilization dates of such projects will be delayed, that the total projected costs of current development and redevelopment projects will exceed expectations, that such development and redevelopment projects will not be completed, that development and redevelopment projects and acquisitions will fail to meet expectations, that estimates of future income from an acquired property may prove to be inaccurate, that future cash flows will be inadequate to meet operating requirements and/or will be insufficient to provide for dividend payments in accordance with REIT requirements, that the actual non-revenue generating capital expenditures will exceed the Company's current expectations, that there may be a downturn in the markets in which the Company's communities are located, that the terms of any refinancing may not be as favorable as the terms of existing indebtedness, as well as those risks, special considerations, and other factors discussed in Item 1A, Risk Factors, of this Form 10-K, and those risk factors and special considerations set forth in the Company’s other filings with the Securities and Exchange Commission (the "SEC") which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. All forward-looking statements are made as of today, and the Company assumes no obligation to update this information.

Funds from Operations ("FFO")

FFO is a financial measure that is commonly used in the REIT industry. The Company presents funds from operations as a supplemental operating performance measure. FFO is not used by the Company, nor should it be considered to be, as an alternative to net earnings computed under GAAP as an indicator of the Company’s operating performance or as an alternative to cash from operating activities computed under GAAP as an indicator of the Company's ability to fund its cash needs.

FFO is not meant to represent a comprehensive system of financial reporting and does not present, nor does the Company intend it to present, a complete picture of its financial condition and operating performance. The Company believes that net earnings computed under GAAP remains the primary measure of performance and that FFO is only meaningful when it is used in conjunction with net earnings. Further, the Company believes that its consolidated financial statements, prepared in accordance with GAAP, provide the most meaningful picture of its financial condition and its operating performance.

In calculating FFO, the Company follows the definition for this measure published by the National Association of REITs (“NAREIT”), which is a REIT trade association. The Company believes that, under the NAREIT FFO definition, the two most significant adjustments made to net income are (i) the exclusion of historical cost depreciation and (ii) the exclusion of gains and losses from the sale of previously depreciated properties. Essex agrees that these two NAREIT adjustments are useful to investors for the following reasons:

(a) historical cost accounting for real estate assets in accordance with GAAP assumes, through depreciation charges, that the value of real estate assets diminishes predictably over time. NAREIT stated in its White Paper on Funds from Operations “since real estate asset values have historically risen or fallen with market conditions, many industry investors have considered presentations of operating results for real estate companies that use historical cost accounting to be insufficient by themselves.” Consequently, NAREIT’s definition of FFO reflects the fact that real estate, as an asset class, generally appreciates over time and depreciation charges required by GAAP do not reflect the underlying economic realities.

(b) REITs were created as a legal form of organization in order to encourage public ownership of real estate as an asset class through investment in firms that were in the business of long-term ownership and management of real estate. The exclusion, in NAREIT's definition of FFO, of gains from the sales of previously depreciated operating real estate assets allows investors and analysts to readily identify the operating results of the long-term assets that form the core of a REIT's activity and assists in comparing those operating results between periods.

Management has consistently applied the NAREIT definition of FFO to all periods presented. However, other REITs in calculating FFO may vary from the NAREIT definition for this measure, and thus their disclosure of FFO may not be comparable to the Company's calculation.

The following table sets forth the Company's calculation of FFO for 2011 and 2010 ($ in thousands).

	For the year ended	For the quarter ended			
	12/31/11	12/31/11	9/30/11	6/30/11	3/31/11
Net income available to common stockholders	$40,368	$13,938	$7,687	$10,325	$8,418
Adjustments:					
Depreciation	152,543	39,865	38,137	37,510	37,031
Gains not included in FFO, net of internal disposition cost	(7,543)	(3,158)	880	(5,265)	-
Depreciation add back from unconsolidated co-investments	12,642	4,145	3,502	1,957	3,038
Noncontrolling interests related to Operating Partnership units	3,228	1,027	583	987	631
Depreciation attributable to third party of co-investments	(1,066)	(277)	(266)	(260)	(263)
Funds from operations	$200,172	$55,540	$50,523	$45,254	$48,855
Weighted average number of shares outstanding, diluted(1)	34,860,521	35,818,631	35,437,693	34,365,418	33,787,232

	For the year ended	For the quarter ended			
	12/31/10	12/31/10	9/30/10	6/30/10	3/31/10
Net income available to common stockholders	$33,764	$4,778	$6,377	$9,482	$13,127
Adjustments:					
Depreciation	129,711	36,326	31,638	31,261	30,486
Gains not included in FFO, net of internal disposition cost	-	-	-	-	-
Depreciation add back from unconsolidated co-investments	6,128	1,840	1,684	1,364	1,240
Noncontrolling interests related to Operating Partnership units	2,779	354	485	798	1,142
Depreciation attributable to third party of co-investments	(1,014)	(256)	(254)	(252)	(252)
Funds from operations	$171,368	$43,042	$39,930	$42,653	$45,743
	32,028,269	32,931,723	31,963,327	31,759,956	31,438,408

Weighted average number of shares outstanding, diluted(1)	

(1) Assumes conversion of all dilutive outstanding operating partnership interests in the Operating Partnership.

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The following table sets forth the Company's cash flows for 2011 and 2010 ($ in thousands).

	For the year ended 12/31/11	For the quarter ended 12/31/2011	9/30/2011	6/30/2011	3/31/2011
Cash flow provided by (used in):					
Operating activities	$ 216,571	$ 45,877	$ 66,343	$ 47,044	$ 57,307
Investing activities	(425,783)	(167,271)	(108,393)	(65,933)	(84,186)
Financing activities	208,348	125,263	42,261	(69,985)	110,809

	For the year ended 12/31/10	For the quarter ended 12/31/2010	9/30/2010	6/30/2010	3/31/2010
Cash flow provided by (used in):					
Operating activities	$ 175,530	$ 27,246	$ 58,870	$ 36,439	$ 52,975
Investing activities	(510,868)	(259,350)	(128,362)	(45,661)	(77,495)
Financing activities	328,431	231,189	75,793	(4,723)	26,172

Item 7A. Quantitative and Qualitative Disclosures About Market Risks

Interest Rate Hedging Activities

The Company's objective in using derivatives is to add stability to interest expense and to manage its exposure to interest rate movements or other identified risks. To accomplish this objective, the Company uses interest rate swaps as part of its cash flow hedging strategy. As of December 31, 2011, the Company has entered into four interest rate swap contracts to mitigate the risk of changes in the interest-related cash outflows on $150.0 million of the five-year unsecured term debt. As of December 31, 2011, the Company also had $243.7 million of variable rate indebtedness, of which $187.8 million is subject to interest rate cap protection. All of the Company's derivative instruments are designated as cash flow hedges, and the Company does not have any fair value hedges as of December 31, 2011. The following table summarizes the notional amount, carrying value, and estimated fair value of the Company's derivative instruments used to hedge interest rates as of December 31, 2011. The notional amount represents the aggregate amount of a particular security that is currently hedged at one time, but does not represent exposure to credit, interest rates or market risks. The table also includes a sensitivity analysis to demonstrate the impact on the Company's derivative instruments from an increase or decrease in 10-year Treasury bill interest rates by 50 basis points, as of December 31, 2011.

	Notional Amount	Maturity Date Range	Carrying and Estimate Fair Value	Estimated Carrying Value + 50 Basis Points	- 50 Basis Points
($ in thousands)					
Cash flow hedges:					
Interest rate swaps	$ 150,000	2016	$ (1,366)	$ 2,277	$ (4,760)
Interest rate caps	187,788	2013-2016	156	420	44
Total cash flow hedges	$ 337,788	2011-2015	$ (1,210)	$ 2,697	$ (4,716)

Interest Rate Sensitive Liabilities

The Company is exposed to interest rate changes primarily as a result of its line of credit and long-term debt used to maintain liquidity and fund capital expenditures and expansion of the Company's real estate investment portfolio and operations. The Company's interest rate risk management objective is to limit the impact of interest rate changes on earnings and cash flows and to lower its overall borrowing costs. To achieve its objectives the Company borrows primarily at fixed rates and may enter into derivative financial instruments such as interest rate swaps, caps and treasury locks in order to mitigate its interest rate risk on a related financial instrument. The Company does not enter into derivative or interest rate transactions for speculative purposes.

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The Company’s interest rate risk is monitored using a variety of techniques. The table below presents the principal amounts and weighted average interest rates by year of expected maturity to evaluate the expected cash flows. Management has estimated that the fair value of the Company’s $1.77 billion and $1.56 billion of fixed rate debt at December 31, 2011 and 2010, respectively, to be $1.88 billion and $1.58 billion. Management has estimated the fair value of the Company’s $593.7 million and $695.2 million of variable rate debt at December 31, 2011 and 2010, respectively, is $572.3 million and $672.8 million based on the terms of existing mortgage notes payable and variable rate demand notes compared to those available in the marketplace ($ in thousands).

	For the Years Ended December 31,							
	2012	2013	2014	2015	2016	Thereafter	Total	Fair value
Fixed rate debt	$ 30,305	$ 180,322	$ 77,179	$ 70,305	$ 162,907	$ 1,246,190	$ 1,767,208	$ 1,876,700
Average interest rate	54 %	56 %	53 %	52 %	44 %	60 %		
Variable rate debt	$ 5,648	$ 35,261	$ 150,000	$ -	$ 200,000	$ 202,741 (1)	$ 593,650	$ 572,300
Average interest rate	54 %	16 %	38 %	-	26 %	17 %		

(1) $1878 million subject to interest rate caps.

Item 8. Financial Statements and Supplementary Data

The response to this item is submitted as a separate section of this Form 10-K. See Item 15.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

As of December 31, 2011, the Company carried out an evaluation, under the supervision and with the participation of management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)). Based upon that evaluation, the Company’s Chief Executive Officer and Chief Financial Officer concluded that as of December 31, 2011, the Company’s disclosure controls and procedures were effective to ensure that the information required to be disclosed by the Company in the reports that the Company files or submits under the Exchange Act were recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such disclosure controls and procedures were also effective to ensure that information required to be disclosed in the reports that the Company files or submits under the Exchange Act is accumulated and communicated to the Company’s management, including the Company’s Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

There were no changes in the Company's internal control over financial reporting, that occurred during the quarter ended December 31, 2011, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended). The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2011. In making this assessment, the Company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control-Integrated Framework. The Company's management has concluded that, as of December 31, 2011, its internal control over financial reporting was effective based on these criteria. The Company's independent registered public accounting firm, KPMG LLP, has issued an audit report on the effectiveness of its internal control over financial reporting, which is included herein.

Item 9B. Other Information

None.

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PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by Item 10 is incorporated by reference from the Company's definitive proxy statement for its annual stockholders' meeting to be held on May 15, 2012.

Item 11. Executive Compensation

The information required by Item 11 is incorporated by reference from the Company's definitive proxy statement for its annual stockholders' meeting to be held on May 15, 2012.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by Item 12 is incorporated by reference from the Company's definitive proxy statement for its annual stockholders' meeting to be held on May 15, 2012.

Item 13. Certain Relationships and Related Transactions and Director Independence

The information required by Item 13 is incorporated by reference from the Company's definitive proxy statement for its annual stockholders' meeting to be held on May 15, 2012.

Item 14. Principal Accounting Fees and Services

The information required by Item 14 is incorporated by reference from the Company's definitive proxy statement for its annual stockholders' meeting to be held on May 15, 2012.

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PART IV

Item 15. Exhibits and Financial Statement Schedules

(A) Financial Statements

(B) Exhibits

The Company hereby files, as exhibits to this Form 10-K, those exhibits listed on the Exhibit Index referenced in Item 15(A)(3) above

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Essex Property Trust, Inc.:

We have audited the accompanying consolidated balance sheets of Essex Property Trust, Inc. and subsidiaries as of December 31, 2011 and 2010, and the related consolidated statements of operations, stockholders' equity, noncontrolling interest and comprehensive income, and cash flows for each of the years in the three-year period ended December 31, 2011. In connection with our audits of the consolidated financial statements, we have also audited the accompanying financial statement schedule III. These consolidated financial statements and the accompanying financial statement schedule III are the responsibility of Essex Property Trust Inc.'s management. Our responsibility is to express an opinion on these consolidated financial statements and the accompanying financial statement schedule III based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Essex Property Trust, Inc. and subsidiaries as of December 31, 2011 and 2010, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2011, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule III, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Essex Property Trust, Inc.'s internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control–Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 23, 2012 expressed an unqualified opinion on the effectiveness of Essex Property Trust, Inc.'s internal control over financial reporting.

/S/ KPMG LLP
KPMG LLP

San Francisco, California
February 23, 2012

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Essex Property Trust, Inc.:

We have audited Essex Property Trust, Inc.'s internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control–Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Essex Property Trust, Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting, appearing under Item 9A. Our responsibility is to express an opinion on Essex Property Trust Inc.'s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control, based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Essex Property Trust, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control–Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

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We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Essex Property Trust, Inc. and subsidiaries as of December 31, 2011 and 2010, and the related consolidated statements of operations, stockholders' equity, noncontrolling interest and comprehensive income, and cash flows for each of the years in the three-year period ended December 31, 2011, and our report dated February 23, 2012, expressed an unqualified opinion on those consolidated financial statements.

/S/ KPMG LLP
KPMG LLP

San Francisco, California
February 23, 2012

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ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2011 and 2010
(Dollars in thousands, except share amounts)

	2011	2010
ASSETS		
Real estate:		
Rental properties:		
Land and land improvements	$860,661	$802,325
Buildings and improvements	3,452,403	3,162,236
	4,313,064	3,964,561
Less: accumulated depreciation	(920,026)	(775,553)
	3,393,038	3,189,008
Real estate for development	44,280	217,531
Co-investments	383,412	107,840
	3,820,730	3,514,379
Cash and cash equivalents-unrestricted	12,889	13,753
Cash and cash equivalents-restricted	22,574	21,941
Marketable securities	74,275	92,310
Notes and other receivables	66,369	49,444
Prepaid expenses and other assets	22,682	25,188
Deferred charges, net	17,445	15,872
Total assets	$4,036,964	$3,732,887
LIABILITIES AND STOCKHOLDERS' EQUITY AND NONCONTROLLING INTEREST		
Mortgage notes payable	$1,745,858	$1,832,745
Unsecured debt	465,000	-
Lines of credit	150,000	426,000
Accounts payable and accrued liabilities	48,324	44,750
Construction payable	6,505	9,023
Dividends payable	39,611	36,405
Derivative liabilities	3,061	5,633
Other liabilities	20,528	18,968
Total liabilities	2,478,887	2,373,524
Commitments and contingencies		
Cumulative convertible preferred stock; $0001 par value:		
4875% Series G - 5,890,000 issued, and 178,249 outstanding	4,349	4,349
Stockholders' equity and noncontrolling interest:		
Common stock; $0001 par value, 656,020,000 shares authorized;33,888,082 and 31,324,808 shares issued and outstanding	3	3
Cumulative redeemable preferred stock at liquidation value	73,750	25,000
Excess stock, $0001 par value, 330,000,000 shares authorized and no shares issued or outstanding	-	-
Additional paid-in capital	1,844,611	1,515,468
Distributions in excess of accumulated earnings	(408,066)	(313,308)
Accumulated other comprehensive (loss) income	(72,771)	(77,217)

Total stockholders' equity	1,437,527	1,149,946
Noncontrolling interest	116,201	205,068
Total stockholders' equity and noncontrolling interest	1,553,728	1,355,014
Total liabilities, stockholders' equity and noncontrolling interest	$4,036,964	$3,732,887

See accompanying notes to consolidated financial statements.

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ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Consolidated Statements of Operations
Years ended December 31, 2011, 2010 and 2009
(Dollars in thousands, except per share and share amounts)

	2011	2010	2009
Revenues:			
Rental and other property	$468,778	$408,734	$404,556
Management and other fees from affiliates	6,780	4,551	4,325
	475,558	413,285	408,881
Expenses:			
Property operating, excluding real estate taxes	116,583	105,054	102,126
Real estate taxe	44,002	39,411	36,578
Depreciation	152,228	129,011	117,296
General and administrative	25,304	25,962	28,062
Impairment and other charges	-	2,302	13,084
	338,117	301,740	297,146
Earnings from operations	137,441	111,545	111,735
Interest expense before amortization	(91,694)	(82,756)	(81,196)
Amortization expense	(11,474)	(4,828)	(4,820)
Interest and other income	17,139	27,841	13,040
Equity (loss) income from co-investments	(467)	(1,715)	670
Gain (loss) on early retirement of debt	(1,163)	(10)	4,750
Gain on sale of real estate	-	-	103
Income before discontinued operations	49,782	50,077	44,282
Income from discontinued operations	7,734	705	9,457
Net income	57,516	50,782	53,739
Net income attributable to noncontrolling interest	(10,446)	(14,848)	(16,631)
Net income attributable to controlling interest	47,070	35,934	37,108
Dividends to preferred stockholders	(4,753)	(2,170)	(4,860)
Excess (deficit) of the carrying amount of preferred stock redeemed over the cash paid to redeem preferred stock	(1,949)	-	49,952
Net income available to common stockholders	$40,368	$33,764	$82,200
Per share data:			
Basic:			
Income before discontinued operations available to common stockholders	$102	$112	$269
Income from discontinued operations available to common stockholders	022	002	032
Net income available to common stockholders	$124	$114	$301
Weighted average number of shares outstanding during the year	32,541,792	29,667,064	27,269,547
Diluted:			
Income before discontinued operations available to common stockholders	$102	$111	$259
Income from discontinued operations available to common stockholders	022	003	032
Net income available to common stockholders	$124	$114	$291
Weighted average number of shares outstanding during the year	32,628,714	29,734,383	29,746,614

See accompanying notes to consolidated financial statements.

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ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Consolidated Statements of Stockholders' Equity, Noncontrolling Interest and Comprehensive Income
Years ended December 31, 2011, 2010 and 2009
(Dollars and shares in thousands)

	Series F Preferred stock		Series H Preferred stock		Common stock		Additional paid-in capital	Distributions in excess of accumulated earnings	Accumulated other comprehensive (loss) income	Noncontrolling Interest	To
	Shares	Amount	Shares	Amount	Shares	Amount					
Balances at December 31, 2008	1,000	25,000	-	-	26,396	3	1,043,984	(141,336)	(75,424)	233,771	1,08
Comprehensive income:											
Net income	-	-	-	-	-	-	-	37,108	-	16,631	53,7
Changes in fair value of cash flow hedges and amortization of settlement swaps	-	-	-	-	-	-	-	-	39,354	3,534	42,8
Changes in fair value of marketable securities	-	-	-	-	-	-	-	-	11,864	1,066	12,9
Comprehensive income											109
Issuance of common stock under:											
Stock option plans	-	-	-	-	62	-	943	-	-	-	943
Sale of common stock	-	-	-	-	2,741	-	198,511	-	-	-	198
Equity based compensation costs	-	-	-	-	-	-	6,859	-	-	276	7,13
Retirement of Series G Preferred	-	-	-	-	-	-	49,952	-	-	-	49,9
Retirement of common stock	-	-	-	-	(350)	-	(20,271)	-	-	-	(20,
Retirement of exchangeable bonds	-	-	-	-	-	-	(4,727)	-	-	-	(4,7
Redemptions of noncontrolling	-	-	-	-	-	-	-	-	-	(12,725)	(12,

interest											
Distributions to noncontrolling interest	-	-	-	-	-	-	-	-	-	(22,108)	(22,
Common and preferred stock dividends declared	-	-	-	-	-	-	-	(118,724)	-	-	(118
Balances at December 31, 2009	1,000	25,000	-	-	28,849	3	1,275,251	(222,952)	(24,206)	220,445	1,27
Comprehensive income (loss)											
Net income	-	-	-	-	-	-	-	35,934	-	14,848	50,7
Reversal of unrealized gains upon the sale of marketable securities	-	-	-	-	-	-	-	-	(11,163)	(864)	(12,
Changes in fair value of cash flow hedges and amortization of settlement swaps	-	-	-	-	-	-	-	-	(46,817)	(3,620)	(50,
Changes in fair value of marketable securities	-	-	-	-	-	-	-	-	4,969	388	5,35
Comprehensive income (loss)											(6,3
Issuance of common stock under:											
Stock option plans	-	-	-	-	122	-	5,803	-	-	-	5,80
Sale of common stock	-	-	-	-	2,354	-	251,455	-	-	-	251
Equity based compensation costs	-	-	-	-	-	-	(260)	-	-	2,474	2,21
Retirement of exchangeable bonds	-	-	-	-	-	-	(434)	-	-	-	(434
Contributions of noncontrolling interest	-	-	-	-	-	-	-	-	-	4,038	4,03
Redemptions of noncontrolling interest	-	-	-	-	-	-	(16,347)	-	-	(7,839)	(24,
	-	-	-	-	-	-	-	-	-	(24,802)	(24,

Distributions to noncontrolling interest											
Common and preferred stock dividends declared	-	-	-	-	-	-	-	(126,290)	-	-	(126
Balances at December 31, 2010	1,000	$25,000	-	$-	31,325	$3	$1,515,468	$(313,308)	$(77,217)	$205,068	$1,35
Comprehensive income:											
Net income	-	-	-	-	-	-	-	47,070	-	10,446	57,5
Reversal of unrealized gains upon the sale of marketable securities	-	-	-	-	-	-	-	-	(4,011)	(275)	(4,2
Changes in fair value of cash flow hedges and amortization of settlement swaps	-	-	-	-	-	-	-	-	7,212	495	7,70
Changes in fair value of marketable securities	-	-	-	-	-	-	-	-	1,245	85	1,33
Comprehensive income											62,2
Issuance of common stock under:											
Stock option plans	-	-	-	-	103	-	8,412	-	-	-	8,41
Sale of common stock	-	-	-	-	2,460	-	323,931	-	-	-	323
Equity based compensation costs	-	-	-	-	-	-	(725)	-	-	1,598	873
Issuance of Series H Preferred	-	-	2,950	73,750	-	-	(2,541)	-	-	-	71,2
Redemptions of Series F Preferred	(1,000)	(25,000)	-	-	-	-	-	-	-	-	(25,
Redemptions of Series B Preferred	-	-	-	-	-	-	1,200	-	-	(80,000)	(78,
Redemptions of noncontrolling	-	-	-	-	-	-	(1,134)	-	-	(4,253)	(5,3

interest											
Distributions to noncontrolling interest	-	-	-	-	-	-	-	-	-	(16,963)	(16,
Common and preferred stock dividends declared	-	-	-	-	-	-	-	(141,828)	-	-	(14
Balances at December 31, 2011	-	$-	2,950	$73,750	33,888	$3	$1,844,611	$(408,066)	$(72,771)	$116,201	$1,55

See accompanying notes to consolidated financial statements.

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ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
Years ended December 31, 2011, 2010 and 2009
(Dollars in thousands)

	2011	2010	2009
Cash flows from operating activities:			
Net income	$57,516	$50,782	$53,739
Adjustments to reconcile net income to net cash provided by operating activities:			
Gain on sale of marketable securities	(4,956)	(12,491)	(1,014)
Loss (gain) on early retirement of debt	1,163	10	(4,750)
Co-investments	7,929	1,715	(670)
Amortization expense	11,474	4,828	4,820
Amortization of discount on marketable securities	(4,794)	(3,714)	(3,605)
Amortization of discount on notes receivables	(1,757)	(4,806)	-
Loss on derivative instruments - ineffectiveness	-	2,301	-
Gain on sale of co-investment	(919)	-	(530)
Gain on the sales of real estate	(8,562)	-	(8,729)
Impairment loss and reserve for loan loss	-	-	13,084
Non-cash expense due to cancellation of outperformance plan	-	-	3,807
Depreciation	152,542	129,711	118,522
Equity-based compensation	2,927	3,251	3,412
Changes in operating assets and liabilities:			
Prepaid expenses and other assets	(1,172)	(2,771)	(2,249)
Accounts payable and accrued liabilities	3,620	4,302	(2,364)
Other liabilities	1,560	2,412	114
Net cash provided by operating activities	216,571	175,530	173,587
Cash flows from investing activities:			
Additions to real estate:			
Acquisitions of real estate	(57,478)	(279,607)	(16,000)
Improvements to recent acquisitions	(16,446)	(6,388)	(3,210)
Redevelopment	(45,130)	(14,096)	(25,812)
Revenue generating capital expenditures	(7,616)	(1,584)	(855)
Non-revenue generating capital expenditures	(26,090)	(29,278)	(25,722)
Acquisition of and additions to real estate under development	(79,194)	(155,267)	(120,844)
Dispositions of real estate	23,003	-	38,178
Changes in restricted cash and refundable deposits	(1,376)	(4,414)	11,995
Purchases of marketable securities	(8,048)	(49,974)	(116,402)
Sales and maturities marketable securities	32,998	102,039	22,964
Proceeds from tax investor	-	1,223	3,762
Purchases of and advances under notes and other receivables	(12,325)	(37,627)	(3,424)
Collections of notes and other receivables	884	1,855	15,728
Contributions to co-investments	(246,106)	(79,450)	(270)
Non-operating distributions from co-investments	17,141	41,700	954
Net cash used in investing activities	(425,783)	(510,868)	(218,958)
Cash flows from financing activities:			
Borrowings under debt agreements	1,514,684	1,214,216	453,570
Repayment of debt	(1,435,135)	(882,646)	(199,979)

Additions to deferred charges	(5,533)	(4,109)	(3,935)
Payments to settle derivative instruments	(2,395)	(81,282)	-
Retirement of exchangeable bonds	-	(5,396)	(161,084)
Retirement of common stock	-	-	(20,271)
Net proceeds from issuance of Preferred stock, Series H	71,209	-	-
Retirement of Series D preferred units and Series G Preferred stock	-	-	(91,703)
Retirement of Series B preferred units and Series F Preferred stock	(103,800)	-	-
Equity related issuance cost	(627)	-	-
Net proceeds from stock options exercised	6,986	4,765	943
Net proceeds from issuance of common stock	323,931	251,455	198,511
Contributions from noncontrolling interest	-	4,038	-
Distributions to noncontrolling interest	(16,963)	(24,795)	(22,108)
Redemption of noncontrolling interest	(5,387)	(24,186)	(12,720)
Common and preferred stock dividends paid	(138,622)	(123,629)	(117,102)
Net cash provided by financing activities	208,348	328,431	24,112
Net (decrease) increase in cash and cash equivalents	(864)	(6,907)	(21,249)
Cash and cash equivalents at beginning of year	13,753	20,660	41,909
Cash and cash equivalents at end of year	$12,889	$13,753	$20,660

(Continued)

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ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
Years ended December 31, 2011, 2010 and 2009
(Dollars in thousands)

Cash paid for interest, net of $8,240, $9,486, and $10,463capitalized in 2011, 2010 and 2009, respectively	$89,691	$83,497	$81,878
Supplemental disclosure of noncash investing and financing activities:			
Transfer from real estate under development to rental properties	$165,214	$170,940	$92,517
Transfer from real estate under development to co-investments	$54,472	-	-
Mortgage notes assumed in connection with purchases of real estate	$20,927	87,336	-
Note receivable settled when the company purchased the property securingthe note receivable	$-	25,750	-
Change in accrual of dividends	$3,206	$2,655	$1,626
Change in fair value of derivative liabilities	$230	$1,907	$42,973
Change in fair value of marketable securities	$2,836	$6,670	$12,900
Change in construction payable	$2,518	$1,304	$8,278

See accompanying notes to consolidated financial statements.

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ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2011, 2010, and 2009

(1) Organization

The accompanying consolidated financial statements present the accounts of Essex Property Trust, Inc. (the "Company"), which include the accounts of the Company and Essex Portfolio, L.P. (the "Operating Partnership," which holds the operating assets of the Company).

The Company is the sole general partner in the Operating Partnership with a 93.8% general partner interest and the limited partners owned a 6.2% interest as of December 31, 2011. The limited partners may convert their Operating Partnership units into an equivalent number of shares of common stock. Total Operating Partnership units outstanding were 2,229,230 and 2,200,907 as of December 31, 2011 and 2010, respectively, and the redemption value of the units, based on the closing price of the Company's common stock totaled $313.2 million and $251.4 million, as of December 31, 2011 and 2010, respectively. The Company has reserved shares of common stock for such conversions. These conversion rights may be exercised by the limited partners at any time through 2026.

As of December 31, 2011, the Company owned or had ownership interests in 159 apartment communities, (aggregating 32,753 units), five commercial buildings, and five active development projects (collectively, the "Portfolio"). The communities are located in Southern California (Los Angeles, Orange, Riverside, Santa Barbara, San Diego, and Ventura counties), Northern California (the San Francisco Bay Area) and the Seattle metropolitan area.

(2) Summary of Critical and Significant Accounting Policies

(a) Principles of Consolidation

The accounts of the Company, its controlled subsidiaries and the variable interest entities ("VIEs") in which it is the primary beneficiary are consolidated in the accompanying financial statements. All significant inter-company accounts and transactions have been eliminated.

Noncontrolling interest includes the 6.2% and 6.6% limited partner interests in the Operating Partnership not held by the Company at December 31, 2011 and 2010, respectively. These percentages include the Operating Partnership's vested long term incentive plan units (see Note 13). The noncontrolling interest balance for December 31, 2010 also includes the Operating Partnership's cumulative redeemable preferred units that were redeemed during 2011 (see Note 11).

The Company consolidates 19 DownREIT limited partnerships (comprising twelve communities), since the Company is the primary beneficiary of these variable interest entities ("VIEs"). The consolidated total assets and liabilities related to these VIEs, net of intercompany eliminations, were approximately $215.2 million and $173.4 million, respectively, as of December 31, 2011, and $217.3 million and $168.0 million, respectively, as of December 31, 2010.

The DownREIT VIEs collectively own twelve apartment communities in which Essex Management Company ("EMC") is the general partner, the Operating Partnership is a special limited partner, and the other limited partners were granted rights of redemption for their interests. Such limited partners can request to be redeemed and the Company can elect to redeem their rights for cash or by issuing shares of its common stock on a one share per unit basis. Conversion values will be based on the market value of the Company's common stock at the time of redemption multiplied by the number of units stipulated under the above arrangements. The other limited partners receive distributions based on the Company's current dividend rate times the number of units held. Total DownREIT units outstanding were 1,063,848 and 1,096,871 as of December 31, 2011 and 2010 respectively, and the redemption value of the units, based on the closing price of the Company’s common stock totaled $149.5 million and $125.3 million, as of December 31, 2011 and 2010, respectively. As of December 31, 2011 and 2010, the carrying value of the other limited partners' interests is presented at their historical cost and is classified within noncontrolling interest in the accompanying consolidated balance sheets.

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ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
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Interest holders in VIEs consolidated by the Company are allocated a priority of net income equal to the cash payments made to those interest holders or distributions from cash flow. The remaining results of operations are generally allocated to the Company.

As of December 31, 2011 and 2010, the Company did not have any VIE's of which it was not deemed to be the primary beneficiary.

(b) Real Estate Rental Properties

Significant expenditures, which improve or extend the life of an asset and have a useful life of greater than one year, are capitalized. Operating real estate assets are stated at cost and consist of land, buildings and improvements, furniture, fixtures and equipment, and other costs incurred during their development, redevelopment and acquisition. Expenditures for maintenance and repairs are charged to expense as incurred.

The depreciable life of various categories of fixed assets is as follows:

Computer software and equipment	3 - 5 years
Interior unit improvements	5 years
Land improvements and certain exterior components of real property	10 years
Real estate structures	30 years

The Company capitalizes all costs incurred with the predevelopment, development or redevelopment of real estate assets or are associated with the construction or expansion of real property. Such capitalized costs include land, land improvements, allocated costs of the Company's project management staff, construction costs, as well as interest and related loan fees, property taxes and insurance. Capitalization begins for predevelopment, development, and redevelopment projects when activity commences. Capitalization ends when the apartment home is completed and the property is available for a new resident or if the development activities are put on hold.

The Company allocates the purchase price of real estate to land and building, and identifiable intangible assets, such as the value of above, below and in-place leases. The values of the above and below market leases are amortized and recorded as either a decrease (in the case of above market leases) or an increase (in the case of below market leases) to rental revenue over the remaining term of the associated leases acquired, which in the case of below market leases the Company assumes lessees will elect to renew their leases. The value of acquired in-place leases are amortized to expense over the term the Company expects to retain the acquired tenant, which is generally 20 months.

The Company performs the following evaluation for communities acquired:

(1) Adjust the purchase price for any fair value adjustments resulting from such things as assumed debt or contingencies.
(2) estimate the value of the real estate "as if vacant" as of the acquisition date;
(3) allocate that value among land and building;
(4) compute the value of the difference between the "as if vacant" value and the adjusted purchase price, which will represent the total intangible assets;

(5) compute the value of the above and below market leases and determine the associated life of the above market/ below market leases;
(6) compute the value of the in-place leases and customer relationships, if any, and the associated lives of these assets.

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
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Whenever events or changes in circumstances indicate that the carrying amount of a property held for investment or held for sale may not be fully recoverable, the carrying amount will be evaluated for impairment. If the sum of the expected future cash flows (undiscounted and without interest charges) is less than the carrying amount (including intangible assets) of a property held for investment, then the Company will recognize an impairment loss equal to the excess of the carrying amount over the fair value of the property. Fair value of a property is determined using conventional real estate valuation methods, such as discounted cash flow, the property's unleveraged yield in comparison to the unleveraged yields and sales prices of similar communities that have been recently sold, and other third party information, if available. Communities held for sale are carried at the lower of cost and fair value less estimated costs to sell. As of December 31, 2011 and 2010, no communities were classified as held for sale.

During 2009, the Company wrote-off development costs totaling $6.7 million related to two land parcels that will no longer be developed by the Company. The costs were included in impairment and other charges in the accompanying consolidated statement of operations. No impairment charges were recorded in 2011 or 2010.

In the normal course of business, the Company will receive purchase offers for its communities, either solicited or unsolicited. For those offers that are accepted, the prospective buyer will usually require a due diligence period before consummation of the transaction. It is not unusual for matters to arise that result in the withdrawal or rejection of the offer during this process. The Company classifies real estate as "held for sale" when all criteria under the accounting standard for the disposals of long-lived assets have been met. In accordance with the standard, the Company presents income and gains/losses on communities sold or held for sale as discontinued operations. The Company's equity in income or loss from real estate investments accounted for under the equity method of accounting remain classified in continuing operations upon disposition. (See Note 6 for a description of the Company's discontinued operations for 2011, 2010, and 2009).

(c) Co-investments

The Company owns investments in joint ventures ("co-investments") in which it has significant influence, but its ownership interest does not meet the criteria for consolidation in accordance with the accounting standards. Therefore, the Company accounts for these investments using the equity method of accounting. Under the equity method of accounting, the investment is carried at the cost of assets contributed, plus the Company's equity in earnings less distributions received and the Company's share of losses. For preferred equity investments the Company recognizes its preferred interest as its equity in earnings.

A majority of the co-investments, excluding the preferred equity investments, compensate the Company for its asset management services and some of these investments may provide promote distributions if certain financial return benchmarks are achieved. Asset management fees are recognized when earned, and promote fees are recognized when the earnings events have occurred and the amount is determinable and collectible. Any promote distributions are reflected in equity (loss) income in co-investments. There were no promote fees recognized in the accompanying consolidated statements of operations.

(d) Revenues and Gains on Sale of Real Estate

Revenues from tenants renting or leasing apartment units are recorded when due from tenants and are recognized monthly as they are earned, which is not materially different than on a straight-line basis. Units are rented under short-term leases (generally, lease terms of 6 to 12 months) and may provide no rent for one or two months, depending on the market conditions and leasing practices of the Company’s competitors in each sub-market at the time the leases are executed. Revenues from tenants leasing commercial space are recorded on a straight-line basis over the life of the respective lease.

The Company recognizes gains on sales of real estate when a contract is in place, a closing has taken place, the buyer’s initial and continuing investment is adequate to demonstrate a commitment to pay for the property and the Company does not have a substantial continuing involvement in the property.

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ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
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(e) Cash Equivalents and Restricted Cash

Highly liquid investments with maturities of three months or less when purchased are classified as cash equivalents. Restricted cash balances relate primarily to reserve requirements for capital replacement at certain communities in connection with the Company's mortgage debt.

(f) Marketable Securities

The Company reports its available for sale securities at fair value, based on quoted market prices (Level 2 for the unsecured bonds and Level 1 for the common stock and investment funds, as defined by the Financial Accounting Standards Board ("FASB") standard for fair value measurements as discussed later in Note 2), and any unrealized gain or loss is recorded as other comprehensive income (loss). There were no impairment charges for the years ended December 31, 2011, 2010 and 2009. Realized gains and losses, interest income, and amortization of purchase discounts are included in interest and other income on the consolidated statement of operations.

As of December 31, 2011 and 2010, marketable securities consisted primarily of investment-grade unsecured bonds, common stock, investments in mortgage backed securities and investment funds that invest in U.S. treasury or agency securities. As of December 31, 2011 and 2010, the Company classified its investments in mortgage backed securities, which mature in November 2019 and September 2020, as held to maturity, and accordingly, these securities are stated at their amortized cost. The estimated fair values of the mortgage backed securities (Level 2 securities) are approximately equal to the carrying values.

As of December 31, 2011 and 2010 marketable securities consist of the following ($ in thousands):

	December 31, 2011		
	Amortized Cost	Gross Unrealized Gain(Loss)	Fair Value
Available for sale:			
Investment-grade unsecured bonds	$ 3,615	$ 399	$ 4,014
Investment funds - US treasuries	11,783	121	11,904
Common stock	10,067	1,552	11,619
Held to maturity:			
Mortgage backed securities	46,738	-	46,738
Total	$ 72,203	$ 2,072	$ 74,275

	December 31, 2010		
	Amortized Cost	Gross Unrealized Gain	Fair Value
Available for sale:			
Investment-grade unsecured bonds	$ 22,243	$ 4,403	$ 26,646
Investment funds - US treasuries	14,345	582	14,927
Common stock	8,638	112	8,750
Held to maturity:			

Mortgage backed securities		41,987		-		41,987
Total	$	87,213	$	5,097	$	92,310

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
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The Company uses the specific identification method to determine the cost basis of a security sold and to reclassify amounts from accumulated other comprehensive income for securities sold. For the years ended December 31, 2011, 2010 and 2009, the proceeds from sales of available for sale securities totaled $33.0 million, $102.0 million and $23.0 million, respectively. These sales all resulted in gains, which totaled $5.0 million, $12.4 million and $1.0 million for the years ended December 31, 2011, 2010 and 2009, respectively.

(g) Notes Receivable

Notes receivable relate to real estate financing arrangements including mezzanine and bridge loans and are secured by real estate. Interest is recognized over the life of the note.

Each note is analyzed to determine if it is impaired. A note is impaired if it is probable that the Company will not collect all principal and interest contractually due. The Company does not accrue interest when a note is considered impaired and a loan allowance is recorded for any principal and previously accrued interest that are not believed to be collectable. All cash receipts on impaired notes are applied to reduce the principal amount of such notes until the principal has been recovered and, thereafter, are recognized as interest income.   As of December 31, 2011 and 2010, no notes are impaired.

(h) Interest and Other Income

Interest income is generated primarily from cash balances and marketable securities as well as notes receivables. Other income primarily consists of gains on sales of marketable securities. Total interest and other income are comprised of the following for the years ended December 31 ($ in thousands):

	2011	2010	2009
Interest income	$ 10,501	$ 15,350	$ 11,841
Gains on sales of marketable securities	4,956	12,491	1,014
Tax benefit - Taxable REIT Subsidiary	1,682	-	-
Other income	-	-	185
	$ 17,139	$ 27,841	$ 13,040

(i) Fair Value of Financial Instruments

The Company values its financial instruments based on the fair value hierarchy of valuation techniques described in the FASB’s accounting standard for fair value measurements. Level 1 inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date. Level 2 inputs include quoted prices for similar assets and liabilities in active markets and inputs other than quoted prices observable for the asset or liability.   Level 3 inputs are unobservable inputs for the asset or liability. The Company uses Level 1 inputs for the fair values of its cash equivalents and its marketable securities except for unsecured bonds and mortgage backed securities. The Company uses Level 2 inputs for its investments in unsecured bonds, mortgage backed securities, notes receivable, notes payable, and derivative liabilities. These inputs include interest rates for similar financial instruments. The Company’s valuation methodology for derivatives is described in more detail in Note 9. The Company's valuation methodology for the swap related to the multifamily revenue refunding bonds for the 101 San Fernando community is described in detail in Note 9. The Company does not use Level 3 inputs to estimate fair values of any of its financial instruments. The Company’s assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

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Management believes that the carrying amounts of its amounts outstanding under lines of credit, notes receivable and other receivables approximate fair value as of December 31, 2011 and 2010, because interest rates, yields and other terms for these instruments are consistent with yields and other terms currently available for similar instruments. Management has estimated that the fair value of the Company's $1.77 billion and $1.56 billion of fixed rate debt at December 31, 2011 and 2010, respectively, to be $1.88 billion and $1.58 billion. Management has estimated the fair value of the Company's $593.7 million and $695.2 million of variable rate debt at December 31, 2011 and 2010, respectively, is $572.3 million and $672.8 million based on the terms of the Company's existing variable rate debt compared to those available in the marketplace. Management believes that the carrying amounts of cash and cash equivalents, restricted cash, accounts payable and accrued liabilities, construction payables, dividends payable and other liabilities approximate fair value as of December 31, 2011 and 2010 due to the short-term maturity of these instruments. Marketable securities, and both the note payable and the swap related to the multifamily revenue refunding bonds for the 101 San Fernando community are carried at fair value as of December 31, 2011 and 2010, as discussed above and in Note 9.

(j) Interest Rate Protection, Swap, and Forward Contracts

The Company uses interest rate swaps, interest rate cap contracts, and forward starting swaps to manage interest rate risks. As of December 31, 2011, there were no outstanding forward starting swaps. The valuation of these derivative instruments is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves. The fair values of forward starting interest rate swaps were determined using the market standard methodology of netting the discounted future fixed cash receipts (or payments) and the discounted expected variable cash payments (or receipts). The variable cash payments (or receipts) were based on an expectation of future interest rates (forward curves) derived from observable market interest rate curves. The Company incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. The Company records all derivatives on its consolidated balance sheet at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative and the resulting designation. Derivatives used to hedge the exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. Derivatives used to hedge the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges.

For derivatives designated as fair value hedges, changes in the fair value of the derivative and the hedged item related to the hedged risk are recognized in earnings. For derivatives designated as cash flow hedges, the effective portion of changes in the fair value of the derivative is initially reported in other comprehensive income (outside of earnings) and subsequently reclassified to earnings when the hedged transaction affects earnings, and the ineffective portion of changes in the fair value of the derivative is recognized directly in earnings. The Company assesses the initial and ongoing effectiveness of each hedging relationship by comparing the changes in fair value or cash flows of the derivative hedging instrument with the changes in fair value or cash flows of the designated hedged item or transaction.

For derivatives not designated as cash flow hedges, changes in fair value are recognized in earnings. All of the Company's interest rate swaps and interest rate caps are considered cash flow hedges except for the swap related to the multifamily revenue refunding bonds for the 101 San Fernando community as described in detail in Note 9. The Company did not have any fair value hedges during the years end December 31, 2011, 2010 and 2009.

The Company's objective in using derivatives is to add stability to interest expense and to manage its exposure to interest rate movements or other identified risks. To accomplish this objective, the Company primarily used interest rate swaps and interest rate forward-starting swaps as part of its cash flow hedging strategy. The Company was hedging its exposure to the variability in future cash flows for a portion of its forecasted transactions.

(k) Deferred Charges

Deferred charges are principally comprised of loan fees and related costs which are amortized over the terms of the related borrowing in a manner which approximates the effective interest method.

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
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December 31, 2011, 2010, and 2009

(l) Income Taxes

Generally in any year in which the Company qualifies as a real estate investment trust ("REIT") under the Internal Revenue Code (the "IRC"), it is not subject to federal income tax on that portion of its income that it distributes to stockholders. No provision for federal income taxes, other than the taxable REIT subsidiaries discussed below, has been made in the accompanying consolidated financial statements for each of the years in the three-year period ended December 31, 2011 as the Company has elected to be and believes it qualifies under the IRC as a REIT and has made distributions during the periods in amounts to preclude the Company from paying federal income tax.

In order to maintain compliance with REIT tax rules, the Company utilizes taxable REIT subsidiaries for various revenue generating or investment activities. The taxable REIT subsidiaries are consolidated by the Company. The activities and tax related provisions, assets and liabilities are not material.

The status of cash dividends distributed for the years ended December 31, 2011, 2010, and 2009 related to common stock, Series H, Series F, and Series G preferred stock are classified for tax purposes as follows:

	2011		2010		2009	
Common Stock						
Ordinary income	63.68	%	82.46	%	79.82	%
Capital gain	11.16	%	5.61	%	15.76	%
Unrecaptured section 1250 capital gain	0.74	%	0.00	%	4.42	%
Return of capital	24.42	%	11.93	%	0.00	%
	100.00	%	100.00	%	100.00	%

	2011		2010		2009	
Series F, G, and H Preferred stock						
Ordinary income	100.00	%	93.63	%	79.82	%
Capital gains	0.00	%	6.37	%	15.76	%
Unrecaptured section 1250 capital gain	0.00	%	0.00	%	4.42	%
Return of capital	0.00	%	0.00	%	0.00	%
	100.00	%	100.00	%	100.00	%

(m) Preferred Stock

The Company's Series G Cumulative Convertible Preferred Stock (" Series G Preferred Stock") contains fundamental change provisions that allow the holder to redeem the preferred stock for cash if certain events occur. The redemption under these provisions is not solely within the Company's control, thus the Company has classified the Series G Preferred Stock as temporary equity in the accompanying consolidated balance sheets.

The Company's Series H Cumulative Redeemable Preferred Stock ("Series H Preferred Stock"), issued during 2011, contains fundamental change provisions that allow the holder to redeem the preferred stock for cash if certain events occur. The redemption under these provisions is within the Company's control, and thus the Company has classified the Series H Preferred Stock as permanent equity in the accompanying consolidated balance sheets as of December 31, 2011. The same was true for the Series F Cumulative Redeemable Preferred Stock that was redeemed during 2011 and is classified as permanent equity as of December 31, 2010.

(n) Equity-based Compensation

The cost of share and unit based compensation awards is measured at the grant date based on the estimated fair value of the awards. The estimated fair value of stock options and restricted stock granted by the Company are being amortized over the vesting period. The estimated grant date fair values of the long term incentive plan units (discussed in Note 13) are being amortized over the expected service periods.

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(o) Accounting Estimates and Reclassifications

The preparation of consolidated financial statements, in accordance with U.S. generally accepted accounting principles ("GAAP"), requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures of contingent assets and liabilities. On an on-going basis, the Company evaluates its estimates, including those related to acquiring, developing and assessing the carrying values of its real estate portfolio, its investments in and advances to joint ventures and affiliates, its notes receivable and its qualification as a REIT. The Company bases its estimates on historical experience, current market conditions, and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may vary from those estimates and those estimates could be different under different assumptions or conditions.

Reclassifications for discontinued operations for the years ended December 31, 2010 and 2009 and fully depreciated assets as of December 31, 2010 have been made to prior year balances in order to conform to the current year presentation. Such reclassifications have no impact on reported earnings, total assets or total liabilities.

(3) Real Estate Investments

(a) Acquisitions of Real Estate

For the year ended December 31, 2011, the Company purchased five communities consisting of 386-units for $103.3 million. The Company also acquired a property that is operated as a retail property that the Company plans to develop as a community in the future.

During the first quarter of 2011, the Company acquired Santee Village, a 73-unit adaptive re-use condominium community located in downtown Los Angeles for $17.0 million. This community is adjacent to the Santee Court apartments acquired in 2010. Also, during the quarter, the Company purchased 1000 Kiely, a 121-unit garden-style community located in Santa Clara, California for $31.4 million.

During the second quarter of 2011, the Company acquired Bellerive, a completed 63-unit vacant condominium project that the Company operates as a rental community located in West Los Angeles for $27.0 million. Also during the second quarter, the Company invested $20.6 million in the purchase of Santa Clara Retail which is secured by a mortgage loan due in April 2014 at an interest rate that is currently at 5.0%. The plans for this project are to entitle a portion of the site for 494 apartment units. The site is currently improved with retail space that is 100% leased.

During the third quarter of 2011, the Company acquired the Bernard, a 63-unit community located in the Lower Queen Anne district of Seattle, Washington for $13.8 million. As part of the transaction, the Company assumed a $9.4 million loan secured by the property at a fixed rate of 6.0% which matures in January 2019.

During the fourth quarter 2011, the Company acquired Delano, a 66-unit community located in Redmond, Washington for $14.1 million.

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For the year ended December 31, 2010, the Company purchased eleven communities for approximately $456.3 million, consisting of the following communities ($ in thousands):

Communities	Purchase Price	Units	Quarter Acquired
416 @ Broadway	$ 43,000	115	Q4 2010
Anavia	80,600	250	Q4 2010
Santee Court	31,100	165	Q4 2010
Courtyard off Main	30,000	110	Q4 2010
Corbella at Juanita Bay	23,400	169	Q4 2010
Allegro	29,850	97	Q4 2010
101 San Fernando	64,100	323	Q3 2010
The Commons	42,500	264	Q3 2010
Bella Villagio	54,000	231	Q3 2010
Muse	39,100	152	Q3 2010
Elevation	18,600	156	Q2 2010
Total 2010 purchases	$ 456,250	2,032	

(b) Sales of Real Estate investments

For the year ended December 31, 2011, the Company sold $23.4 million of real estate which resulted in a gain of $8.4 million. The Company also sold a land parcel that was previously held for future development.

During the second quarter of 2011, the Company disposed of Woodlawn Colonial, a 159-unit community located in Chula Vista, California for $16.0 million which resulted in a gain of $5.2 million. The property was purchased in 2002 as part of the John M. Sachs, Inc. merger.

During the fourth quarter of 2011, the Company sold the Clarendon office building in Woodland Hills, California for $7.4 million which resulted in a gain of $3.2 million on the sale.

During the third quarter 2011, the Company sold the View Pointe land parcel located in Newcastle, Washington for net proceeds of $1.4 million and a gain of $0.2 million.

No communities were held for sale as of December 31, 2011 and 2010.

(c) Co-investments

The Company has joint venture investments in co-investments which are accounted for under the equity method. The joint ventures own, operate and develop apartment communities.

Wesco I, LLC

During 2011, the Company entered into a 50/50 programmatic joint venture, Wesco, I LLC (“Wesco I”), with an institutional partner for a total equity commitment from the partners of $200.0 million. Each partners equity commitment is $100.0 million. The Company has contributed $78.3 million to Wesco I, and as of December 31, 2011, Wesco I owned six apartment communities with 2,013 units for an aggregate purchase price of $429.2 million.

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During the second quarter 2011, Wesco I acquired Arbors Parc Rose, a 373-unit community located in Oxnard, California for $92.0 million. Wesco I obtained a $100.0 million line of credit at a rate of LIBOR + 2.3%, and Wesco I obtained secured mortgage loans totaling $59.9 million at 4.7% secured by Arbors Parc Rose for 10 years in June.

During the third quarter of 2011, Wesco I acquired Reveal (formerly Millennium at Warner Center), a 438-unit community located in the Canoga Park area of Los Angeles county. The property, which was completed in 2010, was acquired for $132.9 million. Wesco I obtained a mortgage loan for $78.7 million at LIBOR + 1.9% secured by Reveal with a maturity of two years with two 1-year extensions. Also, during the quarter, the Company acquired Redmond Hill, a group of four communities built between 1985 and 2003 consisting of 882-units in Redmond, Washington. The properties, are operated as two separate communities, were acquired for $151.3 million through the Company's joint venture, Wesco I. In conjunction with the acquisition, Wesco I obtained two 10-year loans totaling $97.1 million secured by Redmond Hill at a fixed rate of 4.06%.

During the fourth quarter of 2011, Wesco I acquired Briarwood for $27.8 million. The property is a 160-unit community located in Fremont, California that was built in 1979. Wesco I intends to renovate the exterior of the community and complete interior renovations for an estimated total cost of $5.9 million. Wesco I obtained a $19.3 million mortgage loan at a rate of 3.93% secured by the community for a term of 10 years. Also, during the quarter, Wesco I acquired The Woods for $25.2 million. The property is a 160-unit community built in 1978 and located less than a half mile from Briarwood, in Fremont, California. Wesco I assumed a $13.5 million loan secured by the property at a rate of 6.04% that matures in September 2016.

Essex Apartment Value Fund II, L.P.

Essex Apartment Value Fund II, L.P. ("Fund II"), has eight institutional investors with combined partner equity contributions of $265.9 million. The Company contributed $75.0 million to Fund II, which represents a 28.2% interest as general partner and limited partner. Fund II utilized debt as leverage equal to approximately 55% upon the initial acquisition of the underlying real estate. Fund II invested in apartment communities in the Company's targeted West Coast markets with an emphasis on investment opportunities in the Seattle metropolitan area and the San Francisco Bay Area. As of October 2006, Fund II was fully invested and closed for any future acquisitions or development. As of December 31, 2011 and 2010, Fund II owned fourteen apartment communities. No communities have been sold by Fund II.

Essex Skyline at MacArthur Place

During the first quarter of 2010, the Company entered into a joint venture that acquired Essex Skyline at MacArthur Place, a new 349-unit high rise condominium project that is operated as an apartment community. The property is located in Santa Ana, California and the acquisition price was $128 million. The Company acquired a 50% interest in the joint venture and accounts for this co-investment on the equity method, and the Company earned a fee of $0.5 million for the acquisition of the property. The Company receives management fees and may earn a promoted interest if certain financial hurdles are achieved by the joint venture for the management and sale of the property.

Canada Pension Plan Investment Board – Joint Venture Developments

During the second quarter 2011, the Company entered into a joint venture with the Canada Pension Plan Investment Board ("CPPIB") to develop its Cadence site located in San Jose, California. The Company contributed the land to the joint venture, and the Company accounts for this joint venture using the equity method. The Company holds a 55% interest in the joint venture and will earn development, asset, and property management fees. The Company may also earn a promoted interest.

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During the third quarter 2011, the Company entered into another joint venture with the CPPIB to develop a 309-unit community located in West Dublin, California. The Company contributed the land to the joint venture, and the Company accounts for this joint venture on the equity method. The Company holds a 55% interest in the venture and will earn development, asset and property management fees, and may earn a promoted interest.

Fountain and Santa Monica at La Brea – Joint Venture Developments

During the third quarter 2011, the Company entered into a development joint venture with a regional developer for the construction of Fountain at La Brea, a 187-unit community with approximately 18,200 square feet of retail located in West Hollywood, California. The regional developer contributed the land and the Company contributed approximately $9.0 million in cash for a 50% interest in the venture. The joint venture obtained bond financing for the project in the amount of $54.5 million with a maturity date of October 2046 and entered into an interest rate swap transaction with respect to the bonds that terminates in September 2016 that effectively converts the interest rate to SIFMA plus 150 basis points through December 2016.

In the fourth quarter 2011, the Company entered into another development joint venture with the same regional developer for the construction of Santa Monica at La Brea, a 184-unit apartment community with approximately 12,750 square feet of retail located in West Hollywood, California. The 50/50 joint venture was created with the contribution of $5.8 million by the Company and the contribution of entitled land by the regional developer. The joint venture secured bond financing in the amount of $59.9 million, maturing in December 2046. The joint venture entered into a total return swap agreement that effectively converts the interest rate to SIFMA plus 150 basis points through December 2016.

Debt is joint and several. Additionally, if either partner fails to make capital contributions to one of these joint ventures in certain instances, then the ownership interest of the defaulting partner in the other joint venture may be reduced.

Queen Anne – Joint Venture Development

During the December 2010, the Company entered into a development joint venture with a partner who contributed a land parcel during the first quarter of 2011 in return for a 50% interest in the venture and the Company contributed cash equal to the value of the land in return for a 50% interest in the joint venture. The 275-unit community under development is located in Seattle, Washington. Queen Anne obtained a $45.0 million construction loan at a rate of LIBOR plus 195 basis points, due July 2014, with two one-year extension options exercisable at the Company's option.

Preferred Equity Investments

During the first quarter 2011, the Company invested $9.7 million as preferred equity investments in two apartment communities located in downtown Los Angeles. The investments are for ten years with a preferred return of 9% for five years, increasing to a minimum of 10% and a maximum of 12.5% thereafter.

During the second quarter of 2011, the Company completed a $13.0 million preferred equity investment in an entity owning an apartment community located in downtown Los Angeles. The Company's preferred return is 10% and the Company's investment has a five-year term.

During the third quarter of 2010, the Company invested $12.0 million as a preferred equity interest investment in a related party entity that owns a 768-unit apartment community in Anaheim, California. The preferred return is 13% for the first five years and 15% thereafter.

During the third quarter of 2011, the Company sold its preferred stock investments in MyNewPlace.com, a real estate technology company for net proceeds of $1.6 million and a gain of $0.9 million.

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During the fourth quarter of 2011, the Company entered into a 50/50 joint venture with an institutional partner, Wesco II, LLC ("Wesco II"), which in turn closed a $175 million preferred equity investment in Park Merced, a 3,221-unit apartment community located in San Francisco, California. The preferred equity investment has a stated term of 7 years and a preferred return of 10.1%. The investment can not be repaid during the first two years, and there is a prepayment penalty in third through the fifth year of the investment. The community is encumbered with a $450 million senior mortgage loan with a fixed interest rate of 3.83%. The senior loan represents roughly a 60% loan to value, and the projected debt service coverage ratio is approximately 1.10% including Wesco II's preferred equity investment (unaudited).

During the first quarter of 2009, the Company wrote-off its $5.8 million investment in a development joint venture and the write-off is included in impairment and other charges in the accompanying consolidated statement of operations for the year ended December 31, 2009. This investment was held by a taxable REIT subsidiary. During the fourth quarter of 2011, an income tax benefit of $1.6 million was recognized for the 2009 write-off when the "more likely than not" hurdle was achieved. The $1.6 million benefit is included in interest and other income in the accompany consolidated statement of operations for the year ended December 31, 2011.

The carrying values of the Company's co-investments as of December 31, 2011 and 2010 are as follows ($ in thousands):

	2011	2010
Investments in joint ventures accounted for under the equity method of accounting:		
Membership interest in Wesco I	$75,588	$-
Partnership interest in Fund II	64,294	66,000
Membership interest in a limited liability company that owns Essex Skyline at MacArthur Place	24,063	29,187
Total operating co-investments	163,945	95,187
Membership interests in limited liability companies that own and are developing Cadence and West Dublin	62,897	-
Membership interest in a limited liability company that owns and is developing Queen Anne	17,981	-
Membership interests in limited liability companies that own and are developing Fountain at La Brea and Santa Monica at La Brea	15,194	-
Total development co-investments	96,072	-
Membership interest in Wesco II that owns a preferred equity interest in Park Merced with a perferred return of 101%	88,075	-
Preferred interests in limited liability companies that own apartment communities in downtown Los Angeles with preferred returns of 9% and 10%	22,792	-
Preferred interest in a related limited liability company that owns Madison Park at Anaheim with a preferred return of 13%	12,528	12,014
Total preferred interest investments	123,395	12,014
Investments accounted for under the cost method of accounting:		
Series A and B-2 Preferred Stock interests in Multifamily Technology Solutions, Inc	-	639

Total co-investments	$383,412	$107,840

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The combined summarized financial information of co-investments, which are accounted for under the equity method, is as follows ($ in thousands):

	December 31, 2011	December 31, 2010
Balance sheets:		
Rental properties and real estate under development	$1,659,078	$750,808
Other assets	63,847	15,864
Total assets	$1,722,925	$766,672
Debt	$900,095	$450,693
Other liabilities	48,518	7,076
Equity	774,312	308,903
Total liabilities and partners' equity	$1,722,925	$766,672
Company's share of equity	$383,412	$107,201

	Years ended December 31, 2011	2010	2009
Statements of operations:			
Property revenues	$106,386	$54,699	$47,201
Property operating expenses	(43,066)	(24,098)	(18,450)
Net operating income	63,320	30,601	28,751
Interest expense	(27,843)	(13,619)	(10,805)
General and administrative	(1,748)	(709)	(294)
Depreciation and amortization	(44,412)	(20,850)	(15,656)
Net (loss) income	$(10,683)	$(4,577)	$1,996
Company's share of net (loss) income	$(467)	$(1,715)	$670

(d) Real Estate For Development

The Company defines real estate under development activities as new communities that are in various stages of active development, or the community is in lease-up and phases of the project are not completed. As of December 31, 2011, the Company had no active consolidated developments and five active joint venture development projects comprised of 1,235 units for an estimated cost of $422.6 million, of which $282.6 million remains to be expended.

The Company defines the predevelopment pipeline as new communities in negotiation or in the entitlement process with a high likelihood of becoming development activities. As of December 31, 2011, the Company had an investment interest in a joint venture that owns one development community aggregating 481 units that was classified as a predevelopment project. The Company had incurred $42.8 million in costs for the joint venture predevelopment property at December 31, 2011. The Company owns land in various stages of entitlement that is being held for future development or sale aggregating 298 units as of December 31, 2011. The Company had incurred $44.3 million in costs related to this land held for future development or sale.

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(4) Notes and Other Receivables

Notes receivables, secured by real estate, and other receivables consist of the following as December 31, 2011 and 2010 ($ in thousands):

	2011	2010
Note receivable, secured, bearing interest at 98%, paid in full January 2012	$ 7,331	$ 7,331
Note receivable, secured, bearing interest at 50%, due November 2012	12,428	-
Note receivable, secured, bearing interest at 88%, due December 2012	10,928	10,930
Note receivable, secured, bearing interest at LIBOR + 80%, due December 2012	6,422	6,513
Note receivable, secured, bearing interest at 80%, due November 2013	971	971
Note receivable, secured, bearing interest at 65%, due December 2014	3,221	3,221
Note receivable, secured, bearing interest at 63%, due June 2017	17,646	16,708
Note receivable from affiliates	2,234	531
Other receivables	5,188	3,239
	$ 66,369	$ 49,444

During the fourth quarter 2011, the Company originated a loan secured by land located in San Mateo, California. The loan of $12.4 million has an interest rate of 5% and is due to mature in November 2012. The loan was originated with a purchase and sale agreement that gives the Company an option to acquire the property during 2012 and develop a community with 197 units.

In the fourth quarter 2010, the Company purchased a mortgage note receivable at a discount to par value for $16.6 million secured by Reserve Lofts, a 78-unit condominium community operated as a rental property, located in Los Angeles, California. Amounts outstanding under the terms of the loan totaled $19.2 million. This note was amended during the first quarter of 2011 to accelerate the maturity date to February 2014 with an 18 month extension option at a stated interest rate of 6.3%; which resulted in a change in the effective yield to the Company from 8.4% to 9.6%.

In the second quarter of 2010, the Company purchased a loan secured by Santee Court located in Los Angeles, California. This $25.7 million loan, with an October 2010 maturity date, was purchased at a discount for $21.0 million and the discount was accreted to interest income. In late October 2010, the Company purchased the property for $31.1 million in a multiple bid process.

In January 2012 the mortgage loan secured by California Hill was paid off in full for $7.3 million.

(5) Related Party Transactions

Management and other fees from affiliates is comprised primarily of asset management, property management, development and redevelopment fees from co-investments. These fees to affiliates total $6.8 million, $4.1 million, and $4.3 million for the years ended December 31, 2011, 2010, and 2009, respectively, and a property acquisition fee of $0.5 million from the limited liability company that owns Skyline at MacArthur Place for the year ended December 31, 2010. All of these fees are net of intercompany amounts eliminated by the Company.

The Company's Chairman and founder, Mr. George Marcus, is the Chairman of The Marcus & Millichap Company ("TMMC"). During the third quarter of 2010, the Company invested $12.0 million as a preferred equity interest investment in a related party entity that owns a 768-unit apartment community in Anaheim, California. The entity that owns the property is an affiliate of TMCC. The Company's independent directors approved the investment in this entity. The preferred return for this investment during the first five years is 13% per annum, and the preferred return increases to 15% thereafter.

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During the second quarter of 2010, the independent directors approved the partial redemption for cash by the Operating Partnership of limited Operating Partnership units that were held Mr. Marcus, at $106.76 per unit representing a 2% discount from the closing price of the Company's common stock on May 17, 2010. The Operating Partnership purchased 187,334 units from Mr. Marcus. Under the Operating Partnership's partnership agreement, limited partnership units are exchangeable on a one-for-one basis into shares of the Company's common stock, or at the Company's option, for cash.

An Executive Vice President of the Company invested $4.0 million for a 6% limited partnership interest in a partnership with the Company that acquired a 50% interest in a limited liability company that acquired Essex Skyline at MacArthur Place. The Executive Vice President's investment is equal to a pro-rata share of the contributions, and distributions resulting from distributable cash generated by Essex Skyline at MacArthur Place will be calculated in the same manner as the calculation of distributions to the third party investor. The Executive Vice President does not participate in any promote interest or fees paid to the Company by the Essex Skyline at MacArthur Place joint venture.

(6) Discontinued Operations

During 2011, the Company sold one apartment community, Woodlawn Colonial, and one office building, Clarendon, for a total of $23.4 million resulting in gains totaling $8.4 million. As of December 31, 2011 and 2010 no communities were held for sale

During 2009, the Company sold five communities, Maple Leaf, Spring Lake, Mountain View, Carlton Heights Villas and Grand Regency totaling 353 units, for $38.0 million resulting in gains totaling $8.7 million.

The Company has recorded the gains and operations for these various assets sold described above as part of discontinued operations in the accompanying consolidated statements of operations. The components of discontinued operations are outlined below and include the results of operations for the respective periods that the Company owned such assets, as described above ($ in thousands):

	2011	2010	2009
Revenues	$ 1,016	$ 2,447	$ 4,498
Property operating expenses	(510)	(1,042)	(1,760)
Depreciation and amortization	(315)	(700)	(1,224)
Expenses	(825)	(1,742)	(2,984)
Operating income from real estate sold	191	705	1,514
Interest expense, secured mortgage debt	-	-	-
Gain on sale of real estate	8,382	-	8,626
Internal disposition costs	(839)	-	(683)
Income from discontinued operations	$ 7,734	$ 705	$ 9,457

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(7) Mortgage Notes Payable

Mortgage notes payable consist of the following as of December 31, 2011 and 2010 ($ in thousands):

	2011	2010
Mortgage notes payable, secured by deeds of trust, bearing interest at ranges ranging from 4.9% to 7.4% as of December 31, 2011 principal and interest payments due monthly, and maturity dates ranging from August 2012 through April 2021	$1,502,208	$1,563,513
Multifamily housing mortgage revenue bonds secured by deeds of trust on rental properties and guaranteed by collateral pledge agreements, payable monthly at a variable rate as defined in the Loan Agreement (approximately 2.0% at December 2011 and 2.1% at December 2010), plus credit enhancement and underwriting fees ranging from approximately1.2% to 1.9%. Among the terms imposed on the properties, which are security for the bonds, is a requirement that 20% of the units are subject to tenant income criteria. Principal balances are due in full at various maturity dates from June 2012 through December 2039. Of these bonds $187.8 million are subject to various interest rate cap agreements which limit the maximum interest rate to such bonds	243,650	269,232
	$1,745,858	$1,832,745

The aggregate scheduled principal payments of mortgage notes payable are as follows ($ in thousands):

2012	$35,953
2013	215,583
2014	77,179
2015	70,305
2016	12,907
Thereafter	1,333,931
	$1,745,858

For the Company's mortgage notes payable as of December 31, 2011, monthly interest expense and principal amortization, excluding balloon payments, totaled approximately $7.0 million and $1.9 million, respectively. Second deeds of trust accounted for $110.7 million of the $1.7 billion in mortgage notes payable as of December 31, 2011. Repayment of debt before the scheduled maturity date could result in prepayment penalties. The prepayment penalty on the majority of the Company's mortgage notes payable are computed by the greater of (a) 1% of the amount of the principal being prepaid or (b) the present value of the mortgage note payable which is calculated by multiplying the principal being prepaid by the difference between the interest rate of the mortgage note and the stated yield rate on a specified U.S. treasury security as defined in the mortgage note agreement. (See Schedule III for a list of mortgage loans related to each community in the Company's Portfolio.)

The Company has elected the fair value option for certain tax-exempt bonds assumed during 2010. The initial fair value was $35.2 million and the fair value as of December 31, 2011 and 2010 was $35.3 million and $32.9 million, respectively. The change in fair value of the debt is offset by the change in value of the total return swap for this debt. This total return swap is discussed in Note 9.

In the fourth quarter of 2010, the Company entered into a 10-year $207.2 million term credit facility with Fannie Mae secured by seven communities at a fixed rate of 4.3%. Interest expense is recorded on the debt at an effective interest rate of 6.8% as a result of settlement of forward-starting swaps. Communities may be substituted or released from the facility based on certain loan to value and debt service coverage ratios, as defined in the credit facility agreement.

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The Company has repurchased the remaining $4.9 million of its exchangeable bonds during 2010 and recognized a loss of $10 thousand in 2010. Gains of $4.8 million for the year ended December 31, 2009 were recognized for exchangeable bonds repurchased in that year.

(8) Unsecured Debt and Lines of Credit

The Company has two lines of credit aggregating $440.0 million as of December 31, 2011. The Company has a $425.0 million unsecured line of credit with an accordion option to $500.0 million. As of December 31, 2011 there was a $150.0 million balance on this unsecured line. The underlying interest rate on the $425.0 million line is based on a tiered rate structure tied to Fitch and S&P ratings on the credit facility and the rate was LIBOR plus 1.25% as of December 31, 2011. This facility matures in December 2014 with two one-year extensions, exercisable by the Company. During the first quarter of 2011, the Company entered into a new working capital unsecured line of credit agreement for $15.0 million. As of December 31, 2011 there was no balance outstanding on this unsecured line. The underlying interest rate on the $15.0 million line is based on a tiered rate structure tied to Fitch and S&P ratings on the credit facility of LIBOR plus 1.25%. This facility matured in January 2012. During January 2012, the Company renegotiated the terms of the line of credit increasing the borrowing limit to $25.0 million and extended the term of the loan to January 2014, with a one year extension option.

The Company had a $250.0 million credit facility from Freddie Mac, which was secured by eleven apartment communities. The Company elected to terminate the line of credit in the fourth quarter 2011 and expensed the related unamortized deferred finance charges totaling $0.6 million as loss on early retirement of debt.

During the 2011, the Company issued $265 million of unsecured bonds through private placements at an average interest rate of 4.5%, $150.0 million in the first quarter at 4.36% due in 2016, $40.0 million in the second quarter at 4.5% due in 2017, and $75.0 million, also in the second quarter, at 4.92% due in 2019.

During the fourth quarter of 2011, the Company closed a five year, $200 million unsecured term loan. The term loan has a variable interest rate of LIBOR plus 1.4%. In conjunction with this transaction the Company has entered into interest rate swap contracts for a term of five years with a total notional amount of $150 million that effectively convert the borrowing rate on $150 million of the $200 million term loan to a fixed rate of 2.66%.

The Company’s unsecured line of credit and unsecured debt agreements contain debt covenants related to limitations on indebtedness and liabilities and maintenance of minimum levels of consolidated earnings before depreciation, interest and amortization. The Company was in compliance with the debt covenants as of December 31, 2011 and 2010.

(9) Derivative Instruments and Hedging Activities

The Company uses interest rate swaps and interest rate cap contracts to manage certain interest rate risks. The valuation of these instruments is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves. The fair values of interest rate swaps are determined using the market standard methodology of netting the discounted future fixed cash receipts (or payments) and the discounted expected variable cash payments (or receipts). The variable cash payments (or receipts) are based on an expectation of future interest rates (forward curves) derived from observable market interest rate curves. The Company incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements.

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During the fourth quarter of 2011, the Company entered into four interest rate swap contracts with an aggregate notional amount of $150.0 million that effectively fixed the interest rate on $150.0 million of the $200.0 unsecured term loan at 2.66% through November 2016. These derivatives qualify for hedge accounting. As of December 31, 2011 the Company also had twelve interest rate cap contracts totaling a notional amount of $187.8 million that qualify for hedge accounting as they effectively limit the Company's exposure to interest rate risk by providing a ceiling on the underlying variable interest rate for $202.7 million of the Company's tax exempt variable rate debt. The aggregate carrying value of the interest rate swap contracts was a liability of $1.4 million and the aggregate carrying value of the interest rate cap contracts was an asset of $0.2 million.

During the first quarter of 2011, the Company settled its remaining $20.0 million forward starting swap contract for $2.3 million which was applied to the $32.0 million mortgage obtained in February 2011, increasing the effective borrowing rate from 5.4% to 6.2%.

During 2010, the Company settled $355 million in forward-starting swap contracts for $81.3 million, which was applied to 10-year mortgage loans obtained in 2010. The settlement of the forward-starting swaps increased the average effective interest rate on the 2010 mortgage loans from 4.5% to 6.8%. During 2010, the Company incurred $2.3 million in expense related to the ineffectiveness of certain of the settled forward-starting swap hedges, which is included in impairment and other charges in the accompanying consolidated statement of operations for the year ended December 31, 2010. No hedge ineffectiveness on cash flow hedges was incurred during the years ended December 31, 2011 and 2009.

During July 2010, the Company entered into a swap transaction (the "Swap") with respect to $38.0 million of tax-exempt bonds for the 101 San Fernando apartment community (the "Bonds") with Citibank, N.A. ("Citibank"). This swap is not designated as a hedge; accordingly the change in fair value of the swap is recorded as a gain or loss in the Company's consolidated statement of operations. Under the terms of the Swap, the Company pays a variable amount equal to the SIFMA Index plus a fixed spread on a notional amount that starts at $35.2 million and over the three-year term of the swap increases ratably to $38.0 million. In return, Citibank pays an amount equal to the coupon on the Bonds multiplied by the outstanding par value of the bonds, $38.0 million. The Swap has a termination date of July 12, 2013 and may be terminated by the Company at anytime commencing in July 2011 and by Citibank if certain events occur. Upon termination of the swap, whether early or on the stated termination date, a payment based on the change in value of the Bonds will occur. Should the Bonds decline in value from the $35.2 million value of the Bonds at the inception of the swap, the Company will be obligated to make a payment equal to 100% of the price depreciation. Should the Bonds increase in value, Citibank will be obligated to make a payment equal to approximately 85% of the price appreciation. As of December 31, 2011 and 2010, the fair value of the swap was a liability of $1.8 million and $3.0 million, respectively.

(10) Lease Agreements

As of December 31, 2011 the Company is a lessor for three commercial buildings and the commercial portions of 19 mixed use communities. The tenants' lease terms expire at various times through 2024. The future minimum non-cancelable base rent to be received under these operating leases for each of the years ending after December 31 is summarized as follows ($ in thousands):

Future
Minimum

	Rent
2012	$ 5,841
2013	5,379
2014	5,201
2015	4,629
2016	3,474
Thereafter	14,814
	$ 39,338

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(11) Equity Transactions

Preferred Securities Offerings

As of December 31, 2011, the Company, has the following cumulative preferred securities outstanding:

Description	Issue Date	Shares Authorized	Shares Outstanding		Liquidation Preference
7.125% Series H	April 2011	8,000,000 shares	2,950,000 shares	$	73,750
4.875% Series G	July 2006	5,980,000 shares	178,249 shares	$	4,456

Dividends on the preferred securities are payable quarterly. The holders of the securities have limited voting rights if the required dividends are in arrears.

During the second quarter of 2011, the Company issued 2,950,000 shares of 7.125% Series H Cumulative Redeemable Preferred Stock ("Series H") at a price of $25.00 per share for net proceeds of $71.2 million, net of costs and original issuance discounts. The Series H has no maturity date and generally may not be called by the Company before April 13, 2016. Net proceeds from the Series H offering were used to redeem all of the 7.875% Series B Cumulative Redeemable Preferred Units of Essex Portfolio, L.P. ("Series B") with a liquidation value of $80.0 million, which resulted in excess of cash paid of $1.0 million over the carrying value of Series B due to deferred offering costs and original issuance discounts.

Also during the second quarter of 2011, the Company redeemed its 7.8125% Series F Preferred Stock ("Series F") at liquidation value for $25.0 million which resulted in excess of cash paid of $0.9 million over the carrying value of Series F due to deferred offering costs and original issuance discounts.

During the third quarter of 2006, the Company sold 5,980,000 shares of 4.875% Series G Cumulative Convertible Preferred Stock ("Series G Preferred Stock") for gross proceeds of $149.5 million. Holders may convert Series G Preferred Stock into shares of the Company's common stock subject to certain conditions. The conversion rate was initially .1830 shares of common stock per the $25 share liquidation preference, which is equivalent to an initial conversion price of approximately $136.62 per share of common stock (the conversion rate will be subject to adjustment upon the occurrence of specified events). On or after July 31, 2011, the Company may, under certain circumstances, cause some or all of the Series G Preferred Stock to be converted into that number of shares of common stock at the then prevailing conversion rate. As of December 31, 2011 and 2010, shares of Series G Preferred Stock with an aggregate liquidation value of $4.5 million were outstanding.

Common Stock Offerings

For the year ended December 31, 2011, the Company issued 2.5 million shares of common stock at an average price of $133.29, for $323.9 million, net of fees and commissions. During 2010 and 2009, the Company issued 2.4 million and 2.7 million shares of common stock for $251.4 million and $198.5 million, net of fees and commissions, respectively. The Company used the net proceeds from such sales to pay down debt, repurchase preferred stock, fund redevelopment and development pipelines, fund acquisitions, and for general corporate purposes.

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(12) Net Income Per Common Share

Basic and diluted income from continuing operations per share are calculated as follows for the years ended December 31 ($ in thousands, except share and per share amounts):

	2011 Income	2011 Weighted-average Common Shares	2011 Per Common Share Amount	2010 Income	2010 Weighted-average Common Shares	2010 Per Common Share Amount	2009 Income	2009 Weighted-average Common Shares	2009 Per Common Share Amount
Basic:									
Income from continuing operations available to common stockholders	$ 33,130	32,541,792	$ 1.02	$ 33,110	29,667,064	$ 1.12	$ 73,459	27,269,547	$ 2.69
Income from discontinued operations	7,238	32,541,792	0.22	654	29,667,064	0.02	8,741	27,269,547	0.32
available to common stockholders	40,368		1.24	33,764		1.14	82,200		3.01
Effect of Dilutive Securities (1)	-	86,922		-	67,319		4,224	2,477,067	
Diluted:									
Income from continuing operations available to common stockholders (1)	$ 33,130			$ 33,110			$ 73,459		
Add: noncontrolling interests OP unitholders (2)	-			-			3,508		
Adjusted income from continuing operations available to	33,130	32,628,714	$ 1.02	33,110	29,734,383	$ 1.11	76,967	29,746,614	$ 2.59

common stockholders (1)									
Income (loss) from discontinued operations available to common stockholders	7,238			654			8,741		
Add: noncontrolling interests OP unitholders (2)	-			-			716		
Adjusted income from discontinued operations available to common stockholders	7,238	32,628,714	0.22	654	29,734,383	0.03	9,457	29,746,614	0.32
	$ 40,368		$ 1.24	$ 33,764		$ 1.14	$ 86,424		$ 2.91

(1) Weighted convertible limited partnership units of 2,231,807 and 2,293,886, which include vested Series Z incentive units, for the years ended December 31, 2011 and 2010, respectively, were not included in the determination of diluted EPS because they were anti-dilutive. Weighted convertible limited partnership units of 2,447,751, which include vested Series Z incentive units, for the year ended December 31, 2009, were included in the determination of diluted EPS because they were dilutive. The Company has the ability to redeem DownREIT limited partnership units for cash and does not consider them to be potentially dilutive securities.

Stock options of 175,500; 123,164; and 260,736 for the years ended December 31, 2011, 2010, and 2009, respectively, were not included in the diluted earnings per share calculation because the exercise price of these options were greater than the average market price of the common shares for the years ended and, therefore, were anti-dilutive.

All shares of cumulative convertible preferred stock Series G have been excluded from diluted earnings per share for the years ended 2011, 2010, and 2009 respectively, as the effect was anti-dilutive.

(2) For the year ended December 31, 2009, net income allocated to convertible limited partnership units including vested Series Z units have been included in income available to common stock holders for the calculation of net income per common share since these units are included in the diluted weighted average common shares for the that year as discussed in (1) above.

(13) Equity Based Compensation Plans

Stock Options and Restricted Stock

The Essex Property Trust, Inc. 2004 Stock Incentive Plan provides incentives to attract and retain officers, directors and key employees. The Stock Incentive Plan provides for the grants of options to purchase a specified number of shares of common stock or grants of restricted shares of common stock. Under the Stock Incentive Plan, the total number of shares available for grant is approximately 1,200,000. The 2004 Stock Incentive Plan is administered by the Compensation Committee of the Board of Directors. The Compensation Committee is comprised of independent directors. The Compensation Committee is authorized to establish the exercise price; however, the exercise price cannot be less than 100% of the fair market value of the common stock on the grant date. The Company's options have a life of ten years. Option grants for officers and employees fully vest between one year and five years after the grant date.

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Stock-based compensation expense for options and restricted stock under the fair value method totaled $1.5 million, $1.0 million, and $1.2 million for years ended December 31, 2011, 2010 and 2009 respectively. Stock-based compensation capitalized for options and restricted stock totaled $0.2 million for each of the years ended December 31, 2011, 2010 and 2009. The intrinsic value of the options exercised totaled $3.8 million, $2.9 million, and $0.5 million, for the years ended December 31, 2011, 2010, and 2009 respectively. The intrinsic value of the options outstanding and fully vested totaled $10.6 million, $7.7 million, and $4.1 million, for the years ended December 31, 2011, 2010 and 2009, respectively.

Total unrecognized compensation cost related to unvested share-based compensation granted for stock options totaled $2.6 million as of December 31, 2011. The unrecognized compensation cost is expected to be recognized over a weighted-average period of 2 to 5 years for the stock option plans.

The average fair value of stock options granted for the years ended December 31, 2011, 2010 and 2009 was $14.49, $18.39 and $5.24, respectively. The stock options granted during the fourth quarter of 2011 included a $100 cap on the appreciation of the market price over the exercise price. The fair value of stock options was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions used for grants:

	2011	2010	2009
Stock price	$ 131.87	$ 107.21	$ 66.05-$84.90
Risk-free interest rates	2.23%	3.50%	4.58%
Expected lives	10 years	10 years	10 years
Volatility	19.63%	22.00%	20.00%
Dividend yield	3.29%	3.85%	4.85%

A summary of the status of the Company’s stock option plans as of December 31, 2011, 2010, and 2009 and changes during the years ended on those dates is presented below:

	2011		2010		2009	
	Shares	Weighted-average exercise price	Shares	Weighted-average exercise price	Shares	Weighted-average exercise price
Outstanding at beginning of year	300,642	$88.11	378,542	$82.08	393,443	$80.63
Granted	197,500	131.87	18,214	107.21	32,259	76.68
Exercised	(83,122)	84.24	(78,381)	63.97	(18,407)	38.31
Forfeited and canceled	-	0.00	(17,733)	105.40	(28,753)	85.11
Outstanding at end of year	415,020	109.71	300,642	88.11	378,542	82.08
Options exercisable at year end	219,820	92.31	265,770	86.28	329,909	81.37

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The following table summarizes information about stock options outstanding as of December 31, 2011:

	Options outstanding			Options exercisable	
Range of exercise prices	Number outstanding as of December 31, 2011	Weighted-average remaining contractual life	Weighted-average exercise price	Number exercisable as of December 31, 2011	Weighted-average exercise price
$ 4868 - 7338	50,577	2.8 years	$ 61.78	50,577	$ 61.78
7905 - 12584	167,693	5.0 years	97.70	148,193	97.15
12673 - 13444	196,750	9.8 years	132.27	21,050	131.66
	415,020	7.0 years	109.71	219,820	92.31

During 2011, 2010, and 2009 the Company issued 1,540, 14,415, and 18,954 shares of restricted stock, respectively. The unrecognized compensation cost granted under the restricted stock program of $2.8 million as of December 31, 2011 is expected to be recognized straight-line over a period of 6 years.

The following table summarizes information about restricted stock outstanding as of December 31, 2011, 2010 and 2009 and changes during the years ended:

	2011		2010		2009	
	Shares	Weighted-average grant price	Shares	Weighted-average grant price	Shares	Weighted-average grant price
Unvested at beginning of year	44,877	$102.46	37,727	$99.43	30,304	$119.31
Granted	1,540	134.44	14,415	109.62	18,954	75.77
Vested	(9,532)	104.91	(6,126)	102.27	(5,647)	108.49
Forfeited and canceled	(1,666)	94.35	(1,139)	93.92	(5,884)	116.89
Unvested at end of year	35,219	98.57	44,877	102.46	37,727	99.43

Long Term Incentive Plan – Z Units

The Company has adopted an incentive program involving the issuance of Series Z Incentive Units and Series Z-1 Incentive Units (collectively referred to as “Z Units”) of limited partnership interest in the Operating Partnership. Vesting in the Z Units is based on performance criteria established in the plan. The criteria can be revised at the beginning of the year by the Board's Compensation Committee if the Committee deems that the plan's criterion is unachievable for any given year. The sale of Z Units is contractually prohibited. Z Units are convertible into Operating Partnership units which are exchangeable for shares of the Company’s common stock that may have marketability restrictions. The estimated fair value of a Z Unit is determined on the grant date and considers the company's current stock price, the dividends that are not paid on unvested units and a marketability discount for the 8 to 15 years of illiquidity. Compensation expense is calculated by multiplying estimated vesting increases for the period by the estimated fair value as of the grant date less its $1.00 per unit purchase price.

Stock-based compensation expense for Z Units under the fair value method totaled approximately $1.5 million, $2.3 million and $1.5 million for the years ended December 31, 2011, 2010 and 2009, respectively. Stock-based compensation capitalized for Z Units totaled approximately $0.3 million, $0.6 million, and $0.4 million, for the years ended December 31, 2011, 2010, and 2009, respectively. The intrinsic value of the Z Units unvested totaled $23.7 million as of December 31, 2011. Total unrecognized compensation cost related to Z Units unvested under the Z Units plans totaled $8.9 million as of December 31, 2011. The unamortized cost is expected to be recognized over the next 15 years subject to the achievement of the stated performance criteria.

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The issuance of Z Units is administered by the Compensation Committee which has the authority to select participants and determine the awards to be made up to a maximum of 600,000 Z Units. For Z units issued prior 2010, the conversion ratchet (accounted for as vesting) of the Z Units into common units, will increase by up to 10% (up to 20% in certain circumstances following their initial issuance) effective January 1 of each year for each participating executive who remains employed by the Company if the Company has met a specified "funds from operations" per share target, or such other target as the Compensation Committee deems appropriate, for the prior year, up to a maximum conversion ratchet of 100%. Z units issued in 2011 and 2010 are discussed below. The Operating Partnership has the option to redeem Z Units held by any executive whose employment has been terminated with either common units of the Operating Partnership or shares of the Company's common stock based on the then-effective conversion ratchet.

During 2010, the Operating Partnership issued 108,000 Series Z-1 Incentive Units (the "2010 Z-1 Units") of limited partner interest to twenty executives of the Company in exchange for cash from seven executive officers of the Company, and a capital commitment from the remaining thirteen executives of $1.00 per 2010 Z-1 Unit. The 2010 Z-1 Units are convertible one-for-one into common units of the Operating Partnership (which, in turn, are convertible into common stock of the Company) upon the earlier to occur of 100 percent vesting of the units or the year 2025. The conversion ratchet (accounted for as vesting) of the 2010 Z-1 Units into common units, increased to 20 percent effective January 1, 2011 because the Company achieved the FFO minimum target of $4.75 per diluted share in 2010. Each year thereafter, vesting of the 2010 Z-1 Units will be consistent with the Company's annual FFO growth, but is not to be less than zero or greater than 14 percent. The 2010 Z-1 Unit holders were entitled to receive 10 percent of dividends distributed to common stockholders in 2010, and because the Company achieved the FFO minimum target of $4.75 per diluted share in 2010, the 2010 Z-1 Unit holders were entitled to 25 percent of annual dividends paid in 2011. Each year thereafter, the percent of distributions received by the 2010 Z-1 Unit holders will increase by the same percentage amounts that the 2010 Z-1 Units vesting increases, provided that once the 2010 Z-1 Units holders receive distributions of 30 percent, such distribution percentage will not increase further until the 2010 Z-1 Unit vesting is at the 30 percent level. Once such vesting percentage is at the 30 percent level, subsequent distributions for the 2010 Z-1 Unit holders will be equal to the vesting percentage of the 2010 Z-1 Units.

During 2011, the Operating Partnership issued 46,500 Series Z-1 Incentive Units (the "2011 Z-1 Units") of limited partner interest to fourteen executives of the Company in exchange for cash from eight executive officers of the Company, and a capital commitment from the remaining six executives of $1.00 per 2011 Z-1 Unit. The 2011 Z-1 Units are convertible one-for-one into common units of the Operating Partnership (which, in turn, are convertible into common stock of the Company) upon the earlier to occur of 100 percent vesting of the units or the year 2026. The conversion ratchet (accounted for as vesting) of the 2011 Z-1 Units into common units, increased to 10 percent effective January 1, 2012 because the Company achieved the FFO minimum target of $5.65 per diluted share in 2011. Each year thereafter, vesting of the 2011 Z-1 Units will be consistent with the Company's annual FFO growth, but is not to be less than zero or greater than 14 percent. The 2011 Z-1 Unit holders are entitled to receive 10 percent of dividends distributed to common stockholders in 2011, and because the Company achieved the FFO minimum target of $5.65 per diluted share in 2011, the 2011 Z-1 Unit holders were entitled to 20 percent of annual dividends paid in 2012. Each year thereafter, the percent of distributions received by the 2011 Z-1 Unit holders will increase by the same percentage amounts that the 2011 Z-1 Units vesting increases, provided that once the 2011 Z-1 Units holders receive distributions of 30 percent, such distribution percentage will not increase further until the 2011 Z-1 Unit vesting is at the 30 percent level. Once such vesting percentage is at the 30 percent level, subsequent distributions for the 2011 Z-1 Unit holders will be equal to the vesting percentage of the 2011 Z-1 Units.

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The following table summarizes information about the Z Units outstanding as of December 31, 2011 ($ in thousands):

	Long Term Incentive Plan - Z Units					
	Total Vested Units	Total Unvested Units	Aggregate Intrinsic Value of Unvested Units	Total Outstanding Units	Weighted-average Grant-date Fair Value	Weighted-average Remaining Contractual Life
Balance, December 2008	250,928	143,604	$ 10,878	394,532	$ 39.36	9.2 years
Vested	37,723	(37,723)		-		
Balance, December 2009	288,651	105,881	8,751	394,532	39.36	8.2 years
Granted	-	108,000		108,000		
Vested	37,629	(37,629)		-		
Cancelled		(4,350)		(4,350)		
Balance, December 2010	326,280	171,902	19,463	498,182	54.15	11.2 years
Granted	-	46,500		46,500		
Vested..	44,520	(44,520)		-		
Converted	(191,718)	-		(191,718)		
Cancelled	-	(3,863)		(3,863)		
Balance, December 2011	179,082	170,019	$ 23,719	349,101	$ 58.17	12.3 years

(14) Segment Information

The Company defines its reportable operating segments as the three geographical regions in which its communities are located: Southern California, Northern California and Seattle Metro. Excluded from segment revenues are communities classified in discontinued operations, management and other fees from affiliates, and interest and other income. Non-segment revenues and net operating income included in the following schedule also consist of revenue generated from commercial properties. Other non-segment assets include real estate under development, co-investments, cash and cash equivalents, marketable securities, notes and other receivables, prepaid expenses and other assets and deferred charges.

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The revenues and net operating income for each of the reportable operating segments are summarized as follows for the years ended December 31, 2011, 2010, and 2009 ($ in thousands):

	Years Ended December 31,		
	2011	2010	2009
Revenues:			
Southern California	$ 226,369	$ 203,547	$ 204,089
Northern California	149,457	127,302	121,582
Seattle Metro	81,967	70,348	71,060
Other real estate assets	10,985	7,537	7,825
Total property revenues	$ 468,778	$ 408,734	$ 404,556
Net operating income:			
Southern California	$ 148,233	$ 133,855	$ 135,938
Northern California	99,047	82,288	80,274
Seattle Metro	52,173	43,006	44,603
Other real estate assets	8,740	5,120	5,037
Total net operating income	308,193	264,269	265,852
Depreciation	(152,228)	(129,011)	(117,296)
Interest expense before amortization	(91,694)	(82,756)	(81,196)
Amortization expense	(11,474)	(4,828)	(4,820)
Management and other fees from affiliates	6,780	4,551	4,325
General and administrative	(25,304)	(25,962)	(28,062)
Impairment and other charges	-	(2,302)	(13,084)
Interest and other income	17,139	27,841	13,040
Gain (loss) on early retirement of debt	(1,163)	(10)	4,750
Equity (loss) income in co-investments	(467)	(1,715)	670
Gain on sale of real estate	-	-	103
Income before discontinued operations	$ 49,782	$ 50,077	$ 44,282

Total assets for each of the reportable operating segments are summarized as follow as of December 31, 2011 and 2010 ($ in thousands):

	As of December 31,	
Assets:	2011	2010
Southern California	$ 1,478,018	$ 1,428,264
Northern California	1,241,320	1,119,555
Seattle Metro	579,612	560,463
Other real estate assets	94,088	80,726
Net reportable operating segments - real estate assets	3,393,038	3,189,008
Real estate for development	44,280	217,531
Co-investments	383,412	107,840
Cash and cash equivalents, including restricted cash	35,463	35,694

Marketable securities		74,275		92,310
Notes and other receivables		66,369		49,444
Other non-segment assets		40,127		41,060
Total assets	$	4,036,964	$	3,732,887

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(15) 401(k) Plan

The Company has a 401(k) benefit plan (the "Plan") for all full-time employees who have completed six months of service. Employee contributions are limited by the maximum allowed under Section 401(k) of the Internal Revenue Code. The Company matches the employee contributions for non-highly compensated personnel, up to 50% of their contribution up to a specified maximum. Company contributions to the Plan were approximately $0.3 million, $0.3 million, and $0.2 million for the years ended December 31, 2011, 2010, and 2009, respectively.

(16) Commitments and Contingencies

At December 31, 2011, the Company had six non-cancelable ground leases for certain apartment communities and buildings that expire between 2027 and 2080. Land lease payments are typically the greater of a stated minimum or a percentage of gross rents generated by these apartment communities. Total minimum lease commitments, under land leases and operating leases, are approximately $1.6 million per year for the next five years.

To the extent that an environmental matter arises or is identified in the future that has other than a remote risk of having a material impact on the financial statements, the Company will disclose the estimated range of possible outcomes, and, if an outcome is probable, accrue an appropriate liability for remediation and other potential liability. The Company will consider whether such occurrence results in an impairment of value on the affected property and, if so, impairment will be recognized.

Except with respect to three communities, the Company has no indemnification agreements from third parties for potential environmental clean-up costs at its communities. The Company has no way of determining at this time the magnitude of any potential liability to which it may be subject arising out of unknown environmental conditions or violations with respect to the communities formerly owned by the Company. No assurance can be given that existing environmental studies with respect to any of the communities reveal all environmental liabilities, that any prior owner or operator of a Property did not create any material environmental condition not known to the Company, or that a material environmental condition does not otherwise exist as to any one or more of the communities. The Company has limited insurance coverage for the types of environmental liabilities described above.

The Company has entered into transactions that may require the Company to pay the tax liabilities of the partners in the Operating Partnership or in the DownREIT entities. These transactions are within the Company's control. Although the Company plans to hold the contributed assets or defer recognition of gain on their sale pursuant to like-kind exchange rules under Section 1031 of the Internal Revenue Code the Company can provide no assurance that it will be able to do so and if such tax liabilities were incurred they may to have a material impact on the Company's financial position.

There have been a number of lawsuits in recent years against owners and managers of apartment communities alleging personal injury and property damage caused by the presence of mold in residential real estate. Some of these lawsuits have resulted in substantial monetary judgments or settlements. The Company has been sued for mold related matters and has settled some, but not all, of such matters. Insurance carriers have reacted to mold related liability awards by excluding mold related claims from standard policies and pricing mold endorsements at prohibitively high rates. The Company has, however, purchased pollution liability insurance, which includes some coverage for mold. The Company has adopted policies for promptly addressing and resolving reports of mold when it is detected, and to minimize any impact mold might have on residents of the property. The Company believes its mold policies and proactive response to address any known existence, reduces its risk of loss from these cases. There can be no assurances that the Company has identified and responded to all mold occurrences, but the company promptly addresses all known reports of mold. Liabilities resulting from such mold related matters are not expected to have a material adverse effect on the Company's financial condition, results of operations or cash flows. As of December 31, 2011, potential liabilities for mold and other environmental liabilities are not considered probable or the loss cannot be quantified or estimated.

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The Company carries comprehensive liability, fire, extended coverage and rental loss insurance for each of the communities. Insured risks for comprehensive liabilities covers claims in excess of $25,000 per incident, and property casualty insurance covers losses in excess of a $5.0 million deductible per incident. There are, however, certain types of extraordinary losses, such as, for example, losses from terrorism and earthquake, for which the Company does not have insurance. Substantially all of the communities are located in areas that are subject to earthquakes.

The Company provided a loan and construction completion guarantee to the lender in order to fulfill the lender's standard financing requirements related to the construction of the Queen Anne community. The outstanding balance for the construction loan is included in the debt line item in the balance sheet of the co-investments included in Note 3. The construction completion guarantee is for the life of the loan, which is scheduled to mature on July 1, 2014, with two, one-year extension options at the Queen Anne joint venture's option. As of December 31, 2011, the Company was in compliance with all terms of the construction loan and the construction of the community is expected to be completed on time and within budget. The maximum exposure of the guarantee as of December 31, 2011 was $79.1 million based on the construction costs that were budgeted to be incurred to complete the construction.

The Company provided a payment guarantee to the counterparties in relation to the total return swaps entered into by the joint venture responsible for the development of the Fountain at La Brea and Santa Monica at La Brea communities. Further the Company has guaranteed completion of development and made certain debt service guarantees for Fountain at La Brea and Santa Monica at La Brea. The outstanding balance for the loans is included in the debt line item in the balance sheet of the co-investments included in Note 3. The payment guarantee is for the payment of the amounts due to the counterparty related total return swaps which are scheduled to mature in September and December 2016. The maximum exposure of the guarantee as of December 31, 2011 was $28.5 million based on the aggregate outstanding debt amount.

The Company is subject to various other lawsuits in the normal course of its business operations. Such lawsuits are not expected to have a material adverse effect on the Company's financial condition, results of operations or cash flows.

(17) Subsequent Events

In January 2012, the Company acquired Bon Terra, a 60-unit community located adjacent to Delano in Redmond, Washington for $16.0 million. Located on the same block, Delano and Bon Terra are operated as one community. Also in January, the Company acquired Reed Square, a 100-unit community located in Sunnyvale, California for $23.0 million.

The Company is in contract to sell two communities located in San Diego, California for approximately $28.4 million for a gain by the end of the first quarter of 2012.

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(18) Quarterly Results of Operations (Unaudited)

The following is a summary of quarterly results of operations for 2011 and 2010 ($ in thousands, except per share and dividend amounts):

	Quarter ended December 31	Quarter ended September 30	Quarter ended June 30	Quarter ended March 31
2011:				
Total property revenues	$ 123,151	$ 118,002	$ 115,657	$ 111,968
Income before discontinued operations	$ 14,713	$ 11,992	$ 10,720	$ 12,357
Net income	$ 17,867	$ 11,085	$ 16,053	$ 12,511
Net income available to common stockholders	$ 13,937	$ 7,688	$ 10,325	$ 8,418
Per share data:				
Net income:				
Basic	$ 0.42	$ 0.23	$ 0.32	$ 0.27
Diluted	$ 0.42	$ 0.23	$ 0.32	$ 0.27
Market price:				
High	$ 148.44	$ 145.40	$ 138.31	$ 124.41
Low	$ 111.25	$ 119.15	$ 122.67	$ 109.98
Close	$ 140.51	$ 120.04	$ 135.29	$ 124.00
Dividends declared	$ 1.04	$ 1.04	$ 1.04	$ 1.04
2010:				
Total property revenues	$ 107,465	$ 103,225	$ 98,959	$ 99,084
Income before discontinued operations	$ 8,494	$ 10,260	$ 13,643	$ 17,680
Net income	$ 8,628	$ 10,426	$ 13,869	$ 17,859
Net income available to common stockholders	$ 4,778	$ 6,377	$ 9,482	$ 13,127
Per share data:				
Net income:				
Basic	$ 0.16	$ 0.21	$ 0.32	$ 0.45
Diluted	$ 0.16	$ 0.21	$ 0.32	$ 0.45
Market price:				
High	$ 117.12	$ 115.08	$ 113.03	$ 93.98
Low	$ 105.60	$ 92.62	$ 89.23	$ 76.35
Close	$ 114.22	$ 109.44	$ 97.54	$ 89.95
Dividends declared	$ 1.03	$ 1.03	$ 1.03	$ 1.03

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Property	Units	Location	Encumbrance	Land	Buildings and improvements		Land and improvements	Buildings and improvements	Total(1)	Accu depr
Encumbered communities										
Alpine Village	301	Alpine, CA	15,690	4,967	19,728	3,062	4,982	22,775	27,757	
Anchor Village	301	Mukilteo, WA	10,750	2,498	10,595	10,541	2,824	20,810	23,634	
Avondale at Warner Center	446	Woodland Hills, CA	47,396	10,536	24,522	13,764	10,601	38,221	48,822	
Bridgeport	184	Newark, CA	22,051	1,608	7,582	5,605	1,525	13,270	14,795	
Barkley, The(2)	161	Anaheim, CA	17,015	-	8,520	4,229	2,353	10,396	12,749	
Bel Air	462	San Ramon, CA	56,759	12,105	18,252	19,590	12,682	37,265	49,947	
Belmont Station	275	Los Angeles, CA	30,045	8,100	66,666	2,645	8,267	69,144	77,411	
Bella Villagio	231	San Jose, CA	38,834	17,247	40,343	1,295	17,247	41,638	58,885	
Brentwood	140	Santa Ana, CA	19,603	2,833	11,303	5,282	3,502	15,916	19,418	
Brighton Ridge	264	Renton, WA	14,948	2,623	10,800	2,560	2,656	13,327	15,983	
Brookside Oaks	170	Sunnyvale, CA	20,277	7,301	16,310	19,168	10,328	32,451	42,779	
Camarillo Oaks	564	Camarillo, CA	48,622	10,953	25,254	2,362	11,075	27,494	38,569	
Camino Ruiz Square	160	Camarillo, CA	21,110	6,871	26,119	685	6,931	26,744	33,675	
Canyon Oaks	250	San Ramon, CA	29,389	19,088	44,473	1,028	19,088	45,501	64,589	
	250		14,689	4,692	18,288	3,116	4,693	21,403	26,096	

Canyon Pointe		Bothell, WA							
Capri at Sunny Hills	100	Fullerton, CA	18,132	3,337	13,320	5,639	4,048	18,248	22,296
Carlyle, The	132	San Jose, CA	18,936	3,954	15,277	9,718	5,801	23,148	28,949
City View	572	Hayward, CA	64,254	9,883	37,670	20,103	10,350	57,306	67,656
Coldwater Canyon	39	Studio City, CA	5,623	1,674	6,640	1,108	1,676	7,746	9,422
Courtyard off Main	109	Bellevue, WA	16,491	7,465	21,405	1,265	7,465	22,670	30,135
Devonshire	276	Hemet, CA	10,216	3,470	13,786	1,981	3,482	15,755	19,237
Elevation (Eagle Rim)	157	Redmond, WA	12,087	4,758	14,285	3,840	4,757	18,125	22,882
Emerald Ridge - North	180	Bellevue, WA	9,967	3,449	7,801	2,592	3,449	10,393	13,842
Esplanade	278	San Jose, CA	45,836	18,170	40,086	5,065	18,429	44,892	63,321
Evergreen Heights	200	Kirkland, WA	10,143	3,566	13,395	2,704	3,649	16,016	19,665
Fairwood Pond	194	Renton, WA	13,574	5,296	15,564	1,782	5,297	17,345	22,642
Fountain Park	705	Playa Vista, CA	97,747	25,073	94,980	20,409	25,203	115,259	140,462
Harvest Park	104	Santa Rosa, CA	10,895	6,700	15,479	720	6,690	16,209	22,899
Hampton Place	132	Glendale, CA	21,602	4,288	11,081	3,033	4,307	14,095	18,402
Hidden Valley	324	Simi Valley, CA	31,180	14,174	34,065	1,155	11,663	37,731	49,394
Highridge	255	Rancho Palos Verdes, CA	44,807	5,419	18,347	20,037	6,073	37,730	43,803
Highlands at Wynhaven	333	Issaquah, WA	33,859	16,271	48,932	3,595	16,271	52,527	68,798
Hillcrest Park	608	Newbury Park, CA	70,707	15,318	40,601	12,920	15,755	53,084	68,839
Hillsborough Park	235	La Habra, CA	38,566	6,291	15,455	1,029	6,272	16,503	22,775

Huntington Breakers	342	Huntington Beach, CA	39,321	9,306	22,720	4,601	9,315	27,312	36,627
Inglenook Court	224	Bothell, WA	8,300	3,467	7,881	5,251	3,474	13,125	16,599
Kings Road	196	Los Angeles, CA	29,863	4,023	9,527	7,148	4,031	16,667	20,698
Le Parc Luxury Apartments	140	Santa Clara, CA	12,678	3,090	7,421	10,704	3,092	18,123	21,215
Marbrisa	202	Long Beach, CA	19,391	4,700	18,605	2,026	4,760	20,571	25,331
Mirabella	188	Marina Del Rey, CA	47,154	6,180	26,673	12,220	6,270	38,803	45,073
Mill Creek at Windermere	400	San Ramon, CA	50,787	29,551	69,032	1,242	29,551	70,274	99,825
Park Place/Windsor Court/Cochran	176	Los Angeles, CA	20,299	4,965	11,806	7,613	5,015	19,369	24,384
Montclaire, The	390	Sunnyvale, CA	47,934	4,842	19,776	19,287	4,997	38,908	43,905
Montejo	124	Garden Grove, CA	13,538	1,925	7,685	2,029	2,194	9,445	11,639
Monterey Villas	122	Oxnard, CA	12,776	2,349	5,579	4,425	2,424	9,929	12,353
Park Hill at Issaquah	245	Issaquah, CA	29,956	7,284	21,937	1,488	7,284	23,425	30,709

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	ocation	Encumbrance	Land	Buildings and improvements	subsequent to acquisition	Land and improvements	Buildings and improvements	Total(1)	Accumulated depreciation	Date of construction
2	Bellevue, WA	21,596	1,560	6,242	9,390	1,565	15,627	17,192	9,084	1977
6	Long Beach, CA	38,747	4,083	16,757	17,418	6,239	32,019	38,258	18,707	1975
6	Cupertino, CA	12,173	4,505	17,605	7,383	4,505	24,988	29,493	5,141	1963
3	San Jose, CA	35,261	4,173	58,961	2,332	4,173	61,293	65,466	3,059	2001
3	Bellevue, WA	10,020	3,324	7,501	5,255	3,331	12,749	16,080	7,296	1986
0	Fremont, CA	22,320	996	5,582	6,594	1,001	12,171	13,172	8,074	1971
6	Bothell, WA	12,907	3,167	12,603	3,501	3,201	16,070	19,271	7,642	1986
0	Sunnyvale, CA	13,971	2,654	4,918	956	2,656	5,872	8,528	4,253	1988
0	San Diego, CA	19,457	5,959	23,670	2,984	5,977	26,636	32,613	8,564	1972
3	Seattle, CA	10,344	3,699	11,345	5	3,699	11,350	15,049	108	2008
6	Sunnyvale, CA	18,589	8,190	19,306	8,465	8,191	27,770	35,961	3,427	1969
4	Oxnard, CA	58,462	13,652	53,336	1,837	13,661	55,164	68,825	14,308	2001
4	Santa Ana, CA	17,568	2,626	10,485	3,863	2,957	14,017	16,974	4,371	1970
0	Fountain Valley, CA	22,983	3,361	13,420	3,123	3,761	16,143	19,904	5,481	1969
6	Placentia, CA	28,020	4,498	17,962	3,101	4,962	20,599	25,561	6,910	1970

6	Tiburon, CA	10,499	5,573	11,901	3,445	5,573	15,346	20,919	4,457	1963
6	Kent, WA	5,300	1,285	4,980	3,144	1,296	8,113	9,409	4,499	1986
8	San Jose, CA	31,975	11,808	24,500	12,052	15,165	33,195	48,360	12,433	2000
9	Fullerton, CA	18,560	3,118	7,385	6,395	3,797	13,101	16,898	5,288	1992
2	Seattle, WA	7,277	2,245	7,020	5,531	2,258	12,538	14,796	6,155	1990
		1,729,822	442,136	1,391,045	398,435	459,766	1,771,849	2,231,615	557,187	
mmunities										
7	Valley Village, CA		5,869	23,977	792	5,869	24,769	30,638	1,323	2010
8	Alpine, CA		1,741	6,914	869	1,746	7,778	9,524	2,413	1986
0	Anaheim, CA		15,925	63,712	5,243	15,925	68,955	84,880	2,360	2009
5	Irvine, CA		5,405	33,585	438	5,405	34,023	39,428	1,988	2010
4	San Diego, CA		3,405	7,743	8,622	3,442	16,328	19,770	4,995	1974
3	Los Angeles, CA		5,401	21,803	363	5,401	22,166	27,567	325	2011
1	Belmont, CA		4,446	10,290	2,118	4,473	12,381	16,854	2,959	1974
0	Bonita, CA		2,496	9,913	1,418	2,503	11,324	13,827	3,643	1983
2	Fremont, CA		3,520	8,182	9,707	3,580	17,829	21,409	8,521	1978
8	Kirkland, WA		1,500	5,930	4,922	1,531	10,821	12,352	4,656	1986
8	Sunnyvale, CA		5,278	11,853	1,537	5,293	13,375	18,668	6,789	1989
5	Glendale, CA		8,557	34,235	425	8,557	34,660	43,217	1,207	2009
6	Los Angeles, CA		11,498	27,871	3,632	11,639	31,362	43,001	14,263	1968
0	Seattle, WA		6,937	20,679	240	6,939	20,917	27,856	3,215	2006
0	Chula Vista, CA		497	1,973	309	498	2,281	2,779	731	1965
6	Newcastle, WA		4,149	16,028	1,925	4,833	17,269	22,102	8,526	1997
8			6,283	24,000	2,263	6,288	26,258	32,546	5,650	1962

	Goleta, CA								
0	Bellevue, WA	5,543	16,442	3,346	5,652	19,679	25,331	5,295	1984
1	Goleta, CA	5,558	21,320	1,738	5,618	22,998	28,616	5,691	1967
6	Santa Cruz, CA	6,582	15,689	884	6,582	16,573	23,155	1,967	2002
4	Campbell, CA	12,555	29,307	3,438	12,556	32,744	45,300	1,710	1973
9	Kirkland, WA	5,801	17,415	645	5,801	18,060	23,861	706	1978
0	Oceanside, CA	4,174	16,583	2,183	4,187	18,753	22,940	6,111	1976
6	Redmond, WA	3,521	10,600	0	3,521	10,600	14,121	15	2005

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Property	Units	Location	Encumbrance	Land	Buildings and improvements	subsequent to acquisition	Land and improvements	Buildings and improvements
Unencumbered communities (continued)								
Monterra del Mar/Rey/Sol	292	Pasadena, CA		2,202	4,794	27,733	8,385	26,344
Fairways(3)	74	Newport Beach, CA		-	7,850	2,106	9	9,947
Foothill Commons	388	Bellevue, WA		2,435	9,821	28,562	2,440	38,378
Foothill Gardens/Twin Creeks	176	San Ramon, CA		5,875	13,992	2,515	5,964	16,418
Forest View	192	Renton, WA		3,731	14,530	979	3,731	15,509
Fountain Court	320	Seattle, WA		6,702	27,306	2,741	6,985	29,764
Fourth & U	171	Berkeley, CA		8,879	52,351	1,271	8,879	53,622
Hampton Court	83	Glendale, CA		2,407	5,672	1,843	2,426	7,496
Hillsdale Garden Apartments	697	San Mateo, CA		22,000	94,681	13,308	22,244	107,745
Hope Ranch Collection	108	Santa Barbara, CA		16,877	4,078	2,011	4,208	18,758
Joule	295	Seattle, WA		14,558	69,417	1,910	14,558	71,327
1000 Kiely	121	Santa Clara, CA		9,359	21,845	1,167	9,359	23,012
Linden Square	183	Seattle, WA		4,374	11,588	1,721	4,202	13,481
Lofts at Pinehurst, The	118	Ventura, CA		1,570	3,912	3,851	1,618	7,715
Magnolia Lane(4)	32	Sunnyvale, CA		-	5,430	173	-	5,603
Marbella, The	60			2,826	11,269	2,870	2,871	14,094

		Los Angeles, CA					
Marina City Club(5)	101	Marina Del Rey, CA	-	28,167	4,845	-	33,012
Marina Cove(6)	292	Santa Clara, CA	5,320	16,431	6,403	5,324	22,830
Mariners Place	105	Oxnard, CA	1,555	6,103	1,601	1,562	7,697
Meadowood	320	Simi Valley, CA	7,852	18,592	4,380	7,898	22,926
Mesa Village	133	Clairemont, CA	1,888	7,498	936	1,894	8,428
Mira Monte	355	Mira Mesa, CA	7,165	28,459	7,336	7,186	35,774
Mission Hills	282	Oceanside, CA	10,099	38,778	3,554	10,167	42,264
Mt. Sutro	99	San Francisco, CA	2,334	8,507	2,504	2,809	10,536
Muse	152	Hollywood, CA	39,100	-	2,697	7,823	33,974
Pinehurst(7)	28	Ventura, CA	355	1,356	364	6	2,069
Regency at Encino	75	Encino, CA	3,184	12,737	1,094	3,184	13,830
Salmon Run at Perry Creek	132	Bothell, WA	3,717	11,483	864	3,801	12,263
San Marcos	432	Richmond, CA	15,563	36,204	25,997	22,866	54,898
Santee Court	165	Los Angeles, CA	6,177	24,716	517	6,177	25,233
Santee Village	73	Los Angeles, CA	15,601	3,404	640	3,404	16,241
Shadow Point	172	Spring Valley, CA	2,812	11,170	1,666	2,820	12,828
The Laurels at Mill Creek	164	Mill Creek, WA	1,559	6,430	4,472	1,595	10,866
The Grand	243	Oakland, CA	4,531	89,208	3,755	4,531	92,963
Tierra del Sol/Norte	156	El Cajon,	2,455	9,753	1,033	2,463	10,778

		CA						
Trabucco Villas	132	Lake Forest, CA		3,638	8,640	1,469	3,890	9,857
Tuscana	30	Tracy, CA		2,828	6,599	155	2,870	6,712
Via	284	Sunnyvale, CA		22,000	-	82,270	22,016	82,254
Vista Capri - North	106	San Diego, CA		1,663	6,609	788	1,668	7,392
Walnut Heights	163	Walnut, CA		4,858	19,168	1,883	4,887	21,022
Windsor Ridge	216	Sunnyvale, CA		4,017	10,315	4,342	4,021	14,653
Woodland Commons	236	Bellevue, WA		2,040	8,727	9,235	2,044	17,958
Woodside Village	145	Ventura, CA		5,331	21,036	2,413	5,341	23,439
	27,419		1,729,822	860,214	2,645,714	727,465	837,731	3,395,662

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	Rentable			Initial cost		Costs capitalized	Gross amount carried at close of period					
s	Square Footage	Location	Encumbrance	Land	Buildings and improvements	subsequent to acquisition	Land and improvements	Buildings and improvements	Total(1)	Accumulated depreciation	Date of construction	Da acqu
	35,000	Los Angeles, CA		10,200	13,800	2,154	10,200	15,954	26,154	3,740	1938	07/
.	139,000	Santa Clara, CA	10,388	6,472	11,704	1,670	6,472	13,374	19,846	734	1970	09/
st	31,900	Palo Alto, CA		1,401	3,172	7,985	3,147	9,411	12,558	3,173	1988	11/
an	110,000	Irvine, CA		3,079	12,315	5,713	3,105	18,002	21,107	8,254	1983	07/
ed nt			5,648	25,139	-	19,147	44,286	-	44,286	-		
ment communities and state assets			$1,745,858	$906,505	$2,686,705	$764,134	$904,941	$3,452,403	$4,357,344	$920,026		

(1) The aggregate cost for federal income tax purposes is approximately $3.0 billion (unaudited).
(2) The land is leased pursuant to a ground lease expiring 2082.
(3) The land is leased pursuant to a ground lease expiring 2027.
(4) The land is leased pursuant to a ground lease expiring 2070.
(5) The land is leased pursuant to a ground lease expiring 2067.
(6) A portion of land is leased pursuant to a ground lease expiring in 2028.
(7) The land is leased pursuant to a ground lease expiring in 2028.

A summary of activity for rental properties and accumulated depreciation is as follows:

	2011	2010	2009		2011	2010	2009
Rental properties:				Accumulated depreciation:			
Balance at beginning of year	$ 3,964,561	$ 3,310,152	$ 3,177,010	Balance at beginning of year	$ 775,553	$ 646,686	$ 537,248

Improvements	68,338	51,101	79,094	Depreciation expense - Acquisitions	1,279	2,505	18
Acquisition of real estate	103,300	387,300	16,000	Depreciation expense - Discontinued operations	315	700	1,224
Development of real estate	195,634	216,008	74,590	Depreciation expense - Rental properties	148,337	125,662	116,033
Disposition of real estate	(18,769)	-	(36,542)	Dispositions	(5,458)	-	(7,837)
Balance at the end of year	$ 4,313,064	$ 3,964,561	$ 3,310,152	Balance at the end of year	$ 920,026	$ 775,553	$ 646,686

See accompanying report of independent registered public accounting firm.

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SIGNATURES

Pursuant to the requirements of Section 13 of 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ESSEX PROPERTY TRUST, INC.
(Registrant)

Date: February 23, 2012

By: /S/ MICHAEL T. DANCE

Michael T. Dance
Executive Vice President, Chief Financial Officer
(Authorized Officer, Principal Financial Officer)

By: /S/ BRYAN G. HUNT

Bryan G. Hunt
First Vice President, Chief Accounting Officer

KNOWN ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Michael J. Schall and Michael T. Dance, and each of them, his attorney-in-fact, each with the power of substitution, for him in any and all capacities, to sign any amendments to this Report on Form 10-K and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorney-in-fact, or his substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacity and on the date indicated.

Signature	Title	Date
/S/ MICHAEL J. SCHALL Michael J. Schall	Chief Executive Officer and President, and Director (Principal Executive Officer)	February 23, 2012
/S/ KEITH R. GUERICKE Keith R. Guericke	Director, and Vice Chairman of the Board	February 23, 2012
/S/ GEORGE M. MARCUS George M. Marcus	Director and Chairman of the Board	February 23, 2012
/S/ DAVID W. BRADY David W. Brady	Director	February 23, 2012
/S/ GARY P. MARTIN	Director	February 23, 2012

Gary P. Martin

/S/ ISSIE N. RABINOVITCH Issie N. Rabinovitch	Director	February 23, 2012

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Signature	Title	Date
/S/ THOMAS E. RANDLETT Thomas E. Randlett	Director	February 23, 2012
/S/ BYRON A. SCORDELIS. Byron A. Scordelis	Director	February 23, 2012
/S/ JANICE L. SEARS. Janice L. Sears	Director	February 23, 2012
/S/ CLAUDE J. ZINGRABE Claude J. Zingrabe	Director	February 23, 2012

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EXHIBIT INDEX

Exhibit No.	Document
3.1	Articles of Restatement of Essex Property Trust, Inc., attached as Exhibit 3.1 to the Company's Current Report on Form 8-K, filed February 16, 2012, and incorporated herein by reference.
3.2	Second Amended and Restated Bylaws of Essex Property Trust, Inc., dated as of September 16, 2008, attached as Exhibit 3.1 to the Company’s Current Report on Form 8-K, filed September 22, 2008, and incorporated herein by reference.
4.1	Form of 4.875% Series G Cumulative Convertible Preferred Stock Certificate, attached as Exhibit 4.1 to the Company’s Current Report on Form 8-K, filed July 27, 2006, and incorporated herein by reference.
4.2	Form of 7.125% Series H Cumulative Redeemable Preferred Stock Certificate, attached as Exhibit 4.1 to the Company's Current Report on Form 8-K, filed April 13, 2011, and incorporated herein by reference.
10.1	Essex Property Trust, Inc. 1994 Stock Incentive Plan, (amended and restated), attached as Exhibit 10.1 to the Company's Form 10-Q for the quarter ended June 30, 2000 and incorporated herein by reference.*
10.2	Form of Essex Property Trust, Inc. 1994 Non-Employee and Director Stock Incentive Plan, attached as Exhibit 10.3 to the Company's Registration Statement on Form S-11 (Registration No. 33-76578), which became effective on June 6, 1994, and incorporated herein by reference.*
10.3	Agreement between Essex Property Trust, Inc. and George M. Marcus, dated March 27, 2003 attached as Exhibit 10.32 to the Company's Form 10-K for the year ended December 31, 2002 and incorporated herein by reference.
10.4	Essex Property Trust, Inc. 2004 Stock Incentive Plan, attached as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2004, and incorporated herein by reference.*
10.5	2005 Deferred Compensation Plan (as amended and restated) of Essex Portfolio, L.P., dated as of December 2, 2008, attached as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed December 8, 2008, and incorporated herein by reference.*
10.6	Executive Severance Plan of Essex Property Trust, Inc., amended and restated effective as of December 31, 2008, attached as Exhibit 10.2 to the Company's Current Report on Form 8-K, filed December 8, 2008, and incorporated herein by reference.*
10.7	Credit Agreement, dated as of November 17, 2008, by and between Essex CAL-WA, L.P., as Borrower, and Northmarq Capital, Inc., as Lender, attached as Exhibit 10.31 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008, and incorporated herein by reference.
10.8	Second Amended and Restated Agreement of Limited Partnership of Essex Portfolio, L.P., dated as of May 27, 2009, attached as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed May 27, 2009, and incorporated herein by reference.*
10.9	First Amendment to the Second Amended and Restated Agreement of Limited Partnership of Essex Portfolio, L.P., dated as of December 23, 2009, attached as Exhibit 10.1 to the Company's Current Report

	on Form 8-K, filed December 30, 2009, and incorporated herein by reference.*
10.10	Equity Distribution Agreement, dated January 18, 2011, between Essex Property Trust, Inc. and Cantor Fitzgerald & Co., attached as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed January 19, 2011, and incorporated herein by reference.
10.11	Equity Distribution Agreement, dated January 18, 2011, between Essex Property Trust, Inc. and KeyBanc Capital Markets Inc., attached as Exhibit 10.2 to the Company’s Current Report on Form 8-K, filed January 19, 2011, and incorporated herein by reference.

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10.12	Equity Distribution Agreement, dated January 18, 2011, between Essex Property Trust, Inc. and Barclays Capital Inc., attached as Exhibit 10.3 to the Company's Current Report on Form 8-K, filed January 19, 2011, and incorporated herein by reference.
10.13	Equity Distribution Agreement, dated January 18, 2011, between Essex Property Trust, Inc. and BMO Capital Markets Corp., attached as Exhibit 10.4 to the Company's Current Report on Form 8-K, filed January 19, 2011, and incorporated herein by reference.
10.14	Equity Distribution Agreement, dated January 18, 2011, between Essex Property Trust, Inc. and Liquidnet, Inc., attached as Exhibit 10.5 to the Company's Current Report on Form 8-K, filed January 19, 2011, and incorporated herein by reference.
10.15	Equity Distribution Agreement, dated January 18, 2011, between Essex Property Trust, Inc. and Mitsubishi UFJ Securities (USA), Inc., attached as Exhibit 10.6 to the Company's Current Report on Form 8-K, filed January 19, 2011, and incorporated herein by reference.
10.16	Form of Indemnification Agreement between Essex Property Trust, Inc. and its directors and officers, attached as Exhibit 99.1 to the Company's Current Report on Form 8-K, filed February 25, 2011, and incorporated herein by reference.*
10.17	Note Purchase Agreement, dated as of March 31, 2011, among Essex Portfolio, L.P., Essex Property Trust, Inc. and the purchasers of the notes party thereto (including the form of the 4.36% Senior Guaranteed Notes, due March 31, 2016), attached as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed April 1, 2011, and incorporated herein by reference.†
10.18	Second Amendment to the Second Amended and Restated Agreement of Limited Partnership of Essex Portfolio, L.P., dated as of April 13, 2011, attached as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed April 13, 2011, and incorporated herein by reference.
10.19	Note Purchase Agreement, dated as of June 30, 2011, among Essex Portfolio, L.P., Essex Property Trust, Inc. and the purchasers of the notes party thereto (including the forms of the 4.50% Senior Guaranteed Notes, Series A, due September 30, 2017, and the 4.92% Senior Guaranteed Notes, Series B, due December 30, 2019) , attached as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed July 5, 2011, and incorporated herein by reference.†
10.20	Amended and Restated 2004 Non-Employee Director Equity Award Program, dated May 1, 2011, attached as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011, and incorporated herein by reference.*
10.21	Amended and Restated Revolving Credit Agreement, dated as of September 16, 2011, by and among Essex Portfolio, L.P., PNC Bank, National Association, as Administrative Agent, Swing Line Lender and L/C Issuer, and other lenders as specified therein, attached as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2011, and incorporated herein by reference.
12.1	Schedule of Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividends.
14.1	Code of Business Conduct and Ethics.
21.1	List of Subsidiaries of Essex Property Trust, Inc.

23.1	Consent of KPMG LLP, Independent Registered Public Accounting Firm.
24.1	Power of Attorney (see signature page)
31.1	Certification of Michael J. Schall, Principal Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Michael T. Dance, Principal Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1	Certification of Michael J. Schall, Principal Executive Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Michael T. Dance, Principal Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS**	XBRL Instance Document
101.SCH**	XBRL Taxonomy Extension Schema Document
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF**	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB**	XBRL Taxonomy Extension Label Linkbase Document
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase Document

* Management contract or compensatory plan or arrangement.

† The schedules and certain exhibits to this agreement, as set forth in the agreement, have not been filed herewith. The Company agrees to furnish supplementally a copy of any omitted schedule or exhibit to the Securities and Exchange Commission upon request.

** XBRL (Extensible Business Reporting Language) information is furnished and not filed herewith, is not part of a registration statement or Prospectus for purposes of Section 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.