

ENTERTAINMENT PROPERTIES TRUST  
Form DEF 14A  
April 08, 2010  
Table of Contents

**SCHEDULE 14A INFORMATION**

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

**(Amendment No.    )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Section 240.14a-12

**Entertainment Properties Trust**

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

## Edgar Filing: ENTERTAINMENT PROPERTIES TRUST - Form DEF 14A

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

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(3) Filing Party:

(4) Date Filed:

**Table of Contents**

**ENTERTAINMENT PROPERTIES TRUST**

**30 W. Pershing Road, Suite 201**

**Kansas City, Missouri 64108**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD MAY 12, 2010**

To our shareholders:

The 2010 annual meeting of shareholders of Entertainment Properties Trust will be held at the Extreme Screen at Union Station, 30 W. Pershing Road, Kansas City, Missouri 64108, on May 12, 2010 at 10:00 a.m. (local time). At the meeting, our shareholders will vote upon:

Proposal 1: The election of Barrett Brady and Peter Brown as Class I trustees to serve for a three year term, and

Proposal 2: The ratification of the appointment of KPMG LLP as our independent registered public accounting firm for 2010; and transact any other business that may properly come before the meeting.

All holders of record of our common shares at the close of business on February 16, 2010 are entitled to vote at the meeting or any postponement or adjournment of the meeting.

You are cordially invited to attend the meeting. Whether or not you intend to be present at the meeting, our Board of Trustees asks that you sign, date and return the enclosed proxy card promptly. A prepaid return envelope is provided for your convenience. Your vote is important and all shareholders are encouraged to attend and vote in person or vote by proxy.

Thank you for your support and continued interest in our Company.

BY ORDER OF THE BOARD OF TRUSTEES

Gregory K. Silvers  
*Vice President, Chief Operating Officer,*

*General Counsel and Secretary*

Kansas City, Missouri

April 8, 2010

**Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be Held on May 12, 2010** the proxy statement and annual report to shareholders are available at [www.edocumentview.com/EPR](http://www.edocumentview.com/EPR).

**Table of Contents**

**ENTERTAINMENT PROPERTIES TRUST**

**30 W. Pershing Road, Suite 201**

**Kansas City, Missouri 64108**

**PROXY STATEMENT**

This proxy statement provides information about the annual meeting of shareholders of Entertainment Properties Trust ( we, us or the Company ) to be held at the Extreme Screen at Union Station, 30 W. Pershing Road, Kansas City, Missouri 64108, on May 12, 2010, beginning at 10:00 a.m. (local time), and at any postponement or adjournment of the meeting.

This proxy statement and the enclosed proxy card were first mailed to shareholders on or about April 8, 2010.

**Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be Held on May 12, 2010** the proxy statement and annual report to shareholders are available at [www.edocumentview.com/EPR](http://www.edocumentview.com/EPR).

**Table of Contents**

**TABLE OF CONTENTS**

<u>ABOUT THE MEETING</u>	1
<u>PROPOSAL 1: ELECTION OF TRUSTEES</u>	4
<u>COMPANY GOVERNANCE</u>	8
<u>EXECUTIVE OFFICERS</u>	14
<u>EXECUTIVE COMPENSATION</u>	16
<u>Compensation Discussion and Analysis</u>	16
<u>Summary Compensation Table</u>	27
<u>Grants of Plan-Based Awards</u>	28
<u>Outstanding Equity Awards at Fiscal Year-End</u>	29
<u>Option Exercises and Stock Vested</u>	31
<u>Potential Payments Upon Termination or Change of Control</u>	32
<u>EQUITY COMPENSATION PLAN INFORMATION</u>	36
<u>COMPENSATION COMMITTEE REPORT</u>	37
<u>AUDIT COMMITTEE REPORT</u>	38
<u>TRANSACTIONS BETWEEN THE COMPANY AND TRUSTEES, OFFICERS OR THEIR AFFILIATES</u>	39
<u>PROPOSAL 2: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	40
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	42
<u>SHARE OWNERSHIP</u>	43
<u>SHAREHOLDER PROPOSALS, TRUSTEE NOMINATIONS AND RELATED BYLAW PROVISIONS</u>	45
<u>OTHER MATTERS</u>	46
<u>MISCELLANEOUS</u>	47

**Table of Contents**

**ABOUT THE MEETING**

**What am I voting on?**

The Board of Trustees (also referred to herein as the Board ) is soliciting your vote for:

**The election of Barrett Brady and Peter Brown as Class I trustees to serve for a three year term; and**

**The ratification of the appointment of KPMG LLP as our independent registered public accounting firm for 2010.**

**Who is entitled to vote at the meeting?**

Holders of record of our common shares at the close of business on February 16, 2010, are entitled to receive notice of the annual meeting and to vote their common shares held on that date at the meeting or any postponement or adjournment of the meeting.

**How many votes do I have?**

Each common share has one vote. The enclosed proxy card shows the number of common shares you are entitled to vote.

**What constitutes a quorum?**

The presence at the meeting, in person or by proxy, of the holders of a majority of our common shares outstanding on the record date will constitute a quorum, permitting the meeting to proceed. On the record date, 42,835,461 common shares of the Company were outstanding. Proxies received but marked as abstentions and broker non-votes will be included in calculating the number of common shares present at the meeting for the purpose of establishing a quorum.

**What are broker non-votes and how are they counted?**

If you are a beneficial owner whose shares are held of record by a broker, you must instruct the broker how to vote your shares. If you do not provide voting instructions, your shares will not be voted on any proposal on which the broker does not have discretionary authority to vote. This is called a broker non-vote. In these cases, the broker can register your shares as being present at the Annual Meeting for purposes of determining the presence of a quorum but will not be able to vote on those matters for which specific authorization is required under the rules of the New York Stock Exchange ( NYSE ). There is an important change this year regarding broker non-votes and Trustee elections. See below for information about the change.

If you are a beneficial owner whose shares are held of record by a broker, your broker has discretionary voting authority under NYSE rules to vote your shares on the ratification of KPMG, even if the broker does not receive voting instructions from you. However, your broker does not have discretionary authority to vote on the election of Trustees, in which case a broker non-vote will occur and your shares will not be voted on these matters.

**Important Change:** *An NYSE rule change that is effective for the 2010 Annual Meeting no longer permits brokers to vote in the election of Trustees if the broker has not received instructions from the*

**Table of Contents**

*beneficial owner. This represents a change from prior years, when brokers had discretionary voting authority in the election of Trustees. Accordingly, it is particularly important that beneficial owners instruct their brokers how they wish to vote their shares.*

	<b>Broker Discretionary Voting Allowed</b>
<b>Proposal</b>	
Election of Directors	No
Ratification of KPMG	Yes

**How do I vote?**

If you complete and properly sign the enclosed proxy card and return it to us before the meeting, your common shares will be voted as you direct. If you are a shareholder of record and attend the meeting in person, you may deliver your completed proxy card at the meeting. You are also invited to vote in person at the meeting. You may request a ballot when you arrive.

If your shares are held in the name of a bank, broker or other nominee and you wish to vote at the meeting, you must obtain a proxy form from the institution that holds your shares.

If you are a participant in our dividend reinvestment and direct share purchase plan, your plan shares will be voted as you instruct on your proxy card.

**Does EPR have a policy for confidential voting?**

We have a confidential voting policy. Your proxy will be kept confidential and will not be disclosed to third parties, other than our inspector of election and personnel involved in processing the proxy cards and tabulating the vote.

**Can I change my vote after I return my proxy card?**

Yes. Even after you have submitted your proxy, you may change your vote or revoke your proxy at any time before the meeting by sending a written notice of revocation or a duly executed proxy with a later date to the Secretary of the Company. Your proxy will also be revoked if you attend the meeting and vote in person. If you merely attend the meeting but do not vote in person, your previously granted proxy will not be revoked.

**What are the Board's recommendations?**

Unless you give other instructions on your proxy card, the persons named as proxy holders on the proxy card will vote your common shares in accordance with the recommendations of the Board of Trustees. The Board recommends you vote:

***For the election of Barrett Brady and Peter Brown as Class I trustees to serve for a three year term; and***



## **Table of Contents**

### ***For the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for 2010.***

If any other matter properly comes before the meeting, the proxy holders will vote as recommended by the Board of Trustees or, if no recommendation is given, in their own discretion.

### **How many votes are needed to approve each item?**

**Election of Trustee.** The affirmative vote of a plurality of the common shares voted at the meeting is required for the election of the Class I trustees. This means the nominees in Class I receiving the greatest number of votes will be elected. We will not count abstentions in the election of the trustee. If you check **WITHHOLD** under a nominee's name on your proxy card, your shares will be voted against the nominee. You may also vote against a nominee by striking through his name on your proxy card.

**Ratification of appointment of independent registered public accounting firm.** The affirmative vote of a majority of the common shares voted at the meeting is required to ratify the appointment of KPMG LLP as our independent registered public accounting firm for 2010. We will not count abstentions in the ratification of KPMG LLP as our independent registered public accounting firm for 2010.

### **What does it mean if I receive more than one proxy card?**

Some of your shares may be held in more than one account. Please date, sign and return all of your proxy cards to ensure that all your common shares are voted.

### **What if I receive only one set of proxy materials although there are multiple shareholders at my address?**

If you and other residents at your mailing address own common shares in street name, your broker, bank or other nominee may have sent you a notice that your household will receive only one annual report and proxy statement for each company in which you hold shares through that broker, bank or nominee. This practice is called **householding**. If you did not respond that you did not want to participate in householding, you are deemed to have consented to that process. If these procedures apply to you, your nominee will have sent one copy of our annual report and proxy statement to your address. You may revoke your consent to householding at any time by contacting us at 30 W. Pershing Road, Suite 201, Kansas City, Missouri 64108 or (816) 472-1700, Attention: Secretary. If you did not receive an individual copy of our annual report and proxy statement, we will send copies to you if you contact us at the above address or telephone number. If you and other residents at your address have been receiving multiple copies of our annual report and proxy statement and desire to receive only a single copy of these materials, you may contact your broker, bank or other nominee or contact us at the above address or telephone number.

### **Are the proxy statement and annual report to shareholders available on the Internet?**

This proxy statement and the annual report to shareholders are available on the Internet at [www.edocumentview.com/EPR](http://www.edocumentview.com/EPR).

**Table of Contents**

**PROPOSAL 1:**

**ELECTION OF TRUSTEES**

The Board of Trustees consists of six members and is divided into three classes having three-year terms that expire in successive years. The nominating/company governance committee of the Board of Trustees has nominated Barrett Brady and Peter Brown to serve as our Class I trustees for a term expiring at the 2013 annual meeting or until their successors are duly elected and qualified. Messrs. Brady and Brown have been nominated upon the recommendation of the independent trustees of the Company. Unless you withhold authority to vote for a nominee or you mark through a nominee's name on your proxy card, the common shares represented by your properly executed proxy will be voted for the election of the nominee for trustee.

Here is a brief description of the backgrounds and principal occupations of the two individuals nominated for election as trustees and each trustee whose term of office will continue after the annual meeting.

**Class I Trustee (nominated for a term expiring at the 2013 annual meeting)**

**Barrett Brady**  
*Nominee and  
Trustee since 2004*

Barrett Brady, 63, retired December 31, 2009, from his position as Senior Vice President of Highwoods Properties, Inc., a REIT listed on the NYSE. Mr. Brady served as President and Chief Executive Officer of J.C. Nichols Company, a real estate company headquartered in Kansas City, Missouri, until its acquisition by Highwoods Properties, Inc. in 1998. Before joining J.C. Nichols Company in 1995, Mr. Brady was President and Chief Executive Officer of Dunn Industries, Inc., a major construction contractor. Mr. Brady received a BBA from Southern Methodist University and an MBA from the University of Missouri. Mr. Brady serves on the Boards of Directors of J.E. Dunn Construction Group, Inc., North American Savings Bank, FSB and Midwest Research Institute. Mr. Brady also serves on the audit committee of J.E. Dunn Construction Group, Inc., the audit and compensation committees of North American Savings Bank, FSB and on the compensation committee of Midwest Research Institute.

**Peter Brown**  
*Nominee*

Peter C. Brown, 51, is Chairman of Grassmere Partners, LLC, a private investment firm. Prior to founding Grassmere Partners, Mr. Brown served as chairman of the board, chief executive officer and president of AMC Entertainment Inc. (AMC), one of the world's leading theatrical exhibition and entertainment companies, from July 1999 until his retirement in February 2009. He served as president from January 1997 to July 1999. He began his career with AMC in 1990 and became senior vice president and chief financial officer in 1991. Mr. Brown founded Entertainment Properties Trust and he served as chairman of the board of trustees from 1997 to 2003. Mr. Brown currently serves as a director of CenturyLink (NYSE: CTL), a Fortune 500 provider of voice, broadband and video services in 33 states. Past additional public company boards include: National CineMedia, Inc. and Midway Games, Inc. He currently serves and has served on numerous community and civic boards. Mr. Brown is a graduate of the University of Kansas.

**Table of Contents****Class III Trustees (serving for a term expiring at the 2012 annual meeting)**

**Jack A. Newman, Jr.** Jack A. Newman, Jr., 62 currently runs his own company, Jack Newman Advisory Services. From January 1996 through June 2009, Mr. Newman was Executive Vice President for Cerner Corporation, a NASDAQ-listed health care information systems and knowledge services company. In his role as Executive Vice President, among other responsibilities, he served as the primary senior executive charged with establishing and overseeing relationships with Cerner's largest domestic clients. Prior to joining Cerner, Jack spent 22 years with KPMG, 14 years as a Partner, the last four of which he was National Partner in Charge of KPMG's Health Care Strategy Practice. In that capacity he oversaw the firm's services nationwide in delivering financial analysis, strategy development and merger/acquisition services to health care providers. Mr. Newman is a CPA, has a Bachelor of Arts degree and a Masters Degree in Public Administration. He serves as a director of Enterprise Bank and Trust.

*Trustee since 2009*

**James A. Olson** James A. Olson, 67, is a member of Plaza Belmont Management Group, LLC, manager of the Plaza Belmont private equity funds, which acquire and operate companies in the food manufacturing industry, where he served as chief financial officer from 2004-2007. Prior to joining Plaza Belmont in 1999, Mr. Olson was a partner with Ernst & Young LLP. During his 32 years with Ernst & Young, including six years in Europe, Mr. Olson served as managing director of two of their offices and worked with a number of multinational and domestic clients in a variety of industries. In addition to providing his client companies with the traditional audit services of Ernst & Young, Mr. Olson advised them on their securities offerings, mergers and acquisitions and corporate tax strategies. He is a past president of the Missouri State Board of Accountancy and a member of the American Institute of Certified Public Accountants. Mr. Olson received his BS and MS degrees from St. Louis University. Mr. Olson serves on the Board of Directors and is Chairman of the audit committee of SAIA, Inc., a NASDAQ-listed transportation company, and he serves on the Board of Directors for the American Century Family of Mutual Funds.

*Trustee since 2003*

**Class II Trustees (serving for a term expiring at the 2011 annual meeting)**

**Robert J. Druten** Robert J. Druten, 63, is Chairman of our Board of Trustees. In August 2006, Mr. Druten retired as Executive Vice President and Chief Financial Officer and a Corporate Officer of Hallmark Cards Incorporated. Mr. Druten serves on the Boards of Directors of Alliance GP, LLC, the managing general partner of Alliance Holdings GP, L.P., a NASDAQ-listed company indirectly engaged in the production and marketing of coal to utilities and industrial users, Kansas City Southern, a NYSE-listed transportation company, and American Italian Pasta Company, a publicly traded manufacturing company. Mr. Druten also serves as the Chairman of the audit committee and finance committee of Kansas City Southern, serves on the audit committee of Alliance GP, LLC, and as Chairman of the audit committee and as a member of the compensation committee of American Italian Pasta Company. Mr. Druten received a BS in Accounting from the University of Kansas and an MBA from Rockhurst University.

*Trustee since 1997*

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**Table of Contents**

**David M. Brain**     David M. Brain, 55, has served as our President and Chief Executive Officer since October 1999. He served as our Chief Financial Officer from 1997 to 1999 and as our Chief Operating Officer from 1998 to 1999. Mr. Brain acted as a consultant to AMC Entertainment, Inc. in the formation of the Company in 1997. From 1996 until that time he was a Senior Vice President in the investment banking and corporate finance department of George K. Baum & Company, an investment banking firm headquartered in Kansas City, Missouri. Before joining George K. Baum & Company, Mr. Brain was Managing Director of the Corporate Finance Group of KPMG LLP, a practice unit he organized and managed for over 12 years. He received a BA in Economics and an MBA from Tulane University, where he was awarded an academic fellowship.

The nominating and company governance committee and the Board of Trustees have evaluated the specific experience, qualifications, attributes, and skills of each nominee and trustee to determine that such person should serve as a trustee of the Company at this time. In doing so, the nominating and company governance committee and the Board focused primarily on the credentials described in the biographical information set forth above for each nominee or trustee. Particular consideration was given to the many years of experience each nominee and trustee has in real estate, finance and entertainment businesses. The nominating and corporate governance committee and the Board believe that such experience is vital in order to quickly identify, understand, and address new trends, challenges, and opportunities for the Company.

The nominating and corporate governance committee and the Board identified the knowledge and understanding of the commercial real estate industry of Messrs. Brady and Brain primarily from their experience as executive officers of companies investing in and operating real estate properties. With regard to each nominee and trustee, the nominating and corporate governance committee and the Board considered their extensive knowledge of corporate finance, accounting, the public and private debt and equity markets, bank markets as well as his experience in mergers and acquisitions. The nominating and corporate governance committee and the Board identified the knowledge and understanding of corporate governance issues developed by Messrs. Brady, Brown, Druten, Olson and Newman from years of service on corporate boards. For Mr. Brown, consideration was also given to his extensive experience in the movie exhibition business.

Each of Mr. Brady and Mr. Brown have consented to serve on the Board of Trustees for the applicable term. If either Mr. Brady and Mr. Brown should become unavailable to serve as a trustee, the nominating/company governance committee may designate a substitute nominee or may elect to keep the vacancy unfilled. In that case, the persons named as proxies will vote for the substitute nominee designated by the nominating/company governance committee.

**How are trustees compensated?**

Each non-employee trustee was entitled to receive:

An annual retainer of \$30,000, which may be taken in the form of cash or in restricted share units valued at 150% of the cash retainer amount

On the date of each annual meeting, equity awards valued at \$50,000, 75% in the form of restricted share units and 25% in the form of common share options

\$2,000 in cash for each Board meeting he attends

**Table of Contents**

\$1,500 in cash for each committee meeting he attends

Reimbursement for any out-of-town travel expenses incurred in attending Board or committee meetings and other expenses incurred on behalf of the Company.

The Chairman of the Board and the Chairmen of the audit, compensation, finance and nominating/company governance committees each receive additional annual retainers of \$10,000, which could be taken in cash or in restricted share units valued at 150% of the cash retainer amount, provided that the Chairman of the Board does not receive an additional retainer for services as a chairman of a committee. In 2009, each of the non-employee trustees elected to take this additional retainer in the form of common shares. Employees of the Company or its affiliates who are trustees are not paid any additional compensation for their service on the Board.

Each restricted share unit will initially represent one common share. The restricted share units granted to non-employee trustees vest upon the earlier of the day preceding the next annual meeting of shareholders or a change of control. Vested restricted share units entitle the holders thereof to receive one common share for each unit upon the date such holder is no longer a trustee or such other date or dates as specified by the trustee prior to the grant. The options were fully vested upon grant but may not be exercised by the non-employee trustees for a period of one year after the grant. Options granted to non-employee trustees expire after ten years unless terminated earlier because of a trustee's termination from the Board. All of the restricted share units and options were issued under our 2007 Equity Incentive Plan.

The following table contains information regarding the compensation earned by non-executive members of the Board of Trustees during 2009:

Name	Fees Earned or Paid in Cash	Stock Awards (1) (2)	Option Awards (1)	Non-Equity Incentive Plan Compensation	Change in	All Other Compensation	Total
					Pension Value and Nonqualified Deferred Compensation Earnings		
Barrett Brady	\$ 39,000	\$ 97,516	\$ 12,500				\$ 149,016
Robert J. Druten	33,000	97,516	12,500				143,016
Morgan G. Earnest II	17,500						17,500
James A. Olson	37,000	97,516	12,500				147,016
Jack A. Newman	21,500	97,516	12,500				131,516

- (1) Amounts reflect the aggregate grant date fair value of stock awards computed in accordance with FASB ASC Topic 718 on Stock Compensation.
- (2) Includes restricted share units granted to trustees on May 13, 2009.

**Table of Contents**

**COMPANY GOVERNANCE**

Our Board of Trustees is committed to effective company governance. We have adopted Company Governance Guidelines, Independence Standards for Trustees and a Code of Business Conduct and Ethics for all officers, employees and trustees. Those documents and the charters of our audit committee, nominating/company governance committee, finance committee and compensation committee may be found at the Company Governance section of our website at [www.eprkc.com](http://www.eprkc.com) and are available in print to any shareholder or interested party who requests them.

**Company Governance Guidelines**

Our Company Governance Guidelines address a number of topics, including the role and responsibilities of our Board, the qualifications of independent trustees, the ability of shareholders and interested parties to communicate directly with the independent trustees, Board committees, separation of the offices of Chairman and Chief Executive Officer, trustee compensation, and management succession. Our nominating/company governance committee reviews our Company Governance Guidelines on a periodic basis to ensure their continued effectiveness.

**Who are our independent trustees and how was that determined?**

Our Company Governance Guidelines and the NYSE's governance rules require that a majority of our trustees be independent. To qualify as independent, our Board must affirmatively determine that a trustee has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). To assist our Board in making this determination, the Board has used our Independence Standards for Trustees as categorical standards to evaluate the independence of our independent trustees. Using those standards, the Board reviewed the independence of Messrs. Druten, Earnest, Newman, Olson and Brady. Based upon that review, the Board has affirmatively determined that Messrs. Druten, Newman, Olson and Brady, who constitute a majority of our Board of Trustees and who serve on our audit (except Mr. Druten), nominating/company governance, finance and compensation committees, have no material relationship with the Company and are thus independent in accordance with our Company Governance Guidelines and NYSE rules. The Board affirmatively determined that Mr. Earnest was an independent trustee during the time he served as a Trustee. The Board has also affirmatively determined that Mr. Brown has no material relationship with the Company and is thus independent in accordance with our Company Governance Guidelines and NYSE rules. However, Mr. Brown was an officer and director of a tenant of the Company, and therefore does not satisfy the categorical independence standards for Trustees described below.

The following is a summary of our Independence Standards for Trustees. For a complete description of those standards, please review our Independence Standards for Trustees at the Company Governance section of our website at [www.eprkc.com](http://www.eprkc.com).

**A trustee is not independent if:**

The trustee is, or has been within the last 3 years, an employee of the Company, or an immediate family member of the trustee is, or has been within the last 3 years, an executive officer of the Company,

The trustee has received, or has an immediate family member who has received, during any 12-month period within the last 3 years, more than \$100,000 in direct compensation

**Table of Contents**

from the Company, other than trustee and committee fees and pensions or other forms of deferred compensation (provided such compensation is not contingent on future service),

(A) The trustee or an immediate family member is a current partner of the firm that is our internal or external auditor, (B) the trustee is a current employee of such firm, (C) the trustee has an immediate family member who is a current employee of such firm and who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice, or (D) the trustee or an immediate family member was within the last 3 years (but is no longer) a partner or employee of such firm and personally worked on the Company's audit within that time,

The trustee or an immediate family member is, or has been within the last 3 years, employed as an executive officer of another company where any of the Company's present executive officers at the same time serves on that company's compensation committee, or

The trustee is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last 3 years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues.

**A person who is an executive officer or affiliate of an entity that provides non-advisory financial services such as lending, check clearing, maintaining customer accounts, stock brokerage services or custodial and cash management services to the Company or its affiliates may be determined by the Board of Trustees to be independent if the following conditions are satisfied:**

The entity does not provide financial advisory services to the Company,

The annual interest and/or fees payable to the entity by the Company do not exceed the numerical limitation described above,

Any loan provided by the entity is made in the ordinary course of business of the Company and the lender and does not represent the Company's principal source of credit or liquidity,

The trustee has no involvement in presenting, negotiating, underwriting, documenting or closing any such non-advisory financial services and is not compensated by the Company, the entity or any of its affiliates in connection with those services,

The Board affirmatively determines that the terms of the non-advisory financial services are fair and reasonable and advantageous to the Company and no more favorable to the provider than generally available from other providers,

The provider is a recognized financial institution, non-bank commercial lender or securities broker,

The trustee abstains from voting as a trustee to approve the transaction, and

## **Table of Contents**

All material facts related to the transaction and the relationship of the person to the provider are disclosed by the Company in its reports under the Securities Exchange Act of 1934, as amended (the Exchange Act ) and proxy statement.

**No person who serves, or whose immediate family member serves, as a partner, member, executive officer or in a comparable position of any firm providing accounting, consulting, legal, investment banking or financial advisory services to the Company, or as a securities analyst covering the Company, shall be considered independent until after the end of that relationship.**

**No person who is, or who has an immediate family member who is, an officer, director, more than 5% shareholder, partner, member, attorney, consultant or affiliate of any tenant of the Company or any affiliate of such tenant shall be considered independent until three years after the end of the tenancy or such relationship.**

### **How often did the Board meet during 2009?**

The Board of Trustees met five times in 2009. No trustee attended less than 100% of the meetings of the Board and committees on which he served. Our trustees discharge their responsibilities throughout the year, not only at Board of Trustee and committee meetings, but also through personal meetings, actions by unanimous written consent and communications with members of management and others regarding matters of interest and concern to the Company.

### **Do the independent trustees hold regular executive sessions?**

The independent trustees meet regularly in separate executive sessions without management. Mr. Druten serves as the presiding trustee at those meetings.

### **How can shareholders and interested parties communicate directly with the Board?**

Any shareholder or interested party is welcome to send a written communication to the non-management trustees about any matter of interest related to the Company. A shareholder or interested party may communicate with the non-management trustees by either sending a letter to our address listed on the cover page of this proxy statement, or by visiting the Company Governance section of our website at [www.eprkc.com](http://www.eprkc.com), clicking on Procedures for Confidential Anonymous Submissions, and following the instructions for making a confidential submission. Such written or electronic communication will be forwarded directly to the non-management trustees and will not be screened by management. Shareholders may also make proposals and nominate candidates for trustee for consideration at any annual meeting in accordance with the procedures described in Shareholder Proposals, Trustee Nominations and Related Bylaw Provisions below.

### **What committees has the Board established?**

The Board of Trustees has established an audit committee, a nominating/company governance committee, a finance committee and a compensation committee. All of our non-management trustees serve on all four committees, except Mr. Druten who does not serve on the audit committee. The Board believes this promotes access to a variety of views on all four committees and helps ensure that all of the committees have a broad perspective on the Company's operations as a whole. The Board has affirmatively determined that all of the committee members are independent, as described above in Who are our independent trustees and how was that determined? Each committee has adopted a written



## Table of Contents

charter that governs its duties and responsibilities. Copies of the committee charters may be obtained at the Company Governance section of our website at [www.eprkc.com](http://www.eprkc.com).

*Audit Committee.* The audit committee oversees the accounting, auditing and financial reporting processes, policies and practices of the Company. The committee is directly responsible for assisting the Board of Trustees in its oversight of the integrity of our financial statements, our compliance with legal and regulatory requirements, the qualifications and independence of our independent registered public accounting firm, and the performance of management's internal audit function and internal control over financial reporting.

The Board of Trustees has appointed an audit committee consisting of Messrs. Newman, Olson and Brady. The committee members also meet the additional independence standards of Exchange Act Rule 10A-3. The Board of Trustees has determined that all members of the audit committee are audit committee financial experts, as defined by the Securities and Exchange Commission's (the SEC) rules, by virtue of their experience and positions held as described elsewhere in this proxy statement. Mr. Newman serves as the Chairman of the audit committee. The committee met four times in 2009.

The primary responsibility of the audit committee is to assist the Board's oversight of the integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements, the qualifications and independence of the Company's independent registered public accounting firm, and the performance of the Company's internal audit function and internal control over financial reporting. The independent registered public accounting firm is responsible for auditing the Company's annual financial statements and expressing an opinion on the conformity of those audited financial statements with generally accepted accounting principles. The independent registered public accounting firm is also responsible for auditing the effectiveness of management's internal control over financial reporting and expressing an opinion on the effectiveness of its internal control over financial reporting.

The audit committee has sole authority to engage the independent registered public accounting firm to perform audit services (subject to shareholder ratification), audit-related services, tax services and permitted non-audit services and the authorization of the payment of fees therefor. The independent registered public accounting firm reports directly to the committee and is accountable to the committee.

The audit committee has adopted policies and procedures for the pre-approval of the performance of services by the independent registered public accounting firm on behalf of the Company. Those policies generally provide that:

the performance by the firm of any audit services, audit-related services, tax services or other permitted non-audit services, and the related fees, must be specifically pre-approved by the committee or, in the absence of one or more of the committee members, a designated member of the committee

pre-approvals must take into consideration, and be conducted in a manner that promotes, the effectiveness and independence of the firm

each particular service to be approved must be described in detail and be supported by detailed back-up documentation

The audit committee has engaged KPMG LLP as the Company's independent registered public accounting firm to audit the 2010 consolidated financial statements and internal control over financial

**Table of Contents**

reporting for 2010, subject to shareholder ratification, and has engaged KPMG to perform specific tax return preparation and compliance, tax consulting and tax planning services during 2010. See Ratification of Appointment of Independent Registered Public Accounting Firm.

The audit committee does not itself prepare financial statements or perform audits, and its members are not auditors or certifiers of the Company's financial statements. The members of the audit committee are not professionally engaged in the practice of accounting and, notwithstanding the designation of the audit committee members as audit committee financial experts pursuant to SEC rules, are not experts in the field of accounting or auditing, including auditor independence. Members of the audit committee rely without independent verification on the information provided to them and the representations made to them by management, and look to management to provide full and timely disclosure of all material facts affecting the Company. Accordingly, the audit committee's oversight does not provide an independent basis to determine that management has maintained appropriate accounting and financial reporting policies, appropriate internal controls and procedures to ensure compliance with accounting standards and applicable laws and regulations, appropriate disclosure controls and procedures, appropriate internal control over financial reporting, or an appropriate internal audit function, or that the Company's reports and information provided under the Exchange Act are accurate and complete. Furthermore, the audit committee's considerations and discussions referred to above and in its charter do not assure that the audit of the Company's financial statements has been carried out in accordance with Public Company Accounting Oversight Board rules, that the financial statements are free of material misstatement or presented in accordance with generally accepted accounting principles, that there were no significant deficiencies or material weaknesses in the Company's internal control over financial reporting, that the Company's independent registered public accounting firm is in fact independent, or that the matters required to be certified by the Company's Chief Executive Officer and Chief Financial Officer in the Company's annual reports on Form 10-K and quarterly reports on Form 10-Q under the Sarbanes-Oxley Act and related SEC rules have been properly and accurately certified.

*Nominating/Company Governance Committee.* The Board of Trustees has appointed a nominating/company governance committee consisting of all of the independent trustees. The nominating/company governance committee evaluates and nominates candidates for election to the Board of Trustees and assists the Board in ensuring the effectiveness of our governance policies and practices. Candidates for nomination to the Board are evaluated and recommended on the basis of the value they would add to the Board in light of their integrity, diversity of experience, training and judgment, their financial literacy and sophistication and knowledge of corporate and real estate finance, their knowledge of the real estate and/or entertainment industry, their independence from Company management and other factors. The committee will consider nominations made by shareholders in compliance with the procedures described in Shareholder Proposals, Trustee Nominations and Related Bylaw Provisions below. The committee will use the same criteria to evaluate nominees recommended in good faith by shareholders as it uses to evaluate its own nominees, but may give greater weight to nominees recommended by holders of more than 5% of our outstanding common shares. Mr. Druten serves as Chairman of the nominating/company governance committee. The committee met two times in 2009.

*Finance Committee.* The Board of Trustees has appointed a finance committee consisting of all of the independent trustees. The primary purpose of the finance committee is to review the Company's financial policies, strategies and capital structure and take such action and make such reports and recommendations to the Board of Trustees as it deems advisable. Mr. Brady serves as Chairman of the finance committee. The committee met five times in 2009.

*Compensation Committee.* The Board of Trustees has appointed a compensation committee consisting of all of the independent trustees. The primary responsibilities of the compensation committee are to (1) review and approve Company goals and objectives relevant to the Chief Executive Officer's

## **Table of Contents**

compensation, evaluate the Chief Executive Officer's performance in light of those goals and objectives, and determine and approve the Chief Executive Officer's compensation level based on that evaluation, and (2) make recommendations to the Board regarding the compensation of the Company's other executive officers and the independent trustees, as well as incentive compensation and equity-based plans that are subject to Board approval. The compensation committee may establish sub-committees consisting of one or more members to carry out duties that the compensation committee may assign. Mr. Olson serves as Chairman of the compensation committee. The committee met seven times in 2009.

### **What is the role of compensation consultants in determining or recommending the amount or form of executive or trustee compensation?**

To assist in carrying out its responsibilities, the compensation committee regularly consults with the committee's outside compensation consultant. Under its charter, the compensation committee has authority to retain and terminate outside compensation consultants, including authority to approve the consultant's fees and other retention terms. In early 2009, Watson Wyatt Worldwide was the committee's outside compensation consultant. During 2009, the compensation committee retained FPL Associates L.P. to advise the committee going forward with respect to its review of compensation levels for executive officers and trustees. In this role, our compensation consultants performed such duties as were requested by the committee. Those duties consisted primarily of providing market data and advice to the committee that were used to determine executive and trustee compensation, particularly analyses of the Company's executive and trustee compensation in comparison to the benchmark companies. Representatives of our consultants spoke with the chairman of the compensation committee, as well as with management, in preparing for committee meetings, regularly attended committee meetings and frequently met in executive session with the compensation committee without the presence of management.

### **What is our policy regarding trustee attendance at annual meetings?**

Our trustees are expected to attend each annual meeting of shareholders, although conflict situations can arise from time to time. All of our trustees attended the 2009 annual meeting.

### **Family relationships.**

No family relationships exist between any of our trustees, nominees or executive officers.

### **What is the Board's leadership structure and its role in risk oversight?**

The Company believes that its Board is best characterized as independent. As noted above, four of the Board's five members are independent and unaffiliated, with our Chief Executive Officer being the only non-independent trustee. Further, although not required by our governance documents, the Company has chosen to bifurcate the role of Chief Executive Officer and Chairman of the Board of Trustees. We believe that having an independent, non-executive Chairman of the Board represents an appropriate governance practice for the Company at this time. This structure creates a separation of the day-to-day administrative and strategic planning activities of management from the Board's oversight function. This separation in turn diffuses decision-making power and fosters the need for better and more purposeful communication between management and the Board in order to achieve corporate goals that are aligned with shareholder interests.

As described in detail below, there are four committees of the Board of Trustees: the Audit Committee, the Nominating and Company Governance Committee, the Compensation Committee, and the Finance Committee.

## Table of Contents

The Board of Trustees and its committees play an important risk oversight role at the Company. The entire Board reviews and determines the Company's overall business strategy, the management of its balance sheet, and each year's annual budget. The Board also reviews all material acquisition, investment and disposition transactions entered into by the Company and its subsidiaries. The Audit Committee of the Board is specifically charged with reviewing the Company's financial risk exposures. Further, the Company's independent auditors report directly to the Audit Committee.

The administration of the Board's risk oversight role does not have any direct effect on the Board's leadership structure. However, we believe that the Board's structure, its committees, and the experience and diverse backgrounds of our trustees all help to ensure the integrity of the Company's risk management and oversight.

### EXECUTIVE OFFICERS

Here are our executive officers and some brief information about their backgrounds.

**David M. Brain**, 55, is our President and Chief Executive Officer and a member of our Board. His background is described in Election of Trustees.

**Gregory K. Silvers**, 46, was appointed our Chief Operating Officer in 2006 and has served as our Vice President, Secretary and General Counsel since 1998 and as Chief Development Officer since 2001. From 1994 to 1998, he practiced with the law firm of Stinson Morrison Hecker LLP specializing in real estate law. Mr. Silvers received his JD in 1994 from the University of Kansas.

**Mark A. Peterson**, 46, was appointed our Chief Financial Officer and Treasurer in 2006 and has been a Vice President since 2004. From 1998 to 2004, Mr. Peterson was with American Italian Pasta Company (AIPC), a publicly traded manufacturing company, most recently serving as Vice President-Accounting and Finance. Mr. Peterson was Chief Financial Officer of JC Nichols Company, a real estate company headquartered in Kansas City, Missouri, from 1995 until its acquisition by Highwoods Properties, Inc. in 1998. Mr. Peterson is a CPA and received a BS in Accounting, with highest honors, from the University of Illinois in 1986.

AIPC was the subject of an investigation by the SEC. Based on discussions with the staff of the SEC, Mr. Peterson submitted an Offer of Settlement (the Offer) to the SEC with respect to his prior employment at AIPC. The subject matter of the SEC's investigation and the Offer do not relate to Mr. Peterson's service as Chief Financial Officer of the Company. Without admitting or denying any charges that may have been brought against him, Mr. Peterson offered to consent to a cease and desist order. Based upon the Offer, on September 15, 2008, the SEC issued an order (the Order) that Mr. Peterson cease and desist from causing any violations of certain of the SEC's reporting requirements, and books and records and internal accounting controls provisions. The Order does not include any finding that Mr. Peterson was complicit in any fraudulent scheme that may have been committed by others at AIPC and no fine or penalty was assessed against Mr. Peterson.

**Michael L. Hiron**, 39, was appointed our Vice President-Finance in 2006. From 2004 to 2006 Mr. Hiron was a co-founder and principal with Preferred Finance Partners, Inc., a firm that provides corporate financial consulting services. From 2000 to 2004, Mr. Hiron was with American Italian Pasta Company, a publicly traded manufacturing company, most recently serving as Director of Strategic Business Unit Finance. Mr. Hiron is a CPA and received two bachelor's degrees, with highest distinction, from the University of Kansas in 1993.

**Morgan G. Earnest, II**, 54, is Chief Investment Officer of Entertainment Properties Trust. He was an Executive Vice-President of Capmark Financial Group, Inc. (Capmark, formerly GMAC)

**Table of Contents**

Commercial Mortgage Corporation, or GMACCM ) and was responsible for the co-management of Lending and Originations for both North America and Europe. Mr. Earnest ceased working for Capmark prior to joining the Company on May 14, 2009. On October 25, 2009, Capmark filed for bankruptcy. Previously, Mr. Earnest was responsible for the GMACCM s Specialty Lending Groups, which consisted of the Healthcare, Hospitality and Construction Lending Divisions. Prior to joining GMACCM, Mr. Earnest was a principal of Lexington Mortgage Company which was acquired by GMACCM in March 1996. Mr. Earnest has an MBA from the Colgate Darden Graduate School of Business Administration, University of Virginia and is a graduate of Tulane University.

**Table of Contents**

**EXECUTIVE COMPENSATION**

**Compensation Discussion and Analysis**

**Executive Summary**

Our compensation program for our principal executive officer, principal financial officer and three other executive officers (which we refer to collectively as our Named Executive Officers ) is designed to attract and retain quality executives, motivating them to achieve and rewarding them for superior performance. Our executive compensation program emphasizes performance-based incentive compensation under our annual incentive program and long-term incentive plan payable primarily through equity grants, a substantial portion of which is considered at risk, and which are administered by the compensation committee of our Board of Trustees. The committee is responsible for establishing the underlying policies and principles for our compensation program, selecting from among our eligible executives the individuals to whom particular compensation awards will be granted and establishing the terms, conditions and amounts of those awards. No member of our compensation committee is eligible to participate in our executive compensation program, but each such member is compensated as a non-employee trustee of our Company as described under the caption Election of Trustees How are trustees compensated? .

As a result of the challenging real estate and capital markets, as well as the broader economic downturn, the Company s financial performance during 2009 was negatively impacted. Revenue was flat and profit, measured by both net income and funds from operations, was down from 2008 levels. However, the Company maintained a strong liquidity position, and deleveraged its balance sheet by raising approximately \$285 million in equity versus proceeds of approximately \$4 million from long-term debt. Based on the Company s overall financial and operational performance, as well as the individual performance of each of the executives, annual incentive plan bonuses and long-term incentive plan awards between minimum and target levels for each named executive officer were approved by the Committee in early 2010.

During the first quarter of 2009, equity awards in the form of stock options and restricted stock were granted to the named executive officers taking into consideration the Company s and each executive s performance during 2008. Although the Company s 2008 performance as measured by FFO per share growth, return on invested capital and return on average common equity each exceeded expectations, as did each executive s individual performance, the Company s 2008 total shareholder return was negative. As a result, the 2009 long-term incentive plan awards were below the maximum award opportunities.

During the first quarter of 2010, equity awards in the form of stock options and restricted stock were granted to the named executive officers taking into account 2009 Company performance on many of the same performance factors considered for 2008, each executive s individual performance during 2009, as well as the level of equity grants received for 2008 performance. Based on the committee s assessment, the award values approved for Messrs. Brain, Silvers, Peterson and Hirons declined significantly from the awards made in the first quarter 2009 for 2008 performance. This was primarily a response to the Company s financial performance during 2009.

The remainder of this Compensation Discussion and Analysis addresses the following topics in greater detail:

the philosophy and principles of our executive compensation program

our compensation setting process

**Table of Contents**

the design and implementation of our compensation program, including:

the determination of base salary for our Named Executive Officers

the determination of annual bonuses under our annual incentive program and the role of equity grants in that program

the determination of equity grants under our long-term incentive plan

the compensation of our President and Chief Executive Officer

the manner in which our Company addresses Internal Revenue Code limits on deductibility of compensation

**Compensation philosophy and principles**

Our compensation committee works with management and our Board of Trustees to ensure that our executive compensation program facilitates the attraction, retention and motivation of our executives to promote our Company's business objectives. Underlying our compensation program is a compensation philosophy that seeks to:

create a balanced and competitive compensation program utilizing base salary, annual incentives, long-term equity-based incentive compensation and other benefits

emphasize variable performance-based compensation

reward executives for performance on measures designed to increase shareholder value

use equity-based incentives, including nonvested restricted share awards and share options, to ensure that executives are focused on providing appropriate dividend levels and building shareholder value by aligning the executive's interests with those of our shareholders

Elements of compensation provided to our Named Executive Officers include:

base salary

annual incentive awards

long-term equity incentive awards

perquisites and other personal benefits

severance benefits

stock ownership guidelines

We have adopted these various elements of compensation to attract and retain quality executives, to provide incentives to maximize certain quantitative performance measures and to align the interests of our executives with those of our shareholders, with the goal of maximizing shareholder value creation. Base salary, perquisites and other benefits are provided to compensate executives competitively relative



## **Table of Contents**

to the market. Annual incentive awards are designed to primarily reward short-term operational and financial performance. Our long-term incentive plan awards are designed to encourage the creation of long-term shareholder value and reward long-term performance through a combination of equity grants in the form of non-vested restricted shares and share options, the values of which are primarily tied to the long-term value of the Company's shares, along with a focus on the various performance factors used by the compensation committee which accentuate the creation of long-term shareholder value. Severance benefits are designed to provide stability during a potential change in control of our Company by encouraging executives to cooperate with a future process that may be supported by our board, without being distracted by the possibility of termination or demotion after the change in control.

Our compensation committee generally has attempted to set base salaries that approximate the medians of base salaries provided by a peer group of companies for comparable positions and responsibilities, and to place a relatively higher emphasis on performance-based incentive compensation payable under our annual incentive program and long-term incentive plan (discussed below under the caption "Compensation program design and implementation").

### **Compensation setting process**

Historically, our compensation committee meets at the beginning of each year to make decisions regarding our Named Executive Officers' compensation. When making these decisions, our compensation committee considers the performance of our Company and of each Named Executive Officer, available industry-based compensation information and the actual compensation provided to each Named Executive Officer for each of the last three fiscal years. Based upon the review of this information, together with recommendations provided by our Chief Executive Officer, Mr. Brain, our compensation committee sets, for each of the Named Executive Officers, the base salary for the new fiscal year, determines the annual incentive awards for the most recently completed year and the level of long-term incentive awards under our 2007 equity incentive plan. In addition to the input of the Chief Executive Officer, other Named Executive Officers attend meetings of our compensation committee from time to time and provide historical and prospective breakdowns of primary compensation components for each executive officer, and additional context with respect to Company performance. Our compensation committee makes the final determinations on all elements of each Named Executive Officer's compensation.

Our compensation committee attempts to provide base salary at competitive levels, based on its assessment of salary levels that are intended to appeal to talented executives, both prospective new hires and our existing executive team. Similarly, perquisites and other benefits are provided on such terms as are considered by our compensation committee to be reasonable and appropriate relative to those provided for similarly situated executive talent.

Our compensation committee does not establish fixed or formulaic performance targets with respect to incentive compensation under either our annual incentive program or our long-term incentive plan. Our compensation committee believes that a subjective approach provides it with the flexibility to address changing market conditions, while still permitting the committee to consider our Company's performance by annually reviewing the performance factors identified by the committee early in each year. Our compensation committee determines incentive amounts based upon an assessment of a combination of the individual performance of the executive and the Company's overall performance as evaluated in terms of a variety of goals and metrics, such as FFO growth per share, return on equity, return on invested capital, cash available for distribution, total shareholder return, dividend growth and share performance as compared to our business plan, and other real estate investment trusts or REIT indices.

## Table of Contents

In determining and analyzing performance factors, our compensation committee utilizes benchmarks provided by management and the committee's compensation consultant, which benchmarks include the following:

Company operations, including revenue, expense control, FFO per share performance, access to capital, debt levels, vacancy levels and resolution, credit quality, acquisition levels, yields and internal rates of return, asset diversification, trading multiples, dividend yields and increases, executive peer evaluations and new initiatives suggested and implemented

Shareholder returns, including absolute returns and comparative returns, as compared with those of other REITs and other stock indices, and a subjective analysis of the relative risk taken by peer companies

REIT compensation levels, including what peer companies are paying for comparable positions and responsibilities, the availability of employment alternatives for the executive officer, the executive officer's value to our Company, the future prospects for the executive officer, the anticipated difficulty of replacing the executive officer and the executive officer's performance relative to that in prior years

Our compensation committee determines performance bonuses awarded under our annual incentive program as a percentage of annual base salary. Relevant performance factors are identified at the beginning of each year and are then reviewed at the beginning of the following year, at which time the actual bonus amount is determined. Similarly, awards under our long-term incentive plan are calculated as a multiple of annual base salary, with relevant performance factors being identified at the beginning of each year and then reviewed at the beginning of the following year, at which time the actual award under our long-term incentive plan is determined.

In connection with the executive compensation decisions made in early 2009, our compensation committee retained as its compensation consultant, Watson Wyatt Worldwide, to advise the committee with respect to its review of compensation levels and programs for our Named Executive Officers. Watson Wyatt prepared a benchmarking analysis comparing our executive compensation practices to the compensation practices of other comparable publicly traded REITs. During 2008, the compensation committee reviewed, with the input of Watson Wyatt and management, the members of the peer group and adjusted it from the prior year to reflect changes in the marketplace and the growth of the Company. The compensation committee believes that the peer group used for 2009 is comparable to the Company based on size as measured by total capitalization and the general concentration by these REITs on retail and consumer focused assets. The peer group used for benchmarking purposes included:

Acadia Realty Trust

Caplease Inc.

Cousins Properties Inc.

Equity One Inc.

Glimcher Realty Trust

Inland Real Estate Corporation

Lexington Realty Trust

National Retail Properties, Inc.

Realty Income Corporation

Tanger Factory Outlet Centers, Inc.

Washington Real Estate Investment Trust

The benchmarking analysis prepared by Watson Wyatt included an assessment of base salaries, annual incentives, total annual cash compensation, long-term incentives and total direct compensation. This analysis generally indicated that, consistent with our compensation philosophy, the base salaries of our Named Executive Officers were at or slightly below the median base salaries for comparable positions and responsibilities within the peer group organizations.

**Table of Contents**

During 2009, our compensation committee retained FPL Associates L.P. to advise the committee going forward with respect to its review of compensation levels and programs for our Named Executive Officers. Upon being retained, FPL Associates met with the committee and management to reconsider the composition of the peer group used in the committee's analysis. The compensation committee took into consideration multiple factors in establishing the new peer group, including company size (measured by market capitalization, total capitalization and number of properties); similarity of investment structure and/or asset type. Based upon this process, FPL Associates and the committee established a new peer group consisting of:

Acadia Realty Trust	Lexington Realty Trust
American Campus Communities, Inc.	National Retail Properties, Inc.
BioMed Realty Trust, Inc.	Omega Healthcare Investors Inc.
Caplease Inc.	PS Business Parks, Inc.
Cousins Properties Inc.	Realty Income Corporation
Equity One Inc.	Washington Real Estate Investment Trust
East Group Properties, Inc.	

In late 2009, FPL Associates prepared a benchmarking analysis comparing our executive compensation practices to the compensation practices of the new peer group, using available compensation data for 2008. The benchmarking analysis prepared by FPL Associates included an assessment of base salaries, annual incentives and total annual cash compensation, long-term incentives and total direct compensation. This analysis was considered by the committee when establishing bonuses awarded under the annual incentive program and long-term incentive plan awards.

**Compensation program design and implementation**

Our compensation committee uses the elements of executive compensation described below to meet its compensation objectives for executive officers. The percentage of a Named Executive Officer's total compensation that is comprised of each of the compensation elements is not specifically determined, but instead, is a result of the targeted competitive positioning for each element (i.e., at approximately the market medians for base salaries, and performance based annual incentive program awards and long-term incentive plan awards that are competitive with those of our peer group). Typically, long-term incentive plan awards comprise a significant portion of a Named Executive Officer's total compensation. This is consistent with our compensation committee's desire to reward long-term performance in a way that is aligned with shareholders' interests. The following table sets forth the amounts of, and the percentages of total compensation represented by, the three principal elements of compensation for each of the Named Executive Officers for 2009 (but does not include severance benefits, perquisites and other personal benefits):

	Base Salary		Annual Incentive Program		Long-Term Incentive Plan	
	Amount	%	Amount	%	Amount	%
David M. Brain	\$ 530,250	29.2	\$ 400,000	22.0	\$ 885,500	48.8
Gregory K. Silvers	383,250	30.8	287,500	23.1	575,000	46.1
Mark A. Peterson	300,000	31.2	210,000	21.9	450,000	46.9
Michael L. Hirons	200,000	40.0	100,000	20.0	200,000	40.0
Morgan G. Earnest II(1)	240,000	36.9	123,000	18.9	288,000	44.2

- (1) Mr. Earnest commenced employment with the Company in May, 2009. Compensation for Mr. Earnest disclosed in this proxy statement reflects the partial year of service.

## Table of Contents

**Base Salary.** Base salary is established at a level that is intended to approximate the median of base salaries provided by a peer group of companies for comparable positions and responsibilities. Setting base salaries at this level is intended to allow us to emphasize performance-based incentive compensation payable under our annual incentive program and long-term incentive plan. Annual base salaries for the executive officers for 2009 were set by our compensation committee at \$530,250 for Mr. Brain, \$383,250 for Mr. Silvers, \$300,000 for Mr. Peterson, \$200,000 for Mr. Hirons and \$360,000 for Mr. Earnest. For 2010, the compensation committee reviewed peer group data and determined base salary increases of 3% were appropriate for each Named Executive Officer.

**Annual Incentive Program.** Our compensation committee determines annual incentive amounts based upon an assessment of a combination of the individual performance of the executive and the Company's overall performance as evaluated in terms of a variety of goals and metrics. Our compensation committee has identified several performance factors that it considers in its determination of performance bonuses under our annual incentive program, but does not set specific performance goals for these metrics. In establishing performance factors, our compensation committee strives to ensure that: incentives are aligned with the strategic goals set by our board; targets are sufficiently ambitious so as to provide a meaningful incentive; and bonus payments will be consistent with the overall compensation program established by our compensation committee.

At the beginning of 2009, our compensation committee identified three primary quantitative performance factors it would consider when making incentive payout decisions:

FFO per share growth

Return on invested capital or ROIC

Return on average common equity or ROACE

Our Board of Trustees tracks FFO per share growth on a regular basis, and, like many other REITs, considers FFO per share growth to be the most important measure of Company performance. The National Association of Real Estate Investment Trusts developed FFO as a relative non-GAAP financial measure of performance of an equity REIT in order to recognize that income-producing real estate historically has not depreciated on the basis determined under GAAP. FFO is a widely used measure of the operating performance of real estate companies.

ROIC and ROACE also are considered by our compensation committee as important factors for Company performance that, together with FFO per share growth, provide a balanced quantitative approach to the analysis. ROIC and ROACE are measures that gauge our effective use of capital and deployment of assets.

Our compensation committee intends to consider each year a variety of other factors, some of which are more qualitative in nature, to determine the performance bonuses that will be awarded pursuant to our annual incentive program. Included in the factors the committee intends to consider when exercising this discretion is their evaluation of the individual performance of each Named Executive Officer and overall Company performance, including the evaluation of performance factors such as capital formation, debt ratios, expense management, total shareholder returns and dividend rates. After the conclusion of each fiscal year, our compensation committee considers the performance of our Company and each Named Executive Officer, the achievement of these performance factors and the recommendations of our Chief Executive Officer and makes a subjective determination as to the amount of any performance bonuses that are awarded.

**Table of Contents**

In late 2009 and early 2010, our compensation committee reviewed our Company's performance and the factors that the committee articulated in early 2009, and considered the recommendations the Chief Executive Officer provided to our compensation committee for bonuses under our annual incentive program, based on the Company's overall performance as measured against our Company's stated performance factors for 2009 and individual performance for each executive. Our compensation committee's evaluation of the individual performance of executive officers is a qualitative approach based upon subjective factors. The committee viewed the personal performance of each of the executive officers favorably, generally supported by our Company's success with maintaining a strong liquidity position and deleveraging our balance sheet during a broad economic downturn. Mr. Brain's favorable performance evaluation reflects his overall management of and critical involvement in navigating this challenging economic environment. However, the compensation committee established bonuses under the annual incentive program and awards under the long-term incentive plan for Mr. Brain at a lower percentage of his target level than other Named Executive Officers in recognition of his responsibility for the overall financial performance of the Company which was below expectations. Mr. Silvers' and Mr. Earnest's favorable performance evaluations reflect, in particular, their critical involvement in our Company's investment activity, managing a number of challenging investments during 2009. The favorable performance evaluations of Mr. Peterson and Mr. Hirons reflect, in large part, their responsibility for the Company's efforts in deleveraging its balance sheet, the renewal of the Company's principal credit facility and maintaining strong liquidity.

Our compensation committee reviewed estimates of growth in FFO per share, ROIC, ROACE and total shareholder return metrics based on actual results for 2009, for the Company and estimates for the peer group. The committee also reviewed available peer group performance data provided by our compensation consultant. Based upon this information it was determined that our 2009 performance would fall near the median in terms of total shareholder return, ranked at the bottom in growth in FFO per share, and near the top on ROIC and ROACE.

Our compensation committee established for 2009 a minimum, target and maximum level of performance bonus percentages that may be paid to each Named Executive Officer under our annual incentive program. The minimum, the target and the maximum stated opportunities are shown below, subject to the discretion of the committee:

	Minimum	Target	Maximum
David M. Brain	50%	100%	200%
Gregory K. Silvers	40%	80%	160%
Mark A. Peterson	40%	80%	160%
Michael L. Hirons	30%	60%	120%
Morgan G. Earnest II	40%	80%	160%

Based upon our compensation committee's evaluation of individual performance and the primary performance factors it articulated for 2009 (discussed above), the committee established bonuses under our annual incentive program below target levels established for 2009. As a result, on February 17, 2010, our compensation committee approved the following bonuses under our annual incentive program for our Named Executive Officers for 2009:

	Percent of Base Salary	Amount
David M. Brain	75%	\$ 400,000
Gregory K. Silvers	75%	287,500
Mark A. Peterson	70%	210,000
Michael L. Hirons	50%	100,000
Morgan G. Earnest II	51%	123,000

**Table of Contents**

Performance bonuses awarded under our annual incentive program are payable in cash, nonvested restricted common shares or a combination of cash and nonvested restricted common shares, at the election of the executive. Our compensation committee believes that allowing executives to receive all, or a portion of their annual incentive in the form of nonvested restricted common shares provides an additional opportunity to increase their ownership levels in the Company and aligns executives' long-term interests with our shareholders' interests in value creation. For 2009, executives electing to receive nonvested restricted common shares as payment of their annual incentive received an award having a value equal to 150% of the cash amount they otherwise would have received. For 2009, each of the Named Executive Officers elected to receive 100% of his performance bonus in the form of nonvested restricted common shares. Nonvested restricted common shares issued as payment of annual incentive awards vest at the rate of 33 1/3% per year during a three-year period. For purposes of determining the total number of nonvested restricted shares awarded under our Annual Incentive Program, nonvested restricted shares were valued on February 17, 2010, the date the award was granted, using a volume weighted average price based on the 15 trading days prior to and after December 31, 2009 (\$35.11).

**Long-Term Incentive Plan.** Our compensation committee may award incentive compensation to our executive officers pursuant to our long-term incentive plan. Our compensation committee's practice is to award long-term incentives annually, with 75% of the value granted in the form of nonvested restricted common shares and the remaining 25% granted in the form of either share options or payment of the difference between the annual premium payable by our Company on term life insurance for the benefit of the executive and the annual premium for the same amount of whole life insurance for that executive plus related income tax (the Life Insurance Benefit), or a combination of options and the Life Insurance Benefit, at the election of the executive. However, executives may elect to receive 60% of their annual award in the form of restricted shares and the remaining 40% in the form of share options, the Life Insurance Benefit or a combination of options and the Life Insurance Benefit. Our compensation committee believes that providing a portion of the award in the form of share options aligns executive and shareholder interests as stock options only increase in value when the share price increases. In addition, offering nonvested restricted shares, which retain value during difficult business climates, enhances our ability to retain the Named Executive Officers. Nonvested restricted common shares and share options issued as payment of long-term incentive plan awards vest at the rate of 25% per year during a four-year period.

Awards under our long-term incentive plan are made in the first quarter of each fiscal year, at the same time as bonuses under our annual incentive program are determined. Awards are calculated as a multiple of base salary. Our compensation committee made the following awards to the Named Executive Officers in February 2009 based on 2008 performance:

	Multiple of Base Salary	Total Value of Award	Restricted Shares Awarded (1)	Options Awarded (2)	Insurance Premium and Tax Benefit
David M. Brain	2.3	\$ 1,200,000	30,303	140,762	
Gregory K. Silvers	2.1	800,125	20,205	61,640	\$ 109,857
Mark A. Peterson	2.0	578,000	14,596	67,801	
Michael L. Hirons	1.3	230,000	5,808	26,799	

- (1) For purposes of determining the total number of nonvested restricted shares awarded under our long-term incentive plan, nonvested restricted shares were valued on February 18, 2009, the date the award was granted, using a volume weighted average price based on the last 30 trading days prior to February 18, 2009 (\$23.76).
- (2) For purposes of determining the number of options awarded under our long-term incentive plan, each option to purchase a common share is given the value determined based upon a Black-Scholes value

**Table of Contents**

determined (in a manner consistent with the methodology used with respect to in its financial statements prepared for the most recently completed fiscal year) on February 18, 2009, the date the award was granted, using a volume weighted average price based on the last 30 trading days prior to February 18, 2009 (\$23.76) and the exercise price of the option is the closing price of our Company's common shares on the New York Stock Exchange on the date the award was granted (\$18.18).

For awards made for 2009, our compensation committee determined to grant long-term incentive awards based on an approach similar to that used with our annual incentive program, considering the same performance factors, however with the discretion to emphasize the performance factors and any other relevant factors differently to enhance the long-term incentives intended to be promoted by the long-term incentive plan. The Named Executive Officers had the opportunity to realize awards (stated as a multiple of annual base salary) under our long-term incentive plan in 2009, which the committee has targeted to be between the minimum and the maximum stated below, subject to the discretion of the committee:

	Minimum	Target	Maximum
David M. Brain	1.25	2.50	5.00
Gregory K. Silvers	1.00	2.00	4.00
Mark A. Peterson	1.00	2.00	4.00
Michael L. Hirons	.625	1.25	2.50
Morgan G. Earnest II	1.00	2.00	4.00

Based upon our compensation committee's evaluation of individual performance and the primary performance factors it articulated for 2009 (discussed above), the committee made awards under the long-term incentive plan to executive officers of our Company below target levels established for 2009. Accordingly, our compensation committee made the following awards under our long-term incentive plan to the executive officers of our Company in February 2010 based on 2009 performance:

	Multiple of Base Salary	Total Value of Award	Restricted Shares Awarded (1)	Options Awarded (2)	Insurance Premium and Tax Benefit
David M. Brain	1.7	885,500	18,926	2,450	\$ 204,470
Gregory K. Silvers	1.5	575,000	12,290	4,795	110,665
Mark A. Peterson	1.5	450,000	9,618	4,784	79,491
Michael L. Hirons	1.0	200,000	4,275	248	48,291
Morgan G. Earnest II	1.2	288,000	6,156	1,180	63,861

- (1) For purposes of determining the total number of nonvested restricted shares awarded under our long-term incentive plan, nonvested restricted shares were valued on February 17, 2010, the date the award was granted, using a volume weighted average price based on the last 30 trading days prior to February 17, 2010 (\$35.09).
- (2) For purposes of determining the number of options awarded under our long-term incentive plan, each option to purchase a common share is given the value determined based upon a Black-Scholes value determined (in a manner consistent with the methodology used with respect to its financial statements prepared for the most recently completed fiscal year) at the date of award using the volume weighted average price based on the last 30 trading days prior to the date the award was granted (\$35.09) and the exercise price of the option is the closing price of our Company's common shares on the New York Stock Exchange on the date the award is granted (\$36.56).

**Perquisites and Other Personal Benefits.** Our Company offers the following personal benefits and perquisites to the Named Executive Officers:

**Vehicles.** We have acquired vehicles that the Named Executive Officers are entitled to use. Each of those Named Executive Officers is taxed for personal use of the vehicles.

## **Table of Contents**

**Life Insurance.** Under our Company's Section 79 insurance plan, our Company pays the premium for term life insurance for the benefit of each Named Executive Officer. At the election of each Named Executive Officer, a portion of each award under our long-term incentive plan may be used for the payment of the difference between the annual premium payable by our Company on such term life insurance and the annual premium for the same amount of whole life insurance for that executive plus related income tax.

**Employment Agreements and Severance Benefits.** Each of our Named Executive Officers have entered into employment agreements with the Company. The employment agreements include severance benefits for the Named Executive Officers. These agreements were designed to:

preserve our ability to compete for executive talent; and

provide stability during a potential change in control by encouraging executives to cooperate with a future process that may be supported by the board, without being distracted by the possibility of termination or demotion after the change in control.

Under the employment agreements, severance benefits are triggered in the event of death, termination due to disability, termination by our Company without cause, or termination by the executive for good reason. The definitions of "cause" and "good reason" are provided in "Potential Payments Upon Change in Control." The severance benefits consist of:

the sum of the executive's base salary in effect on the date of termination, the value of the annual incentive bonus under our annual incentive program for the most recently completed year, and the value of the most recent long-term incentive award made under our long-term incentive plan, times a severance multiple (which is three for Messrs. Brain, Silvers, Earnest and Peterson, and two for Mr. Hiron),

continuation of certain health plan benefits for a period of years equal to the severance multiple, and

vesting of all unvested equity awards.

### **How was the Company's President and Chief Executive Officer compensated?**

Our Company's President and Chief Executive Officer, David M. Brain, was compensated in 2009 pursuant to an employment agreement entered into in 2007. In late 2009, our compensation committee conducted a formal evaluation of Mr. Brain and interviewed him regarding his performance and the performance of our Company generally. In establishing Mr. Brain's compensation, our compensation committee took into account the compensation of similar officers of REITs with comparable market capitalizations. Mr. Brain's compensation also reflects his overall management of and critical involvement with this historically challenging economic environment. However, the compensation committee established bonuses under the annual incentive program and awards under the long-term incentive plan for Mr. Brain at a lower percentage of his target level than other Named Executive Officers in recognition of his responsibility for the overall financial performance of the Company which was below expectations.

Mr. Brain received a base salary of \$530,250 in 2009 and a bonus under our annual incentive program of \$400,000 for 2009. The incentive award paid to Mr. Brain was based on our Company's review of the various factors described above, as well as an evaluation of Mr. Brain's personal performance during 2009. Mr. Brain elected to take payment of the bonus in the form of nonvested restricted common shares valued at 150% of the bonus. An award under our long-term incentive plan was



**Table of Contents**

made of \$885,500 in 2010, payable as described above. Based upon its review of the various factors described above, the committee believes Mr. Brain's compensation is reasonable and not excessive.

**Share ownership guidelines**

In 2008, the compensation committee adopted share ownership guidelines applicable to the named executive officers and trustees of the Company. Prior to September 10, 2012, each of the named executive officers and trustees are required to have acquired common shares having a market value in excess of the following:

Trustees, four times their current basic retainer,

CEO, five times his current base salary,

Chief Operating Officer and Chief Financial Officer, three times their respective current base salaries, and

Each other named executive officer, one time current base salary of such officer.

**How is the Company addressing Internal Revenue Code limits on deductibility of compensation?**

Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to public companies for compensation in excess of \$1,000,000 paid for any fiscal year to our Company's Chief Executive Officer and the four other most highly compensated executive officers. The statute exempts qualifying performance-based compensation from the deduction limit if stated requirements are met. Our compensation committee and our Board of Trustees reserve the authority to award non-deductible compensation in circumstances they consider appropriate.

**Table of Contents****Summary Compensation Table**

The following table contains information on the compensation earned by our Chief Executive Officer and Chief Financial Officer and each of our other most highly compensated executive officers whose compensation exceeded \$100,000 in 2009.

Name and Principal Position	Year	Salary	Bonus (1)	Share Awards (2)(3)	Option Awards (3)	Non-Equity Incentive Plan Compensation	Change in	All Other Compensation (4)	Total
							Pension Value and Nonqualified Deferred Compensation Earnings		
<b>David M. Brain,</b> President and Chief Executive Officer	2009	\$ 530,250	\$ 400,000	\$ 916,708	\$ 17,616	\$	\$	\$ 227,875	\$ 2,092,449
	2008	530,250	1,060,500	550,909	357,535			21,330	2,520,524
	2007	505,000	757,500	1,534,579	129,886			170,680	3,097,145
<b>Gregory K. Silvers,</b> Vice President, Chief Operating Officer, Secretary and General Counsel	2009	383,250	287,500	610,889	34,476			139,417	1,455,532
	2008	383,250	613,250	367,327	156,566			139,120	1,659,513
	2007	365,000	456,250	975,515	97,679			136,863	2,031,307
<b>Mark A. Peterson,</b> Vice President, Chief Financial Officer and Treasurer	2009	300,000	210,000	463,070	34,397			106,544	1,114,011
	2008	288,750	433,250	265,355	172,215			23,839	1,183,409
	2007	275,000	343,750	535,067	40,109			103,008	1,296,934
<b>Michael L. Hirons,</b> Vice President Finance	2009	200,000	100,000	212,478	1,783			81,119	595,380
	2008	183,750	200,000	105,589	68,527			30,845	588,711
	2007	175,000	157,500	196,170	3,477			56,181	588,328
<b>Morgan G. Earnest</b> Chief Investment Officer (5)	2009	240,000	123,000	294,186	182,484			65,785	905,455

- (1) Performance bonuses are payable in cash, nonvested restricted common shares (valued at 150% of the cash bonus amount, except 2007, in which case it is valued at 125% of the cash bonus amount for Messrs. Brain, Silvers and Peterson and 150% for Mr. Hirons) or a combination of cash and nonvested restricted common shares, at the election of the executive. Nonvested restricted common shares issued as payment of annual incentive awards under the annual incentive program vest at the rate of 33 1/3 % per year during a three-year

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- period. Each of the executive officers elected to receive their performance bonuses in the form of nonvested restricted common shares.
- (2) The executive officers receive dividends on nonvested restricted common shares from the date of issuance at the same rate paid to other common shareholders.
  - (3) Amounts reflect the aggregate grant date fair value of stock awards computed in accordance with FASB ASC Topic 718 on Stock Compensation for 2007, 2008 and 2009 respectively.
  - (4) Consists of personal use of company vehicles, the Company's matching contributions under the Company's 401(k) plan and amounts payable by the Company pursuant to the Company's Section 79 life insurance plan. See Long-Term Incentive Plan.
  - (5) Mr. Earnest was hired as Chief Investment Officer effective May 14, 2009, and his annual salary for 2009 was \$360,000 and he was granted 50,000 option awards with a grant date fair value of \$174,000.

**Table of Contents****Grants of Plan-Based Awards**

The following table provides information about grants of plan-based awards under equity incentive plans to the Named Executive Officers in 2009. These grants were made under the 2007 Equity Incentive Plan pursuant to the annual incentive program and the long-term incentive plan. Grants were in the form of nonvested restricted common share awards and common share options.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Shares Awards: Number of Shares or Units (1)	All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards (2)	Grant date Fair Value of Stock and Option Awards
		Threshold	Target	Maximum	Threshold	Target	Maximum				
<b>David M. Brain</b>	02/18/09								140,762	\$ 18.18	\$ 2.54
	02/18/09							88,254			18.18
<b>Mark A. Peterson</b>	02/18/09								67,801	18.18	2.54
	02/18/09							38,271			18.18
<b>Gregory K. Silvers</b>	02/18/09								61,640	18.18	2.54
	02/18/09							53,716			18.18
<b>Michael L. Hirons</b>	02/18/09								26,979	18.18	2.54
	02/18/09							16,737			18.18
<b>Morgan G. Earnest</b>	05/19/09								50,000	19.41	3.48

- (1) The nonvested restricted common shares issued pursuant to the annual incentive program vest at the rate of 33<sup>1/3</sup>% per year for three years, and the nonvested restricted common shares issued pursuant to the long-term incentive plan vest at the rate of 25% per year for four years.
- (2) The options vest at the rate of 25% per year for four years and are exercisable during a 10-year period.

**Table of Contents****Outstanding Equity Awards at Fiscal Year-End**

The following table provides information regarding outstanding awards to the Named Executive Officers that have been granted but not vested or exercised as of December 31, 2009.

Name	Option Awards					Stock Awards		Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that Have Not Vested
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested	Market Value of Shares or Units of Stock that Have Not Vested	
David M. Brain	81,547			16.05	5/9/2011			
	63,967			22.90	4/9/2012			
	169,661			24.86	3/11/2013			
	42,913			39.80	3/30/2014			
	40,744	10,187		42.01	11/16/2015			
	29,487	19,657		42.46	1/1/2016			
	18,218	27,325		65.50	1/1/2017			
	6,142	24,564		47.20	1/1/2018			
		140,762		18.18	1/1/2019			
						3,667	129,335	
						9,806	345,872	
						10,649	375,604	
						23,358	823,837	
						30,303	1,068,787	
						12,000	423,240	
						4,146	146,218	
						12,908	455,253	

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					57,951	2,043,932
TOTAL	452,679	222,495			164,788	5,812,078
<b>Mark A. Peterson</b>	4,000		33.58	6/14/2014		
	1,444	723	42.01	11/16/2015		
	73	146	42.46	1/1/2016		
	3,922	5,881	65.50	1/1/2017		
	1,897	7,585	47.20	1/1/2018		
		67,801	18.18	1/1/2019		
					260	9,170
					1,678	59,197
					3,606	127,191
					7,865	277,384
					14,596	514,801
					6,000	211,620
					1,468	51,776
					5,858	206,612
					23,675	835,017
TOTAL	11,336	82,136			65,006	2,292,768

**Table of Contents**

Name	Option Awards					Stock Awards		Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that Have Not Vested
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested	Market Value of Shares or Units of Stock that Have Not Vested	
<b>Gregory K. Silvers</b>	3,166			39.80	3/30/2014			
	7,836	3,917		42.01	11/16/2015			
	2,183	4,365		42.46	1/1/2016			
	8,728	13,092		65.50	1/1/2017			
	4,619	18,473		47.20	1/1/2018			
		61,640		18.18	1/1/2019			
						1,410	49,731	
						4,446	156,825	
						6,187	218,208	
						14,936	526,786	
						20,205	712,630	
						18,000	634,860	
						2,270	80,063	
						7,775	274,236	
						33,511	1,181,933	
<b>TOTAL</b>	26,532	101,487				108,740	3,835,272	
<b>Michael L. Hirons</b>	4,068	6,000		40.55	5/1/2016			
	165	657		47.20	1/1/2018			
		26,979		18.18	1/1/2019			
						747	26,350	
						2,129	75,076	
						5,808	204,848	

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			625	22,044
			3,220	113,575
			10,929	385,466
<b>TOTAL</b>	4,233	33,636	23,458	827,359
<b>Morgan G. Earnest</b>	3,333		26.87	5/14/2013
	10,000		32.50	5/12/2014
	5,000		32.50	5/12/2014
	5,000		43.75	5/11/2015
	5,000		41.16	5/9/2016
	2,500		61.53	5/9/2017
	2,500		52.72	5/8/2017
		50,000	19.41	1/1/2019
<b>TOTAL</b>	33,333	50,000		



**Table of Contents****Option Exercises and Stock Vested**

The following table provides information regarding option exercises by our Named Executive Officers and restricted shares held by our Named Executive Officers which vested during 2009.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise	Number of Shares Acquired on Vesting	Value Realized on Vesting
<b>David M. Brain</b>	100,928	\$ 1,850,515	39,321	\$ 1,171,766
<b>Mark A. Peterson</b>			11,588	345,322
<b>Gregory K. Silvers</b>			24,661	734,898
<b>Michael L. Hirons</b>			3,018	89,936
<b>Morgan G. Earnest</b>				

**Table of Contents****Potential Payments Upon Termination or Change of Control**

The following table provides information regarding potential payments upon termination of our Named Executive Officers or a change of control. These payments are provided for in the employment agreements the Company has entered into with each Named Executive Officer, which have been previously filed with the SEC and which are described below.

Name	Benefit	Voluntary Termination	Death	Disability	Before Change	After Change in Control
					Termination w/o Cause or for Good Reason	No Termination or for Good Reason
<b>David M. Brain</b>	Cash Severance	\$	\$ 6,990,750	\$ 6,990,750	\$ 6,990,750	\$ 6,990,750
	Health Benefits Continuation <sup>(1)</sup>		43,955	43,955	43,955	43,955
	Accelerated Vesting of Options <sup>(2)</sup>		2,405,623	2,405,623	2,405,623	2,405,623
	Accelerated Vesting of Restricted Stock <sup>(2)</sup>		5,812,073	5,812,073	5,812,073	5,812,073
	Excise Tax Gross-up					1,524,090
<b>Mark A. Peterson</b>	Cash Severance		3,579,000	3,579,000	3,579,000	3,579,000
	Health Benefits Continuation <sup>(1)</sup>		38,580	38,580	38,580	38,580
	Accelerated Vesting of Options <sup>(2)</sup>		1,158,719	1,158,719	1,158,719	1,158,719
	Accelerated Vesting of Restricted Stock <sup>(2)</sup>		2,292,762	2,292,762	2,292,762	2,292,762
	Excise Tax Gross-up					953,256
<b>Gregory K. Silvers</b>	Cash Severance		4,843,875	4,843,875	4,843,875	4,843,875
	Health Benefits Continuation <sup>(1)</sup>		40,023	40,023	40,023	40,023
	Accelerated Vesting of Options <sup>(2)</sup>		1,053,428	1,053,428	1,053,428	1,053,428
	Accelerated Vesting of Restricted Stock <sup>(2)</sup>		3,835,260	3,835,260	3,835,260	3,835,260
	Excise Tax Gross-up					985,064
<b>Michael L. Hiron</b>	Cash Severance		1,160,000	1,160,000	1,160,000	1,160,000
	Health Benefits Continuation <sup>(1)</sup>		24,116	24,116	24,116	24,116
	Accelerated Vesting of Options <sup>(2)</sup>		461,071	461,071	461,071	461,071
	Accelerated Vesting of Restricted Stock <sup>(2)</sup>		827,364	827,364	827,364	827,364
	Excise Tax Gross-up					306,614
<b>Morgan G. Earnest</b>	Cash Severance		1,910,250	1,910,250	1,910,250	1,910,250
	Health Benefits Continuation <sup>(1)</sup>		45,088	45,088	45,088	45,088
	Accelerated Vesting of Options <sup>(2)</sup>		793,000	793,000	793,000	793,000
	Accelerated Vesting of Restricted Stock <sup>(2)</sup>					
	Excise Tax Gross-up					

- (1) Represents present value of benefits continuation assuming 0.83% discount rate.
- (2) Based on year-end common share price of \$35.27.

## Table of Contents

### **Employment Agreements**

On February 28, 2007, we entered into employment agreements with our Named Executive Officers: David M. Brain, Gregory K. Silvers, Mark A. Peterson and Michael L. Hirons. Effective May 14, 2009, we entered into an employment agreement with Morgan G. Earnest. The compensation committee of the Board of Trustees initiated this process to address its concerns that the existing employment agreements lacked consistency among executives. The new agreements replaced prior employment agreements between us and these executives.

1. Each of the employment agreements has a three year term, with automatic one-year extensions on each anniversary date. The employment agreements generally provide for:

2. An original annual base salary of \$505,000 for Mr. Brain, \$365,000 for Mr. Silvers, \$360,000 for Mr. Earnest, \$275,000 for Mr. Peterson, and \$175,000 for Mr. Hirons, subject to any increases awarded by the compensation committee. These amounts correspond to the 2007 base salaries approved for Messrs. Brain, Silvers, Peterson and Hirons by the compensation committee and the 2009 base salary approved for Mr. Earnest by the compensation committee;

3. An annual incentive bonus in an amount established by the compensation committee pursuant to our annual incentive program; and

4. A long-term incentive award pursuant to our long-term incentive plan in an amount established by the compensation committee.

Severance benefits triggered in the event of death, termination due to disability, termination by the Company without cause, or termination by the executive for good reason. The severance benefits consist of:

a payment following the triggering event of the sum of the executive's base salary in effect on the date of termination, the value of the annual incentive bonus under the annual incentive program for the most recently completed year, and the value of the most recent long-term incentive award made under our long-term incentive plan, multiplied by a severance multiple (which is three for Messrs. Brain, Silvers, Earnest and Peterson and two for Mr. Hirons),

continuation of certain health plan benefits for a period of years equal to the severance multiple, and

vesting of all unvested equity awards.

Good reason is defined in the employment agreements as a good faith determination by the employee within 30 days after the Company's receipt of written notice that one of the following events constitutes good reason:

**Table of Contents**

the assignment of duties materially and adversely inconsistent with the executive's position under the agreement or a material reduction in the executive's office, status, position, title or responsibilities not agreed to by the executive,

any material reduction in the executive's base compensation or eligibility under the annual incentive program, eligibility for long-term incentive awards under the long-term incentive plan, or eligibility under employee benefit plans which is not agreed to by the executive, or after the occurrence of a change in control, a diminution of the executive's target opportunity under the annual incentive program, the long-term incentive plan or any successor plan, or a failure to evaluate executive's performance relative to the target opportunity based upon the same metrics as peer management at the surviving or acquiring company,

a material breach of the employment agreement by the Company, its successors or assigns, including any failure to pay executive on a timely basis any amounts to which he is entitled under the agreement, or

any requirement that the executive be based at an office outside of a 35-mile radius of the current offices of the Company or, in Mr. Earnest's case, any requirement that Mr. Earnest be based at an office outside of a 35-mile radius of Mr. Earnest's principal residence as of May 14, 2009.

Under the employment agreements, a change of control is deemed to have occurred if:

incumbent trustees (defined as the trustees of the Company on the effective date of the agreement, plus trustees who are subsequently elected or nominated with the approval of two-thirds of the incumbent trustees then on the Board) cease for any reason to constitute a majority of the Board,

any person becomes the beneficial owner of 25% or more of our voting securities, other than an acquisition by an underwriter in an offering of shares by the Company, or a transaction in which 50% of the voting securities of the surviving corporation is represented by the holders of our voting securities prior to the transaction, no person is the beneficial owner of 25% of the surviving corporation, and at least a majority of the directors of the surviving corporation were incumbent trustees of the Company (a non-qualifying transaction), or upon the acquisition of shares directly from the Company in a transaction approved by a majority of the incumbent trustees,

the shareholders approve a merger, consolidation, acquisition, sale of all or substantially all of the Company's assets or properties or similar transaction that requires the approval of our shareholders, other than a non-qualifying transaction,

the shareholders approve a complete plan of liquidation or dissolution of the Company,

the acquisition of control of the Company by any person, or

any transaction or series of transactions resulting in the Company being "closely held" within the meaning of the REIT provisions of the Internal Revenue Code and with respect to which the Board has either waived or failed to enforce the "excess share" provisions of our amended and restated declaration of trust.

## **Table of Contents**

Under the employment agreements, cause is defined as and is limited to an affirmative determination by the Board that any of the following has occurred:

the employee's willful and continued failure or refusal to perform his duties with the Company (other than as a result of his disability or incapacity due to mental or physical illness) which is not remedied in the reasonable good faith determination of the Board within 30 days after such employee's receipt of written notice from the Board specifying the nature of such failure or refusal, or

the willful engagement by the employee in misconduct which is materially and demonstrably injurious to the Company. Under the Employment Agreements, no act or failure to act shall be considered willful unless done or omitted in bad faith and without reasonable belief that the act or omission was in the best interests of the Company.

### **Compensation committee interlocks and insider participation**

The members of the Company's compensation committee are Barrett Brady, Robert J. Druten, Jack A. Newman and James A. Olson. No member of the compensation committee is or has been at any time an officer or employee of the Company or any of its subsidiaries. No member of the compensation committee had any contractual or other relationship with the Company during 2009. No executive officer of the Company serves or has served as a director or as a member of the compensation committee of any entity of which any member of the Company's compensation committee or any independent trustee serves as an executive officer.

As we have previously reported, Morgan G. Earnest II, who served on our compensation committee through last year's annual meeting, was an Executive Vice President of Capmark Financial Group, Inc., whose Canadian affiliate, GMAC Commercial Mortgage of Canada, provided U.S. \$97 million in mortgage financing in 2004 secured by our Canadian properties. The Canadian loan meets the conditions for institutions providing non-advisory financial services to the Company described in "Who are our independent trustees and how was that determined?". Mr. Earnest received no direct or indirect compensation from any party in connection with the loan. The loan was approved by our independent trustees other than Mr. Earnest. The independent trustees other than Mr. Earnest have determined that the loan does not constitute a material relationship between Mr. Earnest and the Company and that Mr. Earnest was thus independent and qualified to serve as an independent trustee and a member of the audit, nominating/company governance and compensation committees.

**Table of Contents****EQUITY COMPENSATION PLAN INFORMATION**

The Equity Compensation Plan table provides information as of December 31, 2009 with respect to common shares that may be issued under our existing 2007 Equity Incentive Plan, which replaced our Share Incentive Plan during 2007.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance</b>
Equity compensation plans approved by security holders (1)	1,208,288	\$ 30.27	1,059,818
Equity compensation plans not approved by security holders			
<b>Total</b>	<b>1,208,288</b>	<b>\$ 30.27</b>	<b>1,059,818</b>

- (1) All nonvested restricted common shares and options that were awarded prior to or concurrent with our 2007 annual meeting of shareholders were awarded under the Share Incentive Plan (which was replaced by the 2007 Equity Incentive Plan following the 2007 annual meeting of shareholders). The Share Incentive Plan did not, and the 2007 Equity Incentive Plan does not, separately quantify the number of options or number of nonvested restricted shares which may be awarded under such plan.

**Table of Contents**

**COMPENSATION COMMITTEE REPORT**

The compensation committee of the Board of Trustees has reviewed and discussed the information provided in Compensation Discussion and Analysis with management and, based on the review and discussions, the compensation committee recommended to the Board of Trustees that the Compensation Discussion and Analysis be included in this proxy statement.

By the compensation committee:

Barrett Brady

Robert J. Druten

Jack A. Newman

James A. Olson

*This compensation committee report and the Compensation Discussion and Analysis is not deemed soliciting material and is not deemed filed with the SEC or subject to Regulation 14A or the liabilities under Section 18 of the Exchange Act.*



**Table of Contents**

**AUDIT COMMITTEE REPORT**

In fulfilling its oversight responsibilities, the audit committee reviewed the Company's 2009 audited financial statements with management and the independent registered public accounting firm. The committee discussed with the firm the matters required to be discussed in Statement of Auditing Standards No. 61, as amended, supplemented or superseded (AICPA, Professional Standards, Vol. 1, AU Section 380), as adopted by the Public Company Accounting Oversight Board (PCAOB) in Rule 3200T and the rules of the SEC and NYSE. This included a discussion of the firm's judgments regarding the quality, not just the acceptability, of the Company's accounting principles and the other matters required to be discussed with the committee under the rules of the NYSE and the PCAOB. In addition, the committee received from the firm the written disclosures and letter required from the independent accountant required by applicable requirements of the PCAOB regarding the independent accountant's communication with the audit committee concerning independence, and has discussed with the independent accountant the independent accountant's independence from management and the Company.

The committee discussed with management and the firm the overall scope and plans for the audit of the financial statements. The committee meets periodically with management and the independent registered public accounting firm to discuss the results of their audits, the Company's disclosure controls and procedures, internal control over financial reporting and internal audit function, and the overall quality of the Company's financial reporting.

The audit committee discussed with management and the independent registered public accounting firm the critical accounting policies of the Company, the impact of those policies on the 2009 financial statements, the impact of known trends, uncertainties, commitments and contingencies on the application of those policies, and the probable impact on the 2009 financial statements if different accounting policies had been applied.

Based on the reviews and discussions referred to above, the audit committee recommended to the Board of Trustees, and the Board approved, that the audited financial statements be included in the Company's annual report on Form 10-K for the year ended December 31, 2009 for filing with the SEC.

By the audit committee:

Barrett Brady

Jack A. Newman

James A. Olson

*This audit committee report is not deemed soliciting material and is not deemed filed with the SEC or subject to Regulation 14A or the liabilities under Section 18 of the Exchange Act.*

**Table of Contents**

**TRANSACTIONS BETWEEN THE COMPANY AND TRUSTEES, OFFICERS OR THEIR AFFILIATES**

Pursuant to their 2000 employment agreements, Messrs. Brain and Silvers are indebted to the Company in the principal amounts of \$1,470,645 and \$281,250, respectively, for the purchase of 80,000 and 20,000 common shares, respectively. Each loan is represented by a 10-year recourse note with principal and interest at 6.24% per annum payable at maturity. The employment agreements between us and Messrs. Brain and Silvers, entered into on February 28, 2007, expressly do not award or modify the loans in any way. During 2010, Messrs. Brain and Silvers repaid the outstanding balance on each of these loans.

The Company is currently engaged in a joint venture with Global Wine Partners (U.S.) LLC ( GWP ). This joint venture is directed through our VinREIT, LLC ( VinREIT ) subsidiary and is evidenced by the Operating Agreement of VinREIT, LLC pursuant to which GWP holds a 4% ownership interest. As consideration for its 4% ownership interest in VinREIT, GWP provides certain consulting services to VinREIT in connection with the acquisition, development, administration and marketing of vineyard properties and wineries, all of which will be directed through VinREIT or a subsidiary of VinREIT. Mr. Brain's brother, Donald Brain, holds a 33.33% interest in GWP. During 2009, VinREIT distributed to GWP approximately \$387,000 pursuant to the Operating Agreement. At the time, the Board was informed of Donald Brain's acquisition of such interest, and affirmed VinREIT's business relationship with GWP. There was no modification to the Operating Agreement of VinREIT, and future amendments or modifications to the Operating Agreement or relationship with GWP will require Board approval.

The Company has established Company Governance Guidelines and Independence Standards for Trustees which cover (generally and specifically) the types of related party transactions addressed by SEC and NYSE rules. The Board is responsible for evaluating these standards and ensuring compliance with these guidelines and they also apply, to the extent applicable, these standards and guidelines to executive officers in a manner to satisfy Item 404 of Regulation S-K. Although the application of these specific standards and policies to executive officers is not expressly provided in a formal written policy, the Company's Code of Ethics and Business Conduct provides that employees (including executive officers) and trustees of the Company should avoid conflicts of interest with regard to their own or the Company's interest. Under the Code, conflict of interest exists whenever an individual's private interests interfere or are at odds with the interests of the Company. Any waiver of the provisions of the Code for executive officers or trustees may only be made by the Board, and any such waiver will be disclosed as required by law or regulation and the rules of the NYSE.

The Company does not have a formal written policy specifically for security holders covered by Item 403(a) of Regulation S-K. However, the Board applies the general standards and guidelines set forth in the guidelines and standards discussed above for purposes of determining transactions requiring disclosure under Item 404(a) of Regulation S-K. The Company presently is in the process of considering the adoption of a more formalized Related Party Transactions Policy that would reduce to written form, and clarify, its historical policy. Accordingly, the Company's future disclosures will reflect the scope of the new written policy, if adopted, as well as the means by which the Company would enforce that policy.

**Table of Contents**

**PROPOSAL 2:**  
**RATIFICATION OF APPOINTMENT OF**  
**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The audit committee has engaged the registered public accounting firm of KPMG LLP as our independent registered public accounting firm to audit our financial statements for the year ending December 31, 2010 and our internal control over financial reporting as of December 31, 2010. KPMG audited our financial statements for the years ended December 31, 2009, 2008, 2007, 2006 and 2005 and audited internal control over financial reporting as of December 31, 2009, 2008, 2007, 2006 and 2005.

Representatives of KPMG are expected to be present at the annual meeting and will be available to make a statement and respond to appropriate questions about their services. Neither the Trustees, nor the nominees for Trustee have a personal interest in the approval of this proposal.

**Audit Fees**

KPMG billed the Company an aggregate of \$333,000 for professional services rendered in the audit of our financial statements for the year ended December 31, 2009, the audit of certain of our subsidiaries and joint ventures, the audit of internal control over financial reporting as of December 31, 2009, the review of the quarterly financial statements included in our Form 10-Q reports filed with the SEC during 2009, the review of other filings we made with the SEC during 2009, and the provision of comfort letters and performance of related procedures in connection with the public offerings of our common shares in 2009.

KPMG billed the Company an aggregate of \$477,500 for professional services rendered in the audit of our financial statements for the year ended December 31, 2008, the audit of certain of our subsidiaries and joint ventures, the audit of internal control over financial reporting as of December 31, 2008, the review of the quarterly financial statements included in our Form 10-Q reports filed with the SEC during 2008, the review of other filings we made with the SEC during 2008, and the provision of comfort letters and performance of related procedures in connection with the public offerings of our common shares and Series E preferred shares in 2008.

**Audit-Related Fees**

There were no audit related fees in 2009. In 2008, KPMG billed the Company \$60,131 for audit related fees.

**Tax Fees**

KPMG billed the Company an aggregate of \$276,488 in 2009 and \$340,630 in 2008 for professional services rendered in the areas of tax return preparation and compliance, tax consulting and advice and tax planning, including REIT tax compliance, and U.S. and Canadian tax compliance. Of the \$276,488 and \$340,630 in tax fees billed for 2009 and 2008, respectively, a total of \$211,891 and \$201,170, respectively, was for tax return preparation and compliance, and \$64,597 and \$42,799, respectively, was for tax consulting and advice and tax planning and in 2008, \$96,661 was for the preparation of a cost segregation study.

**All Other Fees**

KPMG did not bill the Company for any other fees 2009 and 2008.

**Table of Contents**

**Pre-Approval Policies**

The audit committee has adopted policies which require that the provision of services by the independent registered public accounting firm, and the fees therefor, be pre-approved by the audit committee. The policies are more particularly described in the section of this proxy statement titled "Company Governance - Audit Committee". The services provided by KPMG in 2009 and 2008 were pre-approved by the audit committee in accordance with those policies.

The audit committee considered whether KPMG's provision of tax services in 2009 and 2008 was compatible with maintaining its independence from management and the Company, and determined that the provision of those services was compatible with its independence.

**Table of Contents**

**SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires our trustees, executive officers and holders of more than 10% of a registered class of our equity securities and certain other persons, to file reports with the Securities and Exchange Commission regarding their ownership and changes in ownership of our equity securities.

To our knowledge, based solely on a review of Forms 3, 4, 5 and amendments thereto furnished to us and written representations that no other reports were required, during and for the fiscal year ended December 31, 2009, all Section 16(a) filing requirements applicable to our trustees, executive officers and greater than 10% beneficial owners were complied with in a timely manner, except that Mr. Brain, did not timely file a Form 4 for a transaction occurring in January 2009, but such Form 4 was subsequently filed.

**Table of Contents****SHARE OWNERSHIP****Who are the largest owners of our common shares?**

Except as stated below, we know of no single person or group that is the beneficial owner of more than 5% of our common shares.

Name and address of beneficial owner	Amount and nature of beneficial ownership	Percent of shares outstanding
BlackRock Inc. 55 East 52nd Street New York, NY 10055	3,905,109(1)	9.29%
Goldman Sachs Asset Management LP 32 Old Slip New York , NY 10005	2,665,658(2)	6.20%
Heitman Real Estate Securities LLC 180 North LaSalle Street Suite 3600 Chicago Il 60601	2,216,521(3)	5.28%
The Vanguard Group, Inc. 100 Vanguard Blvd. Malvern, PA 19355	3,947,081(4)	9.39%

- (1) Based solely on disclosures made by BlackRock Inc. in a report on Schedule 13G filed with the Securities and Exchange Commission.
- (2) Based solely on disclosures made by Goldman Sachs Asset Management LP and GS Investment Strategies, LLC, in a report on Schedule 13G filed with the Securities and Exchange Commission.
- (3) Based solely on disclosures made by Heitman Real Estate Securities LLC in a report on Schedule 13G filed with the Securities and Exchange Commission.
- (4) Based solely on disclosures made by The Vanguard Group, Inc., filing as an investment adviser, in a report on Schedule 13G/A filed with the Securities and Exchange Commission.

**Table of Contents****How many shares do our trustees and executive officers own?**

The following table shows as of March 15, 2010, the number of our shares beneficially owned by each of our trustees, the nominees for trustee and our executive officers, and by all of the trustees and executive officers as a group. All information regarding beneficial ownership was furnished by the trustees, nominees and officers listed below.

<b>Title of Class</b>	<b>Name of beneficial owners</b>	<b>Amount and nature of beneficial ownership<sup>(1)</sup></b>	<b>Percent of shares outstanding<sup>(1)</sup></b>
Common Shares	David M. Brain	904,891	2.1%
Common Shares	Peter Brown (2)	11,500	*
Common Shares	Robert J. Druten	40,031	*
Common Shares	James A. Olson	19,932	*
Common Shares	Morgan G. Earnest II	45,667	*
Common Shares	Barrett Brady (2)	23,165	*
Common Shares	Gregory K. Silvers	236,709	*
Common Shares	Mark A. Peterson	99,445	*
Common Shares	Michael L. Hirons	37,551	*
Series D Cumulative Redeemable Preferred Shares	Michael L. Hirons	500	*
Common Shares	Jack A. Newman, Jr.	3,699	*
Common Shares	All trustees, nominees and executive officers as a group (10 persons)	1,423,090	3.3%

\* Less than 1 percent.

(1) Includes the following common shares which the named individuals have the right to acquire within 60 days under existing options: David M. Brain (512,948), Gregory K. Silvers (37,698), Mark A. Peterson (15,267), Michael L. Hirons (7,398), Robert J. Druten (33,698), James A. Olson (8,699), Morgan G. Earnest II (30,000), Jack A. Newman (3,699) and Barrett Brady (13,699).

(2) Nominee.

The above table reports beneficial ownership in accordance with Rule 13d-3 under the Exchange Act and includes common shares underlying options that are exercisable within 60 days after March 15, 2010. This means all common shares over which trustees, nominees and executive officers directly or indirectly have or share voting or investment power are listed as beneficially owned. The persons identified in the table have sole or shared voting and investment power over all shares described as beneficially owned by them.

**Table of Contents**

**SHAREHOLDER PROPOSALS, TRUSTEE NOMINATIONS AND RELATED BYLAW PROVISIONS**

**What is the deadline to propose actions for consideration at next year's annual meeting of shareholders?**

You may submit proposals for consideration at future shareholder meetings. For a shareholder proposal to be considered for inclusion in the Company's proxy statement for the annual meeting next year, the Secretary must receive the written proposal at our principal executive offices no later than December 9, 2010. Such proposals also must comply with SEC regulations under Rule 14a-8 regarding the inclusion of shareholder proposals in Company-sponsored proxy materials. Proposals should be addressed to:

Secretary

Entertainment Properties Trust

30 W. Pershing Road, Suite 201

Kansas City, Missouri 64108

For a shareholder proposal that is not intended to be included in the Company's proxy statement under Rule 14a-8, the shareholder must provide the information required by the Company's Bylaws and give timely notice to the Secretary in accordance with the Company's Bylaws, which, in general, require that the notice be received by the Secretary:

not earlier than the close of business on February 11, 2011; and

not later than the close of business on March 13, 2011.

If the date of the shareholder meeting is moved more than 30 days before or 60 days after the anniversary of the Company's annual meeting for the prior year, then notice of a shareholder proposal that is not intended to be included in the Company's proxy statement under Rule 14a-8 must be received not earlier than the close of business 90 days prior to the meeting and not later than the close of business 60 days prior to the meeting.

**How may I recommend or nominate individuals to serve as trustees?**

You may propose trustee candidates for consideration by the Board's Nominating and Governance Committee. Any such recommendations should include the nominee's name and qualifications for Board membership and should be directed to the Secretary at the address of our principal executive offices set forth above.

In addition, the Company's Bylaws permit shareholders to nominate trustees for election at an annual shareholder meeting. To nominate a trustee, the shareholder must deliver the information required by the Company's Bylaws.

**What is the deadline to propose or nominate individuals to serve as trustees?**

A shareholder may send a proposed trustee's candidate's name and information to the Board at anytime. Generally, such proposed candidates are considered at the Board meeting prior to the annual meeting.

To nominate an individual for election at an annual shareholder meeting, the shareholder must give timely notice to the Secretary in accordance with the Company's Bylaws, which, in general, require that the notice be received by the Secretary between the close of business on February 11, 2011 and the close of business on March 13, 2011, unless the date of the shareholder meeting is moved more than



**Table of Contents**

30 days before or 60 days after the anniversary of the Company's annual meeting for the prior year, then notice of a shareholder nomination must be received not earlier than the close of business 90 days prior to the meeting and not later than the close of business 60 days prior to the meeting.

**How may I obtain a copy of the Company's Bylaw provisions regarding shareholder proposals and trustee nominations?**

You may contact the Secretary at our principal executive offices for a copy of the relevant Bylaw provisions regarding the requirements for making shareholder proposals and nominating Trustee candidates. The Company's Bylaws also are available on the Company's website at [www.eprkc.com](http://www.eprkc.com). Shareholders should note that the procedures and information required from shareholders who wish to submit proposals or nominations not intended to be included in the Company's proxy statement under Rule 14a-8 have changed effective December 5, 2008, with the adoption of the Company's Amended and Restated Bylaws.

**Must the Board of Trustees approve my proposal?**

Our Declaration of Trust provides that the submission of any action to the shareholders for their consideration must first be approved by the Board of Trustees.

**OTHER MATTERS**

As of the date of this proxy statement, we have not been presented with any other business for consideration at the annual meeting. If any other matter is properly brought before the meeting for action by the shareholders, your proxy (unless revoked) will be voted in accordance with the recommendation of the Board of Trustees, or the judgment of the proxy holders if no recommendation is made.

**Table of Contents**

**MISCELLANEOUS**

**Proxy Solicitation**

The enclosed proxy is being solicited by the Board of Trustees. We will bear all costs of the solicitation, including the cost of preparing and mailing this proxy statement and the enclosed proxy card. After the initial mailing of this proxy statement, proxies may be solicited by mail, telephone, telegram, facsimile, e-mail or personally by trustees, officers, employees or agents of the Company. Brokerage houses and other custodians, nominees and fiduciaries will be requested to forward soliciting materials to the beneficial owners of shares held of record by them, and their reasonable out-of-pocket expenses, together with those of our transfer agent, will be paid by us.

**Annual Report**

Our annual report to shareholders, containing financial statements for the year ended December 31, 2009, is being mailed with this proxy statement to all shareholders entitled to vote at the annual meeting. You must not regard the annual report as additional proxy solicitation material.

*We will provide without charge, upon written request to the Secretary of the Company at the address listed on the cover page of this proxy statement, a copy of our annual report on Form 10-K, including the financial statements and financial statement schedules, filed with the Securities and Exchange Commission for the year ended December 31, 2009.*

**Shareholder Proposals for the 2011 Annual Meeting**

Shareholder proposals intended for inclusion in the proxy statement for the 2011 annual meeting must be received by the Company's Secretary at 30 W. Pershing Road, Suite 201, Kansas City, Missouri 64108, within the time limits described in Shareholder Proposals, Trustee Nominations and Related Bylaw Provisions. Shareholder proposals and nominations must also comply with the proxy solicitation rules of the Securities and Exchange Commission.

By the order of the Board of Trustees

Gregory K. Silvers  
*Vice President, Chief Operating Officer,*

*General Counsel and Secretary*

April 8, 2010

**Table of Contents**

**Electronic Voting Instructions**

**You can vote by Internet or telephone!**

**Available 24 hours a day, 7 days a week!**

Instead of mailing your proxy, you may choose one of the two voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

**Proxies submitted by the Internet or telephone must be received by 1:00 a.m., Central Time, on May 12, 2010.**

**Vote by Internet**

Log on to the Internet and go to

**[www.envisionreports.com/EPR](http://www.envisionreports.com/EPR)**

Follow the steps outlined on the secured website.

**Vote by telephone**

Call toll free 1-800-652-VOTE (8683) within the USA, US territories & Canada any time on a touch tone telephone. There is **NO CHARGE** to you for the call.

Follow the instructions provided by the recorded message.

Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas.

**X**

**q IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. q**

**A Proposals The Board of Trustees unanimously recommends a vote FOR proposals 1 and 2.**

1. Election of Directors:	For	Withhold	For	Withhold
01 - Barrett Brady	..	..	02 - Peter Brown	.. ..

**+**

	For	Against	Abstain	
2. Proposal to ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for 2010.	..	..	..	3. To act upon any other matters that may properly come before the meeting.

**B Non-Voting Items**

**Change of Address** Please print new address below.

**C Authorized Signatures** This section must be completed for your vote to be counted. **Date and Sign Below**

Please sign exactly as your name appears on this proxy. When shares are held by joint tenants, both should sign. When signing as attorney, executor, trustee or other representative capacity, please give your full title. If a corporation, please sign in full corporate name by President or other authorized officer.

Date (mm/dd/yyyy) Please print date below.

/ /

Signature 1 Please keep signature within the box.

Signature 2 Please keep signature within the box.

+

0160BC

**Table of Contents**

**YOUR VOTE IS IMPORTANT**

Regardless of whether you plan to attend the Annual Meeting of Shareholders, you can be sure your shares are represented at the meeting by promptly returning your proxy in the enclosed envelope.

**Entertainment Properties Trust's proxy statement and annual report are available at [www.envisionreports.com/EPR](http://www.envisionreports.com/EPR).**

**q IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. q**

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**Proxy ENTERTAINMENT PROPERTIES TRUST**

**This proxy is solicited on behalf of the Board of Trustees for the**

**Annual Meeting of Shareholders on Wednesday, May 12, 2010.**

As a shareholder of Entertainment Properties Trust (the Company), I appoint Mark A. Peterson and Gregory K. Silvers as my attorneys-in-fact and proxies (with full power of substitution), and authorize each of them to represent me at the Annual Meeting of Shareholders of the Company to be held at the Extreme Screen at Union Station, 30 W. Pershing Rd., Kansas City, MO 64108, on Wednesday, May 12, 2010 at ten o'clock a.m. (local time), and at any adjournment of the meeting, and to vote the common shares of beneficial interest in the Company held by me as designated on the reverse side.

**This proxy, when properly executed, will be voted in the manner directed herein by the shareholder. If no choice is indicated on the proxy, the persons named as proxies intend to vote FOR all proposals.**

**PLEASE SIGN, DATE AND MAIL THIS PROXY PROMPTLY USING THE ENCLOSED ENVELOPE**