

SUMMIT PROPERTIES INC

Form DEFA14A

October 07, 2004

United States
Securities and Exchange Commission
Washington, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the Securities
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Summit Properties Inc.

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**Filing pursuant to Rule 14a-12 under the
Securities Exchange Act of 1934**

**Filer and Subject Company: Summit Properties Inc.
Exchange Act File Number: 1-12792**

This filing relates to a proposed acquisition (the Acquisition) by Camden Property Trust (Camden) of Summit Properties, Inc. (Summit) pursuant to the terms of an Agreement and Plan of Merger, dated as of October 4, 2004, by and among Camden, Camden Sparks, Inc., a wholly owned subsidiary of Camden, and Summit.

The following is a transcript of a conference call with Summit employees held on October 5, 2004 regarding the Acquisition and related matters.

**CAMDEN PROPERTY TRUST TRANSACTION UPDATE
Summit Employee Conference Call**

**Moderator: Richard J. Campo
October 5, 2004
1:00 pm CT**

Steven LeBlanc:
Summit Properties

Thank you. Good afternoon everyone. It is an exciting day for Summit Properties. I've got with me today Ric Campo, the CEO of Camden Property Trust; Keith Oden, the COO of Camden Property Trust; Cindy Scharringhausen, the VP of HR for Camden and Sarah Barletta, the Benefits Manager for Camden. And we're here to talk to you about the merger, the exciting day between Summit and Camden Property Trust, and to answer your questions, and I know you'll have many.

First I want to tell you why we are creating a partnership with Camden. The first reason is growth. This merger will allow us to go from 15,000 units to 66,000 units. We will grow from 50 communities to nearly 200. We will have

a market growth from a market cap of \$1.9 billion to \$5.3 billion. We will also have a combined development pipeline of \$1.1 billion.

This combined company and partnership will be a coast-to-coast company, and there is really no market overlap except a slight market overlap in Charlotte, but Camden is committed to staying in Charlotte and actually growing the portfolio in Charlotte. The combined company will be the fifth-largest multifamily REIT in the universe, with a goal to get even bigger.

The second reason we are doing this is shared values. Camden and Summit are both customer service driven companies. Camden and Summit both have a commitment to our people. The Summit associates will get improved benefits with a lower cost reach associate. They also have an employee stock purchase plan that is very attractive. They have great training for every associate and they're committed to using the best practices from both Summit and Camden. They're going to learn a lot from each and every one of you, and they really want you to speak out and speak up and let them know how we do it at Summit and how they can learn to do it as well as we do, and how there are things that they do at Camden that they do better than us, and that'll be terrific.

Camden has also had great performance. Their stock price has doubled from \$22 to over \$45. They've grown from 6,000 units to over 52,000 units, to now a combined 66,000 units, and they have done two mergers previously, Paragon and Oasis, and they did that very successfully.

Now I know you're going to have a lot of questions and there will be some concerns and anxiety. The first question is will I have a job with Camden? Will my salary change? What will happen with my benefits, years of service and accrued vacation time? We are going to attempt to address some of those

concerns today; however, time constraints will prevent us from addressing all of them.

Next week we're going to have employee meetings with every associate as we travel from Charlotte to Raleigh to Washington D.C. to Atlanta and to Southeast Florida, and we'll be talking to our associates in Orlando and in Philadelphia, Valleybrook. So we can have one-on-one meetings. I will introduce you to the team from Camden and give you an opportunity to ask more questions than you might have today.

We have also posted a frequently asked questions on the Camden website. Hopefully you've had a chance to look at that. It is under the investor relations section of the Camden website and it is a terrific document, 40 or 50 pages, and it really addresses just about every question you might have. But we're also having this call to answer any other questions that you have, so please speak up.

I also want you to know that I am personally proud of the hard work that each and every one of you do everyday, and our high employee retention rate at Summit is a testament to your skills and professionalism. I want to assure you that all of you who work at the property level and the construction and development level will have positions with Camden, and on the corporate level we're going to talk about the opportunity to join Camden and to work through what those positions might be either in Charlotte or in a transfer, and if not, unfortunately, if there is some attrition we will have a good severance plan. The Camden associates will be able to talk to you about that.

When we get to the point to open the conference call up for questions, I would encourage you to ask as many questions as you like. We may not have the time to answer all of them, but we will certainly try.

With that, I would like to turn the call over to Ric Campo, Camden's Chairman and CEO.

Richard J. Campo:
Camden Property
Trust

Thank you, Steve. I would like to take this time to tell you a little bit about our organization, Camden, and about these kinds of transactions and why they are good for both of our companies. For me it is about two good companies coming together to maximize their strengths and minimize their limitations to become even better, maybe even great.

Listening to Steve speak, I continue to find the similarities in our philosophies uncanny. I've been losing my voice here from having to talk to all of these analysts and so forth, so excuse me for a minute. But in putting this merger together it has been amazing talking to Steve and other folks that we met so far about our philosophies, because they really are very, very similar. And it's almost scary they're so similar.

When I talk to people in the field, I usually talk to our people about who the most important people we need to think about are, and those are our employees or our associates. And the reason being is that if our employees don't have smiles on their faces our customers cannot possibly have smiles on their faces, so it is important for our employees to be motivated and to be able to serve our customers. Without a motivated, talented, trained workforce, our customers won't get the service they want or the living excellence they demand.

The third most important group that we need to think about are our shareholders, who ultimately require a return on their investment. So in order to keep our shareholders happy we need to keep our shareholders happy in order to continue to have capital to move forward. The bottom line is we view the hierarchy of needs as an upside-down triangle, with our residents on the top, employees next, and so on.

The concept is that you are either serving the resident or you are serving someone serving the resident. For example, corporate employees serving our employees in the field and making sure that they are in a good position to be able to serve the resident. That way all of us together are creating the best value for each other, for our residents and for our shareholders.

I would like to give you a little background on our company and give you some sense of how we think and maybe give you a small view into how our overall company will work. Keith and I founded the Company in 1982. We were in Houston, Texas, which some of you may know was a terrible place to be in the real estate market between 1982 and 1988.

Keith and I started big, with the two of us, half a secretary, and no real estate. At the time we did not own any real estate, but you've got to start somewhere. We built the Company by focusing on the fundamentals, and those fundamentals are the quality of service that we deliver to our customers and making certain that we are maximizing value.

We started buying apartments in 1987 in Houston, which was at the bottom of the market at the time. We went public in 1993 with 6,000 apartment homes, and have grown the Company from 6,000 apartments in 1993 to more than 50,000 apartment homes in 10 states today.

We have some fundamental beliefs or strategies. One of the most important ones is our diversification strategy. When necessary, we think it is important to support those markets that are experiencing tough conditions with those that are experiencing the upside of the real estate cycles. So having a sufficient number of high-quality apartment communities in geographically diverse high-growth markets enables us to maximize revenue during good times and helps us to reduce the volatility when the markets are tough, like the markets we have been experiencing over the last couple of years.

We are excited about this merger because Summit brings an East Coast presence, particularly in Atlanta, Washington D.C., and the greater Miami/Southeast Florida area, with more than 40 high-quality, well-built apartment communities and a development pipeline that complements our own, which will be a great driver for the future.

Today Camden enjoys a national footprint of more than 150 communities located in the Sunbelt in the Midwest markets. We also have a good product diversity, with product types that range from high-quality suburban garden-style communities to urban, mid and high-rise communities. If you take a look at the geographic presence of our two organizations, you will see a remarkable complement with Summit enhancing our East Coast presence, resulting in a portfolio that consists of 19 of the top 26 highest growth markets in the U.S.

As Steve said, we will be the fifth-largest Company in the public company realm. And, we are really not looking to be the biggest, just the best. We want to be the best multifamily company in the industry. So everything that we do from the service that we deliver to our residents, to the training and development that our employees enjoy must support that strategy.

That is not to say that size is not important; it is, particularly in the public traded arena. To consistently perform at expected levels we need a sufficient number of apartment homes in each of our markets to achieve the operating efficiencies that our diversification strategy requires.

Additionally, larger companies have lower cost of capital, and with this merger both companies will benefit from the lower cost of capital and have a cost advantage in the marketplace. Our diversification strategy also addresses product type along with geography. Summit brings to the table beautiful apartment communities in great neighborhoods. We couldn't have asked for a better geographic fit.

Philosophically speaking, both Camden and Summit share a commitment to being the best. For example, both companies have achieved some of the lowest, if not the lowest, employee turnover ratios in the industry, which means we are better able to serve our customers than our competitors.

There is also a desire on the part of both companies to take the organization to the next level, with the purpose of creating the best multifamily platform in the industry, which creates better customer value and enhances the value of our assets. All of this results in our ability to continue to deliver good value to our shareholders, our customers and our employees.

Given our geography, product type and operating philosophies, our company is almost a perfect match. Probably most important, the merger of Summit into Camden will provide growth opportunities for employees that add value to the organization. We believe that employees with smiles on their faces will help but smiles on the faces again of our residents, which in turn puts smiles on the faces of our shareholders and other financial players.

At this point I would let the turn the call over to my partner, Keith Oden, to give you a little bit of how he sees things here.

Keith Oden:

Camden Property Trust Thanks, Ric. One of the things I want to emphasize is that Camden cares about the same thing that Summit cares about, and that's really the people. Frankly, our people are the most important asset that we have and we want you to know how committed we are to making this transition as seamless as possible.

I want to also echo Steve and Ric's comments about our company's ideology. They are very closely aligned. At Camden, our mission statement could not be clearer. Guided by our values, we are committed to being the best multifamily company by providing living excellence to our residents. It is a bold statement, but we're up to the challenge.

We also know that being the best is a journey, not a destination. This merger represents a significant step forward for us. To ensure that we can continue our journey means having the best and brightest people on our team. Since 1982 we have focused on hiring, developing and keeping highly skilled professionals who share our values and our commitment to excellence.

Summit has a long tradition of excellence, which is demonstrated in the service that is delivered by each of you. The employees on site are the ones who will help us succeed year after year by taking good care of our residents and contributing to our best practices approach. So we are excited with the prospects of meeting and getting to know each one of you.

As Steve mentioned, we expect that all on-site employees will be retained by Camden. In addition, since there is very little overlap in our property

supervision, development and construction operations, we also anticipate seeking to retain their personnel in these areas that have been such an important part of Summit's overall success.

All other employees will be evaluated as quickly as possible, and certainly within the next two to the three weeks, to determine whether a mutually beneficial career opportunity exists. If so, you'll have the opportunity to become a Camden employee. If not, you will be treated fairly and respectfully, and compensated for your tenure and your service to Summit.

I also want you to know that our pay scales are very comparable. Camden and Summit are in the same business, and as such, there's a great similarity between job responsibilities and organizational structure. We do not anticipate that any changes in compensation will be required; if, however, we encounter inequities, they will be addressed on a case-by-case basis.

Camden, just like Summit, maintains a variety of performance-based bonus programs. While the details vary between our companies, the philosophies behind the programs are similar. Before the time the merger is completed in January 2005 we will announce any changes to the existing bonus programs. You will also retain your original hire date at Camden and you will receive full credit for your tenure at Summit.

I know that many of you will be curious about our benefits package. While Summit has an excellent benefits package, I think you will find that Camden's benefits package is even more comprehensive and that you will be paying substantially less than you are now. How much less you'll be paying depends on your status.

For example, if your coverage is only for yourself, what's referred to as employee-only status, you will save about \$330 per year in employee contributions. For those employees whose coverage includes a spouse or two or more dependents, your savings will be more than \$1000 per year for what we consider to be a better level of benefits.

Your benefits will also include things like an employee share purchase plan, a 401(k) plan that vests more quickly than your current plan, and an employee apartment discount of 20% and for which the monthly rent remains the same for fixed for five years, provided that you stay within your same apartment home. We hope that you take advantage of some of these great benefits.

As I begin to wrap up, I want to speak of our Company values. Camden's culture is grounded in nine fundamental values. We're customer-focused, people-driven, and we want to encourage and reward excellence at all levels of the organization. It is something that has distinguished our company from our competitors for years, and it is certainly a strategy that has worked well for Summit.

I think you will find that in the process of putting these two companies together, that both of our companies have very strong cultures. And a strong culture is a positive thing. Some people believe that it's difficult to blend two companies that have very strong cultures. What I've always believed, and what I've learned from our experience with the Paragon and the Oasis residential mergers, is that if you have a group of people who love what they do and have a strong commitment to excellent service, then blending these two groups together is a relatively simple task.

On the other hand, if you've got a company of people who have never had a passion for their work and they're just going through the motions, it is very

difficult, almost impossible, to create that kind of mindset among 400 additional employees.

What we found and what we are most excited about is that the passion at the operating level of the people in Summit mirrors the commitment and determination of our and the Camden employees. We think that it is a terrific step both culturally and from a business standpoint. Something that both sides are going to benefit from.

Ric mentioned our best practices; in fact, it is one of our key strategies. Achieving excellence through best practices, emphasizing training, continuous process improvement and technology. There is no one in the world that is ever had all the solutions are all the best solutions to any business, much less the apartment industry.

Because we are real estate operators first and foremost, we believe that you should regularly review your practices and look for better ways of doing things. What that means is that where our practices differ we will review, evaluate and then implement those that streamline and improve our processes, or better serve our customers. And that process is simply a way of life at Camden. It is the only way to get better and to make progress.

For most of you, this merger means that you are going to be part of a financially stronger company with an excellent geographically diverse portfolio. One with a similar mission and comparable values as the company you know as Summit. This kind of growth creates opportunities for advancement. We've seen that happen as a result of the Paragon and Oasis mergers.

Excellence has a way of finding its way to the top. We have always been committed to promoting people from within. For those of you who are looking for growth opportunities, you now have the benefit of a larger organization with a variety of positions and locations to consider. As I have said, we're excited to begin working with each of you over the next few months as we prepare for the completion of this merger.

You heard Steve mention employee meetings. We've scheduled employee meetings in each one of your markets during the week of October 11. We'll come to each one of your markets and meet you face-to-face. We want to have the opportunity to meet you up close and personal, to hear more about your philosophies so we can start putting actions behind our words.

We think that you're going to be impressed. We know that we have things to offer you and we know that you have a lot to bring to us. We are excited about the prospects; we hope you are as well. We look forward to meeting each of you at our meetings next week. During those meetings we will address the things that are very important to you in detail, such as compensation, benefits, our structure, our operating strategies and corporate support services that will be available to you as new employees of Camden. We look forward to meeting with each of you in the weeks to come and working with you to make this the best company in the multi-family industry.

At this time I would like to turn it back to Steve.

Steven LeBlanc: Thanks, Keith. Thanks, Ric. As you can tell, Keith and Ric and the Camden family is real similar like to Summit. They are a successful organization that have a lot of our shared values. As I mentioned before at the beginning of the call, the reason we did this merger was to give us the ability to have the size

company we need with the shared values we all cherish, and really make the most important part of what we do everyday.

The size that we're going to get through this growth is going to give us the ability to afford better benefits. You heard Keith talk about the tremendous savings you're going to get on the health benefits. And I tell you, even though I'm not going to be with the company, I would take all of that savings and buy Camden stock under the employee stock purchase plan which was something that, remember, we had a while ago, and then we had to stop because it was too expensive for us as such a small company.

The size of this company gives them a lot more opportunities to not only have better benefits, but have the associate pay less money for those better benefits, and then have great career opportunities. And that is really what I'm excited about for each and every one of you. I know that you're good at what you do and I know that you're going to be a part of the Camden team. They're good at what they do, and together we're going to be the best in the industry.

This merger is going to allow us in three months to achieve what would have taken us five years to get to. Could we have gotten there? Yes, I'm convinced we could have. But this gets us there much faster, and together as a team we will exceed everybody's expectation. So I'm excited about this.

I know there is anxiety. We're going to get out there and answer all your questions. We're going to start today, and let's fire away. Let's have all of the questions you can.

Christie (Pezer): In the frequently asked questions brochure that we got today, it talks about career wear/uniforms. Is that something that the Summit employees will go to in the new year?

Keith Oden: Yes. That is something that has been a big part of our on-site approach to operations for many years. We think that you're going to really like the program. It's a very high-quality, great looking very professional look. And we also do provide for the dollars to allow you to purchase your career wear. We have always believed that you should have a very professional, uniform appearance on-site, and the program that we have achieves that objective.

Christie (Pezer): Is it possible to view this online?

Keith Oden: In terms of actually, the way our program actually works is it is all done through Casual Corner, and I believe that Casual Corner has outlets in every one of Summit's markets. You actually get a voucher in the case of the initial allotment of about I think it's \$400 you get a voucher for, and then it's really up to you to go to a Casual Corner store.

They have the lines of clothing that meet what our base requirements are for the program, and it's really up to you to mix and match and pick out the stuff that you feel most comfortable with that is in compliance with our program. I think you're going to find that it is very appealing and very high quality, and I think most of you are familiar with the Casual Corner line. It's good stuff.

Steven LeBlanc: That is a great idea. May we will get Camden to go to Casual Corner and put a little site on their website so you could go to their website and see what the career wear is. The first good idea you've gotten from Summit.

Keith Oden: There you go. Thanks, Christie.

(Casey Rogers): Actually this is (Casey Rogers) from the Atlanta regional office. Two questions. Because you don't have any properties here in the Atlanta region, will you retain the Atlanta regional office?

Keith Oden: Absolutely. We don't have any properties there, (Casey), but I'll tell you, it is not because we have not for a long time been interested in having a presence in the Atlanta market. Our challenge over the years in Atlanta is that we were always reluctant to enter that market by just kind of doing one acquisition or one development at a time.

As you know, Casey, that's a very competitive marketplace, and we just never felt like we had the opportunity to come in with enough size and scale to allow us to have a regional office and to support that. We have looked at opportunities over the years that would have provided us with that, but frankly we were just never comfortable with the quality of the assets and the pricing of those assets where the opportunities were available.

This gets us into Atlanta in a very, very meaningful way. Atlanta will become one of our very important core markets over the long-term. It shares many characteristics with many of the other markets that we have had terrific success in, in particular Houston and Dallas. There are great similarities there. We are very excited about our expansion into Atlanta, and yes, we will have a regional office there that will continue to support not only those communities but in the future would support our development activities and acquisition activities.

(Casey Rogers): Let me ask you, where you already have properties such as in Florida, I know that you have what you consider a super-regional office and then a different regional office in Orlando. What is the difference between a regional office and a super-regional office?

Keith Oden: We're probably mincing words between regional and super-regional. The distinction would be in a Florida office, for example Tampa which using that terminology would be a super-regional office it just means that we have all of the services that support the Tampa region are headquartered in Tampa. Right now the Tampa region includes Tampa, Orlando and North Carolina.

So services such as our educational services department, our facilities personnel, our landscaping personnel and our regional marketing personnel would actually be headquartered in Tampa, but they would have responsibilities for those disciplines in the other markets.

So it just means that that's kind of where they are in town that is where they lay their head at night, but they have equal responsibilities and shared responsibilities with their other satellite offices if you want to look at them that way.

Steven LeBlanc: Keith, I want to take this time I did not introduce Trish Hoffman. She is here with us today. She is the head of Educational Services and Marketing for Camden. They do a terrific job in training, much like we do with our University of Summit. They are very committed to excellence in training.

Trish Hoffman: Thank you Steve.

(Casey Rogers): That's it for me.

Steven LeBlanc: Thanks Casey.

(Amanda): Hi, this is Amanda from Summit Creek, and I was just wondering about computer programs you guys have. Currently we have a system that is called

(I Save) where we pay all of our bills. Actually, all the bills are paid through the corporate office who does all of our purchasing through a computer program. And I just wanted to know are you going to do away with the grow pricing, the wire, all the computer programs that we have here? Are we going to start having to pay bills back here at the office?

Keith Oden: Let me take the last part of that first. All of our bills are paid centrally, so we do not do bill processing at the communities. We too have a purchasing system that some of you may be familiar with; it is called Ops Exchange that we use for all of the major components, where we do it is an online purchasing system that integrates with all of our primary suppliers and vendors. And again, between those two and it is a great example of an opportunity for us to look at them, see which one makes the most sense for the combined organization, and then make the decision and go forward on one platform.

Ultimately the objective is to get to the same platform on all technologies on all ancillary income programs, etcetera. And the first step in that process is to understand what Summit has, compare it to what Camden has, and make the best choice as we go forward.

Steven LeBlanc: An extension of that question also is the operating system. Do you know, Amanda, we were looking at a new operating system rollout in the fall of this year. Camden is also using AMSI DOS, and they are in the process of rolling out their new operating system. And I assume we'll do the same thing in the spring, new on-site operating system, because AMSI DOS sucks. It's horrible. I've been on-site; you guys know. I remember when I was on-site at Reston and inputting checks; I still am impressed that anybody can do that because it's I know how much trouble it is. So I'm excited about the new operating system. I think it's going to be terrific next year.

Keith Oden: Thanks for answering that question, because it really does bring up a very important point in terms of where we are in transitioning from the old DOS-based AMSI, which everybody in our world just is gleeful to get rid of.

I feel like we have been fighting a war here for the last seven or eight years with one arm tied behind our back and with a 20-pound weight on our heads with regard to our operating system. And I know that you probably feel the same way. But believe me there is help on the way.

We are in the midst right now of rolling out what we believe will end up setting the gold standard for web-based property management systems in our portfolio. We've already begun the rollout. We have 11 of our communities up and running on the new one site system that we co-developed with RealPage, the software company out of Dallas.

And it is literally Camden's vision of what the best practice is in its property management software system that can service our platform and portfolio for the next 10 years would look like. We were intimately involved. We have a huge investment in the intellectual capital of the development of this system. It is not just in the kicking around stages. We've been using it on our communities.

Our rollout is scheduled to be completed by April of '05 and it is our expectation right now that if everything goes as planned that we would be in a position to just continue that rollout. And we will start with Summit's communities in May and just keep rolling until we have all 200 of these communities on the same platform, which we know is going to be the best in the industry. So we are excited about that. And I think that once you and all of the other on-site managers get an opportunity to see the incredible

functionality and power of this new operating system, you're going to share our excitement.

Steven LeBlanc: And you asked also about Grow. This new operating system has a pricing engine in it, and so they may use Grow as an interim or they may use a new pricing engine. Camden and Summit were both instrumental in helping build YieldStar, which ultimately these guys bought and it's being incorporated into their new operating system.

Keith Oden: Yeah. Good point. And that will come after we've completed the rollout of one site. We will be in a position to should be in a position to roll out our revenue pricing model that RealPage is also helping us co-develop.

(Amanda): Good. Thank you so much.

Keith Oden: Thank you. Great question Amanda.

(Patrick Burch): It's actually Patrick Burch here in Atlanta also. You guys have in your portfolio right this second, it looks like a couple of B properties. We have just I guess Summit has just gone through on basically, recycling all of the older properties and buying newer properties. What is your future goal with that?

Richard J. Campo: This is Ric. We agree with that philosophy and that strategy. And in fact, over the years we have sold about 17,000 apartment homes in a capital recycling program over the years. And we continue to do that. We have built \$1.2 billion in the development, roughly 13,000 apartment homes, and recycled sort of B assets, older assets into new development assets in a very similar program that you all have done. You're just a lot further ahead than we are, because we have a lot more properties to have to do that with.

But the objective over time is to continue to upgrade the portfolio and upgrade the properties and to have the highest possible quality portfolio going forward. You do that over time by balancing development with acquisitions and with dispositions. And at the end of the day, you try to sell your older slower growing assets and redeploy that capital into newer, higher quality assets. We will do that over time on a methodical basis as opposed to one big fell swoop in a month or two type of scenario. So over time we will do that, but we have the same view there.

Steven LeBlanc: Patrick, it's interesting. Our portfolio is the youngest in the industry and the best quality, and it's one of the reasons why the merger made so much sense for Camden. And I think that all the communities we have are going to be the top quartile, top communities that Camden has. And they've got some older communities that they will sell in some of the smaller markets. So they will capital recycle.

As I mentioned, we've got a \$1.1 billion combined development pipeline, and that is going to be tremendous growth. That is more than half the size of Summit just by itself in that development pipeline. So this is a big company.

(Patrick Burch): Thank you.

Steven LeBlanc: Thanks Patrick.

(Paul Rozell): This is Paul in the corporate office, and we have gathered a list of 14 questions from the associates here. We broke them down into three sections - transition issues, severance issues, and benefits and compensation issues. So we will take them one at a time.

Will Camden keep Charlotte as a super-regional office? And if so, will there be any incremental services in addition to what you listed for the typical super-regional office, such as accounting functions?

Keith Oden: The answer to the first part is yes. We currently anticipate that Charlotte it is very logical that it will become a super-regional office. We have not yet made a determination on whether there will be services outside of what I mentioned earlier. That is something that we will be working through over the next couple of weeks to determine.

(Paul Rozell): All right. And that might answer the next one. Assuming there will be transition issues, when can we expect them to start?

Keith Oden: Those will start Monday. We will be in Charlotte Monday. Our current schedule is that we will have a meeting with all on-site and all corporate and regional personnel in Charlotte on Monday afternoon. We will have undetermined number right now but probably 10 to 12 of Camden's senior folks will be traveling with us to attend that meeting, and then kick off what we think of as the real detailed understanding of what functions are currently being provided at the corporate regional offices and making a determination from there about structure.

(Paul Rozell): Okay. If you have no definitive answers yet to severance, retention, health care continuation or outplacement, would it not be advisable for all of us to focus our efforts on seeking out other employment at this time? You need to understand that we all have mortgages and financial commitments to meet, and if you cannot make any commitment to us then we need to take care of ourselves.

Keith Oden: We certainly understand that. That's why we are committed to making that determination within the next two to three weeks.

(Paul Rozell): All right. Thank you. I understand that your business generally has on-site accountants at each property. Is this true? And if so, what is the typical job description and pay of such individuals? Would our accountants and accounts payable associates be eligible for such positions at each of our properties?

Keith Oden: We really don't have bookkeeping. We have a position that is assistant manager. And as you know, in the world of AMSI, there is so much manual inputting that I'm sure sometimes that person in that assistant manager role feels like they have a full-time bookkeeping position.

But the reality in our world is we do not have a quote accounting or full-time bookkeeping position on-site. All of the accounting work is done at our corporate and regional offices. So the answer to that is our staffing and functions that are being carried on on-site probably are very close to what you all are doing. And we do not have that accounting staff on-site.

(Paul Rozell): All right. Next. I understand that your organization made two large acquisitions, Paragon and Oasis. Can you tell us what percentage of the back-office personnel in staff functions accounting, IT, HR, legal, marketing, asset management, administration were maintained?

Keith Oden: In the case of the Oasis merger, of all of those functions probably 60 to 70% were retained. Because we have a very significant joint venture that operates out of our Las Vegas office. We still have a processing center in Las Vegas that processes all of the bills and does other corporate support for our entire western portion of our operation.

So in the case of the Oasis merger, it was actually quite a high percentage of those folks either were retained or moved to different positions within the combined company.

In the case of Paragon, even though we made a number of offers for folks to seek employment in Houston, since we were not going to have a processing center in Dallas because of the physical proximity, at the end of the day people made the choice not to relocate and they were given severance. But because of the people who had the experience that they had and the quality of staff, there were a number of people that we were quite interested in and they ended up making their own decision for personal reasons.

Richard J. Campo: There were a fair number of people from Dallas that went to actually Tampa. Our regional vice president in Tampa, for example, worked in the corporate office in Dallas. He was originally from Tampa and he chose to transfer back to Tampa and run the property operation in the super-regional office for Tampa. So it is not necessarily back-office specifically in one market changes dramatically. There's a lot of opportunity to move around and it really just depends on the choice of the individual oftentimes.

Keith Oden: Your question was directed, and it's coming from the corporate office, and I understand that it's primarily directed towards that. But I think it would be useful for not only you all, but the other folks at site level and property supervision, to realize that in our combined companies today, two of our five regional vice presidents came over in the mergers and nine of our 28 district managers came over in the mergers.

Keep in mind these mergers happened seven and eight years ago. We have a remarkable core of what today makes us the company that we are are folks that came over in the merger, and frankly it is one of the things that we are

one of the huge benefits that we see as we seek to combine these companies is the talent and the capabilities and experience that the Summit personnel have.

Steven LeBlanc: You know, one of the criteria we used as this process was thrust upon us through a bid that was not solicited from another party, not Camden. As we started this process and said well, if we're going to have a hostile situation, we would rather much have a friendly situation. And we want to have a company that has the least overlap that has our shared values. And there is some overlaps. I will be leaving. We only need one CEO. We only need one CFO. We only need one COO. So the senior management is really people that are going to be leaving, but as many on-site people and back-office people as is possible in this type of situation are going to be retained. That's one of the reasons why this was such a compelling opportunity for us to achieve our growth with as limited associate pain as possible. But there is going to be some, and we will have a generous severance package for those people, because it is the right thing to do.

Richard J. Campo: Absolutely it's the right thing to do. And it is difficult, I understand, for corporate folks, but at the end of the day you will be treated fairly and have a generous package. Next question.

(Paul Rozell): All right. That sort of goes into the next one. Reflecting back on those prior mergers, what was the typical severance plan and how quickly were individuals let go and did the individuals have prior knowledge of their package or were they told with very limited time?

Richard J. Campo: First of all, I don't have those numbers in front of me. But we didn't have everybody was treated fairly and they were appreciative. As far as when people know, let's walk through what the timing of this will be in the first place.

Because of the public company aspects of this transaction and the ability of the requirement that each shareholder group approve the transaction, the closing is not likely to happen until January probably middle of January '05.

So we have three or four months to go forward with a sort of business-as-usual, if you will. Then we'll have the closing. Then there will be a transition period after the closing. So what we'll do in the next couple of weeks is we will meet with all of the folks in Charlotte and elsewhere, and we'll do that next week.

And then what we will do is have a real specific plan in place over the next couple of weeks that we will be able to tell people here's the way the program is going to be, here is what happens from a severance perspective you either have a job or you don't have a job, and you'll know in advance and you will be able to plan months, not days, but months in advance if in fact you fall into the category, or if you are offered a job and you don't want that job.

So at the end of the day we will give you a lot of time, and we're very respectful to making sure that people understand that, what their position is and what their deal is. And, clearly, you will continue to get full pay. Whatever your deal is now you will continue to get it through 2004. You will get full bonus payments through 2004. Your company has done absolutely phenomenal in terms of total return. And clearly with today's stock price you would probably be the number-one performing company in the multi-family sector.

So bottom line is you don't have to worry about anything until we close, and we'll let you know as soon as we can in the next several weeks as to whether what they land will look like afterwards after we close.

- (Paul Rozell): All right. Great. Thanks. Did the typical severance include health insurance continuation? If it did not, were individuals eligible for COBRA and would that be under the old plan, I guess Summit's plan or the Camden plan coverage?
- Keith Oden: They would be eligible for COBRA. Not sure of the answer to the second part as to which plan they would be under, but we'll find out and let you know.
- (Paul Rozell): All right. So that would be the traditional COBRA coverage, where the former employee would have to contribute? There wouldn't be any provisions for health coverage during that post-employment?
- Keith Oden: That's correct.
- (Paul Rozell): Okay. Did the typical severance include outplacement services from a professional firm such as (Wright) Management or (Lee) (Unintelligible) (Harrison), and what was the typical outplacement arrangement?
- Keith Oden: We have not gotten that far yet. With regard to this merger and the previous mergers, we did not have outplacement arrangements.
- (Paul Rozell): Okay. Will there be stay-on/retention bonuses offered to individuals?
- Richard J. Campo: What Camden is going to work through is a severance/retention bonus. It's kind of getting into how do you define which one is which. You will be rewarded to stay through the closing, and if you keep your job if you lose your job you will have your severance, and that will act as a retention bonus.
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So we will be working through the details of that over the next week or two. And instead of going into the details on that right now, we just don't have those. We want to do that on an individual-by-individual basis as Camden goes through and makes the decisions on who will be part of the new company and who will have to transition to a new opportunity. And there will be a severance package for those that have to transition to a new opportunity.

(Paul Rozell): Okay. Thanks Steve. Almost done. We have about four more benefits and compensation issues now. What are your plans relating to transferring employees onto your benefits – the dates, deductibles reached on prior plans, networks if individuals are in the middle of pregnancies and/or major medical treatments?

Steven LeBlanc: We've got Cindy and Sarah. Cindy is VP of HR and Sarah is the Benefits Manager. I think that would be the best for them to answer.

Cindy
Scharringhausen:
Camden Property
Trust

This is Cindy. In reference to all of those questions, there are a lot of details that, obviously, with an announcement this morning, we don't have them worked out.

So we won't be able to tell you all the deductibles, but we have a list, a comprehensive list of your plans that Steve was nice enough to share with us. And we have started our due diligence of comparisons and actually have a meeting set up later this afternoon to start working through those specific details.

And as soon as we can get them to you, because we know – Sarah and I, from a benefit standpoint – that that's something that's going to be critical to each and every one of you. We have an 800 number set up, so if you have specific

questions that are medically related, it may not be better to share those specific issues until you talk to Sarah. Call our 800 number and we can work with you one-on-one on all of the details if you have a specific issue.

Richard J. Campo: And remember, nothing changes until January of 2005 anyway.

Steven LeBlanc: Right. And Cindy, what is that 800 number?

Cindy Scharringhausen: It's 1-800-9Camden, extension 2525. And if you have somebody who needs Spanish translation, we have some Spanish-speaking folks in our department that would be glad to help. But it can be in English or Spanish.

Steven LeBlanc: So that's 1-800-9Camden, and then you put in extension 2525.

Cindy Scharringhausen: Correct.

Steven LeBlanc: Do you have to put a pound sign after that? Okay. Great.

(Paul Rozell): Great. Thanks. What are your plans relating to the 401(k)? Will you be rolling assets into your plan with your vesting schedule, leaving the current vesting schedule, or accelerating the vesting schedule of current balances to 100%?

Steven LeBlanc: Sarah (Barletta), the Benefits Manager, can answer that question, (Paul).

Sarah Barletta:
Camden Property Trust We will be merging the Summit plan into the Camden plan, and we will be providing other investment information as we go forward. Our vesting plan is a three-year vesting. And so since you're going to be able to keep your tenure from Summit, that tenure will apply towards our vesting schedule.

Steven LeBlanc: And I believe our vesting schedule is six years.

Richard J. Campo: So you are going to be accelerating a bunch of people their vesting. Right. Good.

(Paul Rozell): Okay. All right. Good. When will we go onto your payroll and what are your pay frequencies or delays?

Cindy Scharringhausen: This is Cindy. We would not be able to put you on our payroll until the merger closes and we're actually one company, and we do not have delays in payroll. We pay one week behind for our on-site employees or hourly employees, and our salaried employees are paid currently. We will need to look at your pay practices and see.

We understand that there is a delay of getting people on the payroll and getting them started. So we need to work out that lag time. And again, those are some of the details that we have not gotten to. But as we get closer to finalizing the deal, we will be able to give you more specifics.

Steven LeBlanc: Cindy, just to make it clear there won't be any delay in anyone receiving their paycheck? They will receive their timely paycheck?

Cindy Scharringhausen: No. There will not be a delay.

Steven LeBlanc: There will be no delay and everyone will receive their paycheck after the merger closes, which will be some time in the month of January. It could be as much as February. Keep in mind, we still have to have shareholder approval. This is not we are under a contract to merge with Camden, but we have to go get SEC approval and we have to get shareholder approval, and that is

going to take three to four months to go through that process. And that is typical of what happens in a public company.

(Paul Rozell): All right. We're all set. Thanks everyone.

Steven LeBlanc: Those were terrific questions. I'm sure they were probably questions that everyone learned from and gave good information.

(Wyatt Dixon): Hello. This is Wyatt Dixon and I am from Summit's Development Group. I wanted to see if you could provide a brief overview of the corporate structure from Houston as it relates down to the regional offices?

Richard J. Campo: From a development perspective?

(Wyatt Dixon): Sure. And across groups, really.

Richard J. Campo: Okay. From a development perspective, we have a corporate development group that manages development within the regions. We have regional offices in Tampa, in Southern California and Houston. And we have operated pretty well with fairly autonomous regional groups from a development perspective. When it gets down to property operations, we have a regional vice president system within one senior vice president and a group of regional vice presidents that manage each region within Camden.

Steven LeBlanc: And then you have development managers division what do you call we call them regional property managers.

Keith Oden: We call them district managers. It would be in your world it would be your regional managers. Our structure is a regional vice president, and that would be, again, if you think of the concept of the super-regional office, the

regional vice president would be (Don Salder). Each of the regional vice presidents has between three and five district managers, so each district manager has somewhere around seven or eight communities.

Steven LeBlanc: So it's real similar to our structure.

Richard J. Campo: We also have a separate construction group that operates centrally out of Houston, we also have a regional office in California and in Tampa.

(Wyatt Dixon): Okay. Thank you.

Keith Oden: Thanks (Wyatt).

(Amy Delcrum): This is Amy Delcrum. We have two properties here Summit Pittsburgh and Summit Green, and we have a few questions. The first one is regarding the 401(k). You've answered most of that, but will we need to have a waiting period before we can contribute and receive matches, or will that just continue on?

Cindy Scharringhausen: Actually it depends on your tenure, but probably not. There won't be a waiting period. We will just send out enrollment forms and we will get you rolled into our plan and show you the different investment options and how they will be mapped over compared to Summit.

(Amy Delcrum): And who manages that plan?

Cindy Scharringhausen: Fidelity, just like Summit.

(Amy Delcrum): The second question we had was about the Summit name. Will we keep the Summit name?

Keith Oden: We are all going to become Camden. And for the markets that we operate in, Camden has an incredible name recognition nationally. Summit has a tremendous brand loyalty among the markets that you service. But at the end of the day, we are huge believers in the synergies that come from having coast-to-coast recognition of high-quality communities, and having everybody working under the same flagship.

(Amy Delcru): Okay. Thank you.

Keith Oden: You bet.

(Carol Carrington): We had two questions. Would the dental and vision be at an additional charge? Question number two, how many floating vacation holidays will we have per year?

Keith Oden: I'm sorry, I didn't catch the first question, Carol.

(Carol Carrington): Will dental and vision be at an additional charge, or is that included in our health insurance plan?

Cindy Scharringhausen: Medical and dental are separate, so you can elect a medical plan if you want, or dental, or both plans. So you have a lot of options there. And vision is part of the medical plan.

Steven LeBlanc: You had said that you would save \$300 for us in employee only and \$1000 for an employee. What is that? Is that based upon the total package of buying ?

Cindy Scharringhausen: That was both medical and dental.

Keith Oden: The savings that we talked about earlier, (Carol), that is assuming that someone unemployed took both medical and dental. And we compare someone in medical and dental in your plan with medical and dental in our plan. But in our plan you actually can choose them separately if you like. And the second question was?

(Carol Carrington): How many floating holidays will we have per year?

Keith Oden: We have nine holidays per year. Did you say floating holidays?

(Carol Carrington): Floating, yes.

Keith Oden: That's one of the things that you all have that we do not have. We have nine paid holidays per year.

(Carol Carrington): And what are your paid holidays per year?

Keith Oden: It's in the frequently asked questions. It is about two-thirds of the way back in the frequently asked questions. Just run through them real quickly.

(Carol Carrington): Yes.

Keith Oden: New Year's Day, Easter Sunday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and the day after, and Christmas Eve and Christmas.

(Carol Carrington): Okay. And there's one more question. I'm sorry. Do you have tuition reimbursement?

Keith Oden: Yes, we do.

Steven LeBlanc: That s another benefit that Camden has that we weren t able to afford.

(Carol
Carrington): Okay. Thank you.

Steven LeBlanc: The amount of the tuition reimbursement?

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