

# CAMDEN PROPERTY TRUST

## FORM 10-K (Annual Report)

Filed 3/29/2001 For Period Ending 12/31/2000

Address	3 GREENWAY PLAZA SUITE 1300 HOUSTON, Texas 77046
Telephone	713-354-2500
CIK	0000906345
Industry	Real Estate Operations
Sector	Services
Fiscal Year	12/31

**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

**FORM 10-K**

**FOR ANNUAL AND TRANSITION REPORTS  
PURSUANT TO SECTIONS 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

(Mark One)

X ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2000

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

*Commission file number: 1-12110*

**CAMDEN PROPERTY TRUST**

(Exact Name of Registrant as Specified in Its Charter)

Texas  
(State or Other Jurisdiction of  
Incorporation or Organization)

76-6088377  
(I.R.S. Employer  
Identification No.)

3 Greenway Plaza, Suite 1300  
Houston, Texas  
(Address of Principal Executive Offices)

77046  
(Zip Code)

Registrant's telephone number, including area code: (713) 354-2500

**Securities registered pursuant to Section 12(b) of the Act:**

Title of each class	Name of each exchange on which registered
Common Shares of Beneficial Interest, \$.01 par value 7.33% Convertible	New York Stock Exchange
Subordinated Debentures due 2001	New York Stock Exchange
\$2.25 Series A Cumulative Convertible Preferred Shares, \$.01 par value	New York Stock Exchange

**Securities registered pursuant to Section 12(g) of the Act: None**

Indicate by check mark whether registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

The aggregate market value of voting shares of beneficial interest held by non-affiliates of the registrant was \$1,175,354,257 at March 16, 2001.

The number of common shares of beneficial interest outstanding at March 16, 2001 was 38,114,218.

## **DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant's Annual Report to Shareholders for the year ended December 31, 2000 are incorporated by reference in Parts I, II and IV.

Portions of the registrant's Proxy Statement in connection with its Annual Meeting of Shareholders to be held May 15, 2001 are incorporated by reference in

Part III.

## PART I

### Item 1. Business

#### Introduction

Camden Property Trust is a real estate investment trust that owns, develops, constructs, and manages multifamily apartment communities in the Southwest, Southeast, Midwest and Western regions of the United States. As of December 31, 2000, we owned interests in and operated 145 multifamily properties containing 51,336 apartment homes located in nine states. These properties had a weighted average occupancy rate of 94% for the year ended December 31, 2000. This represents the average occupancy for all our properties in 2000 weighted by the number of apartment homes in each property. Additionally, three of our multifamily properties containing 1,538 apartment homes were under development at December 31, 2000. We also have several sites which we intend to develop into multifamily apartment communities.

**Acquisition of Oasis Residential, Inc.** On April 8, 1998, we acquired, through a tax-free merger, Oasis Residential, Inc., a publicly traded Las Vegas-based multifamily REIT. Through this acquisition, we acquired 52 completed multifamily properties and 15,514 apartment homes at the date of acquisition. Each share of Oasis common stock outstanding on April 8, 1998 was exchanged for 0.759 of a Camden common share. Each share of Oasis Series A cumulative convertible preferred stock outstanding on April 8, 1998 was exchanged for one Camden Series A cumulative convertible preferred share with terms and conditions comparable to the Oasis preferred stock. We issued 12.4 million common shares and 4.2 million preferred shares in exchange for the outstanding Oasis common and preferred stock, respectively. We assumed approximately \$484 million of Oasis debt, at fair value, in the merger.

In connection with the merger with Oasis, on June 30, 1998, we completed a transaction in which Camden USA, Inc., one of our wholly owned subsidiaries, and TMT-Nevada, L.L.C., a Delaware limited liability company, formed Sierra-Nevada Multifamily Investments, LLC. We entered into this transaction to reduce our market risk in the Las Vegas area. TMT-Nevada holds an 80% interest in Sierra-Nevada and Camden USA holds the remaining 20% interest.

In the above transaction, we transferred to Sierra-Nevada 19 apartment communities containing 5,119 apartment homes for an aggregate of \$248 million. Prior to the merger, Oasis owned 100% of each of these communities. In the merger, Camden USA acquired these communities. As a result, after the merger and prior to the Sierra-Nevada transaction, Camden USA owned 100% of each of these 19 properties which are located in Las Vegas, Nevada. This transaction was funded with capital invested by the members of Sierra-Nevada, the assumption of \$9.9 million of existing nonrecourse indebtedness, the issuance of 17 nonrecourse cross collateralized and cross defaulted loans totaling \$180 million and the issuance of two nonrecourse second lien mortgages totaling \$7 million.

At December 31, 2000, we had 1,735 employees. Our headquarters are located at 3 Greenway Plaza, Suite 1300, Houston, Texas 77046 and our telephone number is (713) 354-2500.

#### Operating Strategy

We believe that producing consistent earnings growth and selectively investing in favorable markets are crucial factors to our success. We rely heavily on our sophisticated property management capabilities and innovative operating strategies in our efforts to produce consistent earnings growth.

**Sophisticated Property Management.** We believe the depth of our organization enables us to deliver quality services, thereby promoting resident satisfaction and improving resident retention, which should reduce operating expenses. We manage our properties utilizing a staff of professionals and support personnel, including certified property managers, experienced apartment managers and leasing agents, and trained apartment maintenance technicians. Our on-site personnel are trained to deliver high quality services to their residents. We attempt to motivate our on-site employees through incentive compensation arrangements based upon the net operating income produced at their property, as well as rental rate increases and the level of lease renewals achieved.

**Innovative Operating Strategies.** We believe an intense focus on operations is necessary to realize consistent, sustained earnings growth. Ensuring resident satisfaction, increasing rents as market conditions allow, maximizing rent collections, maintaining property occupancy at optimal levels and controlling operating costs comprise our principal strategies to maximize property net operating income. Lease terms are generally staggered based on vacancy exposure by apartment type so that lease expirations are better matched to each property's seasonal rental patterns. We offer leases ranging from six to thirteen months, with individual property marketing plans structured to respond to local market conditions. In addition, we conduct ongoing customer service surveys to ensure we respond timely to residents changing needs and to ensure that residents retain a high level of satisfaction.

**New Development and Acquisitions.** We continue to operate in markets where we have a concentration advantage due to economies of scale. We feel that where possible, it is best to operate with a strong base of properties in order to benefit from the personnel allocation and the market strength associated with managing several properties in the same market. We believe we are well positioned in our current markets and have the expertise to take advantage of both development and acquisition opportunities which have healthy long-term fundamentals and strong growth projections. This dual capability, combined with what we believe is a conservative financial structure, allows us to concentrate our growth efforts towards selective development alternatives and acquisition opportunities.

Selective development of new apartment properties will continue to be important to the growth of our portfolio for the next several years. We use experienced on-site construction superintendents, operating under the supervision of project managers and senior management, to control the construction process. All development decisions are made from our corporate office. Risks inherent to developing real estate include zoning changes and environmental matters. There is also the risk that certain assumptions concerning economic conditions may change during the development process. We believe that we understand and effectively manage the risks associated with development and that the risks of new development are justified by higher potential yields.

Properties under development in our consolidated financial statements includes \$101.9 million related to the development of three urban land projects located in Dallas, Houston and Long Beach, California. Of this amount, \$47.2 million relates to our two current development projects - The Park at Farmers Market in Dallas and The Park at Harbour View in Long Beach. We have an additional \$22.3 million invested in Dallas, which may be used for the proposed future development of Farmers Market, Phase II, and we are also in the planning phase of for-sale townhomes in this area. We have \$32.4 million invested in additional land under development in Houston and Long Beach. These properties are in the planning phase to determine further development of apartment homes in these areas, based on demand expectations, over the next three to five years. We may also sell certain parcels of all three properties to third parties for commercial and retail development.

We plan to continue diversification of our investments, both geographically and in the number of apartment homes and selection of amenities offered. Our operating properties have an average age of 10 years (calculated on the basis of investment dollars). We believe that the physical improvements we have made at our acquired properties, such as new or enhanced landscaping design, new or upgraded amenities and redesigned building structures, coupled with a strong focus on property management and marketing, has resulted in attractive yields on acquired properties.

**Dispositions.** To generate consistent earnings growth, we seek to selectively dispose of properties and redeploy capital if we determine a property cannot meet long-term earnings growth expectations. Additionally, over the next three years, we will continue rebalancing our portfolio with the goal of limiting any one market to no more than 12% of total real estate assets. Dispositions during 2000 included four parcels of undeveloped land and eleven properties containing 3,599 apartment homes. For the eleven properties sold, three were located in each of Houston, Dallas and Las Vegas, and one was located in each of St. Louis and El Paso. As a result of these sales, we have exited the El Paso market, reduced the number of assets in our three largest markets and believe that we have improved the overall quality and geographic mix of our portfolio. The land sales consisted of two parcels totaling 2.9 acres located in downtown Dallas and one parcel totaling 38.5 acres located in Houston. These parcels of land are adjacent to our land development projects located in those cities, and were sold for commercial and retail use. Our strategy regarding the undeveloped land sales has been to integrate the residential and retail components in such a way that enhances the quality of life for our residents. We

used the net proceeds from all sales during 2000, totaling \$150.1 million, to reduce indebtedness outstanding under our unsecured line of credit.

**Environmental Matters.** Under various federal, state and local laws, ordinances and regulations, we are liable for the costs of removal or remediation of certain hazardous or toxic substances on or in our properties. These laws often impose liability without regard to whether we knew of, or were responsible for, the presence of the hazardous or toxic substances. All of our properties have been subjected to Phase I site assessments or similar environmental audits to determine if there is a likelihood of contamination from either on- or off-site sources. These audits have been carried out in accordance with accepted industry practices. We have also conducted limited subsurface investigations and tested for radon and lead-based paint where such procedures have been recommended by our consultants. We cannot assure you that existing environmental studies reveal all environmental liabilities or that any prior owner did not create any material environmental condition not known to us. The costs of investigation, remediation or removal of hazardous substances may be substantial. If hazardous or toxic substances are present on a property, or if we fail to properly remediate such substances, our ability to sell or rent such property or to borrow using such property as collateral may be adversely affected.

**Insurance.** We carry comprehensive liability, fire, flood, extended coverage and rental loss insurance on our properties, which we believe is of the type and amount customarily obtained on real property assets. We intend to obtain similar coverage for properties we acquire in the future. However, there are certain types of losses, generally of a catastrophic nature, such as losses from floods or earthquakes, that may be subject to limitations in certain areas. Our board exercises its discretion in determining amounts, coverage limits and deductibility provisions of insurance, with a view to maintaining appropriate insurance on our investments at a reasonable cost and on suitable terms. If we suffer a substantial loss, our insurance coverage may not be sufficient to pay the full current market value or current replacement cost of our lost investment. Inflation, changes in building codes and ordinances, environmental considerations and other factors also might make it infeasible to use insurance proceeds to replace a property after it has been damaged or destroyed.

## **Markets and Competition**

Our portfolio consists of middle to upper market apartment properties. We target acquisitions and developments in selected high-growth markets. Since our initial public offering in 1993, we have diversified into other markets in the Southwest region and into the Southeast, Midwest and Western regions of the United States. By combining acquisition, renovation and development capabilities, we believe we can better respond to changing conditions in each market, reduce market risk and take advantage of opportunities as they arise.

There are numerous housing alternatives that compete with our properties in attracting residents. Our properties compete directly with other multifamily properties and single family homes that are available for rent in the markets in which our properties are located. Our properties also compete for residents with the new and existing owned-home market. The demand for rental housing is driven by economic and demographic trends. Recent trends in the economics of renting versus home ownership indicate an increasing demand for rental housing in certain markets, due to a number of factors, including the increase in mortgage interest rates. Rental demand should be strong in areas anticipated to experience in-migration, due to the younger ages that characterize movers as well as the relatively high cost of home ownership in higher growth areas.

## **Disclosure Regarding Forward Looking Statements**

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

Forward-looking statements are subject to known and unknown risks, uncertainties and other facts that may cause our actual results or performance to differ materially from those contemplated by the forward-looking statements. Many of those factors are noted in conjunction with the forward-looking statements in the text. Other important factors that could cause actual results to differ include:

1. The results of our efforts to implement our property development strategy.

2. The effect of economic conditions.
3. Failure to qualify as a real estate investment trust.
4. The costs of our capital.
5. Actions of our competitors and our ability to respond to those actions.
6. Changes in government regulations, tax rates and similar matters.
7. Environmental uncertainties and natural disasters.

Given these uncertainties, do not rely on these forward-looking statements. These forward-looking statements represent our estimates and assumptions as of the date of this report. We assume no obligation to update or revise any forward-looking statements.

## Item 2. Properties

### The Properties

Our properties typically consist of two- and three-story buildings in a landscaped setting and provide residents with a variety of amenities. Most of the properties have, or are expected to have, one or more swimming pools and a clubhouse and many have whirlpool spas, tennis courts and controlled-access gates. Many of the apartment homes offer additional features such as fireplaces, vaulted ceilings, microwave ovens, covered parking, icemakers, washers and dryers and ceiling fans. The 145 properties, which we owned interests in and operated at December 31, 2000, average 848 square feet of living area.

### Operating Properties

For the year ended December 31, 2000, no single operating property accounted for greater than 2.4% of our total revenues. The operating properties had a weighted average occupancy rate of 94% and 93% in 2000 and 1999, respectively. Resident lease terms generally range from six to thirteen months and usually require security deposits. One hundred twenty-six of our operating properties have over 200 apartment homes, with the largest having 894 apartment homes. Our operating properties were constructed and placed in service as follows:

Year Placed in Service	Number of Properties
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1994 - 2000	49
1988 - 1993	26
1983 - 1987	50
1978 - 1982	11
1973 - 1977	6
1967 - 1972	3

### Property Table

The following table sets forth information with respect to our operating properties at December 31, 2000.

OPERATING PROPERTIES

Property and Location	Number of Apartments	Year Placed in Service	Average Apartment Size (Sq. Ft.)	2000 Average Occupancy (1)	Per Apartment	December 2000 Avg. Mo. Rental Rates	
						Per Sq. Ft.	
<b>ARIZONA</b>							
Phoenix							
Arrowhead Springs, The Park at	288	1997	925	95 %	\$ 732	\$	0.79
Arizona Center, The Park at (7)	332	2000	786	Lease-up	820		1.04
Fountain Palms, The Park at	192	1986/1996	1,050	97	750		0.71
Scottsdale Legacy	428	1996	1,067	92	901		0.84
Towne Center, The Park at	240	1998	871	96	760		0.87
Vista Valley, The Park at	357	1986	923	92	720		0.78
Tucson							
Eastridge	456	1984	559	90	461		0.83
Oracle Villa	365	1974	1,026	91	711		0.69
<b>CALIFORNIA</b>							
Orange County							
Martinique	713	1986	795	96	1,162		1.46
Parkside	421	1972	835	97	992		1.19
Sea Palms	138	1990	891	98	1,137		1.28
<b>COLORADO</b>							
Denver							
Caley, The Park at (2)	218	2000	925	96	981		1.06
Centennial, The Park at	276	1985	744	97	813		1.09
Deerwood, The Park at	342	1996	1,141	95	1,206		1.06
Denver West, The Park at (4)	321	1997	1,015	97	1,195		1.18
Interlocken, The Park at	340	1999	1,022	97	1,191		1.16
Lakeway, The Park at	451	1997	919	95	1,043		1.13
Park Place	224	1985	748	97	821		1.10
Wexford, The Park at	358	1986	810	95	845		1.04
<b>FLORIDA</b>							
Orlando							
Landtree Crossing	220	1983	748	94	637		0.85
Lee Vista, The Part at (7)	492	2000	937	Lease-up	805		0.86
Renaissance Pointe II	578	1996/1998	899	93	790		0.88
Riverwalk I & II	552	1984/1986	747	94	598		0.80
Sabal Club	436	1986	1,077	94	869		0.81
Vineyard, The	526	1990/1991	824	93	704		0.85
Tampa/St. Petersburg							
Chase Crossing	444	1986	1,223	93	770		0.63
Chasewood	247	1985	704	95	603		0.86
Dolphin/Lookout Pointe	832	1987/1989	748	93	683		0.91
Heron Pointe	276	1996	942	92	892		0.95
Island Club I & II	484	1983/1985	722	95	592		0.82
Live Oaks	770	1990	1,093	90	758		0.69
Mallard Pointe I & II	688	1982/1983	728	94	629		0.86
Marina Pointe Village	408	1997	927	92	831		0.90
Parsons Run	228	1986	728	96	633		0.87
Schooner Bay	278	1986	728	94	696		0.96
Summerset Bend	368	1984	771	93	640		0.83
<b>KENTUCKY</b>							
Louisville							
Copper Creek	224	1987	732	91	641		0.88
Deerfield	400	1987	746	93	643		0.86
Glenridge	138	1990	916	90	699		0.76
Oxmoor, The Park at (7)	432	2000	903	Lease-up	766		0.85
Sundance	254	1975	682	87	543		0.80
<b>MISSOURI</b>							
Kansas City							
Camden Passage I & II	596	1989/1997	832	91	717		0.86
St. Louis							
Cedar Ridge	420	1986	852	94	595		0.70
Cove at Westgate, The	276	1990	828	97	933		1.13
Spanish Trace	372	1972	1,158	95	776		0.67
Tempo	304	1975	676	96	545		0.81
Westchase	160	1986	945	95	900		0.95
Westgate I & II	591	1973/1980	947	90	806		0.85
<b>NEVADA</b>							
Las Vegas							
Oasis Bay (3)	128	1990	862	95	761		0.88

OPERATING PROPERTIES (CONTINUED)

Property and Location	Number of Apartments	Year Placed in Service	Average Apartment Size (Sq. Ft.)	2000 Average Occupancy (1)	December 2000 Avg. Mo. Rental Rates	
					Per Apartment	Per Sq. Ft.
Oasis Bel Air I & II	528	1988/1995	943	96 %	\$ 765	\$ 0.81
Oasis Breeze	320	1989	846	96	718	0.85
Oasis Canyon	200	1995	987	97	794	0.80
Oasis Cliffs	376	1988	936	97	773	0.83
Oasis Club	320	1989	896	96	746	0.83
Oasis Cove	124	1990	898	97	729	0.81
Oasis Crossings (3)	72	1996	983	96	764	0.78
Oasis Del Mar	560	1995	986	95	840	0.85
Oasis Emerald (3)	132	1988	873	93	664	0.76
Oasis Gateway (3)	360	1997	1,146	94	843	0.74
Oasis Glen	113	1994	792	97	743	0.94
Oasis Greens	432	1990	892	94	748	0.84
Oasis Harbor	336	1996	1,008	96	830	0.82
Oasis Heritage (3)	720	1986	950	90	580	0.61
Oasis Hills	184	1991	579	96	552	0.95
Oasis Island (3)	118	1990	901	95	655	0.73
Oasis Landing (3)	144	1990	938	95	716	0.76
Oasis Meadows (3)	383	1996	1,031	94	761	0.74
Oasis Palms (3)	208	1989	880	97	702	0.80
Oasis Paradise	624	1991	905	94	770	0.85
Oasis Pearl (3)	90	1989	930	93	713	0.77
Oasis Pines	315	1997	1,005	97	793	0.79
Oasis Place (3)	240	1992	440	96	504	1.15
Oasis Plaza (3)	300	1976	820	93	630	0.77
Oasis Pointe	252	1996	985	96	778	0.79
Oasis Ridge (3)	477	1984	391	90	444	1.14
Oasis Rose (3)	212	1994	1,025	95	729	0.71
Oasis Sands	48	1994	1,125	96	775	0.69
Oasis Sierra (3)	208	1998	922	91	805	0.87
Oasis Springs (3)	304	1988	838	93	653	0.78
Oasis Suites (3)	409	1988	404	90	465	1.15
Oasis Summit	234	1995	1,187	97	1,069	0.90
Oasis Tiara	400	1996	1,043	95	848	0.81
Oasis View (3)	180	1983	940	93	680	0.72
Oasis Vinings (3)	234	1994	1,152	97	773	0.67
Oasis Vintage	368	1994	978	97	751	0.77
Reno						
Oasis Bluffs	450	1997	1,111	93	1,036	0.93
NORTH CAROLINA						
Charlotte						
Copper Creek	208	1989	703	94	643	0.91
Eastchase	220	1986	698	94	610	0.87
Habersham Pointe	240	1986	773	93	682	0.88
Overlook, The (5)	220	1985	754	92	696	0.92
Park Commons	232	1997	859	93	764	0.89
Pinehurst	407	1967	1,147	93	802	0.70
Timber Creek	352	1984	706	94	663	0.94
Greensboro						
Brassfield Park (5)	336	1996	889	94	746	0.84
Glen, The	304	1980	662	93	584	0.88
River Oaks	216	1985	795	94	654	0.82
TEXAS						
Austin						
Autumn Woods	283	1984	644	98	630	0.98
Calibre Crossing	183	1986	705	98	663	0.94
Huntingdon, The	398	1995	903	98	850	0.94
Quail Ridge	167	1984	859	98	738	0.86
Ridgecrest	284	1995	851	98	810	0.95
South Oaks	430	1980	711	97	630	0.89
Corpus Christi						
Breakers, The	288	1996	861	91	764	0.89
Miramar (6)	451	1995	708	94	750	1.32
Potters Mill	344	1986	775	93	598	0.77

OPERATING PROPERTIES (CONTINUED)

Property and Location	Number of Apartments	Year Placed in Service	Average Apartment Size (Sq. Ft.)	2000 Average Occupancy (1)	December 2000 Avg. Mo. Rental Rates	
					Per Apartment	Per Sq. Ft.
Waterford, The	580	1976	767	90%	\$ 507	\$ 0.66
Dallas/Fort Worth						
Addison, The Park at	456	1996	942	94	891	0.95
Buckingham, The Park at	464	1997	919	96	851	0.93
Centrepoint, The Park at	268	1997	910	93	827	0.91
Cottonwood Ridge	208	1985	829	95	625	0.75
Emerald Valley	516	1986	743	95	702	0.94
Emerald Village	304	1986	713	94	635	0.89
Glen Lakes	424	1979	877	93	786	0.90
Highland Trace	160	1985	816	93	675	0.83
Highpoint (5)	708	1985	835	94	659	0.79
Ivory Canyon	602	1986	548	96	589	1.07
Los Rios	286	1992	772	96	822	1.07
North Dallas Crossing I & II	446	1985	730	96	656	0.90
Oakland Hills	476	1985	853	95	648	0.76
Pineapple Place	256	1983	652	93	620	0.95
Randol Mill Terrace	340	1984	848	95	629	0.74
Shadow Lake	264	1984	733	94	605	0.82
Stone Creek	240	1996	831	93	807	0.97
Stone Gate	276	1996	871	94	834	0.96
Towne Centre Village	188	1983	735	95	625	0.85
Towne Crossing, The Place at	442	1984	772	95	624	0.81
Valley Creek Village	380	1984	855	95	689	0.81
Valley Ridge	408	1987	773	95	652	0.84
Westview	335	1985	697	95	639	0.92
Houston						
Brighton Place	282	1980	749	92	579	0.77
Crossing, The	366	1982	762	93	597	0.78
Eagle Creek	456	1984	639	92	606	0.95
Goose Creek, The Park at	272	1999	844	95	710	0.84
Greenway, The Park at	756	1999	861	92	993	1.15
Holly Springs, The Park at	548	1999	934	97	896	0.96
Jones Crossing	290	1982	748	94	597	0.80
Midtown, The Park at	337	1999	843	96	1,022	1.21
Roseland	671	1982	726	91	564	0.78
Stonebridge	204	1993	845	93	808	0.96
Sugar Grove, The Park at	380	1997	917	92	847	0.92
Vanderbilt I & II, The Park at	894	1995/1997	863	92	1,009	1.17
Wallingford	462	1980	787	96	612	0.78
Wilshire Place	536	1982	761	94	592	0.78
Woodland Park	288	1995	866	90	818	0.94
Wyndham Park	448	1978	797	94	536	0.67
Total	51,336		848	94%	\$ 744	\$ 0.88

(1) Represents average physical occupancy for the year, except as noted below.

(2) Development property - average occupancy calculated from date at which occupancy exceeded 90% through year-end.

(3) Properties owned through Sierra-Nevada Multifamily Investments, LLC joint venture in which we own a 20% interest.

(4) Property owned through a joint venture in which we own a 50% interest. The remaining interest is owned by an unaffiliated private investor.

(5) Properties owned through a joint venture in which we own a 44% interest. The remaining interest is owned by unaffiliated private investors.

(6) Miramar is a student housing project for Texas A&M at Corpus Christi. Average occupancy includes summer which is normally subject to high vacancies.

(7) Properties under lease-up at December 31, 2000.

## **Operating Properties Under Lease-Up**

The operating properties under lease-up table is incorporated herein by reference from page 15 of the Company's Annual Report to Shareholders for the year ended December 31, 2000, which page is filed as Exhibit 13.1 hereto.

## **Development Properties**

The total budgeted cost of the development properties is approximately \$238.4 million, with a remaining cost to complete, as of December 31, 2000, of approximately \$114.9 million. There can be no assurance that our budget, leasing or occupancy estimates will be attained for the development properties or that their performance will be comparable to that of our existing portfolio.

## **Development Properties Table**

The development properties table is incorporated herein by reference from page 15 of our Annual Report to Shareholders for the year ended December 31, 2000, which is filed as Exhibit 13.1.

Management believes that we possess the development capabilities and experience to provide a continuing source of portfolio growth. In making development decisions, management considers a number of factors, including the size of the property, the season in which leasing activity will occur and the extent to which delivery of the completed apartment homes will coincide with leasing and occupancy of such apartment homes (which is dependent upon local market conditions). In order to pursue a development opportunity, we currently require a minimum initial stabilized target return of 9.0%-10.0%. This minimum target return is based on projected market rents and projected stabilized expenses, considering the market and the nature of the prospective development.

## **Item 3. Legal Proceedings**

Prior to our merger with Oasis, Oasis had been contacted by certain regulatory agencies with regards to alleged failures to comply with the Fair Housing Amendments Act as it pertained to nine properties (seven of which we currently own) constructed for first occupancy after March 31, 1991. On February 1, 1999, the Justice Department filed a lawsuit against us and several other defendants in the United States District Court for the District of Nevada alleging (1) that the design and construction of these properties violates the Fair Housing Act and (2) that we, through the merger with Oasis, had discriminated in the rental of dwellings to persons because of handicap. The complaint requests an order that (i) declares that the defendants' policies and practices violate the Fair Housing Act; (ii) enjoins us from (a) failing or refusing, to the extent possible, to bring the dwelling units and public use and common use areas at these properties and other covered units that Oasis had designed and/or constructed into compliance with the Fair Housing Act, (b) failing or refusing to take such affirmative steps as may be necessary to restore, as nearly as possible, the alleged victims of the defendants alleged unlawful practices to positions they would have been in but for the discriminatory conduct and (c) designing or constructing any covered multi-family dwellings in the future that do not contain the accessibility and adaptability features set forth in the Fair Housing Act; and requires us to pay damages, including punitive damages, and a civil penalty.

With any acquisition, we plan for and undertake renovations needed to correct deferred maintenance, life/safety and Fair Housing matters. On January 30, 2001, a consent decree was ordered and executed in the above Justice Department action. Under the terms of the decree, we were ordered to make certain retrofits and implement certain educational programs and fair housing advertising. These changes are to take place over the next five years. In management's opinion, the costs associated with complying with the decree are not expected to have a material impact on our financial statements.

We are subject to various legal proceedings and claims that arise in the ordinary course of business. These matters are generally covered by insurance. While the resolution of these matters cannot be predicted with certainty, management believes that the final outcome of such matters will not have a material adverse effect on our consolidated financial statements.

## **Item 4. Submission of Matters to a Vote of Security Holders**

No matter was submitted during the fourth quarter of the fiscal year covered by this report to a vote of security holders, through the solicitation of proxies or otherwise.

## PART II

### **Item 5. Market for Registrant's Common Equity and Related Stockholder Matters**

Information with respect to this Item 5 is incorporated herein by reference from page 38 of our Annual Report to Shareholders for the year ended December 31, 2000, which is filed as Exhibit 13.1. The number of holders of record of our common shares, \$0.01 par value, as of March 16, 2001, was 1,083.

### **Item 6. Selected Financial Data**

Information with respect to this Item 6 is incorporated herein by reference from pages 39 and 40 of our Annual Report to Shareholders for the year ended December 31, 2000, which is filed as Exhibit 13.1.

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

Information with respect to this Item 7 is incorporated herein by reference from pages 13 through 21 of our Annual Report to Shareholders for the year ended December 31, 2000, which is filed as Exhibit 13.1.

### **Item 7A. Quantitative and Qualitative Disclosures About Market Risk**

Information with respect to this Item 7A is incorporated herein by reference from page 18 of our Annual Report to Shareholders for the year ended December 31, 2000, which is filed as Exhibit 13.1.

### **Item 8. Financial Statements and Supplementary Data**

Our financial statements and supplementary financial information for the years ended December 31, 2000, 1999 and 1998 are listed in the accompanying Index to Consolidated Financial Statements and Supplementary Data at F-1 and are incorporated herein by reference from pages 22 through 38 of our Annual Report to Shareholders for the year ended December 31, 2000, which is filed as Exhibit 13.1.

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

None.

## PART III

### **Item 10. Directors and Executive Officers of the Registrant**

Information with respect to this Item 10 is incorporated by reference from our Proxy Statement, which we intend to file on or before March 30, 2001 in connection with the Annual Meeting of Shareholders to be held May 15, 2001.

### **Item 11. Executive Compensation**

Information with respect to this Item 11 is incorporated by reference from our Proxy Statement, which we intend to file on or before March 30, 2001 in connection with the Annual Meeting of Shareholders to be held May 15, 2001.

### **Item 12. Security Ownership of Certain Beneficial Owners and Management**

Information with respect to this Item 12 is incorporated by reference from our Proxy Statement, which we intend to file on or before March 30, 2001 in connection with the Annual Meeting of Shareholders to be held May 15, 2001.

### **Item 13. Certain Relationships and Related Transactions**

Information with respect to this Item 13 is incorporated by reference from our Proxy Statement, which we intend to file on or before March 30, 2001 in connection with the Annual Meeting of Shareholders to be held May 15, 2001.

## PART IV

### Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

#### (a) (1) Financial Statements:

Our financial statements and supplementary financial information for the years ended December 31, 2000, 1999 and 1998 are listed in the accompanying Index to Consolidated Financial Statements and Supplementary Data at F-1 and are incorporated herein by reference from pages 22 through 38 of our Annual Report to the Shareholders for the year ended December 31, 2000, which pages are filed as Exhibit 13.1 hereto.

#### (2) Financial Statement Schedule:

The financial statement schedule listed in the accompanying Index to Consolidated Financial Statements and Supplementary Data at page F-1 is filed as part of this Report.

#### (3) Index to Exhibits:

Number	Title
2.1	Agreement and Plan of Merger, dated December 16, 1997, among Camden Property Trust, Camden Subsidiary II, Inc. and Oasis Residential, Inc. Incorporated by reference from Exhibit 2.1 to Camden Property Trust's Form 8-K filed December 17, 1997 (File No. 1-12110).
2.2	Amendment No. 1, dated February 4, 1998, to the Agreement and Plan of Merger, dated December 16, 1997, among Camden Property Trust, Camden Subsidiary II, Inc. and Oasis Residential, Inc. Incorporated by reference from Exhibit 2.1 to Camden Property Trust's Form 8-K filed February 5, 1998 (File No. 1-12110).
2.3	Contribution Agreement, dated June 26, 1998, by and between Camden Subsidiary, Inc. and Sierra-Nevada Multifamily Investments, LLC. Incorporated by reference from Exhibit 2.1 to Camden Property Trust's Form 8-K filed July 15, 1998 (File No. 1-12110).
2.4	Agreement of Purchase and Sale, dated June 26, 1998, by and between Camden Subsidiary, Inc. and Sierra-Nevada Multifamily Investments, LLC. Incorporated by reference from Exhibit 2.2 to Camden Property Trust's Form 8-K filed July 15, 1998 (File No. 1-12110).
2.5	Agreement of Purchase and Sale, dated June 26, 1998, by and between NQRS, Inc. and Sierra-Nevada Multifamily Investments,

LLC. Incorporated by reference from Exhibit 2.3 to Camden Property Trust's Form 8-K filed July 15, 1998 (File No. 1-12110).

3.1 Amended and Restated Declaration of Trust of Camden Property Trust. Incorporated by reference from Exhibit 3.1 to Camden Property Trust's Form 10-K for the year ended December 31, 1993 (File No. 1-12110).

3.2 Amendment to the Amended and Restated Declaration of Trust of Camden Property Trust. Incorporated by reference from Exhibit 3.1 to Camden Property Trust's Form 10-Q filed August 14, 1997 (File No. 1-12110).

3.3 Second Amended and Restated Bylaws of Camden Property Trust. Incorporated by reference from Exhibit 3.3 to Camden Property Trust's Form 10-K for the year ended December 31, 1997 (File No. 1-12110).

4.1 Specimen certificate for Common Shares of Beneficial Interest. Incorporated by reference from Exhibit 4.1 to Camden Property Trust's Registration Statement on Form S-11 filed September 15, 1993 (File No. 33-68736).

4.2 Indenture dated as of April 1, 1994 by and between Camden Property Trust and The First National Bank of Boston, as Trustee. Incorporated by reference from Exhibit 4.3 to Camden Property Trust's Statement on Form S-11 filed April 12, 1994 (File No. 33-76244).

- 4.3 Form of Convertible Subordinated Debenture Due 2001. Incorporated by reference from Exhibit 4.3 to Camden Property Trust's Statement on Form S-11 filed April 12, 1994 (File No. 33-76244).
- 4.4 Indenture dated as of February 15, 1996 between Camden Property Trust and the U.S. Trust Company of Texas, N.A., as Trustee. Incorporated by reference from Exhibit 4.1 to Camden Property Trust's Form 8-K filed February 15, 1996 (File No. 1-12110).
- 4.5 First Supplemental Indenture dated as of February 15, 1996 between Camden Property Trust and U.S. Trust Company of Texas N.A., as trustee. Incorporated by reference from Exhibit 4.2 to Camden Property Trust's Form 8-K filed February 15, 1996 (File No. 1-12110).
- 4.6 Form of Camden Property Trust 6 5/8% Note due 2001. Incorporated by reference from Exhibit 4.3 to Camden Property Trust's Form 8-K filed February 15, 1996 (File No. 1-12110).
- 4.7 Form of Camden Property Trust 7% Note due 2006. Incorporated by reference from Exhibit 4.3 to Camden Property Trust's Form 8-K filed December 2, 1996 (File No. 1-12110).
- 4.8 Specimen certificate for Camden Series A Cumulative Convertible Shares of Beneficial Interest. Incorporated from Exhibit 4.3 to Camden Property Trust's Registration Statement on Form S-4 filed February 6, 1998 (File No. 333-45817).
- 4.9 Statement of Designation, Preferences and Rights of Series A Cumulative Convertible Preferred Shares of Beneficial Interest. Incorporated by reference from Exhibit 4.1 to Camden Property Trust's Registration Statement on Form S-4 filed February 6, 1998 (File No. 333-45817).
- 4.10 Form of Statement of Designation of Series B Cumulative Redeemable Preferred Shares of Beneficial Interest. Incorporated by reference from Exhibit 4.1 to Camden Property Trust's Form 8-K filed on March 10, 1999 (File No. 1-12110).
- 4.11 Form of Statement of Designation of Series C Cumulative Redeemable Perpetual Preferred Shares of Beneficial Interest of Camden Property Trust. Incorporated by reference from Exhibit 4.11 to Camden Property Trust's Form 10-K for the year ended December 31, 1999 (File No. 1-12110).
- 4.12 Form of First Amendment to Statement of Designation of Series C Cumulative Redeemable Perpetual Preferred Shares of Beneficial Interest of Camden Property Trust. Incorporated by reference from Exhibit 4.12 to Camden Property Trust's Form 10-K for the year ended December 31, 1999 (File No. 1-12110).
- 4.13 Form of Second Amendment to Statement of Designation of Series C Cumulative Redeemable Perpetual Preferred Shares of Beneficial Interest of Camden Property Trust. Incorporated by reference from Exhibit 4.13 to Camden Property Trust's Form 10-K for the year ended December 31, 1999 (File No. 1-12110).
- 4.14 Form of Underwriting Agreement among Camden Property Trust and the Underwriters dated April 15, 1999 relating to the offering of 7% notes due 2004. Incorporated by reference from Exhibit 1.1 to Camden Property Trust's Form 8-K filed April 20, 1999 (File No. 1-12110).
- 4.15 Form of Camden Property Trust 7% Note due 2004. Incorporated by reference from Exhibit 4.3 to Camden Property Trust's Form 8-K filed April 20, 1999 (File No. 1-12110).
- 4.16 Form of Underwriting Agreement among Camden Property Trust and the Underwriters dated February 7, 2001 relating to the offering of 7% notes due 2006 and 7.625% notes due 2011. Incorporated by reference from Exhibit 1.1 to Camden Property Trust's Form 8-K filed February 20, 2001 (File No. 1-12110).

4.17 Form of Camden Property Trust 7% Note due 2006. Incorporated by reference from Exhibit 4.3 to Camden Property Trust's Form 8-K filed February 20, 2001 (File No. 1-12110).

4.18 Form of Camden Property Trust 7.625% Note due 2011. Incorporated by reference from Exhibit 4.4 to Camden Property Trust's Form 8-K filed February 20, 2001 (File No. 1-12110).

10.1 Form of Indemnification Agreement by and between Camden Property Trust and certain of its trust managers and executive officers. Incorporated by reference from Exhibit 10.18 to Amendment No. 1 of Camden Property Trust's Registration Statement on Form S-11 filed July 9, 1993 (File No. 33-63588).

10.2 Amended and Restated Employment Agreement dated August 7, 1998 by and between Camden Property Trust and Richard J. Campo. Incorporated by reference from Exhibit 10.4 to Camden Property Trust's Form 10-K filed March 30, 1999 (File No. 1-12110).

10.3 Amended and Restated Employment Agreement dated August 7, 1998 by and between Camden Property Trust and D. Keith Oden. Incorporated by reference from Exhibit 10.5 to Camden Property Trust's Form 10-K filed March 30, 1999 (File No. 1-12110).

10.4 Form of Employment Agreement by and between Camden Property Trust and certain senior executive officers. Incorporated by reference from Exhibit 10.13 to Camden Property Trust's Form 10-K filed March 28, 1997 (File No. 1-12110).

10.5 Camden Property Trust Key Employee Share Option Plan. Incorporated by reference from Exhibit 10.14 to Camden Property Trust's Form 10-K filed March 28, 1997 (File No. 1-12110).

10.6 Distribution Agreement dated March 20, 1997 among Camden Property Trust and the Agents listed therein relating to the issuance of Medium Term Notes. Incorporated by reference from Exhibit 1.1 to Camden Property Trust's Form 8-K filed March 21, 1997 (File No. 1-12110).

10.7 Form of Master Exchange Agreement by and between Camden Property Trust and certain key employees. Incorporated by reference from Exhibit 10.16 to Camden Property Trust's Form 10-K filed February 6, 1998 (File No. 1-12110).

10.8 Form of Credit Agreement dated August 18, 1999 between Bank of America, N.A. and Camden Property Trust. Incorporated by reference from Camden Property Trust's Form 10-Q filed November 15, 1999 (File No. 1-12110).

10.9 Form of Third Amended and Restated Agreement of Limited Partnership of Camden Operating, L.P. Incorporated by reference from Exhibit 10.1 to Camden Property Trust's Form S-4 filed on February 26, 1997 (File No. 333-22411).

10.10 Amended and Restated Limited Liability Company Agreement of Sierra-Nevada Multifamily Investments, LLC, adopted as of June 29, 1998 by Camden Subsidiary, Inc. and TMT-Nevada, L.L.C. Incorporated by reference from Exhibit 99.1 to Camden Property Trust's Form 8-K filed July 15, 1998 (File No. 1-12110).

10.11 Amended and Restated Limited Liability Company Agreement of Oasis Martinique, LLC, dated as of October 23, 1998, by and among Oasis Residential, Inc. and the persons named therein. Incorporated by reference from Exhibit 10.59 to Oasis Residential, Inc.'s Annual Report on Form 10-K for the year ended December 31, 1997 (File No. 1-12428).

10.12 Exchange Agreement, dated as of October 23, 1998, by and among Oasis Residential, Inc., Oasis Martinique, LLC and the holders listed thereon. Incorporated by reference from Exhibit 10.60 to Oasis Residential, Inc.'s Annual Report on Form 10-K for the year ended December 31, 1997 (File No. 1-12428).

- 10.13 Contribution Agreement, dated as of February 23, 1999, by and among Belcrest Realty Corporation, Belair Real Estate Corporation, Camden Operating, L.P. and Camden Property Trust. Incorporated by reference from Exhibit 99.1 to Camden Property Trust's Form 8-K filed on March 10, 1999 (File No. 1-12110).
- 10.14 First Amendment to Third Amended and Restated Agreement of Limited Partnership of Camden Operating, L.P., dated as of February 23, 1999. Incorporated by reference from Exhibit 99.2 to Camden Property Trust's Form 8-K filed on March 10, 1999 (File No. 1-12110).
- 10.15 Form of Second Amendment to Third Amended and Restated Agreement of Limited Partnership of Camden Operating, L.P., dated as of August 13, 1999. Incorporated by reference from Exhibit 10.15 to Camden Property Trust's Form 10-K for the year ended December 31, 1999 (File No. 1-12110).
- 10.16 Form of Third Amendment to Third Amended and Restated Agreement of Limited Partnership of Camden Operating, L.P., dated as of September 7, 1999. Incorporated by reference from Exhibit 10.16 to Camden Property Trust's Form 10-K for the year ended December 31, 1999 (File No. 1-12110).
- 10.17 Form of Fourth Amendment to Third Amended and Restated Agreement of Limited Partnership of Camden Operating, L.P., dated as of January 7, 2000. Incorporated by reference from Exhibit 10.17 to Camden Property Trust's Form 10-K for the year ended December 31, 1999 (File No. 1-12110).
- 10.18 Amended and Restated 1993 Share Incentive Plan of Camden Property Trust. Incorporated by reference from Exhibit 10.18 to Camden Property Trust's Form 10-K for the year ended December 31, 1999 (File No. 1-12110).
- 10.19 Camden Property Trust 1999 Employee Share Purchase Plan. Incorporated by reference from Exhibit 10.19 to Camden Property Trust's Form 10-K for the year ended December 31, 1999 (File No. 1-12110).
- 10.20 Form of Senior Executive Loan Guaranty between Camden Operating L.P., Camden USA, Inc. and Bank One, NA. Incorporated by reference from Exhibit 10.20 to Camden Property Trust's Form 10-K for the year ended December 31, 1999 (File No. 1-12110).
- 12.1\* Statement re Computation of Ratios
- 13.1\* Selected pages of the Camden Property Trust Annual Report to Shareholders for the year ended December 31, 2000.
- 21.1\* Subsidiaries of Camden Property Trust.
- 23.1\* Consent of Deloitte & Touche LLP.
- 24.1\* Powers of Attorney for Richard J. Campo, D. Keith Oden, G. Steven Dawson, William R. Cooper, George A. Hrdlicka, Scott S. Ingraham, Lewis A. Levey, F. Gardner Parker and Steven A. Webster.

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\*Filed herewith.

#### 14(b) Reports on Form 8-K

Camden Property Trust did not file any Current Reports on Form 8-K during the fourth quarter of 2000.

## SIGNATURES

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

*March 29, 2001*

*CAMDEN PROPERTY TRUST*

*By: /s/G. Steven Dawson*

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*G. Steven Dawson  
Chief Financial Officer, Senior Vice  
President - Finance and Secretary*

*By: /s/Dennis M. Steen*

-----  
*Dennis M. Steen  
Vice President - Controller, Chief  
Accounting Officer and Treasurer*

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of Camden Property Trust and in the capacities and on the dates indicated.

Name	Title	Date
* ----- Richard J. Campo	Chairman of the Board of Trust Managers and Chief Executive Officer (Principal Executive Officer)	March 29, 2001
* ----- D. Keith Oden	President, Chief Operating Officer and Trust Manager	March 29, 2001
/S/G. Steven Dawson ----- G. Steven Dawson	Senior Vice President-Finance, Chief Financial Officer, Treasurer and Secretary (Principal Financial Officer)	March 29, 2001
/S/Dennis M. Steen ----- Dennis M. Steen	Vice President-Controller and Chief Accounting Officer (Principal Accounting Officer)	March 29, 2001
* ----- William R. Cooper	Trust Manager	March 29, 2001
* ----- George A. Hrdlicka	Trust Manager	March 29, 2001
* ----- Scott S. Ingraham	Trust Manager	March 29, 2001
* ----- Lewis A. Levey	Trust Manager	March 29, 2001
* ----- F. Gardner Parker	Trust Manager	March 29, 2001
* ----- Steven A. Webster	Trust Manager	March 29, 2001

\*By: /S/G. Steven Dawson  
-----  
G. Steven Dawson  
Attorney-in-Fact

**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

The following financial statements of Camden Property Trust and its subsidiaries required to be included in Item 14(a)(1) are listed below:

**Page**

**CAMDEN PROPERTY TRUST**

**Independent Auditors' Report (included herein) .....F-2**

Financial Statements (incorporated by reference under Item 8 of Part II from pages 22 through 38 of our Annual Report to Shareholders for the year ended December 31, 2000):

- Independent Auditors' Report
- Consolidated Balance Sheets as of December 31, 2000 and 1999 Consolidated Statements of Operations for the Years Ended December 31, 2000, 1999 and 1998
- Consolidated Statements of Shareholders' Equity for the Years Ended December 31, 2000, 1999 and 1998 Consolidated Statements of Cash Flows for the Years Ended December 31, 2000, 1999 and 1998
- Notes to Consolidated Financial Statements

The following financial statement supplementary data of Camden Property Trust and its subsidiaries required to be included in Item 14(a)(2) is listed below:

**Schedule III -- Real Estate and Accumulated Depreciation ..... S-1**

## **INDEPENDENT AUDITORS' REPORT**

### **To the Shareholders of Camden Property Trust**

We have audited the consolidated financial statements of Camden Property Trust ("Camden") as of December 31, 2000 and 1999, and for each of the three years in the period ended December 31, 2000, and have issued our report thereon dated February 7, 2001; such consolidated financial statements and report are included in your 2000 Annual Report to Shareholders and are incorporated herein by reference. Our audits also included the financial statement schedule of Camden Property Trust, listed in Item 14. This financial statement schedule is the responsibility of Camden's management. Our responsibility is to express an opinion based on our audits. In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

### **DELOITTE & TOUCHE LLP**

Houston, Texas  
February 7, 2001

**Schedule III**  
**CAMDEN PROPERTY TRUST**  
**REAL ESTATE AND ACCUMULATED DEPRECIATION**  
December 31, 2000

(In thousands)

Description		Encumbrances	Initial Cost to Camden Property Trust		Cost Capitalized Subsequent to Acquisition or Development
Property Name	Location		Land	Building and Improvements	
Apartments	TX	\$ 29,228	\$125,478	\$ 626,792	\$ 63,398
Apartments	AZ	7,982	19,296	129,963	5,966
Apartments	CA	69,342	48,511	102,191	7,642
Apartments	CO	32,583	21,907	163,371	3,229
Apartments	FL	22,169	47,170	334,300	20,278
Apartments	KY	18,305	5,107	66,524	2,964
Apartments	MO	52,476	18,148	120,848	10,597
Apartments	NV	93,431	52,789	371,902	10,646
Apartments	NC	13,575	11,842	75,099	9,030
Properties under Development	NV		3,305	10,028	
Properties under Development	CA		29,211	25,230	
Properties under Development	TX		44,711	36,256	
<b>Total</b>		<b>\$ 339,091</b>	<b>\$427,475</b>	<b>\$ 2,062,504</b>	<b>\$ 133,750</b>

Description	Location	Gross Amount at Which Carried at December 31, 2000 (a)			Accumulated Depreciation(a)	Date Constructed or Acquired	Depreciable Life (Years)
		Land	Building	Total			
Apartments	TX	\$125,478	\$ 690,190	\$ 815,668	\$ 142,229	1993-	3 - 35
Apartments	AZ	19,296	135,929	155,225	22,190	1994-	3 - 35
Apartments	CA	48,511	109,833	158,344	7,674	1998-	3 - 35
Apartments	CO	21,907	166,600	188,507	12,863	1998-	3 - 35
Apartments	FL	47,170	354,578	401,748	45,209	1997-	3 - 35
Apartments	KY	5,107	69,488	74,595	9,103	1997-	3 - 35
Apartments	MO	18,148	131,445	149,593	26,584	1997-	3 - 35
Apartments	NV	52,789	382,548	435,337	36,098	1998-	3 - 35
Apartments	NC	11,842	84,129	95,971	24,773	1997	3 - 35
Properties under Development	NV	3,305	10,028	13,333		1998-	
Properties under Development	CA	29,211	25,230	54,441		1998-	
Properties under Development	TX	44,711	36,256	80,967		1995-	
<b>Total</b>		<b>\$427,475</b>	<b>\$ 2,196,254</b>	<b>\$ 2,623,729</b>	<b>\$ 326,723</b>		

(a) The aggregate cost for federal income tax purposes at December 31,2000 was \$2.2 billion.

The changes in total real estate assets for the years ended December 31, 2000, 1999 and 1998 are as follows:

	2000	1999	1998
	-----	-----	-----
Balance, beginning of period	\$2,656,165	\$ 2,455,458	\$ 1,382,049
Additions during period:			
Acquisition-Oasis		888	997,049
Acquisition-other			139,199
Development	94,444	188,506	193,212
Improvements	27,940	33,366	26,108
Deductions during period:			
Cost of real estate sold-Sierra			
Nevada transaction			(237,423)
Cost of real estate sold-other	(154,820)	(22,053)	(44,736)
	-----	-----	-----
Balance, end of period	\$2,623,729	\$ 2,656,165	\$ 2,455,458
	=====	=====	=====

The changes in accumulated depreciation for the years ended December 31, 2000, 1999 and 1998 are as follows:

	2000	1999	1998
	-----	-----	-----
Balance, beginning of period	\$ 253,545	\$ 167,560	\$ 94,665
Depreciation	94,227	87,491	76,740
Real estate sold	(21,049)	(1,506)	(3,845)
	-----	-----	-----
Balance, end of period	\$ 326,723	\$ 253,545	\$ 167,560
	=====	=====	=====

**EXHIBIT 12.1**

**CAMDEN PROPERTY TRUST  
STATEMENT REGARDING COMPUTATION OF RATIOS  
FOR THE FIVE YEARS ENDED DECEMBER 31, 2000**

(In thousands, except for ratio amounts)

	2000 (4)	1999 (3)	1998	1997 (2)	1996 (1)
	-----	-----	-----	-----	-----
<b>EARNINGS BEFORE FIXED CHARGES:</b>					
Net income before minority interests	\$ 89,730	\$ 71,915	\$ 58,655	\$ 40,093	\$ 8,713
Less: equity in income of joint ventures	(765)	(683)	(1,312)	(1,141)	
	-----	-----	-----	-----	-----
Distributed income of joint ventures	88,965	71,232	57,343	38,952	8,713
Less: interest capitalized	2,122	2,505	2,350	1,939	
Less: preferred distribution of subsidiaries	(15,303)	(16,396)	(9,929)	(3,338)	(4,129)
	-----	-----	-----	-----	-----
Total earnings before fixed charges	62,939	49,063	49,764	37,553	4,584
	-----	-----	-----	-----	-----
<b>FIXED CHARGES:</b>					
Interest expense	69,036	57,856	50,467	28,537	17,336
Interest capitalized	15,303	16,396	9,929	3,338	4,129
Accretion of discount	403	320	169	142	
Loan amortization	1,340	1,100	785	864	825
Interest portion of rental expense	478	517	300	235	143
Preferred distribution of subsidiaries	12,845	8,278			
	-----	-----	-----	-----	-----
Total fixed charges	99,405	84,467	61,650	33,116	22,433
	-----	-----	-----	-----	-----
Total earnings and fixed charges	\$ 162,344	\$ 133,530	\$ 111,414	\$ 70,669	\$ 27,017
	=====	=====	=====	=====	=====
<b>RATIO OF EARNINGS TO FIXED CHARGES</b>	1.63x	1.58x	1.81x	2.13x	1.20x
<b>RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED SHARE DIVIDENDS:</b>					
Total fixed charges	\$ 99,405	\$ 84,467	\$ 61,650	\$ 33,116	\$ 22,433
Preferred share dividends	9,371	9,371	9,371		4
	-----	-----	-----	-----	-----
Total combined fixed charges and preferred share dividends	108,776	93,838	71,021	33,116	22,437
Total earnings and combined fixed charges and preferred share dividends	\$ 171,715	\$ 142,901	\$ 120,785	\$ 70,669	\$ 27,021
	=====	=====	=====	=====	=====
<b>RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED SHARE DIVIDENDS</b>	1.58x	1.52x	1.70x	2.13x	1.20x

(1) Earnings include a \$(5,351) impact from the extinguishment of hedges upon debt refinancing. Excluding this impact, such ratios would be 1.44x.

(2) Earnings include a \$10,170 impact related to gain on sales of properties. Excluding this impact, such ratios would be 1.83x.

(3) Earnings include a \$2,979 impact related to gain on sales of properties. Excluding this impact, such ratios would be 1.55x and 1.49x.

(4) Earnings include a \$18,323 impact related to gain on sales of properties. Excluding this impact, such ratios would be 1.45x and 1.41x.

## EXHIBIT 13.1

### Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with all of the financial statements and notes appearing elsewhere in this report. Historical results and trends which might appear should not be taken as indicative of future operations.

We have made statements in this report that are "forward-looking" in that they do not discuss historical fact, but instead note future expectations, projections, intentions or other items relating to the future. You should not rely on these forward-looking statements because they are subject to known and unknown risks, uncertainties and other factors that may cause our actual results or performance to differ materially from those contemplated by the forward-looking statements. Many of those factors are noted in conjunction with the forward-looking statements in the text. Other important factors that could cause actual results to differ include:

the results of our efforts to implement our property development strategy; the effect of economic and market conditions; our failure to qualify as a real estate investment trust; our cost of capital;  
the actions of our competitors and our ability to respond to those actions; changes in government regulations, tax rates and similar matters; and environmental uncertainties and natural disasters.

Do not rely on these forward-looking statements, which only represent our estimates and assumptions as of the date of this report. We assume no obligation to update or revise any forward-looking statement.

### **Business**

Camden Property Trust is a real estate investment trust and, with our subsidiaries, reports as a single business segment. As of December 31, 2000, we owned interests in, operated or were developing 148 multifamily properties containing 52,874 apartment homes located in nine states. Our properties, excluding properties in lease-up and under development, had a weighted average occupancy rate of 94% for the year ended December 31, 2000. This represents the average occupancy for all our properties in 2000 weighted by the number of apartment homes in each property. Three of our multifamily properties containing 1,538 apartment homes were under development at December 31, 2000. Additionally, we have several sites which we intend to develop into multifamily apartment communities.

On April 8, 1998, we acquired, through a tax-free merger, Oasis Residential, Inc., a publicly traded Las Vegas-based multifamily REIT. Through this acquisition, we acquired 52 completed multifamily properties and 15,514 apartment homes. Each share of Oasis common stock outstanding on April 8, 1998 was exchanged for 0.759 of a Camden common share. Each share of Oasis Series A cumulative convertible preferred stock outstanding on April 8, 1998 was exchanged for one Camden Series A cumulative convertible preferred share with terms and conditions comparable to the Oasis preferred stock. We issued 12.4 million common shares and 4.2 million preferred shares in exchange for the outstanding Oasis common and preferred stock, respectively. We assumed approximately \$484 million of Oasis debt, at fair value in the merger. The accompanying consolidated financial statements include the operations of Oasis since April 1, 1998, the effective date of the Oasis merger for accounting purposes.

In connection with the merger with Oasis, on June 30, 1998, we completed a transaction in which Camden USA, Inc., one of our wholly owned subsidiaries, and TMT-Nevada, L.L.C., a Delaware limited liability company, formed Sierra-Nevada Multifamily Investments, LLC. We entered into this transaction to reduce our market risk in the Las Vegas area. TMT-Nevada holds an 80% interest in Sierra-Nevada and Camden USA holds the remaining 20% interest.

In the above transaction, we transferred to Sierra-Nevada 19 apartment communities containing 5,119 apartment homes for an aggregate of \$248 million. Prior to the merger, Oasis owned 100% of each of these communities. In the merger, Camden USA acquired these communities. As a result, after the merger and prior to the Sierra-Nevada transaction, Camden USA owned 100% of each of these 19 properties which are located in Las Vegas, Nevada. This transaction was funded with capital invested by the members of Sierra-Nevada, the assumption of \$9.9 million of existing nonrecourse indebtedness, the issuance of 17 nonrecourse cross collateralized and cross defaulted loans totaling \$180 million and the issuance of two nonrecourse second lien mortgages totaling \$7 million.

### **Property Update**

During 2000, we completed construction on the following four development properties totaling 1,474 apartment homes: The Park at Caley in Denver, The Park at Lee Vista in Orlando, The Park at Oxmoor in Louisville, and The Park at Arizona Center in Phoenix. We also completed the construction of an additional 151 apartment homes at Miramar, an existing operating property located in Corpus Christi, Texas. Stabilization occurred during 2000 at The Park at Caley, The Park at Holly Springs and The Park at Greenway, both of which are located in Houston, The Park at Goose Creek in Baytown, Texas and for the new units at Miramar. We consider a property stabilized once it reaches 90% occupancy, or generally one year from opening the leasing office, with some allowances for larger than average properties. We expect stabilization to occur at the remaining development properties during 2001. Additionally, construction continued at two properties: The Park at Farmers Market in Dallas and The Park at Crown Valley in Mission Viejo, California, both of which have begun leasing; and we began construction on Camden Harbour View, a 538-unit property located in Long Beach, California.

Dispositions during the year included eleven properties containing 3,599 apartment homes, a mini-storage facility located in Las Vegas and four parcels of undeveloped land. Of the eleven properties sold, three were located in each of Houston, Dallas and Las Vegas, and one was located in each of St. Louis and El Paso. As a result of these sales, we have exited the El Paso market, reduced the number of assets in our three largest markets and believe that we have improved the overall quality and geographic mix of our portfolio. The land sales consisted of two parcels totaling 2.9 acres located in downtown Dallas and one parcel totaling 38.5 acres located in Houston. These parcels of land are adjacent to our land development projects located in those cities, and were sold for commercial and retail use. Additionally, we sold a 19.5 acre tract of land located in Las Vegas which we acquired in our merger with Oasis. We used the net proceeds from these dispositions, totaling \$150.1 million, to reduce indebtedness outstanding under our unsecured line of credit.

Our multifamily property portfolio, excluding land we hold for future development and joint venture properties we do not manage, at December 31, 2000, 1999 and 1998 is summarized as follows:

	2000		1999		1998	
	Apartment Homes	Properties	Apartment Homes	Properties	Apartment Homes	Properties
Operating Properties						
Texas						
Houston	7,190	16	8,258	19	6,345	15
Dallas (a)	8,447	23	9,381	26	9,381	26
Austin	1,745	6	1,745	6	1,745	6
Other	1,663	4	1,641	5	1,641	5
Total Texas Operating Properties	19,045	49	21,025	56	19,112	52
Arizona	2,658	8	2,326	7	2,326	7
California	1,272	3	1,272	3	1,272	3
Colorado (a)	2,529	8	2,312	7	1,972	6
Florida (b)	7,827	17	7,335	17	7,261	17
Kentucky	1,448	5	1,016	4	1,142	5
Missouri	2,719	7	3,327	8	3,327	8
Nevada (a)	11,103	38	11,963	41	12,163	41
North Carolina (a)	2,735	10	2,735	10	2,735	10
Total Operating Properties	51,336	145	53,311	153	51,310	149
Properties Under Development						
Texas						
Houston (c)					2,213	5
Dallas	620	1	620	1	600	1
Arizona			332	1	325	1
California	918	2	380	1	380	1
Colorado			218	1	558	2
Florida (c)			492	1	1,150	3
Kentucky			432	1	432	1
Total Properties Under Development	1,538	3	2,474	6	5,658	14
Total Properties	52,874	148	55,785	159	56,968	163
Less: Joint Venture						
Apartment Homes (a)	6,503		6,504		6,704	
Total Apartment Homes	46,371		49,281		50,264	
- Owned 100%						

(a) The figures include properties held in joint ventures as follows: one property with 708 apartment homes in Dallas and two properties with 556 apartment homes in North Carolina in which we own a 44% interest, the remaining interest is owned by unaffiliated private investors; one property with 320 apartment homes (321 apartment homes at December 31, 1999 and 1998) in Colorado in which we own a 50% interest, the remaining interest is owned by an unaffiliated private investor; and 19 properties with 4,919 apartment homes (5,119 apartment homes at December 31, 1998) in Nevada owned through Sierra-Nevada Multifamily Investments, LLC in which we own a 20% interest.

(b) Includes the combination of operations at January 1, 2000 of two adjacent properties.

(c) The 2000 and 1999 figures exclude two properties classified as Properties Under Development at December 31, 1998 as follows: one property with 300 apartment homes in Houston which is now classified as land held for future development, and one property with 352 apartment homes in Florida which was sold during 1999.

At December 31, 2000, we had three completed properties in lease-up as follows:

Property and Location	Product Type	Number of Apartment Homes	% Leased at 3/16/01	Date of Completion	Estimated Date of Stabilization
The Park at Oxmoor Louisville, KY	Garden	432	86%	1Q00	1Q01
The Park at Lee Vista Orlando, FL	Garden	492	92%	1Q00	1Q01
The Park at Arizona Center Phoenix, AZ	Urban	332	70%	1Q00	3Q01

At December 31, 2000, we had three development properties in various stages of construction as follows:

Property and Location	Product Type	Number of Apartment Homes	Estimated Cost (\$ millions)*	Estimated Date of Completion	Estimated Date of Stabilization
In Lease-Up					
The Park at Farmers Market, Phase I Dallas, TX	Urban	620	\$ 59.9	1Q01	4Q01
The Park at Crown Valley Mission Viejo, CA	Garden	380	58.5	2Q01	4Q01
Under Construction					
Camden Harbour View Long Beach, CA	Urban	538	120.0	2Q03	2Q04
Total development properties		1,538	\$ 238.4		

\*As of December 31, 2000, we had incurred \$123.5 million of the estimated \$238.4 million.

Properties under development in our consolidated financial statements includes \$101.9 million related to the development of three urban land projects located in Dallas, Houston and Long Beach, California. Of this amount, \$47.2 million relates to two of our current development projects - The Park at Farmers Market in Dallas and Camden Harbour View in Long Beach. We have an additional \$22.3 million invested in Dallas, which we may use for the future development of Farmers Market, Phase II, and we are also in the construction phase of for-sale townhomes in this area. We have \$32.4 million invested in additional land under development in Houston and Long Beach. We are currently in the planning phase with respect to these properties to determine whether to further develop apartment homes in these areas. We may also sell certain parcels of all three properties to third parties for commercial and retail development.

Our multifamily property portfolio is diversified throughout markets in the Southwest, Southeast, Midwest and Western regions of the United States. At December 31, 2000 and 1999, our investment in various geographic areas, excluding investment in joint ventures, was as follows:

(Dollars in thousands)	2000		1999	
	-----		-----	
Texas				
Houston	\$ 379,036	14%	\$ 402,997	15%
Dallas	388,212	15	393,223	15
Austin	70,244	3	69,162	3
Other	59,143	2	59,200	2
	-----		-----	
Total Texas Properties	896,635	34	924,582	35
	-----		-----	
Arizona	155,225	6	148,871	6
California	212,785	8	177,394	7
Colorado	188,507	7	184,798	7
Florida	401,748	15	393,569	15
Kentucky	74,595	3	69,322	3
Missouri	149,593	6	172,454	6
Nevada	448,670	17	491,226	18
North Carolina	95,971	4	93,949	3
	-----		-----	
Total Properties	\$ 2,623,729	100%	\$ 2,656,165	100%
	=====		=====	

Beginning in 1999, we entered into agreements with unaffiliated third parties to develop, construct and manage nine multifamily projects in five states containing a total of 3,112 apartment homes. We are providing financing for a portion of each project in the form of notes receivable which mature through 2005. These notes earn interest at 10% annually and are secured by second liens on the assets and partial guarantees by the third party owners. At December 31, 2000 and 1999, these notes had principal balances totaling \$72.9 million and \$28.1 million, respectively. We anticipate funding up to an aggregate of \$110 million in connection with these projects. We expect these notes to be repaid from operating cash flow or proceeds from the sale of the individual properties. We have begun construction on four of these projects, and initial occupancy has begun on three of the projects. We have the option to purchase these properties in the future at a price to be determined based upon the property's performance and an agreed valuation model.

## Liquidity and Capital Resources

### Financial Structure

We intend to continue maintaining what management believes to be a conservative capital structure by:

- (i) using what management believes is a prudent combination of debt and common and preferred equity;
- (ii) extending and sequencing the maturity dates of our debt where possible;
- (iii) managing interest rate exposure using fixed rate debt and hedging where management believes it is appropriate;
- (iv) borrowing on an unsecured basis in order to maintain a substantial number of unencumbered assets; and
- (v) maintaining conservative coverage ratios.

The interest expense coverage ratio, net of capitalized interest, was 3.4 and 3.7 times for the years ended December 31, 2000 and 1999, respectively. At December 31, 2000 and 1999, 75.6% and 76.0%, respectively, of our real estate assets (based on invested capital) were unencumbered.

## Liquidity

We intend to meet our short-term liquidity requirements through cash flows provided by operations, our unsecured line of credit discussed in the "Financial Flexibility" section and other short-term borrowings. We expect that our ability to generate cash will be sufficient to meet our short-term liquidity needs, which include:

- (i) normal operating expenses;
- (ii) current debt service requirements;
- (iii) recurring capital expenditures;
- (iv) property development; and
- (v) distributions on our common and preferred equity.

We consider our long-term liquidity requirements to be the repayment of maturing debt and borrowings under our unsecured line of credit and funding of acquisitions. We intend to meet our long-term liquidity requirements through the use of common and preferred equity capital, senior unsecured debt and property dispositions.

We intend to concentrate our growth efforts toward selective development and acquisition opportunities in our current markets, and through the acquisition of existing operating and development properties in selected new markets. During the year ended December 31, 2000, we incurred \$94.4 million in development costs and no acquisition costs. We are developing three additional properties at an aggregate cost of approximately \$238.4 million of which we incurred \$68.1 million during 2000. Remaining costs on these three properties, at December 31, 2000, totaled approximately \$ 114.9 million. At year end, we were obligated for approximately \$13 million under construction contracts (a substantial amount of which we expect to fund by debt). We intend to fund our developments and acquisitions through a combination of equity capital, partnership units, medium-term notes, construction loans, other debt securities and the unsecured line of credit. We also seek to selectively dispose of assets that management believes have a lower projected net operating income growth rate than the overall portfolio, or no longer conform to our operating and investment strategies. Additionally, over the next three years, we will continue rebalancing our portfolio with the goal of limiting any one market to no more than 12% of total real estate assets. Such sales may generate capital for acquisitions and new developments or for debt reduction.

Dispositions during the year included eleven properties containing 3,599 apartment homes, a mini-storage facility located in Las Vegas and four parcels of undeveloped land. Of the eleven properties sold, three were located in each of Houston, Dallas and Las Vegas, and one was located in each of St. Louis and El Paso. The land sales consisted of two parcels totaling 2.9 acres located in downtown Dallas and one parcel totaling 38.5 acres located in Houston. Additionally, we sold a 19.5 acre tract of land located in Las Vegas which we acquired in our merger with Oasis. We used the net proceeds from these dispositions, totaling \$150.1 million, to reduce indebtedness outstanding under our unsecured line of credit.

During 2000, we invested approximately \$750,000 into BroadBand Residential Inc., a multi-unit owner-sponsored broadband company providing high-speed data services to multi-family residents, and invested approximately \$2.1 million in Viva Group, Inc., an internet based company that provides online owner-renter matching services for the multi-family housing industry. Our investment in Broadband Residential is recorded using the equity method, and our investment in Viva is recorded at cost. Both of these investments are recorded in other assets in our consolidated financial statements. Additionally, we have signed a commitment to invest up to \$3.5 million with a consortium of real estate and technology companies which intends to pursue a broad range of real estate technology initiatives and opportunities. All of these investments were made along with other multi-family real estate owners. Subsequent to yearend, we

committed an additional \$1.8 million to BroadBand Residential which will be funded through a note receivable, of which we have funded approximately \$600,000.

Net cash provided by operating activities totaled \$163.8 million for 2000 compared to \$164.0 million for 1999. This slight decrease was attributable to a \$20.4 million increase in net operating income from the real estate portfolio for 2000 as compared to 1999, offset by a \$11.1 million increase in interest expense and a \$4.6 million increase in distributions on units convertible into perpetual preferred shares. Net operating income represents total property revenues less property operating and maintenance expenses, including real estate taxes. Also during the year, other assets increased \$9.2 million.

Net cash used in investing activities totaled \$13.1 million for the year ended 2000 compared to \$220.6 million in 1999. Total real estate assets, before accumulated depreciation, decreased \$31.7 million for 2000 as a result of property sales in excess of property additions, compared to an increase of \$190.1 million during 1999. Net cash flows used in investing activities during 2000 included \$150.1 million in net proceeds received from property dispositions. This increase in cash was offset by expenditures for property development and capital improvements totaling \$94.4 million and \$27.9 million, respectively for the year. For the year ended 1999, expenditures for property development and capital improvements were \$188.5 million and \$33.4 million, respectively. Additionally, we received \$13.2 million in net proceeds from property dispositions during 1999.

Net cash used in financing activities totaled \$151.3 million for the year ended 2000 compared to net cash provided by financing activities of \$56.4 million for 1999. During 2000, we paid distributions totaling \$112.9 million, repaid notes payable totaling \$107.4 million and repurchased \$31.2 million in common shares and units convertible into common shares. These payments were offset by the issuances of \$17.5 million of preferred units, which are discussed in the "Financial Flexibility" section, and an increase in borrowings under our line of credit of \$80.0 million. For the year ended 1999, we paid distributions totaling \$108.3 million and repurchased \$128.9 million common shares and units convertible into common shares. Additionally, during the year ended 1999, we issued \$135.5 million of preferred units and \$254.5 million of senior unsecured notes. The proceeds from these issuances were used to pay down borrowings under our line of credit, which decreased \$66.0 million during 1999.

In 1998, we began repurchasing our securities under a program approved by our Board of Trust Managers. The plan allows us to repurchase or redeem up to \$200 million of our securities through open market purchases and private transactions. Management consummates these repurchases and redemptions at the time when they believe that we can reinvest available cash flow into our own securities at yields which exceed those currently available on direct real estate investments. These repurchases were made and we expect that future repurchases, if any, will be made without incurring additional debt and, in management's opinion, without reducing our financial flexibility. At December 31, 2000, we had repurchased approximately 6.9 million common shares and redeemed approximately 106,000 units at a total cost of \$180.9 million.

On January 17, 2001, we paid a distribution of \$0.5625 per share for the fourth quarter of 2000 to all holders of record of our common shares as of December 18, 2000, and paid an equivalent amount per unit to holders of common limited partnership units in Camden Operating, L.P. Total distributions to common shareholders and holders of common operating partnership units for the year ended December 31, 2000 were \$2.25 per share or unit. We determine the amount of cash available for distribution to unitholders in accordance with the partnership agreements and have made and intend to continue to make distributions to the holders of common operating partnership units in amounts equivalent to the per share distributions paid to holders of common shares. We intend to continue to make shareholder distributions in accordance with REIT qualification requirements under the federal tax code while maintaining what

management believes to be a conservative payout ratio, and expect to continue reducing the payout ratio. The dividend payout ratio was 64% and 65% for the years ended December 31, 2000 and 1999, respectively.

On February 15, 2001, we paid a quarterly dividend on our preferred shares of \$0.5625 per share to all preferred shareholders of record as of December 18, 2000. Total dividends to holders of preferred shares for the year ended December 31, 2000 were \$2.25 per share.

In 1999, our operating partnership issued \$100 million of 8.5% Series B Cumulative Redeemable Perpetual Preferred Units. Also during 1999 and 2000, our operating partnership issued \$53 million of 8.25% Series C Cumulative Redeemable Perpetual Preferred Units. Distributions on the preferred units are payable quarterly in arrears. The preferred units are redeemable for cash by the operating partnership on or after the fifth anniversary of issuance at par plus the amount of any accumulated and unpaid distributions. The preferred units are convertible after 10 years by the holder into corresponding Cumulative Redeemable Perpetual Preferred Shares. The preferred units are subordinate to present and future debt. Distributions on the preferred units totaled \$12.8 million for the year ended December 31, 2000.

### **Financial Flexibility**

During the third quarter of 2000, our line of credit, which was entered into in August 1999 with 14 banks for a total commitment of \$375 million, was increased to \$400 million and the maturity was extended to August 2003. The scheduled interest rate is currently based on a spread over LIBOR or Prime. The scheduled interest rates are subject to change as our credit ratings change. Advances under the line of credit may be priced at the scheduled rates, or we may enter into bid rate loans with participating banks at rates below the scheduled rates. These bid rate loans have terms of six months or less and may not exceed the lesser of \$200 million or the remaining amount available under the line of credit. The line of credit is subject to customary financial covenants and limitations. At year end, we were in compliance with all covenants and limitations.

As an alternative to our unsecured line of credit, we from time to time borrow using competitively bid unsecured short-term notes with lenders who may or may not be a part of the unsecured line of credit bank group. Such borrowings vary in term and pricing and are typically priced at interest rates below those available under the unsecured line of credit.

As of December 31, 2000, we had \$204 million available under the unsecured line of credit. During January 2000, we combined our three outstanding shelf registrations into a single \$750 million universal shelf registration, all of which was available at year end. The shelf registration allows us to issue up to \$750 million in debt securities and common and preferred equity securities. We have significant unencumbered real estate assets which could be sold or used as collateral for financing purposes should other sources of capital not be available.

Subsequent to year end, we issued from our \$750 million shelf registration an aggregate principal amount of \$50 million of 7% five-year senior unsecured notes maturing on February 15, 2006 and \$150 million of 7.625% ten-year senior unsecured notes maturing on February 15, 2011. Interest on the notes is payable semiannually on February 15 and August 15, commencing on August 15, 2001. We may redeem the notes at any time at a redemption price equal to the principal amount and accrued interest, plus a make-whole provision. The notes are direct, senior unsecured obligations and rank equally with all other unsecured and unsubordinated indebtedness. The proceeds from the sale of the notes were \$197.8 million, net of issuance costs. We used the net proceeds to reduce indebtedness outstanding under the unsecured line of credit.

## **Market Risk**

We use fixed and floating rate debt to finance acquisitions, developments and maturing debt. These transactions expose us to market risk related to changes in interest rates. Management's policy is to review our borrowings and attempt to mitigate interest rate exposure through the use of derivative instruments. Our policy regarding the use of derivative financial instruments in managing market risk exposures is consistent with the prior year and is not expected to change in future years. We do not use derivative financial instruments for trading or speculative purposes. As of December 31, 2000, we had no derivative instruments outstanding.

For fixed rate debt, interest rate changes affect the fair market value but do not impact net income to common shareholders or cash flows. Conversely, for floating rate debt, interest rate changes generally do not affect the fair market value but do impact net income to common shareholders and cash flows, assuming other factors are held constant.

At December 31, 2000, we had fixed rate debt of \$879.5 million and floating rate debt of \$258.6 million. Holding other variables constant (such as debt levels), a one percentage point variance in interest rates would change the unrealized fair market value of the fixed rate debt by approximately \$27.6 million. The net income to common shareholders and cash flows impact on the next year resulting from a one percentage point variance in interest rates on floating rate debt would be approximately \$2.6 million, holding all other variables constant.

## **Funds from Operations**

Management considers FFO to be an appropriate measure of performance of an equity REIT. The National Association of Real Estate Investment Trusts currently defines FFO as net income (computed in accordance with generally accepted accounting principles), excluding gains (or losses) from debt restructuring and sales of property, plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Our definition of diluted FFO also assumes conversion at the beginning of the period of all dilutive convertible securities, including minority interest, which are convertible into common equity.

We believe that in order to facilitate a clear understanding of our consolidated historical operating results, FFO should be examined in conjunction with net income as presented in the consolidated financial statements and data included elsewhere in this report. FFO is not defined by generally accepted accounting principles. FFO should not be considered as an alternative to net income as an indication of our operating performance or to net cash provided by operating activities as a measure of our liquidity. Further, FFO as disclosed by other REIT's may not be comparable to our calculation. Our diluted FFO for the year ended December 31, 2000 increased \$3.9 million over 1999. On a per share basis, diluted FFO for 2000 increased 9.4% over 1999. This increase in diluted FFO was due to a \$20.4 million increase in net operating income from our real estate portfolio, offset by an increase in interest on debt which was used to fund developments and repurchase shares under our securities repurchase program, and an increase in distributions on units convertible into perpetual preferred shares.

The calculation of basic and diluted FFO for the years ended December 31, 2000 and 1999 follows:

(In thousands)

	2000	1999
Funds from operations		
Net income to common shareholders	\$ 65,053	\$ 52,252
Real estate depreciation	94,277	87,491
Real estate depreciation from unconsolidated ventures	3,238	3,198
Loss on sale of property held in unconsolidated ventures		738
Gain on sales of properties and joint venture interests	(18,323)	(2,979)
Funds from operations - basic	144,245	140,700
Preferred share dividends	9,371	9,371
Income allocated to units convertible into common shares	2,461	2,014
Interest on convertible subordinated debentures	177	258
Amortization of deferred costs on convertible debentures	20	26
Funds from operations - diluted	\$ 156,274	\$ 152,369
Weighted average shares - basic	38,112	41,236
Common share options and awards granted	729	431
Preferred shares	3,207	3,207
Minority interest units	2,547	2,624
Convertible subordinated debentures	105	146
Weighted average shares - diluted	44,700	47,644

## Results of Operations

Changes in revenues and expenses related to the operating properties from period to period are primarily due to property acquisitions, including the Oasis merger during 1998, developments, dispositions and improvements in the performance of the stabilized properties in the portfolio. Where appropriate, comparisons are made on a dollars-per-weighted-average-apartment homes basis in order to adjust for such changes in the number of apartment homes owned during each period. Selected weighted average revenues and expenses per operating apartment home for the three years ended December 31, 2000 are as follows:

	2000	1999	1998
Rental income per apartment home per month	\$ 653	\$ 623	\$ 591
Property operating and maintenance per apartment home per year	\$ 2,424	\$ 2,367	\$ 2,290
Real estate taxes per apartment home per year	\$ 840	\$ 798	\$ 742
Weighted average number of operating apartment homes	46,501	45,606	42,411

## 2000 Compared to 1999

Earnings before interest, depreciation and amortization increased \$21.1 million, or 9.8%, from \$216.3 million to \$237.4 million for the years ended December 31, 1999 and 2000, respectively. The weighted average number of apartment homes increased by 895 apartment homes, or 1.9%, from 45,606 to 46,501 for the years ended December 31, 1999 and 2000, respectively. Total operating properties were 122 and 130 at December 31, 2000 and 1999, respectively. The weighted average number of apartment homes and the operating properties exclude the impact of our ownership interest in properties owned in joint ventures.

Our apartment communities generate rental revenue and other income through the leasing of apartment homes. Revenues from our rental operations comprised 97% and 98% of our total revenues for the years ended December 31, 2000 and 1999,

respectively. Our primary financial focus for our apartment communities is net operating income. Net operating income represents total property revenues less property operating and maintenance expenses, including real estate taxes. Net operating income increased \$20.4 million, or 9.3%, from \$218.9 million to \$239.4 million for the years ended December 31, 1999 and 2000, respectively.

Rental income for the year ended December 31, 2000 increased \$22.9 million, or 6.7% over the year ended December 31, 1999. Rental income per apartment home per month increased \$30, or 4.8%, from \$623 to \$653 for the years ended December 31, 1999 and 2000, respectively. The increase was primarily due to increased revenue growth from the stabilized real estate portfolio and higher average rental rates on the completed development properties. Additionally, overall average occupancy increased from 93.4% for the year ended December 31, 1999 to 94.0% for the year ended December 31, 2000.

Other property income increased \$4.9 million from \$22.1 million to \$27.0 million for the years ended December 31, 1999 and 2000, respectively, which represents a monthly increase of \$8 per apartment home. This increase in other property income was primarily due to increases from revenue sources such as telephone, cable and water.

Other income increased \$3.9 million from \$1.9 million to \$5.8 million for the years ended December 31, 1999 and 2000, respectively. This increase was primarily due to interest earned on our notes receivable which increased \$38.5 million during the year.

Property operating and maintenance expenses increased \$4.8 million or 4.4%, from \$108.0 million to \$112.7 million, but decreased as a percent of total property income from 29.7% to 28.8%, for the years ended December 31, 1999 and 2000, respectively. The increase in operating expense was due to a larger number of apartment homes in operation and an increase in salary and benefit expenses per unit. Our operating expense ratios decreased primarily as a result of operating efficiencies generated by our newly developed properties.

Real estate taxes increased \$2.6 million from \$36.4 million to \$39.1 million for the years ended December 31, 1999 and 2000, respectively, which represents an annual increase of \$42 per apartment home. The increase was primarily due to increases in the valuations of renovated and developed properties and increases in property tax rates.

General and administrative expenses increased \$3.7 million, from \$10.6 million in 1999 to \$14.3 million in 2000, and increased as a percent of revenues from 2.9% to 3.6%. The increase was primarily due to increases in incentive-based compensation expense, including the vesting of previously issued and outstanding restricted performance-based compensation awards related to successful implementation of our land development strategy, and expenses related to our information technology initiatives. Excluding the vesting of the restricted awards associated with the land sales, the general and administrative expense percentage would have been 3.0% of revenues for the year ended December 31, 2000.

Interest expense increased from \$57.9 million in 1999 to \$69.0 million in 2000 primarily due to interest on debt incurred to fund new development and repurchase securities under our repurchase program. Interest capitalized was \$15.3 million and \$16.4 million for the years ended December 31, 2000 and 1999, respectively.

Depreciation and amortization increased from \$89.5 million to \$97.0 million. This increase was due primarily to the completion of new development and capital expenditures over the past two years, partially offset by property dispositions.

Gains on sales of properties for the year ended December 31, 2000 totaled \$18.3 million due to the sale of eleven properties containing a total of 3,599 apartment homes. Also included in the gain is the sale of a mini-storage facility in Las Vegas and the sale of approximately 61 acres of undeveloped land located in Las Vegas, Dallas and Houston. Gains on sales of properties for the year ended December 31, 1999 totaled \$3.0 million due to the sale of two multifamily properties containing 358 units and the sale of our investment in two commercial office buildings. The gains recorded on these 1999 dispositions were partially offset by a loss on the sale of a retail/commercial center. The gains in 1999 do not include a loss on the sale of a 408 unit property held in a joint venture of \$738,000 which is included in "Equity in income of joint ventures."

Distributions on units convertible into perpetual preferred shares increased \$4.6 million, from \$8.3 million for the year ended December 31, 1999 to \$12.8 million for the year ended December 31, 2000. This increase is attributable to our issuances of perpetual preferred units during 1999 and 2000 as follows: \$100 million in February 1999; \$35.5 million in August and September of 1999; and \$17.5 million in January 2000.

### **1999 Compared to 1998**

Earnings before interest, depreciation and amortization increased \$29.1 million, or 15.5%, from \$187.2 million to \$216.3 million for the years ended December 31, 1998 and 1999, respectively. The weighted average number of apartment homes increased by 3,195 apartment homes, or 7.5%, from 42,411 to 45,606 for the years ended December 31, 1998 and 1999, respectively. Total operating properties were 126 and 130 at December 31, 1998 and 1999, respectively. The weighted average number of apartment homes and the operating properties exclude the impact of our ownership interest in operating properties and apartment homes owned in joint ventures.

Our apartment communities generate rental revenue and other income through the leasing of apartment homes. Revenues from our rental operations comprised 98% of our total revenues for the years ended December 31, 1999 and 1998. Our primary financial focus for our apartment communities is net operating income. Net operating income represents total property revenues less property operating and maintenance expenses, including real estate taxes. Net operating income increased \$28.8 million, or 15.2%, from \$190.1 million to \$218.9 million for the years ended December 31, 1998 and 1999, respectively.

Rental income per apartment home per month increased \$32, or 5.4%, from \$591 to \$623 for the years ended December 31, 1998 and 1999, respectively. The increase was primarily due to a 3.0% increase in revenues from the stabilized real estate portfolio, higher average rental rates on properties added to the portfolio through the Oasis merger and on four of the five acquired properties, and the completion of new development properties with higher average rental rates. Additionally, seven of the eight disposed properties had average rental rates significantly lower than the portfolio average.

Other property income increased \$4.1 million from \$18.1 million to \$22.1 million for the years ended December 31, 1998 and 1999, respectively, which represents a monthly increase of \$4 per apartment home. This increase in other property income was primarily due to a larger number of apartment homes owned and in operation and a \$2.7 million increase from revenue sources such as telephone, cable and water.

Fee and asset management income increased \$3.8 million from \$1.6 million to \$5.4 million for the years ended December 31, 1998 and 1999, respectively. This increase is primarily due to fees generated from the construction and renovation of multifamily properties for third parties.

Property operating and maintenance expenses increased \$10.8 million, from \$97.1 million to \$108.0 million, but decreased as a percent of total property income from 30.5% to 29.7% for the years ended December 31, 1998 and 1999, respectively. Our operating expense ratio decreased from the prior year primarily as a result of our continued focus on creating operating efficiencies in the stabilized portfolio, and the impact of our April 1, 1998 adoption of a new accounting policy, whereby expenditures for floor coverings, appliances and HVAC unit replacements are expensed in the first five years of a property's life and capitalized thereafter. Prior to the adoption of this policy, we had been expensing these costs. Had this policy change been adopted as of January 1, 1998, the operating expense ratio would have been 30.1%.

Real estate taxes increased \$4.9 million from \$31.5 million to \$36.4 million for the years ended December 31, 1998 and 1999, respectively, which represents an annual increase of \$56 per apartment home. Real estate taxes per apartment home have increased due to increases in the valuations of renovated, acquired and developed properties and increases in property tax rates. This increase per apartment home was partially offset by lower property taxes in the portfolio added through the Oasis merger.

General and administrative expenses increased from \$8.0 million in 1998 to \$10.6 million in 1999, and increased as a percent of revenues from 2.5% to 2.9%. The general and administrative expense ratio increase is primarily attributable to the impact of our March 20, 1998 adoption of Issue No. 97-11, "Accounting for Internal Costs Relating to Real Estate Property Acquisitions", which required certain costs that were previously capitalized to be expensed, an increase in compensation costs and additional expenses associated with training and information systems functions.

Interest expense increased from \$50.5 million in 1998 to \$57.9 million in 1999 primarily due to increased indebtedness related to the Oasis merger, completed developments, renovations and property acquisitions. Additionally, the average interest rate on our debt increased slightly from 7.1% for 1998 to 7.2% for the year ended 1999. Interest capitalized was \$16.4 million and \$9.9 million for the years ended December 31, 1999 and 1998, respectively.

Depreciation and amortization increased from \$78.1 million to \$89.5 million. This increase was due primarily to the Oasis merger, developments, renovations and property acquisitions.

Gains on sales of properties and joint venture interests increased \$3.0 million due to gains from the disposition of two multifamily properties containing 358 units and the sale of our joint venture investment in two commercial office buildings. The gains recorded on these dispositions were partially offset by a loss on the sale of a retail/commercial center. These gains do not include a loss on the sale of a 408 unit property held in a joint venture of \$738,000 which is included in "Equity in income of joint ventures."

## **Inflation**

We lease apartments under lease terms generally ranging from six to thirteen months. Management believes that such short-term lease contracts lessen the impact of inflation due to the ability to adjust rental rates to market levels as leases expire.

## **Impact of New Accounting Pronouncements**

In June 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities", which is effective for all fiscal years beginning after June 15, 2000. SFAS No. 133, as amended, establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities. Under SFAS No. 133, certain contracts that were not formerly

considered derivatives may now meet the definition of a derivative. We have adopted SFAS No. 133 effective January 1, 2001. The adoption of SFAS No. 133 did not have a material impact on our financial position, results of operations, or cash flows.

In December 1999, the SEC issued Staff Accounting Bulletin ("SAB") No. 101, "Revenue Recognition in Financial Statements." SAB No. 101 provides guidance on revenue recognition as well as the presentation and disclosure of revenue in financial statements for all public companies. Our rental and other property income is recorded when due from residents and is recognized monthly as it is earned. Our apartment homes are rented to residents on lease terms generally ranging from six to thirteen months, with monthly payments due in advance. We are currently following the criteria set forth in SAB No. 101 to determine when revenue can be recognized, and therefore our adoption of SAB No. 101 during 2000 did not have a material impact on our financial statements.

## **INDEPENDENT AUDITORS' REPORT**

### **To the Shareholders of Camden Property Trust**

We have audited the accompanying consolidated balance sheets of Camden Property Trust as of December 31, 2000 and 1999, and the related consolidated statements of operations, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the management of Camden Property Trust. Our responsibility is to express an opinion on the financial statements based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Camden Property Trust at December 31, 2000 and 1999, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2000 in conformity with accounting principles generally accepted in the United States of America.

### **DELOITTE & TOUCHE LLP**

Houston, Texas  
February 7, 2001

**CAMDEN PROPERTY TRUST  
CONSOLIDATED BALANCE SHEETS**

(In thousands, except per share amounts)

	December 31,	
	2000	1999
<b>Assets</b>		
Real estate assets, at cost		
Land	\$ 350,248	\$ 354,833
Buildings and improvements	2,124,740	2,122,793
	2,474,988	2,477,626
Less: accumulated depreciation	(326,723)	(253,545)
	2,148,265	2,224,081
Net operating real estate assets	2,148,265	2,224,081
Properties under development, including land	148,741	178,539
Investment in joint ventures	22,612	21,869
	2,319,618	2,424,489
Total real estate assets		
Accounts receivable-- affiliates	3,236	2,228
Notes receivable:		
Affiliates	1,800	1,800
Other	72,893	34,442
Other assets, net	23,923	14,744
Cash and cash equivalents	4,936	5,517
Restricted cash	4,475	4,712
	\$ 2,430,881	\$ 2,487,932
	\$ 2,430,881	\$ 2,487,932
<b>Liabilities and Shareholders' Equity</b>		
<b>Liabilities</b>		
Notes payable:		
Unsecured	\$ 799,026	\$ 820,623
Secured	339,091	344,467
Accounts payable	13,592	20,323
Accrued real estate taxes	26,781	24,485
Accrued expenses and other liabilities	36,981	33,987
Distributions payable	28,900	27,114
	1,244,371	1,270,999
Total liabilities		
Minority interests:		
Units convertible into perpetual preferred shares	149,815	132,679
Units convertible into common shares	60,562	64,173
	210,377	196,852
Total minority interests		
7.33% Convertible Subordinated Debentures	1,950	3,406
<b>Shareholders' Equity</b>		
Convertible preferred shares of beneficial interest;		
\$2.25 Series A Cumulative Convertible, \$0.01 par		
value per share, liquidation preference of \$25 per		
share, 10,000 shares authorized, 4,165 issued and		
outstanding at December 31, 2000 and 1999	42	42
Common shares of beneficial interest; \$0.01 par value		
per share; 100,000 shares authorized; 45,760 and		
45,317 issued at December 31, 2000 and 1999,		
respectively	450	448
Additional paid-in capital	1,312,323	1,303,645
Distributions in excess of net income	(153,972)	(132,198)
Unearned restricted share awards	(6,680)	(8,485)
Less: treasury shares, at cost	(177,980)	(146,777)
	974,183	1,016,675
Total shareholders' equity		
	\$ 2,430,881	\$ 2,487,932
Total liabilities and shareholders' equity	\$ 2,430,881	\$ 2,487,932

**See Notes to Consolidated Financial Statements.**

**CAMDEN PROPERTY TRUST**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

(In thousands, except per share amounts)

	Year Ended December 31,		
	2000	1999	1998
<b>Revenues</b>			
Rental income	\$ 364,111	\$ 341,168	\$ 300,632
Other property income	27,030	22,148	18,093
<b>Total property income</b>	<b>391,141</b>	<b>363,316</b>	<b>318,725</b>
Equity in income of joint ventures	765	683	1,312
Fee and asset management	5,810	5,373	1,552
Other income	5,823	1,924	2,250
<b>Total revenues</b>	<b>403,539</b>	<b>371,296</b>	<b>323,839</b>
<b>Expenses</b>			
Property operating and maintenance	112,727	107,972	97,137
Real estate taxes	39,054	36,410	31,469
General and administrative	14,349	10,606	7,998
Interest	69,036	57,856	50,467
Depreciation and amortization	96,966	89,516	78,113
<b>Total expenses</b>	<b>332,132</b>	<b>302,360</b>	<b>265,184</b>
Income before gain on sales of properties and joint venture interests, and minority interests	71,407	68,936	58,655
Gain on sales of properties and joint venture interests	18,323	2,979	
Income before minority interests	89,730	71,915	58,655
Income allocated to minority interests			
Distributions on units convertible into perpetual preferred shares	(12,845)	(8,278)	
Income allocated to units convertible into common shares	(2,461)	(2,014)	(1,322)
<b>Total income allocated to minority interests</b>	<b>(15,306)</b>	<b>(10,292)</b>	<b>(1,322)</b>
Net income	74,424	61,623	57,333
Preferred share dividends	(9,371)	(9,371)	(9,371)
Net income to common shareholders	\$ 65,053	\$ 52,252	\$ 47,962
Basic earnings per share	\$ 1.71	\$ 1.27	\$ 1.16
Diluted earnings per share	\$ 1.63	\$ 1.23	\$ 1.12
Distributions declared per common share	\$ 2.25	\$ 2.08	\$ 2.02
Weighted average number of common shares outstanding	38,112	41,236	41,174
Weighted average number of common and common dilutive equivalent shares outstanding	41,388	44,291	44,183

**See Notes to Consolidated Financial Statements.**

CAMDEN PROPERTY TRUST  
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(In thousands, except per share amounts)

	Preferred Shares of Beneficial Interest	Common Shares of Beneficial Interest	Additional Paid-In Capital	Distributions in Excess of Net Income	Unearned Restricted Share Awards	Treasury Shares
Shareholders' Equity, January 1, 1998	\$	\$ 317	\$ 780,738	\$ (63,526)	\$ (6,965)	\$
Net income to common shareholders				47,962		
Common shares issued in Oasis Merger (12,393 shares)		124	395,404			
Preferred shares issued in Oasis Merger (4,165 shares)	42		104,083			
Common shares issued under dividend reinvestment plan			35			
Conversion of debentures (102 shares)		1	2,408			
Restricted shares issued under benefit plan (232 shares)		2	6,675		(3,076)	
Employee Stock Purchase Plan			(136)			
Restricted shares placed into Rabbi Trust (236 shares)		(2)			2	
Common share options exercised (82 shares)		1	428			
Conversion of Operating Partnership units (346 shares)		4	9,904			
Repurchase of common shares (801 shares)						(20,704)
Cash distributions (\$2.02 per share)				(83,333)		
Shareholders' Equity, December 31, 1998	42	447	1,299,539	(98,897)	(10,039)	(20,704)
Net income to common shareholders				52,252		
Common shares issued under dividend reinvestment plan			28			
Conversion of debentures (7 shares)			169			
Restricted shares issued under benefit plan (90 shares)		1	2,041		1,559	
Employee Stock Purchase Plan			(522)			
Restricted shares placed into Rabbi Trust (35 shares)			5		(5)	
Common share options exercised (80 shares)			1,806			
Conversion of Operating Partnership units (23 shares)			479			
Repurchase of minority interest units			100			
Repurchase of common shares (4,890 shares)						(126,073)
Cash distributions (\$2.08 per share)				(85,553)		
Shareholders' Equity, December 31, 1999	42	448	1,303,645	(132,198)	(8,485)	(146,777)
Net income to common shareholders				65,053		
Common shares issued under dividend reinvestment plan			23			
Conversion of debentures (61 shares)		1	1,462			
Restricted shares issued under benefit plan (329 shares)		3	6,195		1,805	
Employee Stock Purchase Plan			(189)			
Restricted shares placed into Rabbi Trust (241 shares)		(2)	2			
Common share options exercised (46 shares)			1,052			
Conversion of Operating Partnership units (6 shares)			133			
Repurchase of common shares (1,166 shares)						(31,203)
Cash distributions (\$2.25 per share)				(86,827)		
Shareholders' Equity, December 31, 2000	\$ 42	\$ 450	\$1,312,323	\$ (153,972)	\$ (6,680)	\$(177,980)

**See Notes to Consolidated Financial Statements.**

**CAMDEN PROPERTY TRUST**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In thousands)

	Year Ended December 31,		
	2000	1999	1998
<b>Cash Flow from Operating Activities</b>			
Net income	\$ 74,424	\$ 61,623	\$ 57,333
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	96,966	89,516	78,113
Equity in income of joint ventures, net of cash received	1,959	2,491	1,278
Gain on sales of properties and joint venture interests	(18,323)	(2,979)	
Income allocated to units convertible into common shares	2,461	2,014	1,322
Accretion of discount on unsecured notes payable	403	320	169
Net change in operating accounts	5,931	11,036	204
Net cash provided by operating activities	163,821	164,021	138,419
<b>Cash Flow from Investing Activities</b>			
Cash of Oasis at acquisition			7,253
Net proceeds from Sierra-Nevada transaction			226,128
Increase in real estate assets	(120,636)	(213,352)	(335,567)
Net proceeds from sales of properties	150,141	13,226	42,513
Net proceeds from sale of joint venture interests		5,465	6,841
Increase in investment in joint ventures	(2,702)	(2,012)	(4,922)
Decrease in investment in joint ventures		1,505	1,478
Increase in notes receivable	(38,451)	(23,530)	
Net decrease in affiliate notes receivable			5,389
Other	(1,488)	(1,873)	(4,126)
Net cash used in investing activities	(13,136)	(220,571)	(55,013)
<b>Cash Flow from Financing Activities</b>			
Net increase (decrease) in unsecured lines of credit and short-term borrowings	80,000	(66,000)	146,792
Proceeds from notes payable		253,380	152,600
Losses related to early retirement of debt			
Repayment of notes payable	(107,376)	(25,178)	(274,473)
Proceeds from issuance of preferred units, net	17,136	132,679	
Distributions to shareholders and minority interests	(112,850)	(108,253)	(89,115)
Repurchase of common shares and units	(31,203)	(128,929)	(20,704)
Other	3,027	(1,279)	673
Net cash (used in) provided by financing activities	(151,266)	56,420	(84,227)
Net decrease in cash and cash equivalents	(581)	(130)	(821)
Cash and cash equivalents, beginning of period	5,517	5,647	6,468
Cash and cash equivalents, end of period	\$ 4,936	\$ 5,517	\$ 5,647
<b>Supplemental Information</b>			
Cash paid for interest, net of interest capitalized	\$ 70,310	\$ 54,226	\$ 51,574
Interest capitalized.....	15,303	16,396	9,929
<b>Supplemental Schedule of Noncash Investing and Financing Activities</b>			
Acquisition of Oasis (including the Sierra-Nevada transaction), net of cash acquired:			
Fair value of assets acquired	\$	\$ 835	\$ 793,513
Liabilities assumed		835	505,721
Common shares issued			395,528
Preferred shares issued			104,125
Fair value of minority interest			21,520
Notes payable assumed upon purchase of properties			22,424
Conversion of 7.33% subordinated debentures to common shares, net	1,456	169	2,409
Value of shares issued under benefit plans, net	5,873	2,047	6,821
Conversion of operating partnership units to common shares	144	479	9,881
Notes receivable issued upon sale of real estate assets		10,912	

**See Notes to Consolidated Financial Statements.**

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. Business

Camden Property Trust is a self-administered and self-managed real estate investment trust organized on May 25, 1993. We, with our subsidiaries, report as a single business segment, with activities related to the ownership, development, construction and management of multifamily apartment communities in the Southwest, Southeast, Midwest and Western regions of the United States. As of December 31, 2000, we owned interests in, operated or were developing 148 multifamily properties containing 52,874 apartment homes located in nine states. Three of our multifamily properties containing 1,538 apartment homes were under development at December 31, 2000. Additionally, we have several sites which we intend to develop into multifamily apartment communities.

**Acquisition of Oasis Residential, Inc.** On April 8, 1998, we acquired, through a tax-free merger, Oasis Residential, Inc., a publicly traded Las Vegas-based multifamily REIT. Through this acquisition, we acquired 52 completed multifamily properties and 15,514 apartment homes at the date of acquisition. Each share of Oasis common stock outstanding on April 8, 1998 was exchanged for 0.759 of a Camden common share. Each share of Oasis Series A cumulative convertible preferred stock outstanding on April 8, 1998 was exchanged for one Camden Series A cumulative convertible preferred share with terms and conditions comparable to the Oasis preferred stock. We issued 12.4 million common shares and 4.2 million preferred shares in exchange for the outstanding Oasis common and preferred stock, respectively. We assumed approximately \$484 million of Oasis debt, at fair value, in the merger. The accompanying consolidated financial statements include the operations of Oasis since April 1, 1998, the effective date of the Oasis merger for accounting purposes.

In connection with the merger with Oasis, on June 30, 1998, we completed a transaction in which Camden USA, Inc., one of our wholly owned subsidiaries, and TMT-Nevada, L.L.C., a Delaware limited liability company, formed Sierra-Nevada Multifamily Investments, LLC. We entered into this transaction to reduce our market risk in the Las Vegas area. TMT-Nevada holds an 80% interest in Sierra-Nevada and Camden USA holds the remaining 20% interest.

In the above transaction, we transferred to Sierra-Nevada 19 apartment communities containing 5,119 apartment homes for an aggregate of \$248 million. Prior to the merger, Oasis owned 100% of each of these communities. In the merger, Camden USA acquired these communities. As a result, after the merger and prior to the Sierra-Nevada transaction, Camden USA owned 100% of each of these 19 properties which are located in Las Vegas, Nevada. This transaction was funded with capital invested by the members of Sierra-Nevada, the assumption of \$9.9 million of existing nonrecourse indebtedness, the issuance of 17 nonrecourse cross collateralized and cross defaulted loans totaling \$180 million and the issuance of two nonrecourse second lien mortgages totaling \$7 million.

### 2. Summary of Significant Accounting Policies

**Principles of Consolidation.** The consolidated financial statements include our assets, liabilities and operations and those of our wholly-owned subsidiaries and partnerships in which our aggregate ownership is greater than 50%. Those entities owned less than 50% where significant influence is in effect are accounted for using the equity method. Those entities owned less than 50% where significant influence is not exercised are accounted for using the cost method. All significant intercompany accounts and transactions have been eliminated in consolidation. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and

liabilities at the date of the financial statements, results of operations during the reporting periods and related disclosures. Actual results could differ from those estimates.

**Operating Partnership and Minority Interests.** Approximately 27% of our multifamily apartment units at December 31, 2000 were held in Camden Operating, L.P. This operating partnership has issued both common and preferred limited partnership units. As of December 31, 2000, we held 82.4% of the common limited partnership units and the sole 1% general partnership interest of the operating partnership. The remaining 16.6% of the common limited partnership units are primarily held by former officers, directors and investors of Paragon Group, Inc., which we acquired in 1997, who collectively owned 1,969,272 common limited partnership units at December 31, 2000. Each common limited partnership unit is redeemable for one common share of Camden or cash at our election. Holders of common limited partnership units are not entitled to rights as shareholders prior to redemption of their common limited partnership units. No member of our management owns common limited partnership units and only two of our eight Trust Managers own common limited partnership units.

In 1999, our operating partnership issued \$100 million of 8.5% Series B Cumulative Redeemable Perpetual Preferred Units. Also during 1999 and 2000, our operating partnership issued \$53 million of 8.25% Series C Cumulative Redeemable Perpetual Preferred Units. Distributions on the preferred units are payable quarterly in arrears. The preferred units are redeemable for cash by the operating partnership on or after the fifth anniversary of issuance at par plus the amount of any accumulated and unpaid distributions. The preferred units are convertible after 10 years by the holder into corresponding Cumulative Redeemable Perpetual Preferred Shares. The preferred units are subordinate to present and future debt.

Additionally, in conjunction with the Oasis merger, we acquired the controlling managing member interest in Oasis Martinique, LLC which owns one property in Orange County, California and is included in our consolidated financial statements. The remaining interests comprising 754,270 units are exchangeable into 572,490 of our common shares.

Minority interests in the accompanying consolidated financial statements relate to holders of common and preferred limited partnership units of Camden Operating, L.P. and units in Oasis Martinique, LLC.

**Cash and Cash Equivalents.** All cash and investments in money market accounts and other securities with a maturity of three months or less at the date of purchase are considered to be cash and cash equivalents.

**Restricted Cash.** Restricted cash mainly consists of escrow deposits held by lenders for property taxes, insurance and replacement reserves. Substantially all restricted cash is invested in short-term securities.

**Real Estate Assets, at Cost.** Real estate assets are carried at cost plus capitalized carrying charges. Expenditures directly related to the development, acquisition and improvement of real estate assets, excluding internal costs relating to acquisitions, are capitalized at cost as land, buildings and improvements. All construction and carrying costs are capitalized and reported on the balance sheet in "Properties under development, including land" until individual buildings are completed. Upon completion of each building, the total cost of that building and the associated land is transferred to "Land" and "Buildings and improvements" and the assets are depreciated over their estimated useful lives using the straight line method of depreciation. All operating expenses, excluding depreciation, associated with occupied apartment homes for properties in the development and leasing phase are expensed against revenues generated by those apartment homes as they become occupied. Upon achieving 90% occupancy, or generally one year from opening the leasing office (with some

allowances for larger than average properties), whichever occurs first, all apartment homes are considered operating and we begin expensing all items that were previously considered as carrying costs.

If an event or change in circumstance indicates a potential impairment in the value of a property has occurred, our policy is to assess any potential impairment by making a comparison of the current and projected operating cash flows for such property over its remaining useful life, on an undiscounted basis, to the carrying amount of the property. If such carrying amounts are in excess of the estimated projected operating cash flows of the property, we would recognize an impairment loss equivalent to an amount required to adjust the carrying amount to its estimated fair market value.

Real estate to be disposed of is reported at the lower of its carrying amount or its estimated fair value, less its cost to sell. Depreciation expense is not recorded during the period in which such assets are held for sale.

Effective April 1, 1998, we implemented prospectively a new accounting policy whereby expenditures for carpet, appliances and HVAC unit replacements are capitalized and depreciated over their estimated useful lives. Previously, all such replacements had been expensed. We believe that the newly adopted accounting policy is preferable as it is consistent with standards and practices utilized by the majority of our peers and provides a better matching of expenses with the related benefit of the expenditure. The change in accounting principle is inseparable from the effect of the change in accounting estimate and is therefore treated as a change in accounting estimate. See New Accounting Pronouncements section for the effect of this change and our adoption of a new accounting pronouncement on our financial results for the nine months ended December 31, 1998.

We capitalized \$27.9 million and \$33.4 million in 2000 and 1999, respectively, of renovation and improvement costs which extended the economic lives and enhanced the earnings of our multifamily properties.

Carrying charges, principally interest and real estate taxes, of land under development and buildings under construction are capitalized as part of properties under development and buildings and improvements to the extent that such charges do not cause the carrying value of the asset to exceed its net realizable value. Capitalized interest was \$15.3 million in 2000, \$16.4 million in 1999 and \$9.9 million in 1998. Capitalized real estate taxes were \$2.9 million in 2000, \$3.2 million in 1999 and \$1.4 million in 1998.

All initial buildings and improvements costs are depreciated over their remaining estimated useful lives of 5 to 35 years using the straight line method. Capital improvements subsequent to the initial renovation period are depreciated over their expected useful lives of 3 to 15 years using the straight line method.

Other Assets, Net. Other assets in our consolidated financial statements include deferred financing costs, non-real estate leasehold improvements and equipment, investments in e-commerce initiatives and other miscellaneous receivables. Deferred financing costs are amortized over the terms of the related debt on the straight line method. Leasehold improvements and equipment are depreciated on the straight line method over the shorter of the expected useful lives or the lease terms which range from 3 to 10 years. Accumulated depreciation and amortization for such assets was \$9.0 million in 2000 and \$5.6 million in 1999.

Interest Rate Swap Agreements. The differential to be paid or received on interest rate swap agreements is accrued as interest rates change and is recognized over the life of the agreements as an increase or decrease in interest expense. We do not use these instruments for trading or speculative purposes.

**Income Recognition.** In December 1999, the SEC issued Staff Accounting Bulletin ("SAB") No. 101, "Revenue Recognition in Financial Statements." SAB No. 101 provides guidance on revenue recognition as well as the presentation and disclosure of revenue in financial statements for all public companies. Our rental and other property income is recorded when due from residents and is recognized monthly as it is earned. Our apartment homes are rented to residents on lease terms generally ranging from six to thirteen months, with monthly payments due in advance. Interest, fee and asset management and all other sources of income are recognized as earned. We are currently following the criteria set forth in SAB No. 101 to determine when revenue can be recognized, and therefore our adoption of SAB No. 101 during 2000 did not have a material impact on our financial statements.

**Rental Operations.** We own and operate multifamily apartment homes that are rented to residents. None of the properties are subject to rent control or rent stabilization. Operations of apartment properties acquired are recorded from the date of acquisition in accordance with the purchase method of accounting. In management's opinion, due to the number of residents, the type and diversity of submarkets in which the properties operate, and the collection terms, there is no concentration of credit risk.

**Income Taxes and Distributions.** We have maintained and intend to maintain our election as a REIT under the Internal Revenue Code of 1986, as amended. As a result, we generally will not be subject to federal taxation to the extent we distribute 95% of our REIT taxable income to our shareholders and satisfy certain other requirements. The distribution percentage decreases to 90% beginning 2001. Accordingly, no provision for federal income taxes has been included in the accompanying consolidated financial statements.

Taxable income differs from net income for financial reporting purposes due principally to the timing of the recognition of depreciation expense. This difference is primarily due to the difference in the book/tax basis of the real estate assets and the differing methods of depreciation and useful lives of the assets. During 2000, book depreciation expense exceeded the amount reported for tax purposes by \$19.1 million. The net book basis of our real estate assets exceeds our net tax basis by \$185.5 million at December 31, 2000.

A schedule of per share distributions we paid and reported to our shareholders is set forth in the following tables:

Common Share Distributions	Year Ended December 31,		
	2000	1999	1998
-----	-----	-----	-----
Ordinary income	\$ 1.71	\$ 2.08	\$ 1.68
20% Long-term capital gain	0.11		0.10
25% Sec. 1250 capital gain	0.43		0.24
	-----	-----	-----
Total	\$ 2.25	\$ 2.08	\$ 2.02
	=====	=====	=====
Percentage of distributions representing tax preference items.	12.090%	12.187%	9.052%

Preferred Share Dividends	Year Ended December 31		
	2000	1999	1998*
-----	-----	-----	-----
Ordinary income	\$ 1.71	\$ 2.25	\$ 1.40
20% Long-term capital gain	0.11		0.09
25% Sec. 1250 capital gain	0.43		0.20
	-----	-----	-----
Total	\$ 2.25	\$ 2.25	\$ 1.69
	=====	=====	=====

\* Preferred share dividends for 1998 only include dividends paid from date of the Oasis merger through December 31, 1998.

Property Operating and Maintenance Expenses. Property operating and maintenance expenses included normal repairs and maintenance totaling \$27.6 million in 2000, \$24.5 million in 1999 and \$21.5 million in 1998.

Earnings Per Share. Basic earnings per share is computed based on net income to common shareholders and the weighted average number of common shares outstanding. Diluted earnings per share reflects common shares issuable from the assumed conversion of common share options and awards granted, preferred shares, units convertible into common shares and convertible subordinated debentures. Only those items that have a dilutive impact on our basic earnings per share are included in diluted earnings per share. The following table presents information necessary to calculate basic and diluted earnings per share for the periods indicated (in thousands, except per share amounts).

	Year Ended December 31,		
	2000	1999	1998
<b>BASIC EARNINGS PER SHARE</b>			
Weighted average common shares outstanding	38,112	41,236	41,174
	=====	=====	=====
Basic earnings per share	\$ 1.71	\$ 1.27	\$ 1.16
	=====	=====	=====
<b>DILUTED EARNINGS PER SHARE</b>			
Weighted average common shares outstanding	38,112	41,236	41,174
Shares issuable from assumed conversion of:			
Common share options and awards granted	729	431	399
Units convertible into common shares	2,547	2,624	2,610
	-----	-----	-----
Weighted average common shares outstanding, as adjusted	41,388	44,291	44,183
	=====	=====	=====
Diluted earnings per share	\$ 1.63	\$ 1.23	\$ 1.12
	=====	=====	=====
<b>EARNINGS FOR BASIC AND DILUTED COMPUTATION</b>			
Net income	\$ 74,424	\$ 61,623	\$ 57,333
Less: preferred share dividends	9,371	9,371	9,371
	-----	-----	-----
Net income to common shareholders (basic earnings per share computation)	65,053	52,252	47,962
Income allocated to units convertible into common shares	2,461	2,014	1,322
	-----	-----	-----
Net income to common shareholders, as adjusted (diluted earnings per share computation)	\$ 67,514	\$ 54,266	\$ 49,284
	=====	=====	=====

Reclassifications. Certain reclassifications have been made to amounts in prior year financial statements to conform with current year presentations.

New Accounting Pronouncements. In March 1998, the Emerging Issues Task Force ("EITF") of the Financial Accounting Standards Board ("FASB") reached a consensus decision on Issue No. 97-11, "Accounting for Internal Costs Relating to Real Estate Property Acquisitions", which requires that internal costs of identifying and acquiring operating properties be expensed as incurred for transactions entered into on or after March 20, 1998. Prior to our adoption of this policy, we had been capitalizing such costs. Had we adopted Issue No. 97-11 and the new accounting policy for floor coverings, appliances and HVAC unit replacements as of January 1, 1998, net income to common shareholders would have increased \$650,000 or \$0.02 per basic and diluted earnings per share for the year ended December 31, 1998.

In June 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for

Derivative Instruments and Hedging Activities", which is effective for all fiscal years beginning after June 15, 2000. SFAS No. 133, as amended, establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities. Under SFAS No. 133, certain contracts that were not formerly considered derivatives may now meet the definition of a derivative. We have adopted SFAS No. 133 effective January 1, 2001. The adoption of SFAS No. 133 did not have a material impact on our financial position, results of operations, or cash flows.

### 3. Notes Receivable

Beginning in 1999, we entered into agreements with unaffiliated third parties to develop, construct and manage nine multifamily projects containing a total of 3,112 apartment homes. We are providing financing for a portion of each project in the form of notes receivable which mature through 2005. These notes earn interest at 10% annually and are secured by second liens on the assets and partial guarantees by the third party owners. We expect these notes to be repaid from operating cash flow or proceeds from the sale of the individual properties. At December 31, 2000 and 1999, these notes had principal balances totaling \$72.9 million and \$28.1 million, respectively, and we anticipate funding up to an aggregate of \$110 million in connection with these projects. We earn fees for managing the development, construction and eventual operations of these properties. The related fees we earned for these projects totaled \$2.2 million and \$1.7 million for the years ended December 31, 2000 and 1999, respectively. We have begun construction on four of these projects, and initial occupancy has begun on three of the projects. We have the option to purchase these properties in the future at a price to be determined based upon the property's performance and an agreed valuation model. The following is a detail of our third party construction subject to notes receivable:

Property and Location	Number of Apartment Homes	Estimated Cost (\$ millions)	Estimated/ Actual Date of Completion	Estimated Date of Stabilization
In lease-up				
Pecos Ranch				
Phoenix, AZ	272	\$ 21	4Q00	1Q01
Marina Pointe II				
Tampa, FL	352	30	1Q01	3Q01
Creekside				
Denver, CO	279	32	1Q01	4Q01
Under Construction				
Ybor City				
Tampa, FL	454	40	4Q01	3Q02
Pre-Development				
Little Italy				
San Diego, CA	160	32		
Otay Ranch				
San Diego, CA	422	57		
California Oaks				
Murietta, CA	264	35		
Lee Vista II				
Orlando, FL	366	31		
Midtown West				
Houston, TX	543	54		
Total Third Party Development	3,112	\$ 332		

#### 4. Notes Payable

The following is a summary of our indebtedness:

(In millions)

	December 31,	
	2000	1999
Senior Unsecured Notes:		
6.73% - 7.28% Notes, due 2001 - 2006	\$ 523.5	\$ 523.1
6.68% - 7.63% Medium-Term Notes, due 2002 - 2009	79.5	181.5
Unsecured Line of Credit and Short-Term Borrowings	196.0	116.0
	-----	-----
	799.0	820.6
Secured Notes - Mortgage Loans (5.75% - 8.63%), due 2001-2028	339.1	344.5
	-----	-----
Total notes payable	\$ 1,138	\$ 1,165.1
	=====	=====
Floating rate debt included in unsecured notes payable agreements (7.31% - 7.73%)	\$ 196.0	\$ 161.0
Floating rate tax-exempt debt included in mortgage loans (5.87% - 6.10%)	\$ 62.6	\$ 63.5
Net book value of real estate assets subject to mortgage notes	\$ 577.6	\$ 605.5

During the third quarter of 2000, our line of credit, which was entered into in August 1999 with 14 banks for a total commitment of \$375 million, was increased to \$400 million and the maturity was extended to August 2003. The scheduled interest rate is currently based on a spread over LIBOR or Prime. The scheduled interest rates are subject to change as our credit ratings change. Advances under the line of credit may be priced at the scheduled rates, or we may enter into bid rate loans with participating banks at rates below the scheduled rates. These bid rate loans have terms of six months or less and may not exceed the lesser of \$200 million or the remaining amount available under the line of credit. The line of credit is subject to customary financial covenants and limitations. At year end, we were in compliance with all covenants and limitations.

As of December 31, 2000, we had \$204 million available under our unsecured line of credit. The weighted average balance outstanding on the unsecured lines of credit during the year ended December 31, 2000 was \$156.4 million, with a maximum outstanding balance of \$222 million.

During September 1999, we executed three interest rate swap agreements totaling \$70 million which matured in October 2000. These swaps were being used as a hedge of interest rate exposure on our \$90 million medium term notes issued in October 1998 which matured in October 2000.

At December 31, 2000, the weighted average interest rate on floating rate debt was 7.18%.

Scheduled principal repayments on all notes payable outstanding at December 31, 2000 over the next five years are \$167.5 million in 2001, \$40.4 million in 2002, \$321.5 million in 2003, \$235.3 million in 2004, \$61.9 million in 2005 and \$311.5 million thereafter.

During January 2000, we combined our three outstanding shelf registrations into a single \$750 million universal shelf registration, all of which was available at year end.

On February 7, 2001, we issued from our \$750 million shelf registration an aggregate principal amount of \$50 million of 7% five-year senior unsecured notes maturing on February 15, 2006 and \$150 million of 7.625% ten-year senior unsecured notes maturing on February 15, 2011. Interest on the notes is payable semiannually on February 15 and August 15, commencing on August 15, 2001. We may redeem the notes at any time at a redemption price equal to the principal amount and accrued interest, plus a make-whole provision. The notes are direct, senior

unsecured obligations and rank equally with all other unsecured and unsubordinated indebtedness. The proceeds from the sale of the notes were \$197.8 million, net of issuance costs. We used the net proceeds to reduce indebtedness outstanding under the unsecured line of credit.

## 5. Convertible Subordinated Debentures

In April 1994, we issued \$86.3 million aggregate principal amount of 7.33% Convertible Subordinated Debentures due April 2001. The debentures are convertible at any time prior to maturity into our common shares of beneficial interest at a conversion price of \$24 per share, subject to adjustment under certain circumstances. The debentures will not be redeemable prior to maturity, except in certain circumstances intended to maintain our status as a REIT. Interest on the debentures is payable on April and October 1 of each year. The debentures are unsecured and subordinated to present and future senior debt and will be effectively subordinated to all debt and other liabilities.

## 6. Incentive and Benefit Plans

We have elected to follow Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees ("APB No. 25") and related interpretations in accounting for our share-based compensation. Under APB No. 25, since the exercise price of share options equals the market price of our shares at the date of grant, no compensation expense is recorded. Restricted shares are recorded to compensation expense over the vesting periods based on the market value on the date of grant, and no compensation expense is recorded for our Employee Stock Purchase Plan ("ESPP"), since the ESPP is considered non-compensatory. We have adopted the disclosure-only provisions of SFAS No. 123, Accounting for Stock-Based Compensation.

**Incentive Plan.** We have a non-compensatory option plan which was amended in 2000 by our shareholders and trust managers. This amendment resulted in an increase in the maximum number of common shares available for issuance under the plan to 10% of the common shares outstanding at any time plus the number of common shares, if any, held as treasury shares, plus the number of common shares reserved for issuance upon the conversion of securities convertible into or exchangeable for common shares. Compensation awards that can be granted under the plan include various forms of incentive awards including incentive share options, non-qualified share options and restricted share awards. The class of eligible persons that can receive grants of incentive awards under the plan consists of non-employee trust managers, key employees, consultants, and directors of subsidiaries as determined by a committee of our Board of Trust Managers. No incentive awards may be granted under this plan after May 27, 2003.

Following is a summary of the activity of the plan for the three years ended December 31, 2000:

	Shares Available for Issuance		Options and Restricted Shares				
	2000	2000	Weighted Average 2000 Price	1999	Weighted Average 1999 Price	1998	Weighted Average 1998 Price
Balance at January 1	196,273	3,311,705	\$ 27.50	2,838,499	\$ 28.03	1,303,849	\$ 24.94
Current Year Share Adjustment (a)	1,507,731						
<b>Options</b>							
Granted	(5,250)	5,250	25.88	603,072	24.88	1,657,008	29.32
Exercised		(147,589)	29.22	(79,650)	22.67	(82,327)	22.96
Forfeited	36,083	(36,083)	27.09	(139,768)	27.38	(271,538)	23.57
<b>Net Options</b>	<b>30,833</b>	<b>(178,422)</b>	<b>28.91</b>	<b>383,654</b>	<b>27.71</b>	<b>1,303,143</b>	<b>30.92</b>
<b>Restricted Shares</b>							
Granted	(260,114)	260,114	26.91	142,826	25.31	248,769	29.06
Forfeited		(41,693)	27.24	(53,274)	27.01	(17,262)	27.67
<b>Net Restricted Shares</b>	<b>(260,114)</b>	<b>218,421</b>	<b>26.80</b>	<b>89,552</b>	<b>26.79</b>	<b>231,507</b>	<b>29.16</b>
<b>Balance at December 31</b>	<b>1,474,723</b>	<b>3,351,704</b>	<b>\$ 28.30</b>	<b>3,311,705</b>	<b>\$ 27.50</b>	<b>2,838,499</b>	<b>\$ 28.03</b>
Exercisable options at December 31		889,654	\$ 28.78	1,056,076	\$ 27.86	586,607	\$ 26.26
Vested restricted shares at December 31		655,504	\$ 25.56	343,702	\$ 25.93	213,782	\$ 25.20

(a) Current year share adjustment reflects the new method of accounting for shares available for issuance, which now includes treasury shares repurchased, and common shares underlying Camden Operating, L.P. units, convertible preferred shares, convertible debentures, martinique LLC units, and restricted shares outstanding in the total shares available pool.

Options are exercisable, subject to the terms and conditions of the plan, in increments of 33.33% per year on each of the first three anniversaries of the date of grant. The plan provides that the exercise price of an option will be determined by the compensation committee of the Board on the day of grant and to date all options have been granted at an exercise price which equals the fair market value on the date of grant. Options exercised during 2000 were exercised at prices ranging from \$22 to \$29.44 per share. At December 31, 2000, options outstanding were at exercise prices ranging from \$22 to \$30.75 per share. Such options have a weighted average remaining contractual life of eight years.

In 1998, in connection with the merger with Oasis, we assumed the Oasis stock incentive plans. We converted all unexercised Oasis stock options issued under the former Oasis stock incentive plans that are held by former employees of Oasis into 894,111 options to purchase Camden common shares based on the 0.759 exchange ratio described in Note 1. The options are exercisable at prices ranging from \$28.66 to \$33.76. All of the Oasis options became fully vested upon conversion, and have a weighted average remaining contractual life of four years. As of December 31, 2000, there were 599,618 Oasis options outstanding, which are exercisable at prices ranging from \$28.66 to \$33.76 per share.

The fair value of each option grant, excluding the Oasis stock options, was estimated on the date of grant utilizing the Black-Scholes option pricing model with the following weighted average assumptions used for grants in 2000, 1999 and 1998, respectively: risk-free interest rates of 6.6%, 4.9% and 5.5% to 5.6%, expected life of ten years, dividend yield of 6.7%, 7.6% and 7.8%, and expected share volatility of 13.4% 13.7% and 13.9%. The weighted average fair value of options granted in 2000, 1999 and 1998, respectively, was \$2.54, \$0.91 and \$1.27 per share.

Restricted shares have vesting periods of up to five years. The compensation cost for restricted shares has been recognized at the fair market value of our shares. During 2000, we accelerated vesting of 180,634 restricted shares, which had a weighted average price of \$27.74, in connection with the successful implementation of our land development and strategy.

Employee Stock Purchase Plan. In July 1997, we established and commenced an ESPP for all active employees, officers, and trust managers who have completed one year of continuous service. Participants may elect to purchase Camden common shares through payroll or director fee deductions and/or through quarterly contributions. At the end of each six-month offering period, each participant's account balance is applied to acquire common shares on the open market at 85% of the market value, as defined, on the first or last day of the offering period, whichever price is lower. Effective for the 2000 plan year, each participant must hold the shares purchased for nine months in order to receive the discount. A participant may not purchase more than \$25,000 in value of shares during any plan year, as defined. No compensation expense was recognized for the difference in price paid by employees and the fair market value of our shares at the date of purchase. There were 35,900, 98,456 and 32,678 shares purchased under the ESPP during 2000, 1999 and 1998, respectively. The weighted average fair value of ESPP shares purchased in 2000, 1999, and 1998 was \$28.67, \$27.42 and \$30.41 per share, respectively. On January 3, 2001, 6,020 shares were purchased under the ESPP related to the 2000 plan year.

If we applied the recognition provisions of SFAS No. 123 to our option grants and ESPP, our net income to common shareholders and related basic and diluted earnings per share would be as follows (in thousands, except per share amounts):

	Year Ended December 31,		
	2000	1999	1998
Net income to common shareholders	\$ 64,317	\$ 51,076	\$ 47,360
Basic earnings per share	\$ 1.69	\$ 1.24	\$ 1.15
Diluted earnings per share	\$ 1.62	\$ 1.20	\$ 1.10

The effects of applying SFAS No. 123 in this pro forma disclosure are not indicative of future amounts.

Rabbi Trust. In February 1997, we established a rabbi trust in which salary and bonus amounts awarded to certain officers under the key employee share option plan and restricted shares awarded to certain officers and trust managers may be deposited. We account for the rabbi trust similar to a compensatory stock option plan. At December 31, 2000, approximately 773,000 restricted shares were held in the rabbi trust.

401(k) Savings Plan. We have a 401(k) savings plan which is a voluntary defined contribution plan. Under the savings plan, every employee is eligible to participate beginning on the earlier of January 1 or July 1 following the date the employee has completed six months of continuous service with us. Each participant may make contributions to the savings plan by means of a pre-tax salary deferral which may not be less than 1% nor more than 15% of the participant's compensation. The federal tax code limits the annual amount of salary deferrals that may be made by any participant. We may make matching contributions on the participant's behalf. A participant's salary deferral contribution will always be 100% vested and nonforfeitable. A participant will become vested in our matching contributions 33.33% after one year of service, 66.67% after two years of service and 100% after three years of service. Expenses under the savings plan were not material.

## 7. Securities Repurchase Program

In 1998 and 1999, the Board of Trust Managers authorized us to repurchase or redeem up to \$200 million of our common equity securities through open market

purchases and private transactions. As of December 31, 2000, we had repurchased 6,857,726 common shares and redeemed 105,814 units for a total cost of \$178.0 million and \$2.9 million, respectively.

#### 8. Convertible Preferred Shares

The 4,165,000 preferred shares pay a cumulative dividend quarterly in arrears in an amount equal to \$2.25 per share per annum. The preferred shares generally have no voting rights and have a liquidation preference of \$25 per share plus accrued and unpaid distributions. The preferred shares are convertible at the option of the holder at any time into common shares at a conversion price of \$32.4638 per common share (equivalent to a conversion rate of 0.7701 per common share for each preferred share), subject to adjustment in certain circumstances. The preferred shares are not redeemable prior to April 30, 2001.

#### 9. E-commerce Investments

During 2000, our Board of Trust Managers authorized us to invest in non-real estate initiatives, including investments in e-commerce initiatives with other multi-family real estate owners. These investments may be made in companies that will provide our residents with a broad range of real estate technology services including high-speed data, video and entertainment services, as well as resident portals. These portals will provide our residents with a variety of online services, including online rental payments and maintenance requests, which we believe will improve their overall living experience.

During 2000, we invested approximately \$750,000 into BroadBand Residential Inc., a multi-unit owner-sponsored broadband company providing high-speed data services to multi-family residents, and invested approximately \$2.1 million in Viva Group, Inc., an internet based company that provides online owner-renter matching services for the multi-family housing industry. Our investment in Broadband Residential is recorded using the equity method, and our investment in Viva is recorded at cost. Both of these investments are recorded in other assets in our consolidated financial statements. Additionally, we have signed a commitment to invest up to \$3.5 million with a consortium of real estate and technology companies which intends to pursue a broad range of real estate technology initiatives and opportunities. All of these investments were made along with other multi-family real estate owners. In January 2001, we committed an additional \$1.8 million to BroadBand Residential which will be funded through a note receivable, of which we have funded approximately \$600,000.

#### 10. Related Party Transactions

Two of our executive officers have loans totaling \$1.8 million with one of our nonqualified-REIT subsidiaries. The executives utilized amounts received from these loans to purchase our common shares in 1994. The loans mature in February 2004 and bear interest at the fixed rate of 5.23%. These loans are full recourse obligations of the officers and do not require any prepayments of principal until maturity.

In connection with the Paragon and Oasis mergers and the formation of Sierra-Nevada, we began performing property management services for owners of affiliated properties. Management fees earned on the properties amounted to \$944,000, \$845,000, and \$583,000 for the years ended December 31, 2000, 1999, and 1998, respectively.

In connection with the Oasis merger, we entered into consulting agreements with two former Oasis executives, one of whom currently serves as a trust manager, to locate potential investment opportunities in California. We paid consulting fees totaling \$389,000 and \$340,000 to these executives in 1999 and 1998, respectively. No fees were paid during 2000.

In 1999 and 2000, our Board of Trust Managers approved a plan which permitted six of our senior executive officers to complete the purchase of \$23.0 million of our common shares in open market transactions. The purchases were funded with unsecured full recourse personal loans made to each of the executives by a third party lender. The loans mature in five years, bear interest at market rates and require interest to be paid quarterly. In order to facilitate the employee share purchase transactions, we entered into a guaranty agreement with the lender for payment of all indebtedness, fees and liabilities of the officers to the lender. Simultaneously, we entered into a reimbursement agreement with each of the executive officers whereby each executive officer has indemnified us and absolutely and unconditionally agreed to reimburse us should any amounts ever be paid by us pursuant to the terms of the guaranty agreement. The reimbursement agreements require the executives to pay interest from the date any amounts are paid by us until repayment by the officer. We have not had to perform under the guaranty agreement.

As described in Note 9, we invested approximately \$750,000 in BroadBand Residential, Inc. and \$2.1 million in Viva Group, Inc. One of our trust managers is a director, executive officer and significant shareholder of Viva. In connection with our investment in BroadBand Residential, one of our executive officers was given a seat on its board of directors.

#### 11. Fair Value of Financial Instruments

SFAS No. 107 requires disclosure about fair value for all financial instruments, whether or not recognized, for financial statement purposes. Disclosure about fair value of financial instruments is based on pertinent information available to management as of December 31, 2000 and 1999. Considerable judgment is necessary to interpret market data and develop estimated fair values. Accordingly, the estimates presented herein are not necessarily indicative of the amounts we could obtain on disposition of the financial instruments. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

As of December 31, 2000 and 1999, management estimates that the fair value of cash and cash equivalents, accounts receivable, notes receivable, accounts payable, accrued expenses and other liabilities and distributions payable are carried at amounts which reasonably approximate their fair value.

As of December 31, 2000, the outstanding balance of fixed rate notes payable approximates fair value. As of December 31, 1999, the outstanding balance of fixed rate notes payable of \$985.6 million (excluding \$25 million of variable rate debt fixed through an interest rate swap agreement) had a fair value of \$963.5 million. Both estimates were based upon interest rates available for the issuances of debt with similar terms and remaining maturities. The floating rate notes payable balance at December 31, 2000 and 1999 approximates fair value.

The fair value of our interest rate swap agreements, which were used for hedging purposes, were estimated by obtaining quotes from an investment broker. At December 31, 1999, there were no carrying amounts related to these arrangements in the consolidated balance sheet, and the fair value of these agreements was approximately \$90,000. At December 31, 2000, we were not party to any interest rate swap agreements.

We were exposed to credit risk in the event of nonperformance by counterparties to our interest rate swap agreements, but had no off-balance sheet risk of loss. Our counter-parties fully performed their obligations under the agreements.

## 12. Net Change in Operating Accounts

The effect of changes in the operating accounts on cash flows from operating activities is as follows:

(In thousands)	Year Ended December 31,		
	2000	1999	1998
Decrease (increase) in assets:			
Accounts receivable - affiliates	\$ (65)	\$ (1,085)	\$ 1,496
Other assets, net	(3,565)	38	1,518
Restricted cash	237	(426)	1,272
Increase (decrease) in liabilities:			
Accounts payable	(6,999)	(3,768)	11,570
Accrued real estate taxes	3,526	3,011	3,879
Accrued expenses and other liabilities	12,797	13,266	(19,531)
Change in operating accounts	\$ 5,931	\$ 11,036	\$ 204

## 13. Commitments and Contingencies

**Construction Contracts.** As of December 31, 2000, we were obligated for approximately \$13.0 million of additional expenditures (a substantial amount of which we expect to be provided by debt).

**Lease Commitments.** At December 31, 2000, we had long-term leases covering certain land, office facilities and equipment. Rental expense totaled \$1.6 million in 2000, \$1.7 million in 1999 and \$1.0 million in 1998. Minimum annual rental commitments for the years ending December 31, 2001 through 2005 are \$1.7 million, \$1.5 million, \$1.3 million, \$1.2 million and \$1.2 million, respectively, and \$7.0 million in the aggregate thereafter.

**Employment Agreements.** We have employment agreements with six of our senior officers, the terms of which expire at various times through August 20, 2001. Such agreements provide for minimum salary levels as well as various incentive compensation arrangements, which are payable based on the attainment of specific goals. The agreements also provide for severance payments in the event certain situations occur such as termination without cause or a change of control. The severance payments vary based on the officer's position and amount to one times the current salary base for four of the officers and 2.99 times the average annual compensation over the previous three fiscal years for the two remaining officers. Six months prior to expiration, unless notification of termination is given by the senior officers, these agreements extend for one year from the date of expiration.

**Contingencies.** Prior to our merger with Oasis, Oasis had been contacted by certain regulatory agencies with regards to alleged failures to comply with the Fair Housing Amendments Act (the "Fair Housing Act") as it pertained to nine properties (seven of which we currently own) constructed for first occupancy after March 31, 1991. On February 1, 1999, the Justice Department filed a lawsuit against us and several other defendants in the United States District Court for the District of Nevada alleging (1) that the design and construction of these properties violates the Fair Housing Act and (2) that we, through the merger with Oasis, had discriminated in the rental of dwellings to persons because of handicap. The complaint requests an order that (i) declares that the defendant's policies and practices violate the Fair Housing Act; (ii) enjoins us from (a) failing or refusing, to the extent possible, to bring the dwelling units and public use and common use areas at these properties and other covered units that Oasis has designed and/or constructed into compliance with the Fair Housing Act, (b) failing or refusing to take such affirmative steps as may be necessary to restore, as nearly as possible, the alleged victims of the

defendants alleged unlawful practices to positions they would have been in but for the discriminatory conduct and (c) designing or constructing any covered multi-family dwellings in the future that do not contain the accessibility and adaptability features set forth in the Fair Housing Act; and requires us to pay damages, including punitive damages, and a civil penalty.

With any acquisition, we plan for and undertake renovations needed to correct deferred maintenance, life/safety and Fair Housing matters. On January 30, 2001, a consent decree was ordered and executed in the above Justice Department action. Under the terms of the decree, we were ordered to make certain retrofits and implement certain educational programs and fair housing advertising. These changes are to take place over the next five years. In management's opinion, the costs associated with complying with the decree are not expected to have a material impact on our financial statements.

We are subject to various legal proceedings and claims that arise in the ordinary course of business. These matters are generally covered by insurance. While the resolution of these matters cannot be predicted with certainty, management believes that the final outcome of such matters will not have a material adverse effect on our consolidated financial statements.

#### 14. Subsequent Events

In the ordinary course of our business, we issue letters of intent indicating a willingness to negotiate for the purchase or sale of multifamily properties or development land. In accordance with local real estate market practice, such letters of intent are non-binding, and neither party to the letter of intent is obligated to pursue negotiations unless and until a definitive contract is entered into by the parties. Even if definitive contracts are entered into, the letters of intent and resulting contracts contemplate that such contracts will provide the purchaser with time to evaluate the properties and conduct due diligence and during which periods the purchaser will have the ability to terminate the contracts without penalty or forfeiture of any deposit or earnest money. There can be no assurance that definitive contracts will be entered into with respect to any properties covered by letters of intent or that we will acquire or sell any property as to which we may have entered into a definitive contract. Further, due diligence periods are frequently extended as needed. An acquisition or sale becomes probable at the time that the due diligence period expires and the definitive contract has not been terminated. We are then at risk under an acquisition contract, but only to the extent of any earnest money deposits associated with the contract, and is obligated to sell under a sales contract.

We are currently in the due diligence period for the purchase of land for development. No assurance can be made that we will be able to complete the negotiations or become satisfied with the outcome of the due diligence.

## 15. Quarterly Financial Data (unaudited)

Summarized quarterly financial data for the years ended December 31, 2000 and 1999 are as follows:

(In thousands, except per share amounts)

	First	Second	Third	Fourth	Total
2000:					
Revenues	\$ 98,714	\$ 101,327	\$ 102,395	\$ 101,103	\$ 403,539
Net income to common shareholders	12,676*	10,594	28,203**	13,580	65,053
Basic earnings per share	0.33*	0.28	0.74**	0.36	1.71
Diluted earnings per share	0.31*	0.27	0.72**	0.33	1.63
1999:					
Revenues	\$ 88,835	\$ 91,412	\$ 94,177	\$ 96,872	\$ 371,296
Net income to common shareholders	13,706***	12,838	13,535****	12,173	52,252
Basic earnings per share	0.32***	0.31	0.33****	0.30	1.27
Diluted earnings per share	0.31***	0.30	0.32****	0.29	1.23

\* Includes a \$1,933, or \$0.05 basic and diluted earnings per share, impact related to the gain on sale of land. \*\* Includes a \$16,440, or \$0.43 basic and \$0.37 diluted earnings per share, impact related to the gain on sale of properties. \*\*\* Includes a \$720, or \$0.02 basic and diluted earnings per share, impact related to gain on the sale of a property. \*\*\*\* Includes a \$2,259, or \$0.06 basic and \$0.05 diluted earnings per share, impact related to gain on Sales of properties.

## 16. Price Range of Common Shares (unaudited)

The high and low sales prices per share of our common shares, as reported on the New York Stock Exchange composite tape, and distributions per share declared for the quarters indicated were as follows:

	High	Low	Distributions
2000:			
First	\$ 27 3/8	\$ 25 7/8	\$ 0.5625
Second	30 3/4	27 1/16	0.5625
Third	32	29 7/16	0.5625
Fourth	33 13/16	28 1/2	0.5625
1999:			
First	\$ 26 11/16	\$ 24 3/16	\$ 0.520
Second	28 3/16	24 1/8	0.520
Third	28 3/16	25 15/16	0.520
Fourth	27 3/4	25 9/16	0.520

**CAMDEN PROPERTY TRUST**  
**COMPARATIVE SUMMARY OF SELECTED FINANCIAL AND PROPERTY DATA**

(In thousands, except per share amounts)

	Year Ended December 31,				
	2000	1999	1998*	1997**	1996
<b>Operating Data</b>					
<b>Revenues:</b>					
Rental income	\$ 364,111	\$ 341,168	\$ 300,632	\$ 187,928	\$ 105,785
Other property income	27,030	22,148	18,093	9,446	4,453
<b>Total property income</b>	<b>391,141</b>	<b>363,316</b>	<b>318,725</b>	<b>197,374</b>	<b>110,238</b>
Equity in income of joint ventures	765	683	1,312	1,141	
Fee and asset management	5,810	5,373	1,552	743	949
Other income	5,823	1,924	2,250	531	419
<b>Total revenues</b>	<b>403,539</b>	<b>371,296</b>	<b>323,839</b>	<b>199,789</b>	<b>111,606</b>
<b>Expenses</b>					
Property operating and maintenance	112,727	107,972	97,137	70,679	40,604
Real estate taxes	39,054	36,410	31,469	21,028	13,192
General and administrative	14,349	10,606	7,998	4,389	2,631
Interest	69,036	57,856	50,467	28,537	17,336
Depreciation and amortization	96,966	89,516	78,113	44,836	23,894
<b>Total expenses</b>	<b>332,132</b>	<b>302,360</b>	<b>265,184</b>	<b>169,469</b>	<b>97,657</b>
Income before gain on sales of properties and joint venture interests, losses related to early retirement of debt and minority interests	71,407	68,936	58,655	30,320	13,949
Gain on sales of properties and joint venture interests	18,323	2,979		10,170	115
Losses related to early retirement of debt				(397)	(5,351)
Income before minority interests	89,730	71,915	58,655	40,093	8,713
Income allocated to minority interests					
Distributions on units convertible into perpetual preferred shares	(12,845)	(8,278)			
Income allocated to units convertible into common shares	(2,461)	(2,014)	(1,322)	(1,655)	
<b>Total income allocated to minority interests</b>	<b>(15,306)</b>	<b>(10,292)</b>	<b>(1,322)</b>	<b>(1,655)</b>	
Net income	74,424	61,623	57,333	38,438	8,713
Preferred share dividends	(9,371)	(9,371)	(9,371)		(4)
Net income to common shareholders	\$ 65,053	\$ 52,252	\$ 47,962	\$ 38,438	\$ 8,709
Basic earnings per share	\$ 1.71	\$ 1.27	\$ 1.16	\$ 1.46	\$ 0.59
Diluted earnings per share	\$ 1.63	\$ 1.23	\$ 1.12	\$ 1.41	\$ 0.58
Distributions per common share	\$ 2.25	\$ 2.08	\$ 2.02	\$ 1.96	\$ 1.90
Weighted average number of common shares outstanding	38,112	41,236	41,174	26,257	14,849
Weighted average number of common and common dilutive equivalent shares outstanding	41,388	44,291	44,183	28,356	14,979
<b>Balance Sheet Data (at end of period)</b>					
Real estate assets	\$ 2,646,341	\$ 2,678,034	\$ 2,487,942	\$ 1,397,138	\$ 646,545
Accumulated depreciation	(326,723)	(253,545)	(167,560)	(94,665)	(56,369)
Total assets	2,430,881	2,487,932	2,347,982	1,323,620	603,510
Notes payable	1,138,117	1,165,090	1,002,568	480,754	244,182
Minority interests	210,377	196,852	71,783	63,325	
Convertible subordinated debentures	1,950	3,406	3,576	6,025	27,702
Shareholders' Equity	974,183	1,016,675	1,170,388	710,564	295,428
Common shares outstanding	38,129	39,093	43,825	31,694	16,521

**CAMDEN PROPERTY TRUST**  
**COMPARATIVE SUMMARY OF SELECTED FINANCIAL AND PROPERTY DATA (CONTINUED)**

(In thousands, except property data amounts)

	Year Ended December 31,				
	2000	1999	1998*	1997**	1996
<b>Other Data</b>					
Cash flows provided by (used in):					
Operating activities	\$ 163,821	\$ 164,021	\$ 138,419	\$ 65,974	\$ 41,267
Investing activities	(13,136)	(220,571)	(55,013)	(73,709)	(41,697)
Financing activities	(151,266)	56,420	(84,227)	11,837	2,560
Funds from operations***	156,274	152,369	137,996	75,753	39,999
<b>Property Data</b>					
Number of operating properties (at end of period)	145	153	149	100	48
Number of operating apartment homes (at end of period)	51,336	53,311	51,310	34,669	17,611
Number of operating apartment homes (weighted average)	46,501	45,606	42,411	29,280	17,362
Weighted average monthly total property income per apartment home	\$ 701	\$ 664	\$ 626	\$ 562	\$ 529
Properties under development (at end of period)	3	6	14	6	5

\* Effective April 1, 1998 we acquired Oasis.

\*\* Effective April 1, 1997 we acquired Paragon.

\*\*\* Management considers FFO to be an appropriate measure of the performance of an equity REIT. The National Association of Real Estate Investment Trusts ("NAREIT") currently defines FFO as net income (computed in accordance with generally accepted accounting principles), excluding gains (or losses) from debt restructuring and sales of property, plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. In addition, extraordinary or unusual items, along with significant non-recurring events that materially distort the comparative measure of FFO are typically disregarded in its calculation. Our definition of diluted FFO also assumes conversion at the beginning of the period of all convertible securities, including minority interests, which are convertible into common equity. We believe that in order to facilitate a clear understanding of our consolidated historical operating results, FFO should be examined in conjunction with net income as presented in the consolidated financial statements and data included elsewhere in this report. FFO is not defined by generally accepted accounting principles. FFO should not be considered as an alternative to net income as an indication of our operating performance or to net cash provided by operating activities as a measure of our liquidity. Further, FFO as disclosed by other REIT's may not be comparable to our calculation.

**EXHIBIT 21.1**

Names of Subsidiaries	State of Incorporation/ Organization	Name Under Which Business is Done
1. Camden Operating, L.P.	Delaware	Camden Operating, L.P.
2. Camden USA, Inc.	Delaware	Camden USA, Inc.
3. Camden Development, Inc.	Delaware	Camden Development, Inc.
4. Camden Realty, Inc.	Delaware	Camden Realty, Inc.

**EXHIBIT 23.1**

**INDEPENDENT AUDITORS' CONSENT**

We consent to the incorporation by reference in Registration Statements No. 33-80230, No. 333-32569 and No. 333-57565, each on Form S-8, Amendment No. 2 to No. 33-84658, Amendment No. 1 to No. 33-84536, Amendment No. 4 to No. 333-70295 and Post-Effective Amendment No.1 to No. 333-92959, each on Form S-3, of Camden Property Trust of our report dated February 7, 2001, appearing in this Annual Report on Form 10-K of Camden Property Trust for the year ended December 31, 2000.

**DELOITTE & TOUCHE LLP**

Houston, Texas  
March 29, 2001

**EXHIBIT 24.1**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint D. Keith Oden and G. Steven Dawson, and each of them, each with full power to act without the other, his true and lawful attorneys-in-fact and agents, each with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign an Annual Report (the "Annual Report") of CAMDEN PROPERTY TRUST on Form 10-K for the year ended December 31, 2000 and to sign any and all amendments to the Annual Report and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that each of said attorneys-in-fact and agents or any of them may lawfully do or cause to be done by virtue hereof.

*/s/Richard J. Campo*

-----  
*Signature*

**Richard J. Campo**  
**Print Name**

Dated: March 29, 2001

**EXHIBIT 24.1**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Richard J. Campo and G. Steven Dawson, and each of them, each with full power to act without the other, his true and lawful attorneys-in-fact and agents, each with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign an Annual Report (the "Annual Report") of CAMDEN PROPERTY TRUST on Form 10-K for the year ended December 31, 2000 and to sign any and all amendments to the Annual Report and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that each of said attorneys-in-fact and agents or any of them may lawfully do or cause to be done by virtue hereof.

*/s/D. Keith Oden*

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*Signature*

**D. Keith Oden**  
**Print Name**

Dated: March 29, 2001

**EXHIBIT 24.1**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint D. Keith Oden and Richard J. Campo, and each of them, each with full power to act without the other, his true and lawful attorneys-in-fact and agents, each with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign an Annual Report (the "Annual Report") of CAMDEN PROPERTY TRUST on Form 10-K for the year ended December 31, 2000 and to sign any and all amendments to the Annual Report and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that each of said attorneys-in-fact and agents or any of them may lawfully do or cause to be done by virtue hereof.

*/s/G. Steven Dawson*

-----  
*Signature*

**G. Steven Dawson**  
**Print Name**

Dated: March 29, 2001

**EXHIBIT 24.1**

**POWER OF ATTORNEY**

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*/s/William R. Cooper*

-----  
*Signature*

**William R. Cooper**  
**Print Name**

Dated: March 29, 2001

**EXHIBIT 24.1**

**POWER OF ATTORNEY**

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*/s/George A. Hrdlicka*

-----  
*Signature*

**George A. Hrdlicka**  
**Print Name**

Dated: March 29, 2001

**EXHIBIT 24.1**

**POWER OF ATTORNEY**

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*/s/Scott S. Ingraham*

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*Signature*

**Scott S. Ingraham**  
**Print Name**

Dated: March 29, 2001

**EXHIBIT 24.1**

**POWER OF ATTORNEY**

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*/s/Lewis A. Levey*

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*Signature*

**Lewis A. Levey**  
**Print Name**

Dated: March 29, 2001

**EXHIBIT 24.1**

**POWER OF ATTORNEY**

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*/s/F. Gardner Parker*

-----  
*Signature*

**F. Gardner Parker**  
**Print Name**

Dated: March 29, 2001

**EXHIBIT 24.1**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint D. Keith Oden, Richard J. Campo and G. Steven Dawson, and each of them, each with full power to act without the other, his true and lawful attorneys-in-fact and agents, each with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign an Annual Report (the "Annual Report") of CAMDEN PROPERTY TRUST on Form 10-K for the year ended December 31, 2000 and to sign any and all amendments to the Annual Report and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that each of said attorneys-in-fact and agents or any of them may lawfully do or cause to be done by virtue hereof.

*/s/Steven A. Webster*

-----  
*Signature*

**Steven A. Webster**  
**Print Name**

Dated: March 29, 2001

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