Section 1: 10-K

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2018
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	**76-6088377**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
11 Greenway Plaza, Suite 2400 Houston, Texas	**77046**
(Address of principal executive offices)	**(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	New York Stock Exchange

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) 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. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (check one):

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected to not use the extended transition period for complying with any new or revised financial accounting standards provided pursuant of Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in the Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of voting and non-voting common equity held by non-affiliates of the registrant was $8,386,569,325 based on a June 29, 2018 share price of $91.13.

On February 7, 2019, 93,259,373 common shares of the registrant were outstanding, net of treasury shares and shares held in our deferred compensation arrangements.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement in connection with its Annual Meeting of Shareholders to be held May 9, 2019 are incorporated by reference in Part III.

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PART I

Item 1. Business

General

Formed on May 25, 1993, Camden Property Trust, a Texas real estate investment trust ("REIT"), and all its consolidated subsidiaries are primarily engaged in the ownership, management, development, redevelopment, acquisition, and construction of multifamily apartment communities. Unless the context requires otherwise, "we," "our," "us," and the "Company" refer to Camden Property Trust and its consolidated subsidiaries. Our multifamily apartment communities are referred to as "communities," "multifamily communities," "properties," or "multifamily properties" in the following discussion.

Our website is located at www.camdenliving.com. We make available free of charge through our website, our annual report on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K, and amendments to such reports, filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the U.S. Securities and Exchange Commission (the "SEC"). We also make available, free of charge on our website, our Guidelines on Governance, Code of Business Conduct and Ethics, Code of Ethical Conduct for Senior Financial Officers, and the charters of each of our Audit, Compensation, and Nominating and Corporate Governance Committees. Copies are also available, without charge, from Investor Relations, 11 Greenway Plaza, Suite 2400, Houston, Texas 77046. References to our website in this report are provided as a convenience and do not constitute, and should not be viewed as, an incorporation by reference of the information contained on, or available through our website, and therefore such information should not be considered part of this report.

Our annual, quarterly, and current reports, proxy statements, and other information are electronically filed with the SEC. The SEC maintains a website (http://www.sec.gov) that contains reports, proxy, and information statements and other information regarding issuers that file electronically with the SEC.

Narrative Description of Business

As of December 31, 2018, we owned interests in, operated, or were developing 167 multifamily properties comprised of 56,858 apartment homes across the United States. Of the 167 properties, six properties were under construction and will consist of a total of 1,698 apartment homes when completed. We also own land holdings which we may develop into multifamily communities in the future.

Operating and Business Strategy

We believe producing consistent earnings growth through property operations, development and acquisitions, achieving market balance, and recycling capital are crucial factors to our success. We rely heavily on our sophisticated property management capabilities and innovative operating strategies to help us maximize the earnings potential of our communities.

Real Estate Investments and Market Balance. We believe we are well positioned in our current markets and have the expertise to take advantage of new opportunities as they arise. These capabilities, combined with what we believe is a conservative financial structure, should allow us to concentrate our growth efforts toward selective opportunities to enhance our strategy of having a geographically diverse portfolio of assets which meet the requirements of our residents.

We continue to operate in our core markets which we believe provides an advantage due to economies of scale. We believe, 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 multiple properties in the same market. However, consistent with our goal of generating sustained earnings growth, we intend to selectively dispose of properties and redeploy capital for various strategic reasons, including if we determine a property cannot meet our long-term earnings growth expectations.

We try to maximize capital appreciation of our properties by investing in markets characterized by conditions favorable to multifamily property appreciation. These markets generally feature the following:

- Strong economic growth leading to household formation and job growth, which in turn should support higher demand for our apartments; and
- An attractive quality of life, which may lead to higher demand and retention for our apartments and allow us to more readily increase rents.

Subject to market conditions, we intend to continue to seek opportunities to develop new communities, and to redevelop, reposition and acquire existing communities. We also intend to evaluate our operating property and land development portfolio and plan to continue our practice of selective dispositions as market conditions warrant and opportunities arise.

We expect to maintain a strong balance sheet and preserve our financial flexibility by continuing to focus on our core fundamentals which currently are generating positive cash flows from operations, maintaining appropriate debt levels and leverage ratios, and controlling overhead costs. We intend to meet our near-term liquidity requirements through a combination of one or more of the following: cash flows generated from operations, draws on our unsecured credit facility or other short-term borrowing, the use of debt and equity offerings under our automatic shelf registration statement, proceeds from property dispositions, equity issued from our 2017 at-the-market ("ATM") share offering program, other unsecured borrowings, or secured mortgages.

Sophisticated Property Management. We believe the depth of our organization enables us to deliver quality services, promote resident satisfaction, and retain residents, thereby increasing our operating revenues and reducing our 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 our residents, and we strive to motivate our on-site employees through incentive compensation arrangements based upon property operational results, rental rate increases, occupancy levels, and level of new leases and lease renewals achieved.

Operations. 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 financial results. We believe our web-based property management and revenue management systems strengthen on-site operations and allow us to quickly adjust rental rates as local market conditions change. Lease terms are generally staggered based on vacancy exposure by apartment type so lease expirations are matched to each property's seasonal rental patterns. We generally offer leases ranging from twelve to fifteen months with individual property marketing plans structured to respond to local market conditions. In addition, we conduct ongoing customer service surveys to help ensure timely response to residents' changing needs and a high level of satisfaction.

Investments in Joint Ventures. We have entered into, and may continue in the future to enter into, joint ventures or partnerships, including limited liability companies, through which we own an indirect economic interest in less than 100% of the community or land owned by the joint venture or partnership. We account for three investment funds (collectively, the "Funds") utilizing the equity method of accounting. As of December 31, 2018, we have two discretionary investment funds, which are closed to future investments, and a third fund which we formed in March 2015 for future multifamily investments of up to $450 million. See Note 9, “Investments in Joint Ventures,” and Note 15, “Commitments and Contingencies,” in the notes to the Consolidated Financial Statements for further discussion of our investments in joint ventures.

Competition

There are numerous housing alternatives which compete with our communities in attracting residents. Our properties compete directly with other multifamily properties as well as condominiums, single-family homes, third-party providers of short-term rentals and serviced apartments, which are available for rent or purchase in the markets in which our communities are located. This competitive environment could have a material adverse effect on our ability to lease apartment homes at our present properties or any newly developed or acquired property, as well as on the rents realized.

Employees

At December 31, 2018, we had approximately 1,600 employees, including executive, administrative, and community personnel.

Qualification as a Real Estate Investment Trust

As of December 31, 2018, we met the qualification of a REIT under Sections 856-860 of the Internal Revenue Code of 1986, as amended (the “Code”). As a result, we, with the exception of our taxable REIT subsidiaries, will not be subject to federal income tax to the extent we continue to meet certain requirements of the Code.

Item 1A. Risk Factors

In addition to the other information contained in this Form 10-K, the following risk factors should be considered carefully in evaluating our business. Our business, financial condition, or results of operations could be materially adversely affected by any of these risks.

Risks Associated with Capital Markets, Credit Markets, and Real Estate

Volatility in capital and credit markets, or other unfavorable changes in economic conditions, either nationally or regionally in one or more of the markets in which we operate, could adversely impact us.

The capital and credit markets are subject to volatility and disruption. We therefore may not be able to obtain new debt financing or refinance our existing debt on favorable terms or at all, which would adversely affect our liquidity, our ability to make distributions to shareholders, acquire assets and continue our development activities. Other weakened economic conditions, including job losses, high unemployment levels, stock market volatility, and uncertainty about the future, could adversely affect rental rates and occupancy levels. Unfavorable changes in economic conditions may have a material adverse impact on our cash flows and operating results.

Additional key economic risks which may adversely affect conditions in the markets in which we operate include the following:

- local conditions, such as an oversupply of apartments or other housing available for rent, or a reduction in demand for apartments in the area;
- declines in the financial condition of our residents, which may make it more difficult for us to collect rents from some residents;
- declines in market rental rates;
- low mortgage interest rates and home pricing, making alternative housing more affordable;
- government or builder incentives which enable home buyers to put little or no money down, making alternative housing options more attractive;
- regional economic downturns, including, but not limited to, business layoffs, downsizing and increased unemployment, which may impact one or more of our geographical markets; and
- increased operating costs, if these costs cannot be passed through to our residents.

Short-term leases expose us to the effects of declining market rents.

Our apartment leases are generally for a term of fifteen months or less. As these leases typically permit the residents to leave at the end of the lease term without penalty, our rental revenues are impacted by declines in market rents more quickly than if our leases were for longer terms.

Competition could limit our ability to lease apartments or increase or maintain rental income.

There are numerous housing alternatives which compete with our properties in attracting residents. Our properties compete directly with other multifamily properties, condominiums, single-family homes, third-party providers of short-term rentals and serviced apartments, which are available for rent or purchase in the markets in which our properties are located. This competitive environment could have a material adverse effect on our ability to lease apartment homes at our present properties or any newly developed or acquired property, as well as on the rents realized.

We face risks associated with land holdings and related activities.

We hold land for future development and may in the future acquire additional land holdings. The risks inherent in purchasing, owning, and developing land increase as demand for apartments, or rental rates, decrease. Real estate markets are highly uncertain and, as a result, the value of undeveloped land may fluctuate significantly. In addition, carrying costs can be significant and can result in losses or reduced profitability. As a result, we hold certain land, and may in the future acquire additional land, in our development pipeline at a cost we may not be able to fully recover or at a cost which may preclude us from developing a profitable multifamily community. If there are subsequent changes in the fair market value of our land holdings which we determine is less than the carrying basis of our land holdings reflected in our financial statements plus estimated costs to sell, we may be required to take future impairment charges which would reduce our net income.

Potential reforms to Fannie Mae and Freddie Mac could adversely affect us.

There is significant uncertainty surrounding the futures of Fannie Mae and Freddie Mac. Through their lender originator networks, Fannie Mae and Freddie Mac are potential significant lenders both to us and to buyers of our properties. Fannie Mae and Freddie Mac have a mandate to support multifamily housing through their financing activities and any changes to their mandates, further reductions in their size or the scale of their activities, or loss of their key personnel could have a significant adverse impact on us and may, among other things, lead to lower values for our assets and higher interest rates on our borrowings.

Fannie Mae's and Freddie Mac's regulator has set overall volume limits on most of Fannie Mae's and Freddie Mac's lending activities. The regulator in the future could require Fannie Mae and Freddie Mac to focus more of their lending activities on small borrowers or properties the regulator deems affordable, which may or may not include our assets, which could also adversely impact us. In addition, the members of the current Presidential administration and House and Senate banking committees have proposed various reform plans for Fannie Mae and Freddie Mac, and there is uncertainty regarding the impact of these actions on us and buyers of our properties.

Risks Associated with Our Operations

Development, redevelopment and construction risks could impact our profitability.

We intend to continue to develop, redevelop and construct multifamily apartment communities for our portfolio. In 2019, we expect to incur costs between approximately $205 million and $225 million related to the construction of six consolidated projects. Additionally, during 2019, we expect to incur costs between approximately $95 million and $105 million related to the start of new development activities, between approximately $46 million and $50 million related to repositions and revenue enhancing expenditures of existing properties and between approximately $25 million and $33 million in extensive redevelopment expenditures of existing properties. Our development, redevelopment and construction activities may be exposed to a number of risks which may increase our construction costs and decrease our profitability, including the following:

- inability to obtain, or delays in obtaining, necessary zoning, land-use, building, occupancy, and other required permits and authorizations;
- increased materials and labor costs, problems with contractors or subcontractors, or other costs including those costs due to errors and omissions which occur in the design or construction process;
- inability to obtain financing with favorable terms;
- inability to complete construction and lease-up of a community on schedule;
- forecasted occupancy and rental rates may differ from the actual results; and
- the incurrence of costs related to the abandonment of development opportunities which we have pursued and subsequently deemed unfeasible.

Our inability to successfully implement our development, redevelopment and construction strategy could adversely affect our results of operations and our ability to satisfy our financial obligations and pay distributions to shareholders.

One of our wholly-owned subsidiaries is engaged in the business of providing general contracting services under construction contracts entered into between it and third parties (which may include our nonconsolidated affiliates). The terms of those construction contracts generally require this subsidiary to estimate the time and costs to complete a project to calculate the cost plus margin for the project fee, but not to exceed a maximum amount, and to assume the risk when these estimates may be greater than anticipated. As a result, profitability on those contracts is dependent on the ability to accurately predict such factors. The time and costs necessary to complete a project may be affected by a variety of factors, including, but not limited to, those listed above, many of which are beyond this subsidiary’s control. In addition, the terms of those contracts generally require this subsidiary to warrant its work for a period of time during which it may be required to repair, replace, or rebuild non-conforming work. Further, trailing liabilities, based on various legal theories such as claims of negligent construction, may result from such projects, and these trailing liabilities may go on for a number of years depending on the length of the statute of repose in the applicable jurisdictions.

Investments through joint ventures and investment funds involve risks not present in investments in which we are the sole investor.

We have invested and may continue to invest as a joint venture partner in joint ventures. These investments involve risks, including, but not limited to, the possibility the other joint venture partner may: have business goals which are inconsistent with ours, possess the ability to take or force action or withhold consent contrary to our requests, or become insolvent and require us to assume and fulfill the joint venture’s financial obligations. We and our joint venture partners may each have the right to initiate a buy-sell arrangement, which could cause us to sell our interest, or acquire a joint venture partner’s interest, at a time when we otherwise would not have entered into such a transaction. Each joint venture agreement is individually negotiated, and our ability to operate, finance, or dispose of a community in our sole discretion may be limited to varying degrees depending on the terms of the applicable joint venture agreement. We account for three investment funds (collectively, the "Funds") utilizing the equity method of accounting. As of December 31, 2018, we had two discretionary investment funds and in March 2015, we completed the formation of a third fund with an unaffiliated third party and it did not own any properties in 2018, 2017, or 2016. The risks associated with our Funds, which we manage as the general partner and advisor, include, but are not limited to, the following:

- one of our wholly-owned subsidiaries is the general partner of the Funds and has unlimited liability for the third-party debts, obligations, and liabilities of the Funds pursuant to partnership law;
- investors in the Funds (other than us), by majority vote, may remove our subsidiary as the general partner of the Funds with or without cause and the Funds' advisory boards, by a majority vote of their members, may remove our subsidiary as the general partner of the Funds at any time for cause;
- while we have broad discretion to manage the Funds and make investment decisions on behalf of the Funds, the investors or the Funds' advisory boards must approve certain matters, and as a result we may be unable to make certain investments or implement certain decisions on behalf of the Funds which we consider beneficial;
- our ability to dispose of all or a portion of our investments in the Funds is subject to significant restrictions; and
- we may be liable if the Funds fail to comply with various tax or other regulatory matters.

Competition could adversely affect our ability to acquire properties.

We expect other real estate investors will compete with us to acquire additional operating properties. This competition could increase prices for the type of properties we would likely pursue and adversely affect our ability to acquire these properties or achieve the expected profitability of such properties upon acquisition.

Our acquisition strategy may not produce the cash flows expected.

We may acquire additional operating properties on a selective basis. Our acquisition activities are subject to a number of risks, including, but not limited to, the following:

- we may not be able to successfully integrate acquired properties into our existing operations;
- our estimates of the costs, if any, of repositioning or redeveloping the acquired property may prove inaccurate;
- the expected occupancy, rental rates and operating expenses may differ from the actual results;
- we may not be able to obtain adequate financing; and
- we may not be able to identify suitable candidates on terms acceptable to us and may not achieve expected returns or other benefits as a result of integration challenges, such as personnel and technology.

Failure to qualify as a REIT could have adverse consequences.

We may not continue to qualify as a REIT in the future. Also, the Internal Revenue Service may challenge our qualification as a REIT for prior years.

For any taxable year we fail to qualify as a REIT and do not qualify under statutory relief provisions:

- we would be subject to federal income tax on our taxable income at regular corporate rates including, for taxable years ended before January 1, 2019, any applicable alternative minimum tax;
- we would be disqualified from treatment as a REIT for the four taxable years following the year in which we failed to qualify, thereby reducing our net income, including any distributions to shareholders, as we would be required to pay significant income taxes for the year or years involved; and
- our ability to expand our business and raise capital would be impaired, which may adversely affect the value of our common shares.

We may face other tax liabilities in the future which may impact our cash flow. These potential tax liabilities may be calculated on our income or property values at either the corporate or individual property levels. Any additional tax expense incurred would decrease the cash available for cash distributions to our common shareholders and non-controlling interest holders. Additionally, in order for us to continue to qualify as a REIT we must meet a number of organizational and operational requirements, including a requirement to distribute annual dividends to our shareholders equal to a minimum of 90% of our adjusted taxable income.

Tax laws have recently changed and may continue to change at any time, and any such legislative or other actions could have a negative effect on us.

Tax laws remain under constant review by persons involved in the legislative process, at the Internal Revenue Service and the U.S. Department of Treasury, and by various state and local tax authorities, as evidenced by the 2017 Jobs Act signed into law in December 2017. Future changes in tax laws, including to the administrative interpretations thereof or to the enacted tax rates, or new pronouncements relating to accounting for income taxes, could adversely affect us in a number of ways, including making it more difficult or more costly for us to qualify as a REIT.

Litigation risks could affect our business.

As an owner, manager and developer of multifamily properties, we may incur liability based on various conditions at our properties and the buildings thereon, and we also have become and in the future may become involved in legal proceedings, including consumer, employment, tort or commercial litigation, which if decided adversely to or settled by us, and not adequately covered by insurance, could result in liability which is material to our financial condition or results of operations.

Damage from catastrophic weather and other natural events could result in losses.

A certain number of our properties are located in areas that have experienced and may in the future experience catastrophic weather and other natural events from time to time, including fires, snow or ice storms, windstorms, tornadoes, hurricanes, earthquakes, flooding or other severe weather. These adverse weather or natural events could cause substantial damages or losses to our properties which could exceed our insurance coverage. In the event of a loss in excess of insured limits, we could lose our capital invested in the affected property, anticipated future revenue from the property, and could also continue to be obligated to repay any mortgage indebtedness or other obligations related to the property. Any such loss could materially and adversely affect our business, financial condition and results of operations.

We are in the process of implementing a new enterprise resource planning system and problems with the design or implementation of this system could interfere with our business and operations.

We are engaged in a multi-year implementation of a cloud-based enterprise resource planning (ERP) system which is planned to be deployed in phases beginning in 2019. The new ERP system will replace multiple current business systems and is being designed to improve processes across the Company. The new ERP system will maintain books and records, record transactions and provide important information of the operations of our business to our management. The implementation of the new ERP system has required, and will continue to require, the investment of significant personnel and financial resources. While we have invested, and will continue to invest, significant resources in planning and project management, implementation issues may arise during the course of implementation, and it is possible we may experience delays, increased costs and other difficulties not presently contemplated. Any disruptions, delays or deficiencies in the design and implementation of the new ERP system could have a materially adverse affect on our financial condition and results of operations.

A cybersecurity incident and other technology disruptions could negatively impact our business.

We use technology in substantially all aspects of our business operations, including internet and cloud-based systems and applications. We also use mobile devices, social networking, outside vendors and other online activities to connect with our employees, suppliers and residents. Such uses and the on-going advancement in technology give rise to potential cybersecurity risks with increasing sophistication, including but not limited to, security breach, espionage, system disruption, theft and inadvertent release of confidential information. Our business involves the storage and transmission of numerous classes of sensitive and confidential information and intellectual property, including residents' and suppliers' personal information, private information about employees, and financial and strategic information about us. Further, as we pursue our strategy to grow through acquisitions and developments and to pursue new initiatives to improve our operations, we are also expanding our information technologies, resulting in a larger technological presence and corresponding exposure to cybersecurity risk. If we fail to assess and identify cybersecurity risks associated with our operations, we may become increasingly vulnerable to such risks and may be liable for the consequential litigation and remediation costs. Additionally, the measures we have implemented to prevent security breaches and cyber incidents may not be effective and there can be no complete assurance of prevention or anticipation of such incidents. The theft, destruction, loss, misappropriation, or release of sensitive data, confidential information or intellectual property, or interference with our information technology systems or the technology systems of third parties on which we rely could result in business disruption, negative publicity, brand damage, violation of privacy laws, loss of residents, potential liability and competitive disadvantage, any of which could result in a material adverse effect on our financial condition or results of operations.

Our third-party service providers are primarily responsible for the security of their own information technology environments and in certain instances, we rely significantly on third-party service providers to supply and store our sensitive data in a secure manner. All of these third parties face potential risks relating to cybersecurity similar to ours which could disrupt their businesses and therefore adversely impact us. While we provide guidance and specific requirements in some cases, we do not directly control any of these parties' information technology security operations, or the amount of investment they place in guarding against cybersecurity threats. Accordingly, we are subject to any flaws in or breaches to their information technology systems or those which they operate for us, which could have a material adverse effect on our financial condition or results of operations.

Risks Associated with Our Indebtedness and Financing

We have significant debt, which could have adverse consequences.

As of December 31, 2018, we had outstanding debt of approximately $2.3 billion. This indebtedness could have adverse consequences, including, but not limited to, the following:

- if a property is mortgaged to secure payment of indebtedness, and if we are unable to meet our mortgage obligations, we could sustain a loss as a result of foreclosure on the mortgaged property;
- our vulnerability to general adverse economic and industry conditions is increased; and
- our flexibility in planning for, or reacting to, changes in business and industry conditions is limited.

The mortgages on our properties subject to secured debt, our unsecured credit facilities, and the indenture under which our unsecured debt was issued, contain customary restrictions, requirements, and other limitations, as well as certain financial and operating covenants including maintenance of certain financial ratios. Maintaining compliance with these provisions could limit our financial flexibility. A default in these provisions, if uncured, could require us to repay the indebtedness before the scheduled maturity date, which could adversely affect our liquidity and increase our financing costs.

Insufficient cash flows could limit our ability to make required payments for debt obligations or pay distributions to shareholders.

Substantially all of our income is derived from rental and other income from our multifamily communities. As a result, our performance depends in large part on our ability to collect rent from residents, which could be negatively affected by a number of factors, including, but not limited to, the following:

- delay in resident lease commencements;
- decline in occupancy;
- failure of residents to make rental payments when due;
- the attractiveness of our properties to residents and potential residents;
- our ability to adequately manage and maintain our communities;
- competition from other available apartments and housing alternatives;
- changes in market rents; and
- increases in operating expenses.

Cash flow could be insufficient to meet required payments of principal and interest with respect to debt financing. In order for us to continue to qualify as a REIT we must meet a number of organizational and operational requirements, including a requirement to distribute annual dividends to our shareholders equal to a minimum of 90% of our adjusted taxable income. This requirement limits the cash available to meet required principal payments on our debt.

Issuances of additional debt may adversely impact our financial condition.

Our capital requirements depend on numerous factors, including the rental and occupancy rates of our multifamily properties, minimum dividend requirements to our equity holders, development, redevelopment and other capital expenditures, costs of operations, and potential acquisitions. If our capital requirements vary materially from our plans, we may require additional financing earlier than anticipated. If we issue more debt, we could become more leveraged, resulting in increased risk of default on our obligations and an increase in our debt service requirements, both of which could adversely affect our financial condition and ability to access debt and equity capital markets in the future.

We may be unable to renew, repay, or refinance our outstanding debt.

We are subject to the risk indebtedness on our properties or our unsecured indebtedness will not be renewed, repaid, or refinanced when due or the terms of any renewal or refinancing will not be as favorable as the existing terms of such indebtedness. If we are unable to refinance our indebtedness on acceptable terms, or at all, we might be forced to dispose of one or more of the properties on disadvantageous terms, which might result in losses to us. Such losses could have a material adverse effect on us and our ability to pay amounts due on our debt and make distributions to our shareholders. Furthermore, if a property is mortgaged to secure payment of indebtedness and we are unable to meet mortgage payments, the mortgagee could foreclose on the property, appoint a receiver and exercise rights under an assignment of rents and leases, or pursue other remedies, all with a consequent loss of our revenues and asset value. Foreclosures could also create taxable income without accompanying cash proceeds, thereby hindering our ability to meet the REIT distribution requirements of the Code.

We may be adversely affected by changes in LIBOR reporting practices or the method in which LIBOR is determined.

Our unsecured credit facilities, unsecured term loan, and fair value of derivative instruments are indexed to the London Interbank Offered Rate ("LIBOR"). Central banks around the world, including the Federal Reserve, have commissioned working groups of market participants and official sector representatives with the goal of finding suitable replacements for LIBOR based on observable market transactions. It is expected a transition away from the widespread use of LIBOR to alternative rates will occur over the course of the next few years. The U.K. Financial Conduct Authority (FCA), which regulates LIBOR, has announced it has commitments from panel banks to continue to contribute to LIBOR through the end of 2021, but it will not use its powers to compel contributions beyond such date. Accordingly, there is considerable uncertainty regarding the publication of such rates beyond 2021. The Federal Reserve Bank of New York and various other authorities have commenced the publication of reforms and actions relating to alternatives to U.S. dollar LIBOR. Although the full impact of such reforms and actions, together with any transition away from LIBOR, including the potential or actual discontinuance of LIBOR publication, remains unclear, these changes may have a material adverse impact on the availability of financing, including LIBOR-based loans, and on our financing costs.

Rising interest rates could both increase our borrowing costs, thereby adversely affecting our cash flows and the amounts available for distribution to our shareholders, and decrease our share price, if investors seek higher yields through other investments.

We have mortgage debt with varying interest rates dependent upon various market indexes. In addition, we have unsecured credit facilities and an unsecured term loan bearing interest at variable rates on all amounts drawn. We may incur additional variable rate debt in the future. Increases in interest rates would increase our interest expense, unless we make arrangements which hedge the risk of rising interest rates, and would increase the costs of refinancing existing debt and of issuing new debt. Accordingly, higher interest rates would adversely affect cash flow, net income, and cash available for payment of our debt obligations and distributions to shareholders.

An environment of rising interest rates could also lead holders of our securities to seek higher yields through other investments, which could adversely affect the market price of our shares. One of the factors which may influence the price of our stock in public markets is the annual distribution rate we pay as compared with the yields on alternative investments.

Failure to hedge effectively against interest rates may adversely affect results of operations.

From time-to-time, we may seek to manage our exposure to interest rate volatility by using interest rate hedging arrangements for debt instruments and future debt issuances. These agreements involve risks, such as the risk the counterparties may fail to honor their obligations under these arrangements, and these arrangements may not be effective in reducing our exposure to interest rate changes. Failure to hedge effectively against interest rate changes could have a material adverse effect on us and our ability to make distributions to our shareholders and pay amounts due on our debt.

Failure to maintain our current credit ratings could adversely affect our cost of funds, related margins, liquidity, and access to capital markets.

Moody’s, Fitch, and Standard & Poor's, the major debt rating agencies, routinely evaluate our debt and have given us ratings of A3 with stable outlook, A- with stable outlook, and BBB+ with positive outlook, respectively, on our senior unsecured debt as of December 31, 2018. In February 2019, Standard and Poor's upgraded our senior unsecured debt rating to A- with stable outlook. These ratings are based on a number of factors, which include their assessment of our financial strength, liquidity, capital structure, asset quality, and sustainability of cash flow and earnings. Due to changes in market conditions, we may not be able to maintain our current credit ratings, which could adversely affect our cost of funds and related margins, liquidity, and access to capital markets.

Risks Associated with Our Shares

Share ownership limits and our ability to issue additional equity securities may prevent takeovers beneficial to shareholders.

For us to maintain our qualification as a REIT, we must have 100 or more shareholders during the year and not more than 50% in value of our outstanding shares may be owned, directly or indirectly, by five or fewer individuals. As defined for federal income tax purposes, the term “individuals” includes a number of specified entities. To minimize the possibility of us failing to qualify as a REIT under this test, our declaration of trust includes restrictions on transfers of our shares and ownership limits. The ownership limits, as well as our ability to issue other classes of equity securities, may delay, defer, or prevent a change in control. These provisions may also deter tender offers for our common shares which may be attractive to you or limit your opportunity to receive a premium for your shares which might otherwise exist if a third party were attempting to effect a change in control transaction.

Our share price will fluctuate.

The market price and trading volume of our common shares are subject to fluctuation due to general market conditions, the risks discussed in this report and other matters, including, but not limited to, the following:

- operating results which vary from the expectations of securities analysts and investors;
- investor interest in our property portfolio;
- the reputation and performance of REITs;
- the attractiveness of REITs as compared to other investment vehicles;
- the results of our financial condition and operations;
- the perception of our growth and earnings potential;
- minimum dividend requirements;
- increases in market interest rates, which may lead purchasers of our common shares to demand a higher yield; and
- changes in financial markets and national and regional economic and general market conditions.

The form, timing and amount of dividend distributions in future periods may vary and be impacted by economic and other considerations.

The form, timing and amount of dividend distributions will be declared at the discretion of our Board of Trust Managers and will depend on actual cash from operations, our financial condition, capital requirements, the annual distribution requirements under the REIT provisions of the Code and other factors as the Board of Trust Managers may consider relevant. The Board of Trust Managers may modify the form, timing and amount of dividends from time to time.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

The Properties

Our properties typically consist of mid-rise buildings or two and three story buildings in a landscaped setting, as well as high-rise buildings, and provide residents with a variety of amenities common to multifamily rental properties.

Operating Properties (including properties held through unconsolidated joint ventures)

The 161 operating properties in which we owned interests and operated at December 31, 2018 averaged 956 square feet of living area per apartment home. For the year ended December 31, 2018, no single operating property accounted for greater than 1.6% of our total revenues. Our stabilized operating properties had a weighted average occupancy rate of approximately 96% and 95% for the years ended December 31, 2018 and 2017, respectively, and an average monthly rental revenue per apartment home of $1,502 and $1,447 for the same periods, respectively. Resident lease terms generally range from twelve to fifteen months. At December 31, 2018, 146 of our operating properties had over 200 apartment homes, with the largest having 904 apartment homes. Our operating properties were constructed and placed in service as follows:

Year Placed in Service	Number of Operating Properties
2014-2018	25
2009-2013	20
2004-2008	33
1999-2003	47
1994-1998	25
Prior to 1994	11

Property Table

The following table sets forth information with respect to our 161 operating properties at December 31, 2018:

	OPERATING PROPERTIES				
Property and Location	**Year Placed in Service**	**Average Apartment Size (Sq. Ft.)**	**Number of Apartments**	**2018 Average Occupancy (1)**	**2018 Average Monthly Rental Rate per Apartment (2)**
ARIZONA					
Phoenix/Scottsdale					
Camden Chandler	2016	1,146	380	94.9%	$ 1,372
Camden Copper Square	2000	786	332	94.9	1,155
Camden Foothills	2014	1,032	220	95.7	1,605
Camden Hayden	2015	1,043	234	94.5	1,476
Camden Legacy	1996	1,067	428	96.3	1,270
Camden Montierra	1999	1,071	249	97.1	1,332
Camden Pecos Ranch	2001	924	272	95.6	1,117
Camden San Marcos	1995	984	320	96.7	1,240
Camden San Paloma	1993/1994	1,042	324	97.0	1,256
Camden Sotelo	2008/2012	1,303	170	95.3	1,513
CALIFORNIA					
Los Angeles/Orange County					
Camden Crown Valley	2001	1,009	380	96.1	2,058
Camden Glendale	2015	882	303	94.4	2,273
Camden Harbor View	2004	981	546	95.6	2,607
Camden Main and Jamboree	2008	1,011	290	95.2	2,110
Camden Martinique	1986	795	714	95.6	1,776
Camden Sea Palms	1990	891	138	94.3	2,110
The Camden	2016	768	287	94.8	3,184
San Diego/Inland Empire					
Camden Landmark	2006	982	469	95.3	1,622
Camden Old Creek	2007	1,037	350	95.1	2,134
Camden Sierra at Otay Ranch	2003	962	422	95.6	1,957
Camden Tuscany	2003	896	160	95.7	2,607
Camden Vineyards	2002	1,053	264	95.4	1,718
COLORADO					
Denver					
Camden Belleview Station	2009	888	270	95.9	1,452
Camden Caley	2000	925	218	95.5	1,463
Camden Denver West	1997	1,015	320	96.1	1,712
Camden Flatirons	2015	960	424	95.8	1,596
Camden Highlands Ridge	1996	1,149	342	93.2	1,731
Camden Interlocken	1999	1,010	340	94.8	1,604
Camden Lakeway	1997	932	451	94.4	1,535
Camden Lincoln Station	2017	844	267	95.0	1,545
WASHINGTON DC METRO					
Camden Ashburn Farm	2000	1,062	162	96.1	1,683
Camden College Park	2008	942	508	95.9	1,565

Property and Location	Year Placed in Service	Average Apartment Size (Sq. Ft.)	Number of Apartments	2018 Average Occupancy (1)	2018 Average Monthly Rental Rate per Apartment (2)
	OPERATING PROPERTIES				
Camden Dulles Station	2009	978	382	96.6%	$ 1,718
Camden Fair Lakes	1999	1,056	530	96.8	1,807
Camden Fairfax Corner	2006	934	489	96.7	1,872
Camden Fallsgrove	2004	996	268	96.0	1,767
Camden Grand Parc	2002	672	105	95.9	2,490
Camden Lansdowne	2002	1,006	690	94.9	1,612
Camden Largo Town Center	2000/2007	1,027	245	94.1	1,668
Camden Monument Place	2007	856	368	96.7	1,597
Camden NoMa	2014	770	321	95.7	2,217
Camden NoMa II (3)	2017	759	405	95.1	2,310
Camden Potomac Yard (4)	2008	835	378	94.5	1,980
Camden Roosevelt	2003	856	198	93.3	2,788
Camden Russett	2000	992	426	95.2	1,475
Camden Shady Grove (5)	2018	877	457	Lease-Up	1,743
Camden Silo Creek	2004	975	284	96.2	1,606
Camden South Capitol (6)	2013	821	281	95.8	2,251
Camden Washingtonian (5)	2018	871	365	Lease-Up	1,764
FLORIDA					
Southeast Florida					
Camden Aventura	1995	1,108	379	96.3	1,951
Camden Boca Raton	2014	843	261	96.9	1,935
Camden Brickell (4)	2003	937	405	94.1	2,102
Camden Doral	1999	1,120	260	97.1	1,909
Camden Doral Villas	2000	1,253	232	97.4	2,036
Camden Las Olas (4)	2004	1,043	420	94.4	2,086
Camden Plantation	1997	1,201	502	96.6	1,674
Camden Portofino	1995	1,112	322	96.3	1,733
Orlando					
Camden Hunter’s Creek	2000	1,075	270	96.7	1,396
Camden Lago Vista	2005	955	366	96.6	1,289
Camden LaVina	2012	970	420	96.7	1,300
Camden Lee Vista	2000	937	492	96.8	1,230
Camden North Quarter (7)	2016	806	333	94.9	1,541
Camden Orange Court	2008	817	268	95.7	1,362
Camden Thornton Park (7)	2016	920	299	92.2	1,925
Camden Town Square	2012	983	438	97.1	1,345
Camden Waterford Lakes (6)	2014	971	300	96.5	1,411
Camden World Gateway	2000	979	408	96.7	1,289
Tampa/St. Petersburg					
Camden Bay	1997/2001	943	760	95.9	1,175
Camden Montague	2012	975	192	96.7	1,335
Camden Pier District (7)	2016	989	358	93.2	2,403
Camden Preserve	1996	942	276	94.7	1,402

Property and Location	Year Placed in Service	Average Apartment Size (Sq. Ft.)	Number of Apartments	2018 Average Occupancy (1)	2018 Average Monthly Rental Rate per Apartment (2)
	OPERATING PROPERTIES				
Camden Royal Palms	2006	1,017	352	96.5%	$ 1,197
Camden Visconti (6)	2007	1,125	450	95.8	1,345
Camden Westchase Park	2012	992	348	96.2	1,427
GEORGIA					
Atlanta					
Camden Brookwood	2002	912	359	96.8	1,358
Camden Buckhead Square	2015	827	250	95.0	1,555
Camden Creekstone	2002	990	223	95.5	1,326
Camden Deerfield	2000	1,187	292	96.1	1,395
Camden Dunwoody	1997	1,007	324	96.3	1,329
Camden Fourth Ward	2014	847	276	96.8	1,666
Camden Midtown Atlanta	2001	935	296	96.2	1,474
Camden Paces	2015	1,407	379	95.6	2,652
Camden Peachtree City	2001	1,027	399	95.2	1,277
Camden Phipps (6)	1996	1,018	234	95.9	1,528
Camden Shiloh	1999/2002	1,143	232	96.4	1,264
Camden St. Clair	1997	999	336	95.9	1,321
Camden Stockbridge	2003	1,009	304	95.4	1,066
Camden Vantage	2010	901	592	96.5	1,404
NORTH CAROLINA					
Charlotte					
Camden Ballantyne	1998	1,048	400	95.1	1,283
Camden Cotton Mills	2002	905	180	95.1	1,462
Camden Dilworth	2006	857	145	96.1	1,432
Camden Fairview	1983	1,036	135	96.6	1,173
Camden Foxcroft	1979	940	156	96.0	1,053
Camden Foxcroft II	1985	874	100	95.7	1,159
Camden Gallery	2017	743	323	95.7	1,507
Camden Grandview	2000	1,059	266	95.3	1,655
Camden Sedgebrook	1999	972	368	95.7	1,102
Camden South End	2003	882	299	95.3	1,398
Camden Southline (6)	2015	831	266	95.8	1,516
Camden Stonecrest	2001	1,098	306	95.1	1,294
Camden Touchstone	1986	899	132	96.5	1,059
Raleigh					
Camden Asbury Village (6)	2009	1,009	350	95.6	1,187
Camden Crest	2001	1,013	438	95.9	1,034
Camden Governor’s Village	1999	1,046	242	95.5	1,085
Camden Lake Pine	1999	1,066	446	95.7	1,143
Camden Manor Park	2006	966	484	94.1	1,098
Camden Overlook	2001	1,060	320	95.6	1,236
Camden Reunion Park	2000/2004	972	420	94.9	1,027

Property and Location	Year Placed in Service	Average Apartment Size (Sq. Ft.)	Number of Apartments	2018 Average Occupancy (1)	2018 Average Monthly Rental Rate per Apartment (2)
	OPERATING PROPERTIES				
Camden Westwood	1999	1,027	354	94.7%	$ 1,072
TEXAS					
Austin					
Camden Amber Oaks (6)	2009	862	348	95.5	1,081
Camden Amber Oaks II (6)	2012	910	244	95.5	1,146
Camden Brushy Creek (6)	2008	882	272	96.3	1,151
Camden Cedar Hills	2008	911	208	96.2	1,260
Camden Gaines Ranch	1997	955	390	96.8	1,398
Camden Huntingdon	1995	903	398	96.2	1,144
Camden La Frontera	2015	901	300	95.5	1,218
Camden Lamar Heights	2015	838	314	95.8	1,477
Camden Shadow Brook (6)	2009	909	496	95.8	1,142
Camden Stoneleigh	2001	908	390	96.5	1,253
Corpus Christi					
Camden Breakers	1996	868	288	93.1	1,109
Camden Copper Ridge	1986	775	344	92.1	860
Camden South Bay (6)	2007	1,055	270	93.6	1,232
Dallas/Fort Worth					
Camden Addison	1996	942	456	95.3	1,235
Camden Belmont	2010/2012	945	477	95.4	1,441
Camden Buckingham	1997	919	464	95.1	1,209
Camden Centreport	1997	911	268	95.2	1,177
Camden Cimarron	1992	772	286	96.5	1,206
Camden Design District (6)	2009	939	355	94.9	1,382
Camden Farmers Market	2001/2005	932	904	95.1	1,352
Camden Henderson	2012	967	106	96.4	1,531
Camden Legacy Creek	1995	831	240	96.6	1,273
Camden Legacy Park	1996	871	276	96.1	1,270
Camden Panther Creek (6)	2009	946	295	95.2	1,229
Camden Riverwalk (6)	2008	982	600	95.5	1,453
Camden Valley Park	1986	743	516	95.4	1,082
Camden Victory Park (3)	2016	861	423	95.5	1,605
Houston					
Camden City Centre	2007	932	379	94.9	1,456
Camden City Centre II	2013	868	268	95.1	1,505
Camden Cypress Creek (6)	2009	993	310	95.9	1,268
Camden Downs at Cinco Ranch (6)	2004	1,075	318	95.0	1,242
Camden Grand Harbor (6)	2008	959	300	94.9	1,175
Camden Greenway	1999	861	756	96.4	1,371
Camden Heights (6)	2004	927	352	95.6	1,461
Camden Holly Springs	1999	934	548	95.0	1,206
Camden McGowen Station (5)	2018	1,007	315	Lease-Up	2,310

Property and Location	OPERATING PROPERTIES				
	Year Placed in Service	Average Apartment Size (Sq. Ft.)	Number of Apartments	2018 Average Occupancy (1)	2018 Average Monthly Rental Rate per Apartment (2)
Camden Midtown	1999	844	337	94.8%	$ 1,522
Camden Northpointe (6)	2008	940	384	95.8	1,099
Camden Oak Crest	2003	870	364	96.1	1,117
Camden Park	1995	866	288	96.2	1,083
Camden Plaza	2007	915	271	96.1	1,550
Camden Post Oak	2003	1,200	356	94.2	2,448
Camden Royal Oaks	2006	923	236	93.9	1,334
Camden Royal Oaks II	2012	1,054	104	93.7	1,541
Camden Spring Creek (6)	2004	1,080	304	92.5	1,271
Camden Stonebridge	1993	845	204	96.0	1,089
Camden Sugar Grove	1997	921	380	95.7	1,179
Camden Travis Street	2010	819	253	95.4	1,474
Camden Vanderbilt	1996/1997	863	894	96.4	1,415
Camden Whispering Oaks	2008	934	274	95.6	1,223
Camden Woodson Park (6)	2008	916	248	95.0	1,195
Camden Yorktown (6)	2008	995	306	95.9	1,166

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

(2) The average monthly rental rate per apartment incorporates vacant units and resident concessions calculated on a straight-line basis over the life of the lease.

(3) Development property stabilized during 2018—average occupancy calculated from date at which occupancy exceeded 90% through December 31, 2018.

(4) Property under redevelopment at December 31, 2018.

(5) Property under lease-up at December 31, 2018.

(6) Property owned through an unconsolidated joint venture in which we currently own a 31.3% interest. The remaining interest is owned by an unaffiliated third party.

(7) Property acquired in 2018 - average occupancy calculated from date property was acquired.

Item 3. Legal Proceedings

None.

Item 4. Mine Safety Disclosures

None.

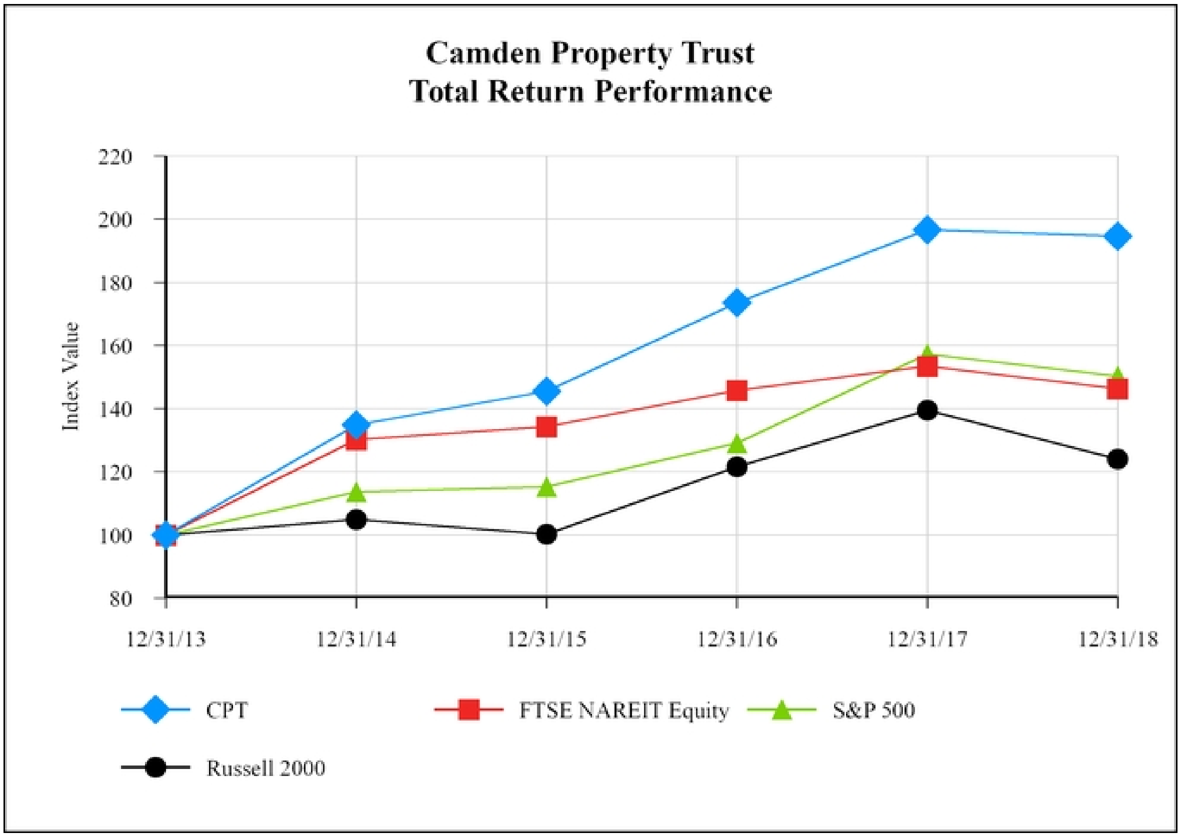
PART II

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

Our common shares are traded on the New York Stock Exchange under the symbol "CPT." As of February 7, 2019, there were approximately 365 shareholders of record and approximately 42,402 beneficial owners of our common shares.

In the first quarter of 2019, the Company's Board of Trust Managers declared a first quarter dividend of $0.80 per common share to our common shareholders of record as of March 29, 2019. Future dividend payments are paid at the discretion of the Board of Trust Managers and depend on cash flows generated from operations, the Company's financial condition and capital requirements, distribution requirements under the REIT provisions of the Code and other factors which may be deemed relevant by our Board of Trust Managers. Assuming similar dividend distributions for the remainder of 2019, our annualized dividend rate for 2019 would be $3.20 as compared to a dividend rate of $3.08 in 2018.

The following graph assumes the investment of $100 on December 31, 2013 and quarterly reinvestment of dividends, including the special dividend of $4.25 paid in September 2016.



(Source: S&P Global Market Intelligence)

Index	2014	2015	2016	2017	2018
Camden Property Trust	$ 134.84	$ 145.52	$ 173.51	$ 196.61	$ 194.61
FTSE NAREIT Equity	130.14	134.30	145.74	153.36	146.27
S&P 500	113.69	115.26	129.05	157.22	150.33
Russell 2000	104.89	100.26	121.63	139.44	124.09

In May 2017, we created an at-the market ("ATM") share offering program through which we can, but have no obligation to, sell common shares having an aggregate offering price of up to $315.3 million (the "2017 ATM program"), in amounts and at times as we determine, into the existing trading market at current market prices as well as through negotiated transactions. Actual sales from time to time may depend on a variety of factors including, among others, market conditions, the trading price of our common shares, and determinations by management of the appropriate sources of funding for us. During the year ended December 31, 2018, we did not sell any shares under the 2017 ATM Program. During the year ended December 31, 2017, we issued approximately 28.1 thousand common shares under the 2017 ATM program at our average price of $90.44 per share for a total net consideration of approximately $2.5 million. The proceeds from the sale of our common shares under the 2017 ATM program are intended to be used for general corporate purposes, which may include reducing future borrowings under our unsecured line of credit or short-term borrowing facilities, the repayment of other indebtedness, the redemption or other repurchase of outstanding debt or equity securities, funding for development activities, and financing for acquisitions.

As of the date of this filing, we had common shares having an aggregate offering price of up to $312.8 million remaining available for sale under the 2017 ATM program. No additional shares were sold under the 2017 ATM program subsequent to December 31, 2018 through the date of this filing.

See Part III, Item 12, for a description of securities authorized for issuance under equity compensation plans.

We have a repurchase plan approved by our Board of Trust Managers which allows for the repurchase of up to $500 million of our common equity securities through open market purchases, block purchases, and privately negotiated transactions. In March 2018, we repurchased 3,222 common shares for approximately $0.3 million. As of the date of this filing, the remaining dollar value of our common equity securities authorized to be repurchased under this program was approximately $269.5 million. There were no repurchases under this program for the years ended December 31, 2017 or 2016, or subsequent to December 31, 2018 through the date of this filing.

Item 6. Selected Financial Data

The following table provides selected financial data relating to our historical financial condition and results of operations as of and for each of the years ended December 31, 2014 through 2018. This data should be read in conjunction with Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and related notes. Prior year amounts have been reclassified for discontinued operations.

COMPARATIVE SUMMARY OF SELECTED FINANCIAL AND PROPERTY DATA

	Year Ended December 31,				
(in thousands, except per share amounts and property data)	2018	2017	2016	2015	2014
Operating Data (a)					
Total property revenues	$ 954,505	$ 900,896	$ 876,447	$ 835,618	$ 790,263
Total property expenses	343,579	328,742	311,355	301,000	285,700
Total non-property income	2,797	27,795	14,577	7,332	14,611
Total other expenses	459,441	447,595	425,190	412,022	399,314
Income from continuing operations attributable to common shareholders	156,128	196,422	436,981	229,565	273,892
Net income attributable to common shareholders	156,128	196,422	819,823	249,315	292,089
Earnings per common share from continuing operations:					
Basic	$ 1.63	$ 2.14	$ 4.81	$ 2.55	$ 3.08
Diluted	1.63	2.13	4.79	2.54	3.06
Total earnings per common share:					
Basic	$ 1.63	$ 2.14	$ 9.08	$ 2.77	$ 3.29
Diluted	1.63	2.13	9.05	2.76	3.27
Distributions declared per common share	$ 3.08	$ 3.00	$ 3.00	$ 2.80	$ 2.64
Special dividend per common share (b)	$ —	$ —	$ 4.25	$ —	$ —
Balance Sheet Data (at end of year)					
Total real estate assets, at cost (c)	$ 8,328,475	$ 7,667,743	$ 7,376,690	$ 7,387,597	$ 7,025,376
Total assets	6,219,586	6,173,748	6,028,152	6,037,612	6,043,981
Notes payable	2,321,603	2,204,598	2,480,588	2,724,687	2,730,613
Non-qualified deferred compensation share awards	52,674	77,230	77,037	79,364	68,134
Equity	3,385,104	3,484,714	3,095,553	2,892,896	2,888,409
Other Data					
Cash flows provided by (used in):					
Operating activities	$ 503,747	$ 434,656	$ 443,063	$ 423,238	$ 418,528
Investing activities	(640,921)	(189,754)	690,412	(293,235)	(326,587)
Financing activities	(197,028)	(112,923)	(904,237)	(273,231)	43,482
Funds from operations – diluted (d)	463,982	424,072	425,464	414,497	378,043
Adjusted funds from operations – diluted (d)	391,686	359,314	366,380	350,328	318,189
Property Data					
Number of operating properties (at the end of year) (e)	161	155	152	172	168
Number of operating apartment homes (at end of year) (e)	55,160	53,033	52,793	59,792	58,948
Number of operating apartment homes (weighted average) (e) (f)	46,925	46,210	46,934	47,088	47,915
Weighted average monthly total property revenue per apartment home (a) (f)	$ 1,695	$ 1,625	$ 1,556	$ 1,479	$ 1,374
Properties under development (at end of period)	6	7	7	8	13

(a) *Excludes discontinued operations. See Note 2, "Summary of Significant Accounting Policies and Recent Accounting Pronouncements," and Note 8, "Acquisitions, Dispositions, and Discontinued Operations," in the Notes to Consolidated Financial Statements for further discussion of discontinued operations.*

(b) *A special dividend was paid on September 30, 2016. Refer to Note 5 "Common Shares" in the Notes to the Consolidated Financial Statements for further discussion of the special dividend.*

(c) *Includes operating properties held for sale at net book value and excludes discontinued operating properties and joint ventures for all periods presented.*

(d) *Management considers Funds from Operations (“FFO”) and adjusted FFO ("AFFO") to be appropriate measures of the financial performance of an equity REIT. The National Association of Real Estate Investment Trusts (“NAREIT”) currently defines FFO as net income (computed in accordance with accounting principles generally accepted in the United States of America (“GAAP”)), excluding gains (or losses) associated with previously depreciated operating properties, real estate depreciation and amortization, impairments of depreciable assets, and adjustments for unconsolidated joint ventures. Our calculation of diluted FFO also assumes conversion of all potentially dilutive securities, including certain non-controlling interests, which are convertible into common shares. We consider FFO to be an appropriate supplemental measure of operating performance because, by excluding gains or losses on dispositions of operating properties, and depreciation, FFO can assist in the comparison of the operating performance of a company’s real estate investments between periods or to different companies. AFFO is calculated utilizing FFO less recurring capitalized expenditures which are necessary to help preserve the value of and maintain the functionality at our communities. We also consider AFFO to be a useful supplemental measure because it is frequently used by analysts and investors to evaluate a REIT's operating performance between periods or different companies. Our definition of recurring capital expenditures may differ from other REITs, and there can be no assurance our basis for computing this measure is comparable to other REITs. To facilitate a clear understanding of our consolidated historical operating results, we believe FFO and AFFO should be examined in conjunction with net income attributable to common shareholders as presented in the consolidated statements of income and comprehensive income and data included elsewhere in this report. FFO and AFFO are not defined by GAAP and should not be considered alternatives to net income attributable to common shareholders as an indication of our operating performance. Additionally, FFO and AFFO as disclosed by other REITs may not be comparable to our calculation. See "Funds from Operations and Adjusted FFO" in Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" for reconciliations of net income attributable to common shareholders to FFO and AFFO.*

(e) *Includes operating properties held for sale and discontinued operating properties held for sale for all periods presented.*

(f) *Excludes apartment homes owned in joint ventures.*

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

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

We consider portions of this report to be "forward-looking" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, both as amended, with respect to our expectations for future periods. Forward-looking statements do not discuss historical fact, but instead include statements related to expectations, projections, intentions, or other items relating to the future; forward-looking statements are not guarantees of future performance, results, or events. Although we believe the expectations reflected in our forward-looking statements are based upon reasonable assumptions, we can give no assurance our expectations will be achieved. Any statements contained herein which are not statements of historical fact should be deemed forward-looking statements. Reliance should not be placed on these forward-looking statements as these statements are subject to known and unknown risks, uncertainties, and other factors beyond our control and could differ materially from our actual results and performance.

Factors which may cause our actual results or performance to differ materially from those contemplated by forward-looking statements include, but are not limited to, the following:

- Volatility in capital and credit markets, or other unfavorable changes in economic conditions, either nationally or regionally in one or more of the markets in which we operate, could adversely impact us;
- Short-term leases expose us to the effects of declining market rents;
- Competition could limit our ability to lease apartments or increase or maintain rental income;
- We face risks associated with land holdings and related activities;
- Potential reforms to Fannie Mae and Freddie Mac could adversely affect us;
- Development, redevelopment and construction risks could impact our profitability;
- Investments through joint ventures and investment funds involve risks not present in investments in which we are the sole investor;
- Competition could adversely affect our ability to acquire properties;
- Our acquisition strategy may not produce the cash flows expected;
- Failure to qualify as a REIT could have adverse consequences;
- Tax laws have recently changed and may continue to change at any time, and any such legislative or other actions could have a negative effect on us;
- Litigation risks could affect our business;
- Damage from catastrophic weather and other natural events could result in losses;
- We are in the process of implementing a new enterprise resource planning system and problems with the design or implementation of this system could interfere with our business and operations;
- A cybersecurity incident and other technology disruptions could negatively impact our business;
- We have significant debt, which could have adverse consequences;
- Insufficient cash flows could limit our ability to make required payments for debt obligations or pay distributions to shareholders;
- Issuances of additional debt may adversely impact our financial condition;
- We may be unable to renew, repay, or refinance our outstanding debt;
- We may be adversely affected by changes in LIBOR reporting practices or the method in which LIBOR is determined;
- Rising interest rates could both increase our borrowing costs, thereby adversely affecting our cash flows and the amounts available for distribution to our shareholders, and decrease our share price, if investors seek higher yields through other investments;
- Failure to hedge effectively against interest rates may adversely affect results of operations;

- Failure to maintain our current credit ratings could adversely affect our cost of funds, related margins, liquidity, and access to capital markets;
- Share ownership limits and our ability to issue additional equity securities may prevent takeovers beneficial to shareholders;
- Our share price will fluctuate; and
- The form, timing and amount of dividend distributions in future periods may vary and be impacted by economic and other considerations.

These forward-looking statements represent our estimates and assumptions as of the date of this report, and we assume no obligation to update or supplement forward-looking statements because of subsequent events.

Executive Summary

We are primarily engaged in the ownership, management, development, redevelopment, acquisition, and construction of multifamily apartment communities. Overall, we focus on investing in markets characterized by high-growth economic conditions, strong employment, and attractive quality of life which we believe leads to higher demand and retention of our apartments. As of December 31, 2018, we owned interests in, operated, or were developing 167 multifamily properties comprised of 56,858 apartment homes across the United States as detailed in the following Property Portfolio table. In addition, we own other land holdings which we may develop into multifamily apartment communities in the future.

Property Operations

Our results for the year ended December 31, 2018 reflect an increase in same store revenues of 3.2% as compared to 2017. These increases were due to higher average rental rates, which we believe was primarily attributable to improving job growth, favorable demographics, a manageable supply of new multifamily housing, and in part to more individuals choosing to rent versus buy as evidenced by the continued low level of homeownership rates. We believe the continued low levels of homeownership rates are mainly attributable to difficulties in obtaining mortgage loans as well as changing demographic trends which demonstrate certain generations having a higher propensity to rent, both of which promote apartment rentals. We also believe U.S. economic and employment growth are likely to continue during 2019 and the supply of new multifamily homes will likely remain at manageable levels. If economic conditions were to worsen, our operating results could be adversely affected.

Construction Activity

At December 31, 2018, we had six projects under construction comprised of 1,698 apartment homes, with stabilization expected to be completed within the next 42 months. As of December 31, 2018, we estimate the additional cost to complete the construction of the six projects to be approximately $335.2 million.

Acquisitions

Operating properties: During the year ended December 31, 2018 we acquired the following operating properties:

- In September 2018, we acquired one operating property comprised of 299 apartment homes located in Orlando, Florida, for approximately $89.8 million.
- In February 2018, we acquired one operating property comprised of 333 apartment homes located in Orlando, Florida, for approximately $81.4 million.
- In January 2018, we acquired one operating property comprised of 358 apartment homes located in St. Petersburg, Florida, for approximately $126.9 million.

Land: In April 2018, we acquired approximately 1.8 acres of land in Orlando, Florida for approximately $11.4 million for the future development of a community with 360 wholly-owned apartment homes which started construction during the quarter ended June 30, 2018.

Dispositions

Land. In September 2018, we sold approximately 14.1 acres of land adjacent to two development properties in Phoenix, Arizona for approximately $11.5 million.

Future Outlook

Subject to market conditions, we intend to continue to seek opportunities to develop new communities, and to redevelop, reposition and acquire existing communities. We also intend to evaluate our operating property and land development portfolio and plan to continue our practice of selective dispositions as market conditions warrant and opportunities arise. We expect to maintain a strong balance sheet and preserve our financial flexibility by continuing to focus on our core fundamentals which currently are generating positive cash flows from operations, maintaining appropriate debt levels and leverage ratios, and controlling overhead costs. We intend to meet our near-term liquidity requirements through a combination of one or more of the following: cash flows generated from operations, draws on our unsecured credit facility or other short-term borrowing, the use of debt and equity offerings under our automatic shelf registration statement, proceeds from property dispositions, equity issued from our 2017 ATM program, other unsecured borrowings, or secured mortgages.

As of December 31, 2018, we had approximately $34.4 million in cash and cash equivalents, and $634.9 million available under our $645.0 million unsecured credit facilities. As of the date of this filing, we had common shares having an aggregate offering price of up to $312.8 million remaining available for sale under our 2017 ATM program. We believe scheduled payments of debt in 2019 are manageable at $437.3 million, which represents approximately 18.8% of our total outstanding debt, and includes the amortization of debt discounts and debt issuance costs, net of scheduled principal payments of approximately $1.8 million. We believe we are well-positioned with a strong balance sheet and sufficient liquidity to cover near-term debt maturities and new development, redevelopment, and other capital funding requirements. We will, however, continue to assess and take further actions we believe are prudent to meet our objectives and capital requirements.

Property Portfolio

Our multifamily property portfolio is summarized as follows:

	December 31, 2018		December 31, 2017	
	Apartment Homes	Properties	Apartment Homes	Properties
Operating Properties				
Houston, Texas	8,749	25	8,434	24
Washington, D.C. Metro	6,862	19	6,040	17
Dallas, Texas	5,666	14	5,666	14
Atlanta, Georgia	4,496	14	4,496	14
Orlando, Florida	3,594	10	2,962	8
Austin, Texas	3,360	10	3,360	10
Charlotte, North Carolina	3,076	13	3,076	13
Raleigh, North Carolina	3,054	8	3,054	8
Phoenix, Arizona	2,929	10	2,929	10
Southeast Florida	2,781	8	2,781	8
Tampa, Florida	2,736	7	2,378	6
Los Angeles/Orange County, California	2,658	7	2,658	7
Denver, Colorado	2,632	8	2,632	8
San Diego/Inland Empire, California	1,665	5	1,665	5
Corpus Christi, Texas	902	3	902	3
Total Operating Properties	55,160	161	53,033	155
Properties Under Construction				
Phoenix, Arizona	441	1	441	1
Atlanta, Georgia	365	1	—	—
Orlando, Florida	360	1	—	—
Houston, Texas	271	1	586	2
Denver, Colorado	233	1	233	1
Charlotte, North Carolina	28	1	28	1
Washington, D.C. Metro	—	—	822	2
Total Properties Under Construction	1,698	6	2,110	7
Total Properties	56,858	167	55,143	162

	December 31, 2018		December 31, 2017	
	Apartment Homes	Properties	Apartment Homes	Properties
Less: Unconsolidated Joint Venture Properties *(1)*				
Houston, Texas	2,522	8	2,522	8
Austin, Texas	1,360	4	1,360	4
Dallas, Texas	1,250	3	1,250	3
Tampa, Florida	450	1	450	1
Raleigh, North Carolina	350	1	350	1
Orlando, Florida	300	1	300	1
Washington, D.C. Metro	281	1	281	1
Corpus Christi, Texas	270	1	270	1
Charlotte, North Carolina	266	1	266	1
Atlanta, Georgia	234	1	234	1
Total Unconsolidated Joint Venture Properties	7,283	22	7,283	22
Total Properties Fully Consolidated	49,575	145	47,860	140

(1) Refer to Note 9, "Investments in Joint Ventures," in the notes to Consolidated Financial Statements for further discussion of our joint venture investments.

Stabilized Communities

We generally consider a property stabilized once it reaches 90% occupancy. During the year ended December 31, 2018, stabilization was achieved at one consolidated operating property as follows:

Stabilized Property and Location	Number of Apartment Homes	Date of Construction Completion	Date of Stabilization
Consolidated Operating Property			
Camden NoMa II			
Washington, D.C.	405	2Q17	4Q18

Completed Construction in Lease-Up

At December 31, 2018, we had three consolidated completed operating properties in lease-up as follows:

($ in millions) Property and Location	Number of Apartment Homes	Cost Incurred *(1)*	% Leased at 1/30/2019	Date of Construction Completion	Estimated Date of Stabilization
Consolidated Operating Properties					
Camden Shady Grove					
Rockville, MD	457	$ 114.0	90%	1Q18	2Q19
Camden Washingtonian					
Gaithersburg, MD	365	86.8	72%	4Q18	4Q19
Camden McGowen Station					
Houston, TX	315	90.8	64%	4Q18	4Q19
Consolidated total	1,137	$ 291.6			

(1) Excludes leasing costs, which are expensed as incurred.

Properties Under Development and Land

Our consolidated balance sheet at December 31, 2018 included approximately $294.0 million related to properties under development and land. Of this amount, approximately $186.3 million related to our projects currently under construction. In addition, we had approximately $107.7 million primarily invested in land held for future development related to projects we currently expect to begin constructing during the next two years.

Communities Under Construction. At December 31, 2018, we had six consolidated properties in various stages of construction as follows:

($ in millions) **Property and Location**	**Number of Apartment Homes**	**Estimated Cost**	**Cost Incurred**	**Included in Properties Under Development**	**Estimated Date of Construction Completion**	**Estimated Date of Stabilization**
Camden North End I Phoenix, AZ *(1)*	441	$ 105.0	$ 95.9	$ 14.6	1Q19	2Q20
Camden Grandview II Charlotte, NC *(2)*	28	21.0	21.3	11.1	1Q19	2Q19
Camden RiNo Denver, CO	233	75.0	41.6	41.6	2Q20	4Q20
Camden Downtown I Houston, TX	271	132.0	58.9	58.9	3Q20	1Q21
Camden Lake Eola *Orlando, FL*	360	120.0	34.0	34.0	3Q20	3Q21
Camden Buckhead *Atlanta, GA*	365	160.0	26.1	26.1	3Q21	2Q22
Consolidated total	1,698	$ 613.0	$ 277.8	$ 186.3		

(1) Property in lease-up and was 54% leased at January 30, 2019.

(2) Property in lease-up and was 11% leased at January 30, 2019.

Development Pipeline Communities. At December 31, 2018, we had the following consolidated communities undergoing development activities:

($ in millions) **Property and Location**	**Projected Homes**	**Total Estimated Cost *(1)***	**Cost to Date**
Camden North End II	340	$ 85.0	$ 15.3
Phoenix, AZ			
Camden Hillcrest	132	90.0	28.9
San Diego, CA			
Camden Atlantic	269	90.0	16.7
Plantation, FL			
Camden Arts District	354	150.0	21.5
Los Angeles, CA			
Camden Paces III	350	100.0	14.6
Atlanta, GA			
Camden Downtown II	271	145.0	10.7
Houston, TX			
Total	1,716	$ 660.0	$ 107.7

(1) *Represents our estimate of total costs we expect to incur on these projects. However, forward-looking statements are not guarantees of future performance, results, or events. Although we believe these expectations are based upon reasonable assumptions, future events rarely develop exactly as forecasted, and estimates routinely require adjustment.*

Geographic Diversification

At December 31, 2018 and 2017, our real estate assets by various markets, excluding depreciation and investments in joint ventures, were as follows:

($ in thousands)	2018		2017	
Washington, D.C. Metro	$ 1,551,925	18.6%	$ 1,500,568	19.6%
Houston, Texas	899,458	10.8	811,507	10.6
Los Angeles/Orange County, California	738,856	8.9	724,745	9.5
Atlanta, Georgia	713,931	8.6	697,325	9.1
Southeast Florida	599,907	7.2	575,134	7.5
Phoenix, Arizona	563,797	6.8	524,126	6.8
Orlando, Florida	549,039	6.6	345,525	4.5
Dallas, Texas	508,134	6.1	500,492	6.5
Denver, Colorado	502,761	6.0	465,363	6.1
Charlotte, North Carolina	401,879	4.8	383,439	5.0
San Diego/Inland Empire, California	371,186	4.5	359,549	4.7
Tampa, Florida	350,517	4.2	223,841	2.9
Raleigh, North Carolina	293,961	3.5	280,540	3.7
Austin, Texas	234,743	2.8	232,405	3.0
Corpus Christi, Texas	48,381	0.6	43,184	0.5
Total	$ 8,328,475	100.0%	$ 7,667,743	100.0%

Results of Operations

Changes in revenues and expenses related to our operating properties from period to period are due primarily to the performance of stabilized properties in the portfolio, the lease-up of newly constructed properties, acquisitions, and dispositions. Where appropriate, comparisons of income and expense for communities included in continuing operations are made on a dollars-per-weighted average apartment home basis in order to adjust for such changes in the number of apartment homes owned during each period. Selected weighted averages for the years ended December 31 are as follows:

	2018	2017	2016
Average monthly property revenue per apartment home	$ 1,695	$ 1,625	$ 1,556
Annualized total property expenses per apartment home	$ 7,322	$ 7,114	$ 6,634
Weighted average number of operating apartment homes owned 100%	46,925	46,210	46,934
Weighted average occupancy of operating apartment homes owned 100% *(1)*	95.6%	95.4%	95.3%

(1) Our one student housing community, which was sold in December 2017, is excluded from this calculation.

Management considers property net operating income ("NOI") to be an appropriate supplemental measure of operating performance to net income because it reflects the operating performance of our communities without an allocation of corporate level property management overhead or general and administrative costs. We define NOI as total property income less property operating and maintenance expenses less real estate taxes. NOI is further detailed in the Property-Level NOI table as seen below. NOI is not defined by accounting principles generally accepted in the United States of America ("GAAP") and should not be considered an alternative to net income as an indication of our operating performance, should not be considered an alternative to net cash from operating activities as a measure of liquidity, and should not be considered an indication of cash available to fund cash needs. Additionally, NOI as disclosed by other REITs may not be comparable to our calculation.

Reconciliations of net income to NOI for the year ended December 31, 2018, 2017, and 2016 are as follows:

(in thousands)	2018	2017	2016
Net income	$160,694	$200,860	$ 838,226
Less: Fee and asset management income	(7,231)	(8,176)	(6,864)
Less: Interest and other income	(2,101)	(3,011)	(2,202)
Less: (Income)/loss on deferred compensation plans	6,535	(16,608)	(5,511)
Plus: Property management expense	25,581	25,773	25,125
Plus: Fee and asset management expense	4,451	3,903	3,848
Plus: General and administrative expense	50,735	50,587	47,415
Plus: Interest expense	84,263	86,750	93,145
Plus: Depreciation and amortization expense	300,946	263,974	250,146
Plus: Expense/(benefit) on deferred compensation plans	(6,535)	16,608	5,511
Plus: Loss on early retirement of debt	—	323	—
Less: Gain on sale of operating properties, including land	—	(43,231)	(295,397)
Less: Equity in income of joint ventures	(7,836)	(6,822)	(7,125)
Plus: Income tax expense	1,424	1,224	1,617
Less: Income from discontinued operations	—	—	(7,605)
Less: Gain on sale of discontinued operations, net of tax	—	—	(375,237)
Net operating income	$ 610,926	$ 572,154	$ 565,092

Property-Level NOI *(1)(2)*

Property NOI, as reconciled above, is detailed further into the following categories for the year ended December 31, 2018 as compared to 2017 and for the year ended December 31, 2017 as compared to 2016:

	Apartment Homes at	Year Ended December 31,		Change	
($ in thousands)	12/31/2018	2018	2017	$	%
Property revenues:					
Same store communities	41,968	$ 820,732	$ 795,642	$ 25,090	3.2 %
Non-same store communities	4,772	112,685	82,722	29,963	36.2
Development and lease-up communities	2,835	12,667	2,157	10,510	*
Dispositions/other	—	8,421	20,375	(11,954)	(58.7)
Total property revenues	49,575	$ 954,505	$ 900,896	$ 53,609	6.0 %
Property expenses:					
Same store communities	41,968	$ 294,503	$ 286,571	$ 7,932	2.8 %
Non-same store communities	4,772	41,116	30,563	10,553	34.5
Development and lease-up communities	2,835	5,115	676	4,439	*
Hurricane expenses	—	—	3,944	(3,944)	*
Dispositions/other	—	2,845	6,988	(4,143)	(59.3)
Total property expenses	49,575	$ 343,579	$ 328,742	$ 14,837	4.5 %
Property NOI:					
Same store communities	41,968	$ 526,229	$ 509,071	$ 17,158	3.4 %
Non-same store communities	4,772	71,569	52,159	19,410	37.2
Development and lease-up communities	2,835	7,552	1,481	6,071	*
Hurricane expenses	—	—	(3,944)	3,944	*
Dispositions/other	—	5,576	13,387	(7,811)	(58.3)
Total property NOI	49,575	$ 610,926	$ 572,154	$ 38,772	6.8 %

* *Not a meaningful percentage.*

(1) For 2018, same store communities are communities we owned and were stabilized since January 1, 2017, excluding communities under redevelopment and properties held for sale. Non-same store communities are stabilized communities not owned or stabilized since January 1, 2017, including communities under redevelopment and excluding properties held for sale. We define communities under redevelopment as communities with capital expenditures that improve a community's cash flow and competitive position through extensive unit, exterior building, common area, and amenity upgrades. Management believes same store information is useful as it allows both management and investors to determine financial results over a particular period for the same set of communities. Development and lease-up communities are non-stabilized communities we have developed since January 1, 2017, excluding properties held for sale. Hurricane expenses include storm-related damages related to Hurricanes Harvey and Irma in the third quarter of 2017. Dispositions/other includes those communities disposed of or held for sale which are not classified as discontinued operations and non-multifamily rental properties and expenses related to land holdings not under active development.

	Apartment Homes at	Year Ended December 31,		Change	
($ in thousands)	12/31/2017	2017	2016	$	%
Property revenues:					
Same store communities	41,988	$ 799,951	$ 777,498	$ 22,453	2.9 %
Non-same store communities	3,357	77,360	49,849	27,511	55.2
Development and lease-up communities	2,515	6,034	—	6,034	*
Dispositions/other	—	17,551	49,100	(31,549)	(64.3)
Total property revenues	47,860	$ 900,896	$ 876,447	$ 24,449	2.8 %
Property expenses:					
Same store communities	41,988	$ 287,828	$ 276,444	$ 11,384	4.1 %
Non-same store communities	3,357	28,561	18,473	10,088	54.6
Development and lease-up communities	2,515	2,399	—	2,399	*
Hurricane expenses	—	3,944	—	3,944	*
Dispositions/other	—	6,010	16,438	(10,428)	(63.4)
Total property expenses	47,860	$ 328,742	$ 311,355	$ 17,387	5.6 %
Property NOI:					
Same store communities	41,988	$ 512,123	$ 501,054	$ 11,069	2.2 %
Non-same store communities	3,357	48,799	31,376	17,423	55.5
Development and lease-up communities	2,515	3,635	—	3,635	*
Hurricane expenses	—	(3,944)	—	(3,944)	*
Dispositions/other	—	11,541	32,662	(21,121)	(64.7)
Total property NOI	47,860	$ 572,154	$ 565,092	$ 7,062	1.2 %

** Not a meaningful percentage.*

(2) For 2017, same store communities are communities we owned and were stabilized since January 1, 2016, excluding communities under redevelopment and properties held for sale. Non-same store communities are stabilized communities not owned or stabilized since January 1, 2016, including communities under redevelopment and excluding properties held for sale. We define communities under redevelopment as communities with capital expenditures that improve a community's cash flow and competitive position through extensive unit, exterior building, common area, and amenity upgrades. Management believes same store information is useful as it allows both management and investors to determine financial results over a particular period for the same set of communities. Development and lease-up communities are non-stabilized communities we have developed since January 1, 2016, excluding properties held for sale. Dispositions/other includes those communities disposed of or held for sale which are not classified as discontinued operations and non-multifamily rental properties and expenses related to land holdings not under active development.

Same Store Analysis

Year ended December 2018 compared to year ended December 2017

Same store property NOI increased approximately $17.2 million for the year ended December 31, 2018 as compared to the same period in 2017. This increase was due to an increase of approximately $25.1 million in same store property revenues for the year ended December 31, 2018, partially offset by an increase of approximately $7.9 million in same store property expenses for the year ended December 31, 2018, as compared to the same period in 2017.

The $25.1 million increase in same store property revenues for the year ended December 31, 2018, as compared to the same period in 2017, was primarily due to an increase in same store rental revenues of approximately $22.2 million from our same store portfolio for the year ended December 31, 2018, which was primarily due to a 2.8% increase in average rental rates for our same store portfolio for the year ended December 31, 2018, as compared to the same period in 2017. The increase in same store property revenue was also due to a $2.9 million increase in other property revenues primarily due to increases in income from our bulk internet rebilling program for the year ended December 31, 2018 as compared to the same period in 2017.

The $7.9 million increase in same store property expense for the year ended December 31, 2018, as compared to the same period in 2017, was primarily due to an increase of approximately $5.9 million in real estate taxes as a result of higher property valuations and tax rates at a number of our communities, approximately $2.0 million of higher salary expenses, and $1.0 million of higher utility and bulk internet program expenses. These increases were partially offset by an approximate $1.6 million decrease related to lower repair and maintenance costs as compared to the same period in 2017.

Year ended December 2017 compared to year ended December 2016

Same store property NOI increased approximately $11.1 million for the year ended December 31, 2017 as compared to the same period in 2016. This increase was due to an increase of approximately $22.5 million in same store property revenues for the year ended December 31, 2017, partially offset by an increase of approximately $11.4 million in same store property expenses for the year ended December 31, 2017, as compared to the same period in 2016.

The $22.5 million increase in same store property revenues for the year ended December 31, 2017 as compared to the same period in 2016, was due in part to an increase in same store rental revenues of approximately $16.4 million for the year ended December 31, 2017, which was primarily due to a 2.9% increase in average rental rates for our same store portfolio for the year ended December 31, 2017, as compared to the same period in 2016. The increase in same store property revenue was also due to an increase of approximately $6.1 million in other property revenue for the year ended December 31, 2017, as compared to the same period in 2016, primarily due to increases in income from our bulk internet rebilling program and miscellaneous fee income.

The $11.4 million increase in same store property expense for the year ended December 31, 2017, as compared to the same period in 2016, was primarily due to increased costs of approximately $4.4 million associated with our bulk internet and other utility rebilling programs and a $3.9 million increase in real estate taxes as a result of higher property valuations at a number of our communities. These increases were partially offset by decreased property insurance expenses of approximately $1.8 million during the year ended December 31, 2017 as compared to the same period in 2016.

Non-same Store and Development and Lease-up Analysis

Property NOI from non-same store and development and lease-up communities increased approximately $25.5 million for the year ended December 31, 2018 as compared to the same period in 2017. The increase was due to an increase of approximately $40.5 million in revenues for the year ended December 31, 2018, partially offset by an increase of approximately $15.0 million in expenses for the year ended December 31, 2018, as compared to the same period in 2017. The increases in property revenues and expenses from our non-same store communities were primarily due to the stabilization of four operating properties in 2017 and one operating property in 2018 and the acquisition of one operating property in 2017 and three operating properties in 2018. The increases in property revenues and expenses from our development and lease-up communities were primarily due to the timing of completion and partial lease up of a total of three properties during 2017 and 2018, and the partial lease-up of two properties which were under construction at December 31, 2018.

Property NOI from non-same store and development and lease-up communities increased approximately $21.0 million for the year ended December 31, 2017 as compared to the same period in 2016. The increase was due to an increase of approximately $33.5 million in revenues for the year ended December 31, 2017, partially offset by an increase of approximately $12.5 million in expenses for the year ended December 31, 2017, as compared to the same period in 2016. The increases in property revenues and expenses from our non-same store communities were primarily due to the stabilization of four operating properties in each of 2016 and 2017 and the acquisition of one operating property in 2017. The increases in property revenues and expenses from our development and lease-up communities were primarily due to the completion and partial lease up of a total of one property during 2016 and 2017, and the partial lease-up of one property which was under construction at December 31, 2017.

The following table details the changes, described above, relating to non-same store and development and lease up NOI:

	For the year ended December 31,	
(in millions)	2018 compared to 2017	2017 compared to 2016
Property Revenues		
Revenues from non-same store stabilized properties	$ 10.7	$ 24.7
Revenues from acquisitions	19.3	2.8
Revenues from development and lease-up properties	10.5	6.0
	$ 40.5	$ 33.5
Property Expenses		
Expenses from non-same store stabilized properties	$ 2.8	$ 8.8
Expenses from acquisitions	7.9	1.3
Expenses from development and lease-up properties	4.4	2.4
Other	(0.1)	—
	$ 15.0	$ 12.5
Property NOI		
NOI from non-same store stabilized properties	$ 7.9	$ 15.9
NOI from acquisitions	11.4	1.5
NOI from development and lease-up properties	6.1	3.6
Other	0.1	—
	$ 25.5	$ 21.0

Hurricane Expenses

In 2017, certain of our wholly-owned multifamily communities were impacted by Hurricanes Harvey and Irma and we incurred approximately $3.9 million of expenses.

Dispositions/Other Property Analysis

Dispositions/other property NOI decreased approximately $7.8 million for the year ended December 31, 2018 as compared to the same period in 2017. The decrease was primarily due to the disposition of one operating property in 2017. We had no operating property dispositions in 2018.

Dispositions/other property NOI decreased approximately $21.1 million for the year ended December 31, 2017 as compared to the same period in 2016. The decrease was primarily due to the disposition of one dual-phased operating property and six other operating properties in 2016 and the disposition of one operating property in 2017.

Non-Property Income

	Year Ended December 31,		Change		Year Ended December 31,		Change	
($ in thousands)	2018	2017	$	%	2017	2016	$	%
Fee and asset management	$ 7,231	$ 8,176	$ (945)	(11.6)%	$ 8,176	$ 6,864	$ 1,312	19.1%
Interest and other income	2,101	3,011	(910)	(30.2)	3,011	2,202	809	36.7%
Income (loss) on deferred compensation plans	(6,535)	16,608	(23,143)	*	16,608	5,511	11,097	*
Total non-property income	$ 2,797	$ 27,795	$ (24,998)	(89.9)%	$ 27,795	$ 14,577	$ 13,218	90.7%

** Not a meaningful percentage*

Fee and asset management income, which represents income related to property management of our joint ventures and fees from third-party construction projects, decreased approximately $0.9 million for the year ended December 31, 2018 as compared to 2017 and increased approximately $1.3 million for the year ended December 31, 2017 as compared to 2016. The decrease for 2018 as compared to 2017 was primarily due to a decrease in third-party construction activity of approximately $1.2 million, partially offset by an increase in property revenues by the operating properties of the Funds, which resulted in higher property management fees. The increase for 2017 as compared to 2016 was primarily due to an increase in third-party construction activity and higher fees earned on capital projects at Fund communities.

Interest and other income decreased approximately $0.9 million for the year ended December 31, 2018, as compared to 2017, and increased approximately $0.8 million for the year ended December 31, 2017 as compared to 2016. The decrease for the year ended December 31, 2018 was primarily due to lower interest income earned on investments in cash and cash equivalents due to maintaining lower average cash balances in 2018, as compared to 2017 due to the $442.5 million net proceeds from the completion of a public equity offering in September 2017. The increase for 2017 was due to higher interest income earned on investments in cash and cash equivalents due to maintaining higher average cash balances throughout the year ended December 31, 2017, as compared to the same period in 2016.

Our deferred compensation plans recognized a loss of approximately $6.5 million in 2018, and income of approximately $16.6 million and $5.5 million in 2017 and in 2016, respectively. These changes were related to the performance of the investments held in deferred compensation plans for participants and were directly offset by the expense (benefit) related to these plans, as discussed below.

Other Expenses

	Year Ended December 31,		Change		Year Ended December 31,		Change	
($ in thousands)	**2018**	**2017**	**$**	**%**	**2017**	**2016**	**$**	**%**
Property management	$ 25,581	$ 25,773	$ (192)	(0.7)%	$ 25,773	$ 25,125	$ 648	2.6 %
Fee and asset management	4,451	3,903	548	14.0	3,903	3,848	55	1.4
General and administrative	50,735	50,587	148	0.3	50,587	47,415	3,172	6.7
Interest	84,263	86,750	(2,487)	(2.9)	86,750	93,145	(6,395)	(6.9)
Depreciation and amortization	300,946	263,974	36,972	14.0	263,974	250,146	13,828	5.5
Expense (benefit) on deferred compensation plans	(6,535)	16,608	(23,143)	*	16,608	5,511	11,097	*
Total other expenses	$ 459,441	$ 447,595	$ 11,846	2.6 %	$ 447,595	$ 425,190	$ 22,405	5.3 %

** Not a meaningful percentage*

Property management expenses, which primarily represent regional supervision and accounting costs related to property operations, decreased approximately $0.2 million for the year ended December 31, 2018 as compared to 2017 and increased approximately $0.6 million for the year ended December 31, 2017 as compared to 2016. The slight decrease for 2018 as compared to 2017 was primarily related to lower professional expenses in 2018 as compared to 2017. The increase for 2017 as compared to 2016 was primarily related to higher salary and benefit costs, higher professional expenses and higher education programs provided to our regional employees. Property management expenses were 2.7% of total property revenues for the year ended December 31, 2018 and were 2.9% of total property revenues for each of the years ended December 31, 2017 and 2016.

Fee and asset management expense, which represents expenses related to property management of our joint ventures and fees from third-party construction projects, increased approximately $0.5 million for the year ended December 31, 2018 as compared to 2017 and increased approximately $0.1 million for the year ended December 31, 2017 as compared to 2016. The increase for 2018 as compared to 2017 was primarily due to higher expenses incurred as a result of pre-development activity relating to one land holding held by one of the Funds, and higher salaries incurred in managing our joint ventures. The slight increase for 2017 as compared to 2016 was primarily due to higher expenses relating to an increase in third-party construction activity in 2017 as compared to 2016.

General and administrative expenses increased approximately $0.1 million during the year ended December 31, 2018 as compared to 2017 and increased approximately $3.2 million during the year ended December 31, 2017 as compared to 2016. General and administrative expenses were 5.3%, 5.5% and 5.4% of total revenues, excluding income (loss) on deferred compensation plans, for the years ended December 31, 2018, 2017 and 2016, respectively. The slight increase for the year ended December 31, 2018 as compared to 2017 was primarily due to higher development pursuit costs, higher acquisition expenses, and other discretionary costs, partially offset by higher expenses incurred in 2017 relating to storm-related expenses of approximately $0.7 million due to Hurricanes Harvey and Irma in the third quarter 2017. The increase for the year ended December 31, 2017 as compared to 2016 was primarily due to higher salary and benefit costs, $0.7 million of storm-related expenses related to Hurricanes Harvey and Irma, and higher professional expenses.

Interest expense decreased approximately $2.5 million for the year ended December 31, 2018 as compared to 2017 and decreased approximately $6.4 million for the year ended December 31, 2017 as compared to 2016. The decrease in interest expense in 2018 as compared to 2017 was primarily due to the repayment in May 2017 of a $246.8 million, 5.83% senior unsecured note payable and the repayment in October 2018 of $380 million of secured conventional mortgage notes. The decrease was partially offset by the issuance in October 2018 of $400 million, 3.74% senior unsecured notes and the incurrence in September 2018 of a $100 million unsecured floating rate term loan. The decrease was also partially offset by lower capitalized interest during the year ended December 31, 2018, resulting from lower average balances in our development pipeline.

The decrease in interest expense in 2017 as compared to 2016 was primarily due to the repayment in May 2017 of a $246.8 million, 5.83% senior unsecured note payable. The decrease was partially offset by lower capitalized interest during the year ended December 31, 2017, resulting from lower average balances in our development pipeline.

Depreciation and amortization expense increased approximately $37.0 million for the year ended December 31, 2018 as compared to 2017 and increased approximately $13.8 million for the year ended December 31, 2017 as compared to 2016. The increase in 2018 as compared to 2017 was primarily due to the acquisition of one operating property in 2017 and three operating properties in 2018, the completion of units in our development pipeline, and the completion of repositions during 2018 and 2017 and partial completion of redevelopments during 2018. The increase was partially offset by a decrease in depreciation expense related to the disposition of one operating property during the fourth quarter of 2017.

The increase in depreciation and amortization expense in 2017 as compared to 2016 was primarily due to the completion of units in our development pipeline, the acquisition of one operating property in 2017, the completion of repositions, and increases in capital improvements placed in service during 2017 and 2016. The increase was partially offset by a decrease in depreciation expense related to the disposition of one dual-phased operating property and six other operating properties in 2016, and one operating property in 2017.

Our deferred compensation plans incurred a benefit of approximately $6.5 million in 2018, and an expense of approximately $16.6 million and $5.5 million in 2017 and in 2016, respectively. These changes were related to the performance of the investments held in deferred compensation plans for participants and were directly offset by the income (loss) related to these plans, as discussed in the non-property income section above.

Other

	Year Ended December 31,		Change	Year Ended December 31,		Change
(in thousands)	2018	2017	$	2017	2016	$
Loss on early retirement of debt	$ —	$ (323)	$ 323	$ (323)	$ —	$ (323)
Gain on sale of operating properties, including land	$ —	$ 43,231	$ (43,231)	$ 43,231	$ 295,397	$ (252,166)
Equity in income of joint ventures	7,836	6,822	1,014	6,822	7,125	(303)
Income tax expense	(1,424)	(1,224)	(200)	(1,224)	(1,617)	393

The $0.3 million loss on early retirement of debt during the year ended December 31, 2017 related to the early retirement of our $30.7 million tax-exempt secured note payable which was scheduled to mature in 2028. The loss is primarily related to the applicable unamortized loan costs.

For the year ended 2018, we sold approximately 14.1 acres of land adjacent to two development properties in Phoenix, Arizona for $11.5 million which approximated its book value. In 2017, we recognized a gain of approximately $43.2 million related to the sale of one operating property, which compares to an approximate $294.9 million gain recognized in 2016 related to the sale of one dual-phased property and six other operating properties. For the year ended 2016, we also sold 6.3 acres of land adjacent to an operating property in Tampa, Florida for a gain of approximately $0.4 million.

Equity in income of joint ventures increased approximately $1.0 million for the year ended December 31, 2018 as compared to 2017, and decreased approximately $0.3 million for the year ended December 31, 2017 as compared to 2016. The increase in 2018 was primarily due to an increase in earnings in 2018 as compared to 2017 resulting from the operating properties owned by the Funds and our share of hurricane-related expenses in 2017 which did not reoccur in 2018. The decrease in 2017 as compared to 2016 was primarily due to the recognition of approximately $0.4 million of expenses, representing our share of hurricane-related expenses in 2017. The decrease in 2017 was also due to higher interest expense recognized by three operating properties owned by the Funds which refinanced existing variable construction loans into permanent financing arrangements at higher rates. These decreases were partially offset by an increase in earnings resulting from higher rental and other property revenues from the operating properties owned by the Funds.

Income tax expense increased approximately $0.2 million for the year ended December 31, 2018, as compared to 2017, and decreased approximately $0.4 million for the year ended December 31, 2017, as compared to 2016. The increase in 2018 was primarily due to an approximate $0.5 million state income tax refund received in 2017. Excluding the income tax refund in 2017, income tax decreased approximately $0.3 million in 2018 as compared to 2017. The decrease was primarily due to a decrease in our third-party construction activities conducted in a taxable REIT subsidiary and a reduction in the effective tax rate following the enactment of the 2017 Tax Act. The decrease in 2017 as compared to 2016 was primarily due to an approximate $0.5 million state income tax refund received in 2017, partially offset by an increase in taxable income related to our third party construction activities conducted in a taxable REIT subsidiary.

Funds from Operations ("FFO") and Adjusted FFO ("AFFO")

Management considers FFO and AFFO to be appropriate measures of the financial performance of an equity REIT. The National Association of Real Estate Investment Trusts ("NAREIT") currently defines FFO as net income (computed in accordance with GAAP), excluding gains (or losses) associated with the sale of previously depreciated operating properties, real estate depreciation and amortization, impairments of depreciable assets, and adjustments for unconsolidated joint ventures to reflect FFO on the same basis. Our calculation of diluted FFO also assumes conversion of all potentially dilutive securities, including certain non-controlling interests, which are convertible into common shares. We consider FFO to be an appropriate supplemental measure of operating performance because, by excluding gains or losses on dispositions of operating properties and depreciation, FFO can assist in the comparison of the operating performance of a company's real estate investments between periods or to different companies.

AFFO is calculated utilizing FFO less recurring capitalized expenditures which are necessary to help preserve the value of and maintain the functionality at our communities. We also consider AFFO to be a useful supplemental measure because it is frequently used by analysts and investors to evaluate a REIT's operating performance between periods or different companies. Our definition of recurring capital expenditures may differ from other REITs, and there can be no assurance our basis for computing this measure is comparable to other REITs.

To facilitate a clear understanding of our consolidated historical operating results, we believe FFO and AFFO should be examined in conjunction with net income attributable to common shareholders as presented in the consolidated statements of income and comprehensive income and data included elsewhere in this report. FFO and AFFO are not defined by GAAP and should not be considered alternatives to net income attributable to common shareholders as an indication of our operating performance. Additionally, FFO and AFFO as disclosed by other REITs may not be comparable to our calculation.

Reconciliations of net income attributable to common shareholders to FFO and AFFO for the years ended December 31 are as follows:

($ in thousands)	2018	2017	2016
Funds from operations			
Net income attributable to common shareholders *(1)*	$ 156,128	$ 196,422	$ 819,823
Real estate depreciation and amortization, including discontinued operations	294,283	257,540	248,235
Adjustments for unconsolidated joint ventures	8,976	8,903	9,194
Gain on sale of operating properties, net of tax	—	(43,231)	(294,954)
Gain on sale of discontinued operations, net of tax	—	—	(375,237)
Income allocated to non-controlling interests	4,595	4,438	18,403
Funds from operations	$ 463,982	$ 424,072	$ 425,464
Less: recurring capitalized expenditures	(72,296)	(64,758)	(59,084)
Adjusted funds from operations	$ 391,686	$ 359,314	$ 366,380
Weighted average shares – basic	95,208	91,499	89,580
Incremental shares issuable from assumed conversion of:			
Common share options and awards granted	158	211	323
Common units	1,835	1,884	1,891
Weighted average shares – diluted	97,201	93,594	91,794

(1) Net income attributable to common shareholders for the year ended December 31, 2017 included approximately $5.0 million of storm-related expenses related to Hurricanes Harvey and Irma.

Liquidity and Capital Resources

Financial Condition and Sources of Liquidity

We intend to maintain a strong balance sheet and preserve our financial flexibility, which we believe should enhance our ability to identify and capitalize on investment opportunities as they become available. We intend to maintain what management believes is a conservative capital structure by:

- extending and sequencing the maturity dates of our debt where practicable;
- managing interest rate exposure using what management believes to be prudent levels of fixed and floating rate debt;
- maintaining what management believes to be conservative coverage ratios; and
- using what management believes to be a prudent combination of debt and equity.

Our interest expense coverage ratio, net of capitalized interest, was approximately 6.4, 5.8, and 5.5 times for the years ended December 31, 2018, 2017, and 2016, respectively. This ratio is a method for calculating the amount of operating cash flows available to cover interest expense and is calculated by dividing interest expense for the period into the sum of property revenues and expenses, non-property income, other expenses and income from discontinued operations after adding back depreciation, amortization, and interest expense from both continuing and discontinued operations. Approximately 89.6%, 80.0%, and 78.3% of our properties were unencumbered at December 31, 2018, 2017, and 2016, respectively. Our weighted average maturity of debt was approximately 4.9 years at December 31, 2018.

We also intend to strengthen our capital and liquidity positions by continuing to focus on our core fundamentals, which currently are generating positive cash flows from operations, maintaining appropriate debt levels and leverage ratios, and controlling overhead costs.

Our primary sources of liquidity are cash and cash equivalents on hand and cash flow generated from operations. Other sources may include one or more of the following: availability under our unsecured credit facility and other short-term borrowing, the use of debt and equity offerings under our automatic shelf registration statement, proceeds from property dispositions, equity issued from our 2017 ATM program, and other unsecured borrowings or secured mortgages. We believe our liquidity and financial condition are sufficient to meet all of our reasonably anticipated cash needs during 2019 including:

- normal recurring operating expenses;
- current debt service requirements, including debt maturities;
- recurring capital expenditures;
- reposition expenditures;
- funding of property developments, redevelopments, acquisitions, and joint venture investments; and
- the minimum dividend payments required to maintain our REIT qualification under the Code.

Factors which could increase or decrease our future liquidity include but are not limited to volatility in capital and credit markets, sources of financing, the minimum REIT dividend requirements, our ability to complete asset purchases, sales, or developments, the effect our debt level and changes in credit ratings could have on our cost of funds, and our ability to access capital markets.

Cash Flows

The following is a discussion of our cash flows for the years ended December 31, 2018 and 2017.

Net cash from operating activities was approximately $503.7 million during the year ended December 31, 2018 as compared to approximately $434.7 million during the year ended December 31, 2017. The increase was primarily due to growth attributable to our same store, non-same store communities, including four acquisitions during 2017 and 2018, and development and lease-up communities, as well as $15.9 million received for the settlement of an aggregate notional amount of $400.0 million forward interest rate swap designated hedges in 2018. These increases were partially offset by a decrease relating to the disposition of one operating property during the fourth quarter of 2017. See further discussions of our 2018 operations as compared to 2017 in "Results of Operations."

Net cash used in investing activities during the year ended December 31, 2018 totaled approximately $640.9 million as compared to $189.8 million during the year ended December 31, 2017. During 2018, we had cash outflows for property development and capital improvements of approximately $359.2 million. During 2018, we also acquired three operating properties located in St. Petersburg and Orlando, Florida for approximately $290.0 million, and had increases in non-real estate assets of $14.5 million. These outflows were partially offset by net proceeds from the sale of land of approximately $11.3 million and a net decrease in notes receivable of $9.5 million. During 2017, we had cash outflows for property development and capital improvements of approximately $299.1 million. During 2017, we also acquired one operating property located in Atlanta, Georgia for approximately $58.3 million, had increases in non-real estate assets of $5.1 million, and had increases of $2.0 million in a note receivable balance outstanding on a real estate secured loan to an unaffiliated third party. These outflows were partially offset by cash receipts of $100.0 million from the maturity of a short-term investment, and proceeds from the disposition of one operating property of $76.9 million. The increase in property development and capital improvements for 2018, as compared to the same period in 2017, was primarily due to the timing and completion of a total of six consolidated operating properties in 2017 and 2018, and the completion of repositions and partial completion of redevelopments at several of our operating properties. The property development and capital improvements during 2018 and 2017, included the following:

	December 31,	
(in millions)	2018	2017
Expenditures for new development, including land	$ 177.9	$ 163.1
Capital expenditures	83.6	70.3
Reposition expenditures	49.8	38.1
Capitalized interest, real estate taxes, and other capitalized indirect costs	24.3	25.3
Redevelopment expenditures	23.6	2.3
Total	$ 359.2	$ 299.1

Net cash used in financing activities totaled approximately $197.0 million during the year ended December 31, 2018 as compared to approximately $112.9 million during the year ended December 31, 2017. During 2018, we repaid our $175.0 million variable rate secured conventional mortgage notes and $205.0 million fixed rate secured conventional mortgage notes. We also used approximately $298.0 million to pay distributions to common shareholders and non-controlling interest holders, and $14.7 million for the repurchase of our common shares and redemption of units. These cash outflows were partially offset by net proceeds of approximately $495.5 million from the issuance of $400.0 million senior unsecured notes and the incurrence of a $100.0 million unsecured floating-rate term loan. During 2017, we used approximately $280.8 million to pay distributions to common shareholders and non-controlling interest holders. We also repaid our 5.83% senior unsecured note payable of approximately $246.8 million, as well as our tax-exempt secured notes payable of approximately $30.7 million. These cash outflows during 2017 were partially offset by net proceeds of approximately $445.0 million from the issuances of approximately 4.8 million common shares through an equity offering completed in September 2017 and issuances under our 2017 ATM program.

The following is a discussion of our cash flows for the years ended December 31, 2017 and 2016.

Net cash from operating activities was approximately $434.7 million during the year ended December 31, 2017 as compared to approximately $443.1 million during the year ended December 31, 2016. The decrease was primarily due to the disposition of 15 operating properties, a retail center, and approximately 19.6 acres of land classified as discontinued operations, and the disposition of one dual-phased operating property and six other operating properties during 2016 and one operating property during 2017. The decrease was also due to higher cash bonuses paid to employees in 2017 as compared to 2016. The decrease was partially offset by a growth attributable to our same store, non-same store, including one acquisition during 2017, and development and lease-up communities. See further discussions of our 2017 operations as compared to 2016 in "Results of Operations."

Net cash used in investing activities during the year ended December 31, 2017 totaled approximately $189.8 million as compared to net cash from investing activities of approximately $690.4 million during the year ended December 31, 2016. During 2017, we had cash outflows for property development and capital improvements of approximately $299.1 million. During 2017, we also acquired one operating property located in Atlanta, Georgia for approximately $58.3 million, had increases in non-real estate assets of $5.1 million, and had increases of $2.0 million in a note receivable balance outstanding on a real estate secured loan to an unaffiliated third party. These outflows were partially offset by cash receipts of $100.0 million from the maturity of a short-term investment, and proceeds from the disposition of one operating property of $76.9 million. During 2016, we received approximately $623.0 million from the sale of 15 operating properties, a retail center, and approximately 19.6 acres of land classified as discontinued operations, as well as $515.8 million from the sale of one dual-phase operating property and six other operating properties and one land holding. These cash inflows in 2016 were partially offset by cash outflows for property development and capital improvements of approximately $343.0 million, the purchase of a short-term investment for $100.0 million, net increases of $4.1 million in note receivable balances outstanding on real estate secured loans to unaffiliated third parties, and increases in non-real estate assets of $2.6 million. The decrease in property development and capital improvements for 2017, as compared to the same period in 2016, was primarily due to the timing and completion of six consolidated operating properties in 2016 and 2017, partially offset by an increase in redevelopment expenditures relating to our reposition program at several of our operating properties. The expenditures related to property development and capital improvements during the years ended December 31, 2017 and 2016 included the following:

	December 31,	
(in millions)	2017	2016
Expenditures for new development, including land	$ 163.1	$ 220.4
Capital expenditures	70.3	69.7
Reposition expenditures	38.1	23.1
Capitalized interest, real estate taxes, and other capitalized indirect costs	25.3	29.8
Redevelopment expenditures	2.3	—
Total	$ 299.1	$ 343.0

Net cash used in financing activities totaled approximately $112.9 million during the year ended December 31, 2017 as compared to approximately $904.2 million during the year ended December 31, 2016. During 2017, we used approximately $280.8 million to pay distributions to common shareholders and non-controlling interest holders. We also repaid our 5.83% senior unsecured note payable of approximately $246.8 million, as well as our tax-exempt secured notes payable of approximately $30.7 million. These cash outflows during 2017 were partially offset by net proceeds of approximately $445.0 million from the issuances of approximately 4.8 million common shares through an equity offering completed in September 2017 and issuances under our 2017 ATM program. During 2016, we had payments, net of proceeds, of $244.0 million on our unsecured credit facility and other short-term borrowings. We also used approximately $663.4 million to pay distributions to common shareholders and non-controlling interest holders which included the payment of a $4.25 per common share special dividend on September 30, 2016.

Financial Flexibility

We have a $600.0 million unsecured credit facility which matures in August 2019, with two six-month options to extend the maturity date at our election to August 2020. Additionally, we have the option to further increase our credit facility to $900.0 million by either adding additional banks to the facility or obtaining the agreement of the existing banks to increase their commitments. The interest rate on this credit facility is based upon LIBOR plus a margin which is subject to change as our credit ratings change. Advances under this credit facility 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 180 days or less and may not exceed the lesser of $300.0 million or the remaining amount available under the credit facility. Our credit facility is subject to customary financial covenants and limitations. We believe we are in compliance with all such financial covenants and limitations on the date of this filing.

Our credit facility provides us with the ability to issue up to $50.0 million in letters of credit. While our issuance of letters of credit does not increase our borrowings outstanding under our credit facility, it does reduce the amount available. At December 31, 2018, we had no balances outstanding on our $600.0 million credit facility and we had outstanding letters of credit totaling approximately $10.1 million, leaving approximately $589.9 million available under our credit facility.

We also have a $45.0 million unsecured short-term borrowing facility which matures in May 2019. The interest rate is based on LIBOR plus 0.95%. At December 31, 2018, we had no balances outstanding on this unsecured short-term borrowing facility, leaving $45.0 million available under this facility.

We currently have an automatic shelf registration statement which allows us to offer, from time to time, common shares, preferred shares, debt securities, or warrants. Our Amended and Restated Declaration of Trust provides we may issue up to 185 million shares of beneficial interest, consisting of 175 million common shares and 10 million preferred shares. At December 31, 2018 we had approximately 93.2 million common shares outstanding, net of treasury shares and shares held in our deferred compensation arrangements, and no preferred shares outstanding.

In May 2017, we created an at-the market ("ATM") share offering program through which we can, but have no obligation to, sell common shares having an aggregate offering price of up to $315.3 million (the "2017 ATM program"), in amounts and at times as we determine, into the existing trading market at current market prices as well as through negotiated transactions. Actual sales from time to time may depend on a variety of factors including, among others, market conditions, the trading price of our common shares, and determinations by management of the appropriate sources of funding for us. The proceeds from the sale of our common shares under the 2017 ATM program are intended to be used for general corporate purposes, which may include reducing future borrowings under our unsecured line of credit or short-term borrowing facilities, the repayment of other indebtedness, the redemption or other repurchase of outstanding debt or equity securities, funding for development activities, and financing for acquisitions. As of the date of this filing, we had common shares having an aggregate offering price of up to $312.8 million remaining available for sale under the 2017 ATM program. No additional shares under the 2017 ATM program were sold subsequent to December 31, 2018 through the date of this filing.

We believe our ability to access capital markets is enhanced by our senior unsecured debt ratings by Moody’s, Fitch, and Standard and Poor's, which were A3 with stable outlook, A- with stable outlook, and BBB+ with positive outlook, respectively, as of December 31, 2018. In February 2019, Standard and Poor's upgraded our senior unsecured debt rating to A- with stable outlook. We believe our ability to access capital markets is also enhanced by our ability to borrow on a secured basis from various institutions including banks, Fannie Mae, Freddie Mac, or life insurance companies. However, we may not be able to maintain our current credit ratings and may not be able to borrow on a secured or unsecured basis in the future.

Future Cash Requirements and Contractual Obligations

One of our principal long-term liquidity requirements includes the repayment of maturing debt, including any future borrowings under our unsecured credit facility. We believe scheduled payments of debt in 2019 are manageable at $437.3 million, which represents approximately 18.8% of our total outstanding debt, and includes amortization of debt discounts and debt issuance costs, net of scheduled principle payments of approximately $1.8 million. See Note 10, “Notes Payable,” in the notes to Consolidated Financial Statements for further discussion of scheduled maturities.

We estimate the additional cost to complete the construction of the six consolidated projects to be approximately $335.2 million. Of this amount, we expect to incur costs between approximately $205 million and $225 million during 2019 and to incur the remaining costs during 2020 and 2021. Additionally, we expect to incur costs between approximately $95 million and $105 million related to the start of new development activities, between approximately $46 million and $50 million of repositions and revenue enhancing expenditures, between approximately $25 million and $33 million in redevelopment expenditures and between approximately $68 million and $72 million of additional recurring capital expenditures during 2019.

We anticipate meeting our near-term liquidity requirements through a combination of one or more of the following: cash flows generated from operations, draws on our unsecured credit facility or other short-term borrowings, the use of debt and equity offerings under our automatic shelf registration statement, proceeds from property dispositions, equity issued from our 2017 ATM program, other unsecured borrowings, or secured mortgages. We continue to evaluate our operating properties and land development portfolio and plan to continue our practice of selective dispositions as market conditions warrant and opportunities arise.

As a REIT, we are subject to a number of organizational and operational requirements, including a requirement to distribute current dividends to our shareholders equal to a minimum of 90% of our annual taxable income. In order to minimize paying income taxes, our general policy is to distribute at least 100% of our taxable income. In December 2018, we announced our Board of Trust Managers had declared a quarterly dividend of $0.77 per common share to our common shareholders of record as of December 17, 2018. This dividend was subsequently paid on January 17, 2019 and we paid equivalent amounts per unit to holders of common operating partnership units. When aggregated with previous 2018 dividends, this distribution to common shareholders and holders of the common operating partnership units equates to an annual dividend rate of $3.08 per share or unit for the year ended December 31, 2018.

In the first quarter of 2019, the Company's Board of Trust Managers declared a first quarter dividend of $0.80 per common share to our common shareholders of record as of March 29, 2019. Future dividend payments are paid at the discretion of the Board of Trust Managers and depend on cash flows generated from operations, the Company's financial condition and capital requirements, distribution requirements under the REIT provisions of the Code and other factors which may be deemed relevant by our Board of Trust Managers. Assuming similar dividend distributions for the remainder of 2019, our annualized dividend rate for 2019 would be $3.20 as compared to a dividend rate of $3.08 in 2018.

The following table summarizes our known contractual cash obligations as of December 31, 2018:

(in millions)	Total	2019	2020	2021	2022	2023	Thereafter
Debt maturities *(1)*	$ 2,321.6	$ 437.3	$ (1.9)	$ 248.5	$ 448.8	$ 249.8	$ 939.1
Interest payments *(2)*	435.7	84.6	75.0	68.7	59.5	43.0	104.9
Non-cancelable lease payments	18.8	2.9	3.0	3.1	2.7	2.6	4.5
	$ 2,776.1	$ 524.8	$ 76.1	$ 320.3	$ 511.0	$ 295.4	$ 1,048.5

(1) *Includes amortization of debt discounts and debt issuance costs, net of scheduled principal payments.*

(2) *Includes contractual interest payments for our senior unsecured notes and secured notes. The interest payments on our unsecured term loan with floating interest rates were calculated based on the interest rates in effect as of December 31, 2018.*

Off-Balance Sheet Arrangements

The joint ventures in which we have an interest have been funded in part with secured, third-party debt. At December 31, 2018, our unconsolidated joint ventures had outstanding debt of approximately $510.7 million, of which our proportionate share was approximately $159.8 million. As of December 31, 2018, we had no outstanding guarantees related to the loans of our unconsolidated joint ventures.

Inflation

Substantially all of our apartment leases are for a term generally ranging from twelve to fifteen months. In an inflationary environment, we may realize increased rents at the commencement of new leases or upon the renewal of existing leases. We believe the short-term nature of our leases generally minimizes our risk from the adverse effects of inflation.

Critical Accounting Policies

The preparation of our financial statements in conformity with GAAP requires management to make certain estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the balance sheet date, and the amounts of revenues and expenses recognized during the reporting period. These estimates are based on historical experience and other assumptions believed to be reasonable under the circumstances. The following is a discussion of our critical accounting policies. For a discussion of all of our significant accounting policies, see Note 2, "Summary of Significant Accounting Policies and Recent Accounting Pronouncements," to the accompanying consolidated financial statements.

Valuation of Assets. Long-lived assets are reviewed for impairment annually or whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Impairment may exist if estimated future undiscounted cash flows associated with long-lived assets are not sufficient to recover the carrying value of such assets. We consider projected future undiscounted cash flows, trends, strategic decisions regarding future development plans, and other factors in our assessment of whether impairment conditions exist. While we believe our estimates of future cash flows are reasonable, different assumptions regarding a number of factors, including market rents, economic conditions, and occupancies, could significantly affect these estimates. When impairment exists, the long-lived asset is adjusted to its fair value. In estimating fair value, management uses appraisals, management estimates, and discounted cash flow calculations which utilize inputs from a marketplace participant’s perspective. In addition, we evaluate our equity investments in joint ventures and if we believe there is an other than temporary decline in market value of our investment below our carrying value, we will record an impairment charge.

The value of our properties under development depends on market conditions, including estimates of the project start date as well as estimates of demand for multifamily communities. We have reviewed market trends and other marketplace information and have incorporated this information as well as our current outlook into the assumptions we use in our impairment analyses. Due to the judgment and assumptions applied in the impairment analyses, it is possible actual results could differ substantially from those estimated.

We believe the carrying value of our operating real estate assets, properties under development, and land is currently recoverable. However, if market conditions deteriorate or if changes in our development strategy significantly affect any key assumptions used in our fair value estimates, we may need to take material charges in future periods for impairments related to existing assets. Any such material non-cash charges could have an adverse effect on our consolidated financial position and results of operations.

Recent Accounting Pronouncements

See Note 2, "Summary of Significant Accounting Policies and Recent Accounting Pronouncements" in the notes to Consolidated Financial Statements for further discussion of recent accounting pronouncements issued during the year ended December 31, 2018.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We believe the primary market risk we face is interest rate risk. We seek to mitigate this risk by following established risk management policies, which includes (i) maintaining prudent levels of fixed and floating rate debt; and (ii) extending and sequencing the maturity dates of our debt where practicable. We also periodically use derivative financial instruments, primarily interest rate swaps with major financial institutions, to manage a portion of this risk. We do not utilize derivative financial instruments for trading or speculative purposes. The table below summarizes our debt as of December 31, 2018 and 2017:

	December 31, 2018				December 31, 2017			
	Amount (in millions)	Weighted Average Maturity (in years)	Weighted Average Interest Rate	% Of Total	Amount (in millions)	Weighted Average Maturity (in years)	Weighted Average Interest Rate	% Of Total
Fixed rate debt	$ 2,222.0	5.0	4.3%	95.7%	$ 2,029.6	4.6	4.5%	92.1%
Variable rate debt	99.6	3.0	3.3%	4.3%	175.0	0.8	1.9%	7.9%

In order to manage interest rate exposure, we have utilized interest rate swap agreements to protect against unfavorable interest rate changes relating to forecasted debt transactions. These swaps, which are settled upon issuance of the related debt, are designated as cash flow hedges and the gains and/or losses are deferred in other comprehensive income and recognized as an adjustment to interest expense over the same period the hedged interest payments affect earnings. In 2018, we settled five forward interest rate swaps with an aggregate notional amount of $400 million, in connection with the issuance of $400 million senior unsecured debt in October 2018, which resulted in a cash receipt of approximately $15.9 million. As of December 31, 2018, we have $300 million of forward interest rate swaps outstanding to reduce the impact of variability in interest rates on a portion of expected debt issuances in 2019.

At December 31, 2018 and 2017, we did not have any amounts outstanding under our unsecured credit facility or other short-term borrowings. If interest rates on the variable rate debt listed in the table above would have been 100 basis points higher throughout 2018 and 2017, our annual interest costs would have increased by approximately $1.0 million and $1.8 million, respectively.

For fixed rate debt, interest rate changes affect the fair market value but do not impact net income attributable to common shareholders or cash flows. Holding other variables constant, if interest rates would have been 100 basis points higher as of December 31, 2018, the fair value of our fixed rate debt would have decreased by approximately $90.4 million.

Item 8. Financial Statements and Supplementary Data

Our response to this item is included in a separate section at the end of this report beginning on page F-1.

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

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures. We carried out an evaluation, under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report pursuant to Securities Exchange Act ("Exchange Act") Rules 13a-15(e) and 15d-15(e). Based on the evaluation, the Chief Executive Officer and Chief Financial Officer concluded the disclosure controls and procedures as of the end of the period covered by this report are effective to ensure information required to be disclosed by us in our Exchange Act filings is accurately recorded, processed, summarized, and reported within the periods specified in the Securities and Exchange Commission's rules and forms and is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Controls. There were no changes in our internal control over financial reporting (identified in connection with the evaluation required by paragraph (d) in Rules 13a-15 and 15d-15 under the Exchange Act) during our most recent fiscal quarter which have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) and 15d-15(f) promulgated under the Securities Exchange Act of 1934 as follows:

A process designed by, or under the supervision of, the Company's principal executive and principal financial officers, or persons performing similar functions, and effected by the Company's board of trust managers, management, and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and receipts and expenditures of the Company are being made only in accordance with authorizations of management and Board of Trust Managers of the Company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Management assessed the effectiveness of our internal control over financial reporting as of December 31, 2018. In making this assessment, management used the criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on our assessment, management concluded our internal control over financial reporting is effective as of December 31, 2018.

Deloitte & Touche LLP, an independent registered public accounting firm, has issued an attestation report regarding the effectiveness of our internal control over financial reporting, which is included herein.

February 15, 2019

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Trust Managers of Camden Property Trust

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Camden Property Trust and subsidiaries (the "Company") as of December 31, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2018, of the Company and our report dated February 15, 2019, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Internal Control over Financial Reporting*. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

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

Definition and Limitations of Internal Control over Financial Reporting

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

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

/s/ DELOITTE & TOUCHE LLP

Houston, Texas
February 15, 2019

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers, and Corporate Governance

Information with respect to this Item 10 is incorporated by reference from our Proxy Statement, which we expect to file on or about March 22, 2019 in connection with the Annual Meeting of Shareholders to be held on or about May 9, 2019.

Item 11. Executive Compensation

Information with respect to this Item 11 is incorporated by reference from our Proxy Statement, which we expect to file on or about March 22, 2019 in connection with the Annual Meeting of Shareholders to be held on or about May 9, 2019.

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

Information with respect to this Item 11 is incorporated by reference from our Proxy Statement, which we expect to file on or about March 22, 2019 in connection with the Annual Meeting of Shareholders to be held on or about May 9, 2019.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information with respect to this Item 13 is incorporated herein by reference from our Proxy Statement, which we expect to file on or about March 22, 2019 in connection with the Annual Meeting of Shareholders to be held on or about May 9, 2019.

Item 14. Principal Accounting Fees and Services

Information with respect to this Item 14 is incorporated herein by reference from our Proxy Statement, which we expect to file on or about March 22, 2019 in connection with the Annual Meeting of Shareholders to be held on or about May 9, 2019.

PART IV

Item 15. Exhibits and Financial Statement Schedules

The following documents are filed as part of this report:

(1) Financial Statements:

(2) Financial Statement Schedules:

All other schedules have been omitted since the required information is presented in the financial statements and the related notes or is not applicable.

(3) Index to Exhibits:

The following exhibits are filed as part of or incorporated by reference into this report:

Exhibit No.	Description	Filed Herewith or Incorporated Herein by Reference (1)
3.1	Amended and Restated Declaration of Trust of Camden Property Trust (2)	Exhibit 3.1 to Form 10-K for the year ended December 31, 1993 - Rule 311-P
3.2	Amendment to the Amended and Restated Declaration of Trust of Camden Property Trust	Exhibit 3.1 to Form 10-Q for the quarter ended June 30, 1997
3.3	Amendment to the Amended and Restated Declaration of Trust of Camden Property Trust	Exhibit 3.1 to Form 8-K filed on May 14, 2012
3.4	Third Amended and Restated Bylaws of Camden Property Trust	Exhibit 99.1 to Form 8-K filed on March 12, 2013
4.1	Specimen certificate for Common Shares of Beneficial Interest (2)	Form S-11 filed on September 15, 1993 (Registration No. 33-68736) - Rule 311-P
4.2	Indenture for Senior Debt Securities dated as of February 11, 2003 between Camden Property Trust and U. S. Bank National Association, as successor to SunTrust Bank, as Trustee	Exhibit 4.1 to Form S-3 filed on February 12, 2003 (Registration No. 333-103119)
4.3	First Supplemental Indenture dated as of May 4, 2007 between the Company and U.S. Bank National Association, as successor to SunTrust Bank, as Trustee	Exhibit 4.2 to Form 8-K filed on May 7, 2007
4.4	Second Supplemental Indenture dated as of June 3, 2011 between the Company and U.S. Bank National Association, as successor to SunTrust Bank, as Trustee	Exhibit 4.3 to Form 8-K filed on June 3, 2011
4.5	Third Supplemental Indenture dated as of October 4, 2018 between the Company and U.S. Bank National Association, as successor to SunTrust Bank, as Trustee	Exhibit 4.4 to Form 8-K filed on October 4, 2018
4.6	Registration Rights Agreement dated as of February 28, 2005 between Camden Property Trust and the holders named therein	Form S-4 filed on November 24, 2004 (Registration No. 333-120733)
4.7	Form of Camden Property Trust 4.625% Note due 2021	Exhibit 4.4 to Form 8-K filed on June 3, 2011
4.8	Form of Camden Property Trust 2.95% Note due 2022	Exhibit 4.4 to Form 8-K filed on December 7, 2012
4.9	Form of Camden Property Trust 4.875% Note due 2023	Exhibit 4.5 to Form 8-K filed on June 3, 2011
4.10	Form of Camden Property Trust 4.250% Notes due 2024	Exhibit 4.1 to Form 8-K filed on December 2, 2013
4.11	Form of Camden Property Trust 3.50% Notes due 2024	Exhibit 4.1 to Form 8-K filed on September 12, 2014
4.12	Form of Camden Property Trust 4.100% Notes due 2028	Exhibit 4.5 to Form 8-K filed on October 4, 2018
10.1	Form of Indemnification Agreement between Camden Property Trust and certain of its trust managers and executive officers (2)	Form S-11 filed on July 9, 1993 (Registration No. 33-63588) - Rule 311-P
10.2	Second Amended and Restated Employment Agreement dated July 11, 2003 between Camden Property Trust and Richard J. Campo	Exhibit 10.1 to Form 10-Q for the quarter ended June 30, 2003
10.3	Second Amended and Restated Employment Agreement dated July 11, 2003 between Camden Property Trust and D. Keith Oden	Exhibit 10.2 to Form 10-Q for the quarter ended June 30, 2003

Exhibit No.	Description	Filed Herewith or Incorporated Herein by Reference (1)
10.4	Form of First Amendment to Second Amended and Restated Employment Agreements, effective as of January 1, 2008, between Camden Property Trust and each of Richard J. Campo and D. Keith Oden	Exhibit 99.1 to Form 8-K filed on November 30, 2007
10.5	Second Amendment to Second Amended and Restated Employment Agreement, dated as of March 14, 2008, between Camden Property Trust and D. Keith Oden	Exhibit 99.1 to Form 8-K filed on March 18, 2008
10.6	Form of Employment Agreement by and between Camden Property Trust and certain senior executive officers	Exhibit 10.13 to Form 10-K for the year ended December 31, 1996
10.7	Second Amended and Restated Employment Agreement, dated November 3, 2008, between Camden Property Trust and H. Malcolm Stewart	Exhibit 99.1 to Form 8-K filed on November 4, 2008
10.8	Second Amended and Restated Camden Property Trust Key Employee Share Option Plan (KEYSOP™), effective as of January 1, 2008	Exhibit 99.5 to Form 8-K filed on November 30, 2007
10.9	Amendment No. 1 to Second Amended and Restated Camden Property Trust Key Employee Share Option Plan, effective as of January 1, 2008	Exhibit 99.1 to Form 8-K filed on December 8, 2008
10.10	Form of Amended and Restated Master Exchange Agreement between Camden Property Trust and certain key employees	Exhibit 10.7 to Form 10-K for the year ended December 31, 2003
10.11	Form of Amended and Restated Master Exchange Agreement between Camden Property Trust and certain trust managers	Exhibit 10.8 to Form 10-K for the year ended December 31, 2003
10.12	Form of Amended and Restated Master Exchange Agreement between Camden Property Trust and certain key employees	Exhibit 10.9 to Form 10-K for the year ended December 31, 2003
10.13	Form of Master Exchange Agreement between Camden Property Trust and certain trust managers	Exhibit 10.10 to Form 10-K for the year ended December 31, 2003
10.14	Form of Amendment No. 1 to Amended and Restated Master Exchange Agreement (Trust Managers) effective November 27, 2007	Exhibit 10.1 to Form 10-Q filed on July 30, 2010
10.15	Form of Amendment No. 1 to Amended and Restated Master Exchange Agreement (Key Employees) effective November 27, 2007	Exhibit 10.2 to Form 10-Q filed on July 30, 2010
10.16	Form of Third Amended and Restated Agreement of Limited Partnership of Camden Operating, L.P.	Exhibit 10.1 to Form S-4 filed on February 26, 1997 (Registration No. 333-22411)
10.17	First Amendment to Third Amended and Restated Agreement of Limited Partnership of Camden Operating, L.P., dated as of February 23, 1999	Exhibit 99.2 to Form 8-K filed on March 10, 1999
10.18	Form of Second Amendment to Third Amended and Restated Agreement of Limited Partnership of Camden Operating, L.P., dated as of August 13, 1999	Exhibit 10.15 to Form 10-K for the year ended December 31, 1999
10.19	Form of Third Amendment to Third Amended and Restated Agreement of Limited Partnership of Camden Operating, L.P., dated as of September 7, 1999	Exhibit 10.16 to Form 10-K for the year ended December 31, 1999
10.20	Form of Fourth Amendment to Third Amended and Restated Agreement of Limited Partnership of Camden Operating, L.P., dated as of January 7, 2000	Exhibit 10.17 to Form 10-K for the year ended December 31, 1999

Exhibit No.	Description	Filed Herewith or Incorporated Herein by Reference (1)
10.21	Form of Amendment to Third Amended and Restated Agreement of Limited Partnership of Camden Operating, L.P., dated as of December 1, 2003	Exhibit 10.19 to Form 10-K for the year ended December 31, 2003
10.22	Amended and Restated 1993 Share Incentive Plan of Camden Property Trust	Exhibit 10.18 to Form 10-K for the year ended December 31, 1999
10.23	Amended and Restated Camden Property Trust 1999 Employee Share Purchase Plan	Exhibit 10.1 to Form 10-Q for the quarter ended June 30, 2014
10.24	Amended and Restated 2002 Share Incentive Plan of Camden Property Trust	Exhibit 10.1 to Form 10-Q for the quarter ended March 31, 2002
10.25	Camden Property Trust 2018 Employee Share Purchase Plan	Exhibit 99.2 to Form 8-K filed on May 17, 2018
10.26	Amendment to Amended and Restated 2002 Share Incentive Plan of Camden Property Trust	Exhibit 99.1 to Form 8-K filed on May 4, 2006
10.27	Amendment to Amended and Restated 2002 Share Incentive Plan of Camden Property Trust, effective as of January 1, 2008	Exhibit 99.1 to Form 8-K filed on July 29, 2008
10.28	Camden Property Trust 2011 Share Incentive Plan, effective as of May 11, 2011	Exhibit 99.1 to Form 8-K filed on May 12, 2011
10.29	Amendment No. 1 to 2011 Share Incentive Plan of Camden Property Trust, dated as of July 31, 2012	Exhibit 99.1 to Form 8-K filed on August 6, 2012
10.30	Amendment No. 2 to the 2011 Share Incentive Plan of Camden Property Trust, dated as of July 30, 2013	Exhibit 99.1 to Form 8-K filed on August 5, 2013
10.31	Amendment No. 3 to the 2011 Share Incentive Plan of Camden Property Trust, dated as of October 28, 2015	Exhibit 99.1 to Form 8-K filed on October 29, 2015
10.32	Camden Property Trust 2018 Share Incentive Plan, effective as of May 17, 2018	Exhibit 99.1 to Form 8-K filed on May 17, 2018
10.33	Camden Property Trust Short Term Incentive Plan	Exhibit 10.2 to Form 10-Q for the quarter ended March 31, 2002
10.34	Second Amended and Restated Camden Property Trust Non-Qualified Deferred Compensation Plan	Exhibit 99.1 to Form 8-K filed on February 21, 2014
10.35	Amended and Restated Camden Property Trust Non-Qualified Deferred Compensation Plan	Filed Herewith
10.36	Form of Second Amended and Restated Agreement of Limited Partnership of Camden Summit Partnership, L.P. among Camden Summit, Inc., as general partner, and the persons whose names are set forth on Exhibit A thereto	Exhibit 10.5 to Form S-4 filed on November 24, 2004 (Registration No. 333-120733)
10.37	Form of Tax, Asset and Income Support Agreement among Camden Property Trust, Camden Summit, Inc., Camden Summit Partnership, L.P. and each of the limited partners who has executed a signature page thereto	Exhibit 10.6 to Form S-4 filed on November 24, 2004 (Registration No. 333-120733)
10.38	Agreement, dated as of September 14, 2018, among William F. Paulsen, the 2014 Amended and Restated William B. McGuire Junior Revocable Trust, David F. Tufaro, McGuire Family DE 2012 LP, William B. McGuire, Jr., Susanne H. McGuire, Camden Property Trust, Camden Summit, Inc. and Camden Summit Partnership, L.P.	Exhibit 99.1 to Form 8-K filed by Camden Property Trust on September 17, 2018 (File No. 1-12110)

Exhibit No.	Description	Filed Herewith or Incorporated Herein by Reference (1)
10.39	Employment Agreement dated February 15, 1999, by and among William B. McGuire, Jr., Summit Properties Inc. and Summit Management Company, as restated on August 24, 2001	Exhibit 10.1 to Summit Properties Inc.'s Form 10-Q for the quarter ended September 30, 2001 (File No. 000-12792)
10.40	Amendment Agreement, dated as of June 19, 2004, among William B. McGuire, Jr., Summit Properties Inc. and Summit Management Company	Exhibit 10.8.2 to Summit Properties Inc.'s Form 10-Q for the quarter ended June 30, 2004 (File No. 001-12792)
10.41	Employment Agreement dated February 15, 1999, by and among William F. Paulsen, Summit Properties Inc. and Summit Management Company, as restated on April 3, 2001	Exhibit 10.1 to Summit Properties Inc.'s Form 10-Q for the quarter ended June 30, 2001 (File No. 000-12792)
10.42	Amendment Agreement, dated as of June 19, 2004, among William F. Paulsen, Summit Properties Inc. and Summit Management Company	Exhibit 10.8.2 to Summit Properties Inc.'s Form 10-Q for the quarter ended June 30, 2004 (File No. 001-12792)
10.43	Separation Agreement, dated as of February 28, 2005, between Camden Property Trust and William B. McGuire, Jr.	Exhibit 99.1 to Form 8-K filed on April 28, 2005
10.44	Separation Agreement, dated as of February 28, 2005, between Camden Property Trust and William F. Paulsen	Exhibit 99.2 to Form 8-K filed on April 28, 2005
10.45	Form of Master Credit Facility Agreement, dated as of April 17, 2009, among Summit Russett, LLC, 2009 CPT Community Owner, LLC, 2009 CUSA Community Owner, LLC, 2009 CSP Community Owner LLC, and 2009 COLP Community Owner, LLC, as borrowers, Camden Property Trust, as guarantor, and Red Mortgage Capital, Inc., as lender (3)	Exhibit 10.5 to Form 10-Q filed on July 30, 2010
10.46	Distribution Agency Agreement, dated May 15, 2017, between Camden Property Trust and Jefferies LLC	Exhibit 1.1 to Form 8-K filed on May 16, 2017
10.47	Distribution Agency Agreement, dated May 15, 2017, between Camden Property Trust and J.P. Morgan Securities LLC	Exhibit 1.2 to Form 8-K filed on May 16, 2017
10.48	Distribution Agency Agreement, dated May 15, 2017, between Camden Property Trust and Merrill Lynch, Pierce, Fenner & Smith Incorporated	Exhibit 1.3 to Form 8-K filed on May 16, 2017
10.49	Distribution Agency Agreement, dated May 15, 2017, between Camden Property Trust and SunTrust Robinson Humphrey, Inc.	Exhibit 1.4 to Form 8-K filed on May 16, 2017
10.50	Distribution Agency Agreement, dated May 15, 2017, between Camden Property Trust and Wells Fargo Securities, LLC	Exhibit 1.5 to Form 8-K filed on May 16, 2017

Exhibit No.	Description	Filed Herewith or Incorporated Herein by Reference (1)
10.51	Second Amended and Restated Credit Agreement dated as of August 7, 2015 among Camden Property Trust, Bank of America, N.A., as Administrative Agent, JPMorgan Chase Bank, N.A., as Syndication Agent, Deutsche Bank Securities Inc., PNC Bank National Association, Regions Bank, SunTrust Bank, The Bank of Nova Scotia, U.S. Bank National Association, and Wells Fargo Bank, National Association, as Documentation Agents, Branch Banking and Trust Company, Credit Suisse AG, Cayman Islands Branch, and The Bank of Tokyo-Mitsubishi UFJ, LTD., as Managing Agents, and the other lenders party thereto, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, and J.P. Morgan Securities LLC, as Joint Lead Arrangers and Joint Bookrunners	Exhibit 99.1 to Form 8-K filed on August 11, 2015
21.1	List of Significant Subsidiaries	Filed Herewith
23.1	Consent of Deloitte & Touche LLP	Filed Herewith
24.1	Powers of Attorney for Heather J. Brunner, Scott S. Ingraham, Renu Khator, William B. McGuire, Jr., William F. Paulsen, Frances Aldrich Sevilla-Sacasa, Steven A. Webster, and Kelvin R. Westbrook	Filed Herewith
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act	Filed Herewith
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act	Filed Herewith
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed Herewith
101.INS	XBRL Instance Document	Filed Herewith
101.SCH	XBRL Taxonomy Extension Schema Document	Filed Herewith
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	Filed Herewith
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	Filed Herewith
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	Filed Herewith
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	Filed Herewith

(1) Unless otherwise indicated, all references to reports or registration statements are to reports or registration statements filed by Camden Property Trust (File No. 1-12110).

(2) Pursuant to SEC Release No. 33-10322 and Rule 311 of Regulation S-T, this exhibit was filed in paper before the mandated electronic filing.

(3) Portions of the exhibit have been omitted pursuant to a request for confidential treatment.

Item 16. Summary

None.

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.

February 15, 2019	**CAMDEN PROPERTY TRUST**	
	By:	/s/ Michael P. Gallagher
		Michael P. Gallagher
		Senior Vice President — Chief Accounting Officer

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
/s/ Richard J. Campo Richard J. Campo	Chairman of the Board of Trust Managers and Chief Executive Officer (Principal Executive Officer)	February 15, 2019
/s/ D. Keith Oden D. Keith Oden	President and Trust Manager	February 15, 2019
/s/ Alexander J. Jessett Alexander J. Jessett	Executive Vice President - Finance, Chief Financial Officer and Treasurer (Principal Financial Officer)	February 15, 2019
/s/ Michael P. Gallagher Michael P. Gallagher	Senior Vice President - Chief Accounting Officer (Principal Accounting Officer)	February 15, 2019
* Heather J. Brunner	Trust Manager	February 15, 2019
* Scott S. Ingraham	Trust Manager	February 15, 2019
* Renu Khator	Trust Manager	February 15, 2019
* William B. McGuire, Jr.	Trust Manager	February 15, 2019
* William F. Paulsen	Trust Manager	February 15, 2019
* Frances Aldrich Sevilla-Sacasa	Trust Manager	February 15, 2019
* Steven A. Webster	Trust Manager	February 15, 2019
* Kelvin R. Westbrook	Trust Manager	February 15, 2019

*By: /s/ Alexander J. Jessett

Alexander J. Jessett
Attorney-in-fact

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Trust Managers of Camden Property Trust

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Camden Property Trust and subsidiaries (the "Company") as of December 31, 2018 and 2017, the related consolidated statements of income and comprehensive income, equity, and cash flows, for each of the three years in the period ended December 31, 2018, and the related notes and the schedules listed in the Index at Item 15 (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2018, in conformity with accounting principles generally accepted in the United States of

America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 15, 2019, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas
February 15, 2019

We have served as the Company's auditor since 1993.

CAMDEN PROPERTY TRUST
CONSOLIDATED BALANCE SHEETS

(in thousands, except per share amounts)	December 31, 2018	December 31, 2017
Assets		
Real estate assets, at cost		
Land	$ 1,098,526	$ 1,021,031
Buildings and improvements	6,935,971	6,269,481
	$ 8,034,497	$ 7,290,512
Accumulated depreciation	(2,403,149)	(2,118,839)
Net operating real estate assets	$ 5,631,348	$ 5,171,673
Properties under development, including land	293,978	377,231
Investments in joint ventures	22,283	27,237
Total real estate assets	$ 5,947,609	$ 5,576,141
Accounts receivable – affiliates	22,920	24,038
Other assets, net	205,454	195,764
Cash and cash equivalents	34,378	368,492
Restricted cash	9,225	9,313
Total assets	$ 6,219,586	$ 6,173,748
Liabilities and equity		
Liabilities		
Notes payable		
Unsecured	$ 1,836,427	$ 1,338,628
Secured	485,176	865,970
Accounts payable and accrued expenses	146,866	128,313
Accrued real estate taxes	54,358	51,383
Distributions payable	74,982	72,943
Other liabilities	183,999	154,567
Total liabilities	$ 2,781,808	$ 2,611,804
Commitments and contingencies (Note 15)		
Non-qualified deferred compensation share awards	52,674	77,230
Equity		
Common shares of beneficial interest; $0.01 par value per share; 175,000 shares authorized; 105,503 and 105,489 issued; 103,080 and 102,769 outstanding at December 31, 2018 and 2017, respectively	1,031	1,028
Additional paid-in capital	4,154,763	4,137,161
Distributions in excess of net income attributable to common shareholders	(495,496)	(368,703)
Treasury shares, at cost (9,841 and 10,073 common shares, at December 31, 2018 and 2017, respectively)	(355,804)	(364,066)
Accumulated other comprehensive income (loss)	6,929	(57)
Total common equity	$ 3,311,423	$ 3,405,363
Non-controlling interests	73,681	79,351
Total equity	$ 3,385,104	$ 3,484,714
Total liabilities and equity	$ 6,219,586	$ 6,173,748

See Notes to Consolidated Financial Statements.

CAMDEN PROPERTY TRUST
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

	Year Ended December 31,		
(in thousands, except per share amounts)	2018	2017	2016
Property revenues			
Rental revenues	$ 842,047	$ 770,540	$ 750,597
Other property revenues	112,458	130,356	125,850
Total property revenues	$ 954,505	$ 900,896	$ 876,447
Property expenses			
Property operating and maintenance	$ 220,732	$ 217,817	$ 206,780
Real estate taxes	122,847	110,925	104,575
Total property expenses	$ 343,579	$ 328,742	$ 311,355
Non-property income			
Fee and asset management	$ 7,231	$ 8,176	$ 6,864
Interest and other income	2,101	3,011	2,202
Income (loss) on deferred compensation plans	(6,535)	16,608	5,511
Total non-property income	$ 2,797	$ 27,795	$ 14,577
Other expenses			
Property management	$ 25,581	$ 25,773	$ 25,125
Fee and asset management	4,451	3,903	3,848
General and administrative	50,735	50,587	47,415
Interest	84,263	86,750	93,145
Depreciation and amortization	300,946	263,974	250,146
Expense (benefit) on deferred compensation plans	(6,535)	16,608	5,511
Total other expenses	$ 459,441	$ 447,595	$ 425,190
Loss on early retirement of debt	—	(323)	—
Gain on sale of operating properties, including land	—	43,231	295,397
Equity in income of joint ventures	7,836	6,822	7,125
Income from continuing operations before income taxes	$ 162,118	$ 202,084	$ 457,001
Income tax expense	(1,424)	(1,224)	(1,617)
Income from continuing operations	$ 160,694	$ 200,860	$ 455,384
Income from discontinued operations	—	—	7,605
Gain on sale of discontinued operations, net of tax	—	—	375,237
Net income	$ 160,694	$ 200,860	$ 838,226
Less income allocated to non-controlling interests from continuing operations	(4,566)	(4,438)	(18,403)
Net income attributable to common shareholders	$ 156,128	$ 196,422	$ 819,823

See Notes to Consolidated Financial Statements.

CAMDEN PROPERTY TRUST
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (Continued)

	Year Ended December 31,		
(In thousands, except per share amounts)	2018	2017	2016
Earnings per share – basic			
Earnings per common share from continuing operations	$ 1.63	$ 2.14	$ 4.81
Earnings per common share from discontinued operations	—	—	4.27
Total earnings per common share – basic	$ 1.63	$ 2.14	$ 9.08
Earnings per share – diluted			
Earnings per common share from continuing operations	$ 1.63	$ 2.13	$ 4.79
Earnings per common share from discontinued operations	—	—	4.26
Total earnings per common share – diluted	$ 1.63	$ 2.13	$ 9.05
Weighted average number of common shares outstanding – basic	95,208	91,499	89,580
Weighted average number of common shares outstanding – diluted	95,366	92,515	89,903
Net income attributable to common shareholders			
Income from continuing operations	$ 160,694	$ 200,860	$ 455,384
Less income allocated to non-controlling interests from continuing operations	(4,566)	(4,438)	(18,403)
Income from continuing operations attributable to common shareholders	$ 156,128	$ 196,422	$ 436,981
Income from discontinued operations, including gain on sale	$ —	$ —	$ 382,842
Net income attributable to common shareholders	$ 156,128	$ 196,422	$ 819,823
Consolidated Statements of Comprehensive Income			
Net income	$ 160,694	$ 200,860	$ 838,226
Other comprehensive income			
Unrealized gain on cash flow hedging activities	6,782	1,690	—
Unrealized gain (loss) and unamortized prior service cost on post retirement obligation	450	(20)	(80)
Reclassification of net (gain) loss on cash flow hedging activities, prior service cost and net loss on post retirement obligation	(246)	136	130
Comprehensive income	$ 167,680	$ 202,666	$ 838,276
Less income allocated to non-controlling interests from continuing operations	(4,566)	(4,438)	(18,403)
Comprehensive income attributable to common shareholders	$ 163,114	$ 198,228	$ 819,873

See Notes to Consolidated Financial Statements.

CAMDEN PROPERTY TRUST
CONSOLIDATED STATEMENTS OF EQUITY

	Common Shareholders						
(in thousands, except per share amounts)	Common shares of beneficial interest	Additional paid-in capital	Distributions in excess of net income	Treasury shares, at cost	Accumulated other comprehensive loss	Non-controlling interests	Total equity
Equity, December 31, 2015	$ 976	$3,662,864	$ (458,577)	$ (386,793)	$ (1,913)	$ 76,339	$2,892,896
Net income			819,823			18,403	838,226
Other comprehensive income					50		50
Net share awards		15,213		9,783			24,996
Employee share purchase plan		944		753			1,697
Common share options exercised (45 shares)		1,003		2,918			3,921
Change in classification of deferred compensation plan		(13,956)					(13,956)
Change in redemption value of non-qualified share awards			(9,145)				(9,145)
Diversification of share awards within deferred compensation plan		11,931	13,497				25,428
Conversions/redemptions of operating partnership units (8 shares)		290				(370)	(80)
Cash distributions declared to equity holders ($7.25 per share)			(654,778)			(13,692)	(668,470)
Other	2	(12)					(10)
Equity, December 31, 2016	$ 978	$3,678,277	$ (289,180)	$ (373,339)	$ (1,863)	$ 80,680	$3,095,553
Net income			196,422			4,438	200,860
Other comprehensive income					1,806		1,806
Common shares issued (4,778 shares)	48	444,990					445,038
Net share awards		15,779		8,177			23,956
Employee share purchase plan		1,030		686			1,716
Common share options exercised (11 shares)		521		410			931
Change in classification of deferred compensation plan		(13,388)					(13,388)
Change in redemption value of non-qualified share awards			(10,038)				(10,038)
Diversification of share awards within deferred compensation plan		10,159	13,074				23,233
Conversions of operating partnership units (3 shares)		117				(117)	—
Cash distributions declared to equity holders ($3.00 per share)			(278,981)			(5,650)	(284,631)
Other	2	(324)					(322)
Equity, December 31, 2017	$ 1,028	$4,137,161	$ (368,703)	$ (364,066)	$ (57)	$ 79,351	$3,484,714

See Notes to Consolidated Financial Statements.

CAMDEN PROPERTY TRUST
CONSOLIDATED STATEMENTS OF EQUITY (Continued)

	Common Shareholders						
(in thousands, except per share amounts)	Common shares of beneficial interest	Additional paid-in capital	Distributions in excess of net income	Treasury shares, at cost	Accumulated other comprehensive loss	Non-controlling interests	Total equity
Equity, December 31, 2017	$ 1,028	$ 4,137,161	$ (368,703)	$ (364,066)	$ (57)	$ 79,351	$ 3,484,714
Net income			156,128			4,566	160,694
Other comprehensive income					6,986		6,986
Net share awards		13,720		7,961			21,681
Employee share purchase plan		826		554			1,380
Common share options exercised (8 shares)		41		—			41
Change in classification of deferred compensation plan		(16,407)					(16,407)
Change in redemption value of non-qualified share awards			669				669
Diversification of share awards within deferred compensation plan		29,379	10,915				40,294
Common shares repurchased				(253)			(253)
Conversions/redemptions of operating partnership units (2 shares)		(9,781)				(4,634)	(14,415)
Cash distributions declared to equity holders ($3.08 per share)			(294,505)			(5,602)	(300,107)
Other	3	(176)					(173)
Equity, December 31, 2018	$ 1,031	$ 4,154,763	$ (495,496)	$ (355,804)	$ 6,929	$ 73,681	$ 3,385,104

See Notes to Consolidated Financial Statements.

CAMDEN PROPERTY TRUST
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	Year Ended December 31, 2018	2017	2016
Cash flows from operating activities			
Net income	$ 160,694	$ 200,860	$ 838,226
Net income from discontinued operations, including gain on sale	—	—	(382,842)
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation and amortization	300,946	263,974	250,146
Loss on early retirement of debt	—	323	—
Gain on sale of operating properties, including land	—	(43,231)	(295,397)
Distributions of income from joint ventures	7,736	6,851	7,057
Equity in income of joint ventures	(7,836)	(6,822)	(7,125)
Share-based compensation	16,749	17,547	20,123
Receipts for settlement of forward interest rate swaps	15,905	—	—
Net change in operating accounts and other	9,553	(4,846)	281
Net cash from continuing operating activities	$ 503,747	$ 434,656	$ 430,469
Net cash from discontinued operating activities	—	—	12,594
Net cash from operating activities	$ 503,747	$ 434,656	$ 443,063
Cash flows from investing activities			
Development and capital improvements, including land	$ (359,230)	$ (299,086)	$ (342,952)
Acquisition of operating property	(290,005)	(58,267)	—
Proceeds from sales of operating properties, including land	11,296	76,902	515,754
Purchase of short-term investments	—	—	(100,000)
Increase in non-real estate assets	(14,503)	(5,128)	(2,580)
Decrease (increase) in notes receivable	9,475	(1,988)	(4,063)
Maturity of short-term investments	—	100,000	—
Other	2,046	(2,187)	3,161
Net cash from continuing investing activities	$ (640,921)	$ (189,754)	$ 69,320
Proceeds from discontinued operations, including land	—	—	622,982
Net cash from discontinued investing activities	—	—	(1,890)
Net cash from investing activities	$ (640,921)	$ (189,754)	$ 690,412

See Notes to Consolidated Financial Statements.

CAMDEN PROPERTY TRUST
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

	Year Ended December 31,		
(in thousands)	2018	2017	2016
Cash flows from financing activities			
Borrowings on unsecured credit facility and other short-term borrowings	$ 342,000	$ 465,000	$ 1,305,000
Repayments on unsecured credit facility and other short-term borrowings	(342,000)	(465,000)	(1,549,000)
Repayment of notes payable	(381,438)	(278,999)	(3,077)
Distributions to common shareholders and non-controlling interests	(298,005)	(280,761)	(663,363)
Proceeds from notes payable	495,545	—	—
Proceeds from issuance of common shares	—	445,038	—
Repurchase of common shares and redemption of units	(14,668)	—	—
Other	1,538	1,799	6,203
Net cash from financing activities	$ (197,028)	$ (112,923)	$ (904,237)
Net increase (decrease) in cash, cash equivalents, and restricted cash	(334,202)	131,979	229,238
Cash, cash equivalents, and restricted cash, beginning of year	377,805	245,826	16,588
Cash, cash equivalents, and restricted cash, end of year	$ 43,603	$ 377,805	$ 245,826
Reconciliation of cash, cash equivalents, and restricted cash to the Consolidated Balance Sheet			
Cash and cash equivalents	$ 34,378	$ 368,492	$ 237,364
Restricted cash	9,225	9,313	8,462
Total cash, cash equivalents, and restricted cash, end of year	43,603	377,805	245,826
Supplemental information			
Cash paid for interest, net of interest capitalized	$ 81,299	$ 88,654	$ 93,302
Cash paid for income taxes	1,951	1,705	2,424
Supplemental schedule of noncash investing and financing activities			
Distributions declared but not paid	$ 74,982	$ 72,943	$ 69,161
Value of shares issued under benefit plans, net of cancellations	17,253	18,061	19,006
Accrual associated with construction and capital expenditures	35,588	19,016	22,762

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business

Business. Formed on May 25, 1993, Camden Property Trust, a Texas real estate investment trust ("REIT"), and all consolidated subsidiaries are primarily engaged in the ownership, management, development, redevelopment, acquisition, and construction of multifamily apartment communities. Our multifamily apartment communities are referred to as "communities," "multifamily communities," "properties," or "multifamily properties" in the following discussion. As of December 31, 2018, we owned interests in, operated, or were developing 167 multifamily properties comprised of 56,858 apartment homes across the United States. Of the 167 properties, six properties were under construction, and will consist of a total of 1,698 apartment homes when completed. We also own land holdings which we may develop into multifamily communities in the future.

2. Summary of Significant Accounting Policies and Recent Accounting Pronouncements

Principles of Consolidation. Our consolidated financial statements include our accounts and the accounts of other subsidiaries and joint ventures (including partnerships and limited liability companies) over which we have control. All intercompany transactions, balances, and profits have been eliminated in consolidation. Investments acquired or created are evaluated based on the accounting guidance relating to variable interest entities ("VIEs"), which requires the consolidation of VIEs in which we are considered to be the primary beneficiary. If the investment is determined not to be a VIE, then the investment is evaluated for consolidation primarily using a voting interest model. In determining if we have a controlling financial interest, we consider factors such as ownership interests, authority to make decisions, kick-out rights and participating rights. As of December 31, 2018, two of our consolidated operating partnerships are VIEs. We are considered the primary beneficiary of both consolidated operating partnerships and therefore consolidate these operating partnerships. We hold the sole 1% general partnership interest in each of these consolidated operating partnership VIEs. During the year ended December 31, 2018, certain unit holders of one of these consolidated operating partnerships redeemed their operating partnership units in exchange for cash consideration of approximately $14.4 million, and as of December 31, 2018, we held approximately 95% of the outstanding common limited partnership units. We held approximately 92% of the outstanding common limited partnership units of the other consolidated operating partnership as of December 31, 2018.

Acquisitions of Real Estate. Upon acquisition of real estate, we determine the fair value of tangible and intangible assets, which includes land, buildings (as-if-vacant), furniture and fixtures, the value of in-place leases, including above and below market leases, and acquired liabilities. In estimating these values, we apply methods similar to those used by independent appraisers of income-producing property. Estimates of fair value of acquired debt are based upon interest rates available for the issuance of debt with similar terms and remaining maturities. Depreciation is computed on a straight-line basis over the remaining useful lives of the related tangible assets. The value of in-place leases and above or below market leases is amortized over the estimated average remaining life of leases in place at the time of acquisition; the net carrying value of in-place leases are included in other assets, net and the net carrying value of above or below market leases are included in other liabilities, net in our condensed consolidated balance sheets.

During the year ended December 31, 2018 and 2017, we recognized amortization expense of approximately $9.4 million and $1.3 million, respectively, related to in-place leases. We recognized revenue of approximately $0.2 million related to net below market leases for the year ended December 31, 2018, and did not recognize any revenue related to net below market leases for the year ended December 31, 2017. During the year ended December 31, 2018, the weighted average amortization periods for in-place and net below market leases were approximately seven months and five months, respectively. During the year ended December 31, 2017, the weighted average amortization period for in-place leases was approximately six months. We did not recognize any revenue or amortization expense related to below market or in-place leases for the year ended December 31, 2016.

Asset Impairment. Long-lived assets are reviewed for impairment annually or whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Impairment may exist if estimated future undiscounted cash flows associated with long-lived assets are not sufficient to recover the carrying value of such assets. We consider projected future undiscounted cash flows, trends, strategic decisions regarding future development plans, and other factors in our assessment of whether impairment conditions exist. While we believe our estimates of future cash flows are reasonable, different assumptions regarding a number of factors, including market rents, economic conditions, and occupancies, could significantly affect these estimates. In estimating fair value, management uses appraisals, management estimates, and discounted cash flow calculations which utilize inputs from a marketplace participant's perspective. When impairment exists, the long-lived asset is adjusted to its fair value. In addition, we evaluate our equity investments in joint ventures and if we believe there is an other than temporary decline in market value of our investment below our carrying value, we will record an impairment charge. We did not record any impairment charges for the years ended December 31, 2018, 2017, or 2016.

The value of our properties under development depends on market conditions, including estimates of the project start date as well as estimates of demand for multifamily communities. We have reviewed market trends and other marketplace information and have incorporated this information as well as our current outlook into the assumptions we use in our impairment analyses. Due to the judgment and assumptions applied in the impairment analyses, it is possible actual results could differ substantially from those estimated.

We believe the carrying value of our operating real estate assets, properties under development, and land is currently recoverable. However, if market conditions deteriorate or if changes in our development strategy significantly affect any key assumptions used in our fair value estimates, we may need to take material charges in future periods for impairments related to existing assets. Any such material non-cash charges could have an adverse effect on our consolidated financial position and results of operations.

Cash and Cash Equivalents. All cash and investments in money market accounts and other highly liquid securities with a maturity of three months or less at the date of purchase are considered to be cash and cash equivalents. We maintain the majority of our cash and cash equivalents at major financial institutions in the United States and deposits with these financial institutions may exceed the amount of insurance provided on such deposits; however, we regularly monitor the financial stability of these financial institutions and believe we are not currently exposed to any significant default risk with respect to these deposits.

Short-term Investments. Our short-term investments consisted of certificates of deposit which have original maturities of more than three months but less than one year.

Cost Capitalization. Real estate assets are carried at cost plus capitalized carrying charges. Carrying charges are primarily interest and real estate taxes which are capitalized as part of properties under development. Capitalized interest is generally based on the weighted average interest rate of our unsecured debt. Expenditures directly related to the development and improvement of real estate assets are capitalized at cost as land and buildings and improvements. Indirect development costs, including salaries and benefits and other related costs directly attributable to the development of properties, are also capitalized. We begin capitalizing development, construction, and carrying costs when the development of the future real estate asset is probable and activities necessary to prepare the underlying real estate for its intended use have been initiated. All construction and certain carrying costs are capitalized and reported in the balance sheet as properties under development until the apartment homes are substantially completed. As apartment homes within development properties are completed, the total capitalized development cost of each apartment home is transferred from properties under development including land to buildings and improvements.

As discussed above, carrying charges are principally interest and real estate taxes capitalized as part of properties under development. Capitalized interest was approximately $13.6 million, $15.2 million, and $18.2 million for the years ended December 31, 2018, 2017, and 2016, respectively. Capitalized real estate taxes were approximately $2.2 million, $2.4 million, and $4.5 million for the years ended December 31, 2018, 2017, and 2016, respectively.

Where possible, we stage our construction to allow leasing and occupancy during the construction period, which we believe minimizes the duration of the lease-up period following completion of construction. Our accounting policy related to properties in the development and leasing phase is to expense all operating expenses associated with completed apartment homes. We capitalize renovation and improvement costs we believe extend the economic lives of depreciable property. Capital expenditures subsequent to initial construction are capitalized and depreciated over their estimated useful lives.

We also incur expenditures related to renovation and construction of office space we lease and we capitalize these leasehold improvements as furniture, fixtures, equipment and other. We depreciate these costs using the straight-line method over the shorter of the lease term or the useful life of the improvement.

Depreciation and amortization is computed over the expected useful lives of depreciable property on a straight-line basis with lives generally as follows:

	Estimated Useful Life
Buildings and improvements	5-35 years
Furniture, fixtures, equipment and other	3-20 years
Intangible assets/liabilities (in-place leases and below market leases)	underlying lease term

Derivative Financial Instruments. Derivative financial instruments are recorded in the consolidated balance sheets at fair value and we do not apply master netting for financial reporting purposes. Accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether we have elected to designate a derivative in a hedging relationship and apply hedge accounting, and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows or other types of forecasted transactions are cash flow hedges. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the recognition of the changes attributable to the earnings effect of the hedged transactions. We may enter into derivative contracts which are intended to economically hedge certain of our risks, for which hedge accounting does not apply or we elect not to apply hedge accounting.

Discontinued Operations. A property is classified as a discontinued operation when the disposal represents a strategic shift, such as disposal of a major line of business, a major geographical area or a major equity investment. The results of operations for properties sold during the period or classified as held for sale at the end of the period, and meeting the above criteria of discontinued operations, are classified as discontinued operations for all periods presented. The property-specific components of earnings classified as discontinued operations include separately identifiable property-specific revenues, expenses, depreciation, and interest expense, if any. The gain or loss resulting from the eventual disposal of the held for sale properties meeting the criteria of discontinued operations is also classified within discontinued operations. Real estate assets held for sale are measured at the lower of carrying amount or fair value less costs to sell and are presented separately in the accompanying consolidated balance sheets. Subsequent to classification of a property as held for sale, no further depreciation is recorded. Consolidated operating properties sold or classified as held for sale, which do not meet the above criteria of discontinued operations are not included in discontinued operations and the related gains and losses are included in continuing operations. Properties sold by our unconsolidated entities which do not meet the above criteria of discontinued operations are not included in discontinued operations and related gains or losses are reported as a component of equity in income of joint ventures.

Gains on sale of real estate are recognized using the full accrual or partial sale methods, as applicable, in accordance with accounting principles generally accepted in the United States of America ("GAAP"), provided various criteria relating to the terms of sale and any subsequent involvement with the real estate sold are satisfied.

See Note 8, "Acquisitions, Dispositions, and Discontinued Operations," for discussion of discontinued operations for the year ended December 31, 2016. There were no discontinued operations for the years ended 2018 or 2017.

Fair Value. For financial assets and liabilities recorded at fair value on a recurring or non-recurring basis, fair value is the price we would receive to sell an asset, or pay to transfer a liability, in an orderly transaction with a market participant at the measurement date. In the absence of such data, fair value is estimated using internal information consistent with what market participants would use in a hypothetical transaction.

In determining fair value, observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions; preference is given to observable inputs. These two types of inputs create the following fair value hierarchy:

- Level 1: Quoted prices for identical instruments in active markets.
- Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level 3: Significant inputs to the valuation model are unobservable.

Recurring Fair Value Measurements. The following describes the valuation methodologies we use to measure different financial instruments at fair value on a recurring basis:

Deferred Compensation Plan Investments. The estimated fair values of investment securities classified as deferred compensation plan investments are based on quoted market prices utilizing public information for the same transactions. Our deferred compensation plan investments are recorded in other assets in our consolidated balance sheets. The inputs associated with the valuation of our recurring deferred compensation plan investments are included in Level 1 of the fair value hierarchy.

Derivative Financial Instruments. The estimated fair values of derivative financial instruments are valued using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves and volatility. The fair values of interest rate swaps and caps are estimated using the market-standard methodology of netting the discounted fixed cash payments and the discounted expected variable cash receipts. The variable cash receipts are based on an expectation of interest rates (forward curves) derived from observable market interest rate curves. In addition, credit valuation adjustments, which consider the impact of any credit enhancements to the contracts, are incorporated in the fair values to account for potential nonperformance risk, including our own nonperformance risk and the respective counterparty’s nonperformance risk. The fair value of interest rate caps is determined using the market-standard methodology of discounting the future expected cash receipts which would occur if variable interest rates rise above the strike rate of the caps. The variable interest rates used in the calculation of projected receipts on the cap are based on an expectation of future interest rates derived from observed market interest rate curves and volatilities.

Although we have determined the majority of the inputs used to value our derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with our derivatives utilize Level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of default. However, we have assessed the significance of the impact of the credit valuation adjustments on the overall valuation of our derivative positions and have determined the credit valuation adjustments are not significant to the overall valuation of our derivatives. As a result, we have determined our derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy.

Non-recurring Fair Value Measurements. Certain assets are measured at fair value on a non-recurring basis. These assets are not measured at fair value on an ongoing basis, but are subject to fair value adjustments in certain circumstances. Long-lived assets such as the land, real estate asset, and in-place leases acquired with an operating property are measured in the form of cash received unless otherwise noted. These assets are recorded at fair value if they are impaired using the fair value methodologies used to measure long-lived assets described above at "Asset Impairment." Non-recurring fair value disclosures are not provided for impairments on assets disposed during the period because they are no longer owned by us. The inputs associated with the valuation of long-lived assets are generally included in Level 3 of the fair value hierarchy, unless a quoted price for a similar long-lived asset in an active market exists, at which time they are included in Level 2 of the fair value hierarchy.

Financial Instrument Fair Value Disclosures. As of December 31, 2018 and 2017, the carrying values of cash and cash equivalents, short-term investments, accounts receivable, accounts payable, accrued expenses and distributions payable represent fair value because of the short-term nature of these instruments. The carrying value of restricted cash approximates its fair value based on the nature of our assessment of the ability to recover these amounts. The carrying value of our notes receivable, which are included in other assets, net in our consolidated balance sheets, approximates their fair value. The estimated fair values are based on certain factors, such as market interest rates, terms of the note and credit worthiness of the borrower. These financial instruments utilize Level 3 inputs. In calculating the fair value of our notes payable, interest rate and spread assumptions reflect current credit worthiness and market conditions available for the issuance of notes payable with similar terms and remaining maturities. These financial instruments utilize Level 2 inputs.

Income Recognition. Our rental revenue is recognized on a straight-line basis and other property revenue is recorded when due from residents and is recognized as it is earned. Other property revenue consists primarily of utility rebillings and administrative, application, and other transactional fees charged to our residents. Our apartment homes are rented to residents on lease terms generally ranging from twelve to fifteen months, with monthly payments due in advance. All other sources of income, including interest and fee and asset management income, are recognized as earned. See Note 3, "Revenues," for further discussion. Operations of multifamily properties acquired are recorded from the date of acquisition in accordance with the acquisition method of accounting. In management's opinion, due to the number of residents, the types and diversity of submarkets in which our properties operate, and the collection terms, there is no significant concentration of credit risk.

Reclassifications. Certain reclassifications have been made to amounts in prior period financial statements to conform to the current period presentation. As of December 31, 2018, we reclassified certain insignificant amounts within investing activities which had no impact on our consolidated statements of cash flows for the years ended December 31, 2017 and 2016.

Insurance. Our primary lines of insurance coverage are property, general liability, health, and workers' compensation. We believe our insurance coverage adequately insures our properties against the risk of loss attributable to fire, earthquake, hurricane, tornado, flood, and other perils and adequately insures us against other risks. Losses are accrued based upon our estimates of the aggregate liability for claims incurred using certain actuarial assumptions followed in the insurance industry and based on our experience.

Other Assets, Net. Other assets in our consolidated financial statements include investments under deferred compensation plans, deferred financing costs, non-real estate leasehold improvements and equipment, notes receivable, prepaid expenses, and other miscellaneous receivables. Investments under deferred compensation plans are classified as trading securities and are adjusted to fair market value at period end. For a further discussion of our investments under deferred compensation plans, see Note 12, "Share-based Compensation and Benefit Plans." Deferred financing costs are related to our unsecured credit facility and unsecured short-term borrowing facility, and are amortized no longer than the terms of the related facilities on the straight-line method, which approximates the effective interest method. Corporate leasehold improvements and equipment are depreciated using the straight-line method over the shorter of the expected useful lives or the lease terms which generally range from three to ten years.

Notes Receivable. We have one note receivable included in Other assets, net in our consolidated balance sheets, relating to a real estate secured loan to an unaffiliated third party. During 2018, we received payments of approximately $9.5 million in principal and approximately $0.5 million in interest on this note which matures on October 1, 2025. At December 31, 2018 and 2017, the outstanding note receivable balance was approximately $9.3 million and $18.8 million, respectively, and the weighted average interest rate was approximately 4.0% for each of the years ended December 31, 2018 and 2017. Interest is recognized over the life of the note and is included in interest and other income in our consolidated statements of income and comprehensive income. We consider a note receivable to be impaired if it is probable we will not collect all contractually due principal and interest, and we do not accrue interest when a note is considered impaired and an allowance is recorded for any principal and previously accrued interest which is not believed to be collectible. All cash receipts on impaired notes are applied to reduce the principal amount of such notes until the principal has been recovered and, thereafter, are recognized as interest income. There were no impairments a s of December 31, 2018 or 2017.

Reportable Segments. We operate in a single reportable segment which includes the ownership, management, development, redevelopment, acquisition, and construction of multifamily apartment communities. Each of our operating properties is considered a separate operating segment as each property earns revenues and incurs expenses, individual operating results are reviewed and discrete financial information is available. We do not distinguish or group our consolidated operations based on geography, size or type. Our multifamily apartment communities have similar long-term economic characteristics and provide similar products and services to our residents. Further, all material operations are within the United States and no multifamily apartment community comprises more than 10% of consolidated revenues. As a result, our operating properties are aggregated into a single reportable segment. Our multifamily communities generate rental revenue and other income through the leasing of apartment homes, which comprised approximately 99% of our total property revenues and total non-property income, excluding income on deferred compensation plans, for each of the years ended December 31, 2018, 2017, and 2016.

Restricted Cash. Restricted cash consists of escrow deposits held by lenders for property taxes, insurance and replacement reserves, cash required to be segregated for the repayment of residents' security deposits, and escrowed amounts related to our development and acquisition activities. Substantially all restricted cash is invested in demand and short-term instruments.

Share-based Compensation. Compensation expense associated with share-based awards is recognized in our consolidated statements of income and comprehensive income using the grant-date fair values. Compensation cost for all share-based awards, including options, requires measurement at estimated fair value on the grant date and recognition of compensation expense over the requisite service period for awards expected to vest. The fair value of stock option grants is estimated using the Black-Scholes valuation model. Valuation models require the input of assumptions, including judgments to estimate the expected stock price volatility, expected life, and forfeiture rate. The compensation cost for share-based awards is based on the market value of the shares on the date of grant and is adjusted as actual forfeitures occur.

Use of Estimates. In the application of GAAP, management is required to make estimates and assumptions which 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. Our more significant estimates include estimates supporting our impairment analysis related to the carrying values of our real estate assets. These estimates are based on historical experience and other assumptions believed to be reasonable under the circumstances. Future events rarely develop exactly as forecasted, and the best estimates routinely require adjustment.

Recent Accounting Pronouncements. In October 2018, the Financial Accounting Standards Board ("FASB") issue*d Accounting Standards Update 2018-16 ("ASU 2018-16"), "Derivatives and Hedging (Topic 815): Inclusion of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap (OIS) Rate as a Benchmark Interest Rate for Hedge Accounting Purposes."* ASU 2018-16 permits the use of the overnight index swap rate based on the Secured Overnight Financing Rate to be used as a U.S. benchmark interest rate for hedge accounting purposes. ASU 2018-16 is effective for public entities which have already adopted ASU 2017-12 beginning after December 31, 2018. Since we already adopted ASU 2017-12, we adopted ASU 2018-16 as of January 1, 2019 with no impact on our existing hedges. We will consider these changes for qualifying new or redesignated hedging relationships entered into in the future.

In August 2018, the FASB issued ASU 2018-15 *"Intangibles—Goodwill and Other— Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract."* ASU 2018-15 clarifies certain implementation costs relating to a cloud computing arrangement which is considered to be a service contract should be capitalized as if the arrangement was an internal-use software project. The standard also requires costs associated with an implementation to be classified where the fees are recorded in financial statements for such arrangements. ASU 2018-15 is effective for interim and annual periods beginning after December 15, 2019, and early adoption is permitted. This standard may be applied using the prospective transition method which is applicable to service contracts entered, renewed, or materially modified after the effective date or the retrospective transition method which allows us to recognize a cumulative effect adjustment to the opening balance of retained earnings, if any, as of the adoption date. We anticipate adopting ASU 2018-15 as of January 1, 2020, using the retrospective transition method and we do not expect our adoption to have a material impact on our consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13 "*Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement.*" ASU 2018-13 removes, modifies, and adds certain fair value disclosure requirements including (i) the removal of disclosures regarding amounts, reasons, and timing for transfers between Levels 1 and 2 as well as descriptions of valuation processes used for Level 3 measurements of the fair value hierarchy; (ii) the modification of disclosures for the timing of liquidation of investee assets; (iii) the clarification of the narrative description of the measurement uncertainty of Level 3 fair value measurements at the reporting date does not need to include sensitivity of future changes; (iv) the addition of disclosures related to changes in unrealized gains and losses in other comprehensive income for recurring Level 3 fair value measurements to also be included in the statement of comprehensive income; and (v) the addition of disclosures for the range and weighted average of significant unobservable inputs. ASU 2018-13 is effective January 1, 2020 for the additional disclosures and early adoption of the removal and amended disclosures is allowed. We expect to adopt ASU 2018-13 as of January 1, 2020 and do not expect the adoption to have a material impact on our consolidated financial statements.

In May 2014, the FASB issued ASU 2014-09 *"Revenue from Contracts with Customers."* ASU 2014-09 prescribes a single, common revenue standard to replace most existing revenue recognition guidance in GAAP, including most industry-specific requirements. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied. Several ASUs intended to promote a more consistent interpretation and application of the principles outlined in the standard have been issued since the issuance of ASU 2014-09 which modify certain sections of the new revenue recognition standard. We adopted ASU 2014-09 and all related amendments effective January 1, 2018 using the modified retrospective with cumulative effect transition method. This method requires us to recognize the cumulative effect of initially applying the new revenue standard as an adjustment, if any, to the opening balance of retained earnings, which had no impact on our consolidated financial statements upon adoption. See Note 3, "Revenues," for additional disclosures required by the ASU.

In February 2016, the FASB issued ASU 2016-02, *"Leases."* ASU 2016-02 supersedes the current accounting for leases. The new lease standard retains three distinct types of leases which are similar to existing guidance for lessors: operating, sales-type, and financing, and aligns many of the underlying lessor model principles with those in the new revenue standard. For lessees, the new lease standard retains two distinct types of leases, finance and operating; and (i) requires lessees to record a right of use asset and a related liability for the rights and obligations associated with a lease, regardless of lease classification, and recognize lease expense in a manner similar to current accounting and (ii) eliminates most real estate specific lease provisions. We adopted ASU 2016-02 and its related amendments as of January 1, 2019 using the transition practical expedient which allows us to recognize a cumulative-effect adjustment to the opening balance of retained earnings as of the adoption date as well as other elected practical expedients. We have identified our lease commitments and finalized our evaluation on our consolidated financial statements and on our internal accounting processes. Substantially all of our real estate lessor commitments will continue to be accounted for as operating leases and the new leasing standard will not have a material impact on rental revenues. Our lessee operating lease commitments are subject to the standard and recognized as operating lease liabilities and right-of-use assets upon adoption. Our adoption of the new leasing standard will not have a material impact on our consolidated financial statements. Upon our adoption of ASU 2016-02 as of January 1, 2019, we will increase lease liabilities by approximately $16.6 million along with a corresponding right-of-use assets on our consolidated balance sheet, and this ASU will not have any impact on our consolidated statement of income upon adoption.

3. Revenue

On January 1, 2018, we adopted ASU 2014-09 and all related amendments in accordance with ASU 2014-09 and elected to apply the new revenue standard to those contracts which were not completed as of January 1, 2018. We also elected to omit disclosing the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) contracts for which the invoiced amount directly corresponds to the value transferred to the customer as provided for in the practical expedients. Our adoption of ASU 2014-09 and its related amendments did not have a material impact upon our consolidated financial statements as the majority of our revenues are derived from real estate lease contracts which are scoped out of ASU 2014-09.

Our presentation of revenue within our condensed consolidated statements of income and comprehensive income is separated into its component parts by the nature and timing of the revenue streams. Our revenue within the scope of this new revenue standard is recognized when the services are transferred to our customers for an amount which reflects the consideration we expect to receive in exchange for those services rendered and include the following:

Other Property Revenues. The items within other property revenues relate to non-lease components within a lease contract and primarily consist of utility rebillings which are usually recognized over time and other transactional fees primarily recognized at a point-in-time. These fees are charged to our residents and recognized monthly as the performance obligation is satisfied.

Upon our adoption of ASU 2014-09, we are now presenting certain revenue items, historically included as a component of other property revenues, as rental revenues due to the nature and timing of revenue recognition for these items being more closely aligned to a lease. This new presentation has been applied prospectively as this reclassification will not have an impact upon total property revenues or the opening balance of retained earnings. Approximately $22.2 million of rental revenue is related to this presentation for the year ended December 31, 2018. Had ASU 2014-09 been effective as of January 1, 2017, we would have reclassified approximately $21.9 million from other property revenues to rental revenue for the year ended December 31, 2017.

Fee and Asset Management Income. Management fee income primarily consists of fees charged to our unconsolidated joint ventures for managing the joint venture, and the development, redevelopment and capital expenditures of their operating communities. While the individual activities related to these fees may vary, the services provided are substantially similar, have the same pattern of transfer, and are considered to be individual performance obligations composed of a series of distinct services, recognized monthly as earned.

We also generate construction fees for construction management and general contracting services provided to third-party owners of multifamily, commercial, and retail properties. These fees are recognized as we satisfy our single performance obligation over time based on a percentage-of-completion of cost basis which we believe is an accurate depiction of the transfer of control to our customers. For these contracts, significant judgment is used to estimate the cost plus margin for the project fee and our profitability on those contracts is dependent on the ability to accurately predict such factors.

Contract Balances. We record third-party construction receivables for amounts where we have unconditional rights to payment but have not received and liabilities for amounts incurred but not paid. For the years ended December 31, 2018 and 2017, these contract receivable and liability balances were immaterial.

4. Per Share Data

Basic earnings per share are computed using net income attributable to common shareholders and the weighted average number of common shares outstanding. Diluted earnings per share reflect common shares issuable from the assumed conversion of common share options and share awards granted and units convertible into common shares. Only those items having a dilutive impact on our basic earnings per share are included in diluted earnings per share. Our unvested share-based awards are considered participating securities and are reflected in the calculation of basic and diluted earnings per share using the two-class method. The number of common share equivalent securities excluded from the diluted earnings per share calculation was approximately 2.1 million, 1.5 million, and 2.4 million for the years ended December 31, 2018, 2017, and 2016, respectively. These securities, which include common share options and share awards granted and units convertible into common shares, were excluded from the diluted earnings per share calculation as they are anti-dilutive.

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, 2018	2017	2016
Earnings per common share calculation – basic			
Income from continuing operations attributable to common shareholders	$ 156,128	$ 196,422	$ 436,981
Amount allocated to participating securities	(1,107)	(660)	(6,304)
Income from continuing operations attributable to common shareholders, net of amount allocated to participating securities	$ 155,021	$ 195,762	$ 430,677
Discontinued operations, including gain on sale, attributable to common shareholders	—	—	382,842
Net income attributable to common shareholders – basic	$ 155,021	$ 195,762	$ 813,519
Earnings per common share from continuing operations	$ 1.63	$ 2.14	$ 4.81
Earnings per common share from discontinued operations	—	—	4.27
Total earnings per common share – basic	$ 1.63	$ 2.14	$ 9.08
Weighted average number of common shares outstanding – basic	95,208	91,499	89,580

(in thousands, except per share amounts)	Year Ended December 31, 2018	2017	2016
Earnings per common share calculation – diluted			
Income from continuing operations attributable to common shareholders, net of amount allocated to participating securities	$ 155,021	$ 195,762	$ 430,677
Income allocated to common units from continuing operations	—	1,174	—
Income from continuing operations attributable to common shareholders, as adjusted	$ 155,021	$ 196,936	$ 430,677
Discontinued operations, including gain on sale, attributable to common shareholders	—	—	382,842
Net income attributable to common shareholders – diluted	$ 155,021	$ 196,936	$ 813,519
Earnings per common share from continuing operations	$ 1.63	$ 2.13	$ 4.79
Earnings per common share from discontinued operations	—	—	4.26
Total earnings per common share – diluted	$ 1.63	$ 2.13	$ 9.05
Weighted average number of common shares outstanding – basic	95,208	91,499	89,580
Incremental shares issuable from assumed conversion of:			
Common share options and share awards granted	158	211	323
Common units	—	805	—
Weighted average number of common shares outstanding – diluted	95,366	92,515	89,903

5. Common Shares

In May 2017, we created an at-the market ("ATM") share offering program through which we can, but have no obligation to, sell common shares having an aggregate offering price of up to $315.3 million (the "2017 ATM program"), in amounts and at times as we determine, into the existing trading market at current market prices as well as through negotiated transactions. Actual sales from time to time may depend on a variety of factors including, among others, market conditions, the trading price of our common shares, and determinations by management of the appropriate sources of funding for us. The proceeds from the sale of our common shares under the 2017 ATM program are intended to be used for general corporate purposes, which may include reducing future borrowings under our unsecured line of credit or short-term borrowing facilities, the repayment of other indebtedness, the redemption or other repurchase of outstanding debt or equity securities, funding for development activities, and financing for acquisitions.

For the year ended December 31, 2018, we did not sell any shares under the 2017 ATM program. The following table presents activity under the 2017 ATM program for the year ended December 31, 2017:

(in thousands, except per share amounts)	Year Ended December 31, 2017
Total net consideration	$ 2,513.6
Common shares sold	28.1
Average price per share	$ 90.44

As of the date of this filing, we had common shares having an aggregate offering price of up to $312.8 million remaining available for sale under the 2017 ATM program. No additional shares were sold under the 2017 ATM program subsequent to December 31, 2018 through the date of this filing.

We have a repurchase plan approved by our Board of Trust Managers which allows for the repurchase of up to $500 million of our common equity securities through open market purchases, block purchases, and privately negotiated transactions. In 2018, we repurchased 3,222 common shares for approximately $0.3 million. As of the date of this filing, the remaining dollar value of our common equity securities authorized to be repurchased under the program was approximately $269.5 million. There were no repurchases for the years ended December 31, 2017 or 2016 under this program, or subsequent to December 31, 2018 through the date of this filing.

We currently have an automatic shelf registration statement which allows us to offer, from time to time, common shares, preferred shares, debt securities, or warrants. Our Amended and Restated Declaration of Trust provides we may issue up to 185 million shares of beneficial interest, consisting of 175 million common shares and 10 million preferred shares. At December 31, 2018, we had approximately 93.2 million common shares outstanding, net of treasury shares and shares held in our deferred compensation arrangements, and no preferred shares outstanding.

In addition to our 2016 quarterly dividends, our Board of Trust Managers declared a special dividend of $4.25 per common share to our common shareholders of record as of September 23, 2016, consisting of gains on dispositions of assets completed in 2016, which was paid on September 30, 2016. We also paid equivalent amounts per unit to holders of the common operating partnership units.

6. Operating Partnerships

At December 31, 2018, approximately 4% of our consolidated multifamily apartment homes were held in Camden Operating, L.P. ("Camden Operating" or the "operating partnership"). Camden Operating has 11.9 million outstanding common limited partnership units and as of December 31, 2018, we held approximately 92% of the outstanding common limited partnership units and the sole 1% general partnership interest of the operating partnership. The remaining common limited partnership units, comprising approximately 0.8 million units, are primarily held by former officers, directors, and investors of Paragon Group, Inc., which we acquired in 1997. Each common limited partnership unit is redeemable for one common share of Camden Property Trust 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 Camden Operating common limited partnership units.

At December 31, 2018, approximately 33% of our consolidated multifamily apartment homes were held in Camden Summit Partnership, L.P. (the "Camden Summit Partnership"). Camden Summit Partnership has 22.8 million outstanding common limited partnership units and as of December 31, 2018, we held approximately 95% of the outstanding common limited partnership units and the sole 1% general partnership interest of Camden Summit Partnership. The remaining common limited partnership units, comprising approximately 1.0 million units, are primarily held by former officers, directors, and investors of Summit Properties Inc., which we acquired in 2005. Each common limited partnership unit is redeemable for one common share of Camden Property Trust or cash at our election and 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 Camden Summit Partnership common limited partnership units, and two of our ten trust managers own Camden Summit Partnership common limited partnership units.

During 2018, we entered into an agreement with certain holders of common units of limited partnership interest in the Camden Summit Partnership, which holders included two of our Trust Managers. This agreement modifies the original terms of the Tax Protection Agreement dated February 28, 2005 which states the Camden Summit Partnership must maintain a certain amount of secured debt until February 28, 2020 to protect the negative tax capital of the unitholders or reimburse the unitholders for income taxes incurred from the repayment of this indebtedness. Pursuant to this 2018 agreement, Camden Summit Partnership issued $100.0 million of unsecured debt with an unrelated third party which was guaranteed by Camden Property Trust. Additionally, each such unitholder agreed to indemnify Camden Property Trust for their portion of the unsecured debt equal to the amount of income and gain which would be required to be recognized by the unitholder due to their negative tax capital account; the indemnities are for a one-year period with an annual October 15 renewal right. These amounts were approximately $21.2 million in the aggregate for the two Trust Managers which are holders of common units of limited partner interest in Camden Summit Partnership. In return, Camden Summit Partnership agreed to extend the duration of the Tax Protection Agreement for two years for each year such unitholder's indemnification agreement remains in place.

7. Income Taxes

We have maintained and intend to maintain our election as a REIT under the Internal Revenue Code of 1986, as amended. In order for us to continue to qualify as a REIT we must meet a number of organizational and operational requirements, including a requirement to distribute annual dividends to our shareholders equal to a minimum of 90% of our adjusted taxable income. As a REIT, we generally will not be subject to federal income tax on our taxable income at the corporate level to the extent such income is distributed to our shareholders annually. If our taxable income exceeds our dividends in a tax year, REIT tax rules allow us to designate dividends from the subsequent tax year in order to avoid current taxation on undistributed income. If we fail to qualify as a REIT in any taxable year, we will be subject to federal and state income taxes at regular corporate rates, including for taxable years ended before January 1, 2019 any applicable alternative minimum tax. In addition, we may not be able to requalify as a REIT for the four subsequent taxable years. Historically, we have incurred only state and local income, franchise, and excise taxes. Taxable income from non-REIT activities managed through taxable REIT subsidiaries is subject to applicable federal, state, and local income taxes. Our operating partnerships are flow-through entities and are not subject to federal income taxes at the entity level.

We have recorded income, franchise, and excise taxes in the consolidated statements of income and comprehensive income for the years ended December 31, 2018, 2017 and 2016 as income tax expense. Income taxes for the years ended December 31, 2018, 2017 and 2016, primarily related to state income tax and federal taxes on certain of our taxable REIT subsidiaries. We have no significant temporary or permanent differences or tax credits associated with our taxable REIT subsidiaries.

For income tax purposes, distributions to common shareholders are characterized as ordinary income, capital gains or as a return of a shareholder's invested capital. A summary of the income tax characterization of our distributions paid per common share for the years ended December 31, 2018, 2017 and 2016 is set forth in the following table:

	Year Ended December 31,		
	2018	2017	2016
Common Share Distributions			
Ordinary income	$ 2.99	$ 2.38	$ —
Long-term capital gain	0.09	0.41	5.02
Unrecaptured Sec. 1250 gain	—	0.21	2.23
Total	$ 3.08	$ 3.00	$ 7.25

We have taxable REIT subsidiaries which are subject to federal and state income taxes. At December 31, 2018, our taxable REIT subsidiaries had immaterial net operating loss carryforwards ("NOL's") which expire in years 2034 to 2037 and no benefits related to these NOL's have been recognized in our consolidated financial statements.

The carrying value of net assets reported in our consolidated financial statements at December 31, 2018 exceeded the tax basis by approximately $1.3 billion.

Income Tax Expense. For the tax year ended December 31, 2018, we had income tax expense of approximately $1.4 million, and $1.2 million and $1.6 million for the tax years ended December 31, 2017 and 2016, respectively. Income tax for the years ended December 31, 2018, 2017, and 2016 was comprised mainly of state income tax and federal income tax related to one of our taxable REIT subsidiaries.

Income Tax Expense – Deferred. For the years ended December 31, 2018, 2017, and 2016, our deferred tax expense was not significant.

The income tax returns of Camden Property Trust and its subsidiaries are subject to examination by federal, state and local tax jurisdictions for years 2015 through 2017. Tax attributes generated in years prior to 2015 are also subject to challenge in any examination of those tax years. We believe we have no uncertain tax positions or unrecognized tax benefits requiring disclosure as of and for the periods presented.

Tax reform. The 2017 Tax Act was passed on December 22, 2017 which includes a number of changes to the corporate income tax system, including but not limited to a reduction in the statutory federal corporate income tax rate from 35% to 21% for non-REIT "C" corporations, changes to deductions for certain pass-through business income, and possible limitations on interest expense, depreciation and the deductibility of executive compensation. As a REIT, we generally will not be subject to federal income tax on our taxable income at the corporate level and the changes from the 2017 Tax Act did not have a material impact on our consolidated financial statements.

8. Acquisitions, Dispositions, and Discontinued Operations

Asset Acquisition of Operating Properties. In September 2018, we acquired one operating property comprised of 299 apartment homes located in Orlando, Florida, for approximately $89.8 million. In February 2018, we acquired one operating property comprised of 333 apartment homes located in Orlando, Florida, for approximately $81.4 million. In January 2018, we acquired one operating property comprised of 358 apartment homes located in St. Petersburg, Florida, for approximately $126.9 million. In June 2017, we acquired one operating property comprised of 250 apartment homes, located in Atlanta, Georgia, for approximately $58.3 million. There were no asset acquisitions of operating properties for the year ended December 31, 2016.

Acquisitions of Land. In April 2018, we acquired approximately 1.8 acres of land in Orlando, Florida for approximately $11.4 million for the development of a community with 360 wholly-owned apartment homes which started construction during the quarter ended June 30, 2018. During the year ended December 31, 2017, we acquired approximately 8.2 acres of land in San Diego, California for approximately $20.0 million. During the year ended December 31, 2016, we acquired an aggregate of approximately 4.6 acres of land located in Denver, Colorado and Charlotte, North Carolina for approximately $19.9 million.

Land Holding Dispositions. In September 2018, we sold approximately 14.1 acres of land adjacent to two development properties in Phoenix, Arizona for approximately $11.5 million. During the year ended December 31, 2017, we did not sell any land. During the year ended December 31, 2016, we sold approximately 6.3 acres of land adjacent to an operating property in Tampa, Florida for approximately $2.2 million and recognized a gain of approximately $0.4 million.

Sale of Operating Properties. We did not sell any operating properties during the year ended December 31, 2018. During the year ended December 31, 2017, we sold one operating property, comprised of 1,005 apartment homes, located in Corpus Christi, Texas for approximately $78.4 million and recognized a gain of approximately $43.2 million.

During the year ended December 31, 2016, we sold one dual-phased property and six other operating properties comprised of an aggregate of 3,184 apartment homes with an average age of 24 years, located in Landover and Frederick, Maryland; Fullerton, California; and Tampa, Altamonte Springs, and St. Petersburg, Florida for an aggregate of approximately $523.4 million, and recognized a gain of approximately $294.9 million.

Discontinued Operations. During the years ended December 31, 2018 and 2017, we did not have any discontinued operations. During the year ended December 31, 2016, we had discontinued operations related to the sale in April 2016 of 15 operating properties, comprised of an aggregate of 4,918 apartment homes, with an average age of 23 years, a retail center and approximately 19.6 acres of land, all located in Las Vegas, Nevada, to an unaffiliated third party for an aggregate of approximately $630.0 million and recognized a gain of approximately $375.2 million, net of closing costs.

The following is a summary of income from discontinued operations for the year ended December 31, 2016 relating to the 15 operating properties and the retail center sold in April 2016:

	Year Ended December 31,	
(in thousands)	2016	
Property revenues	$	19,184
Property expenses		(6,898)
	$	12,286
Property management expense		(242)
Depreciation and amortization		(4,327)
Income tax expense		(112)
Income from discontinued operations	$	7,605
Gain on sale of discontinued operations, net of tax	$	375,237

9. Investments in Joint Ventures

Our equity investments in unconsolidated joint ventures, which we account for utilizing the equity method of accounting, consists of three funds (collectively, the "Funds"). At December 31, 2018, 2017, and 2016, we had two discretionary investment funds in which we had an ownership interest of 31.3% in each of these funds. In March 2015, we completed the formation of a third fund with an unaffiliated third party for additional multifamily investments of up to $450.0 million. We have a 20.0% ownership interest in this third fund, and it did not own any properties in 2018, 2017, or 2016. We provide property and asset management and other services to the Funds which own operating properties and we may also provide construction and development services to the Funds which own properties under development. The following table summarizes the combined balance sheet and statement of income data for the Funds as of and for the periods presented:

(in millions)	2018		2017	
Total assets	$	695.2	$	715.9
Total third-party debt		510.7		514.5
Total equity		158.4		174.5

	2018		2017		2016	
Total revenues	$	127.4	$	121.9	$	119.8
Net income *(1)*		16.4		13.5		14.8
Equity in income *(2) (3)*		7.8		6.8		7.1

(1) Net income for the years ended December 31, 2017 includes approximately $1.3 million of property expense, respectively, relating to Hurricanes Harvey and Irma in the third quarter of 2017.

(2) Equity in income excludes our ownership interest of fee income from various services provided by us to the Funds.

(3) Equity in income for the years ended December 31, 2017 includes our ownership interest of the hurricane related recoveries and expenses of approximately $0.4 million, respectively.

The Funds in which we have a partial interest have been funded in part with secured third-party debt. As of December 31, 2018, we had no outstanding guarantees related to debt of the Funds.

We may earn fees for property and asset management, construction, development, and other services related to joint ventures in which we own an equity interest and may earn a promoted equity interest if certain thresholds are met. We eliminate fee income for services provided to these joint ventures to the extent of our ownership. Fees earned for these services, net of eliminations, were approximately $5.7 million, $5.8 million, and $5.3 million for the years ended December 31, 2018, 2017, and 2016, respectively.

10. Notes Payable

The following is a summary of our indebtedness:

(in millions)	December 31, 2018	December 31, 2017
Commercial banks		
Term loan, due 2022	$ 99.6	$ —
Senior unsecured notes (*1*)		
4.78% Notes, due 2021	$ 249.1	$ 248.7
3.15% Notes, due 2022	347.3	346.6
5.07% Notes, due 2023	248.0	247.6
4.36% Notes, due 2024	248.7	248.5
3.68% Notes, due 2024	247.6	247.2
3.74% Notes, due 2028	396.1	—
	$ 1,736.8	$ 1,338.6
Total unsecured notes payable	$ 1,836.4	$ 1,338.6
Secured notes (*1*)		
4.38% – 5.33% Conventional Mortgage Notes, due 2019 – 2045	485.2	866.0
Total notes payable	$ 2,321.6	$ 2,204.6
Floating rate debt included in unsecured notes (3.34%)	$ 99.6	$ —
Floating rate debt included in secured notes (1.92%)	$ —	$ 175.0
Value of real estate assets, at cost, subject to secured notes	$ 867.9	$ 1,534.9

(1) Unamortized debt discounts and debt issuance costs of $13.9 million and $12.3 million are included in senior unsecured and secured notes payable as of December 31, 2018 and 2017, respectively.

In August 2015, we amended and restated our $500 million unsecured credit facility, which extended the maturity date from September 2015 to August 2019, with two six-month options to extend the maturity date at our election to August 2020, and increased the availability to $600 million, with the option to further increase it to $900 million by either adding additional banks to the facility or obtaining the agreement of the existing banks to increase their commitments. The interest rate on this credit facility is based upon the London Interbank Offered Rate ("LIBOR") plus a margin which is subject to change as our credit ratings change. Advances under this credit facility 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 180 days or less and may not exceed the lesser of $300 million or the remaining amount available under the credit facility. This credit facility is subject to customary financial covenants and limitations. We believe we are in compliance with all such financial covenants and limitations on the date of this filing.

Our credit facility provides us with the ability to issue up to $50 million in letters of credit. While our issuance of letters of credit does not increase our borrowings outstanding under our credit facility, it does reduce the amount available. At December 31, 2018, we had no amounts outstanding on our $600 million credit facility and we had outstanding letters of credit totaling approximately $10.1 million, leaving approximately $589.9 million available under our credit facility.

In May 2018, we extended the term on our $45.0 million unsecured short-term borrowing facility from May 2018 to May 2019. The interest rate is based on LIBOR plus 0.95%. At December 31, 2018, we had no amounts outstanding on this unsecured short-term borrowing facility, leaving $45.0 million available under this facility.

In September 2018, we entered into a $100.0 million three-year unsecured floating-rate term loan with an unrelated third party, which was funded in October 2018. The interest rate on the term loan is based on LIBOR plus a margin which is subject to change as our credit ratings change. See Note 6, "Operating Partnerships" for a further discussion of this transaction.

In October 2018, we repaid at maturity our $175.0 million variable rate secured conventional mortgage notes and $205.0 million of outstanding fixed rate secured conventional mortgage notes which were scheduled to mature in 2018 from our unsecured line of credit, other short-term borrowings, and the $100.0 million term loan discussed above.

Also in October 2018, we issued $400.0 million aggregate principal amount of 4.100% senior unsecured notes due October 15, 2028 (the "2028 Notes") under our existing shelf registration statement. The 2028 Notes were offered to the public at 99.893% of their face amount with a stated rate of 4.100% and a yield to maturity of 4.113%. After giving effect to the settlement of the swap agreements as discussed below in Note 11, "Derivative Financial Instruments and Hedging Activities," and deducting the underwriting discounts and other estimated expenses of the offering, the effective annual interest rate on the 2028 Notes is approximately 3.74%. We received net proceeds of approximately $396.1 million, net of underwriting discounts and other estimated offering expenses. Interest on the 2028 Notes is payable semi-annually on April 15 and October 15, beginning April 15, 2019. We may redeem the 2028 Notes, in whole or in part, at any time at a redemption price equal to the principal amount and accrued interest of the notes being redeemed, plus a make-whole provision. If, however, we redeem the 2028 Notes 90 days or fewer prior to the maturity date, the redemption price will equal 100% of the principal amount of the 2028 Notes to be redeemed plus accrued and unpaid interest on the amount being redeemed to the redemption date. The 2028 Notes are direct, senior unsecured obligations and rank equally with all of our other unsecured and unsubordinated indebtedness. We used the proceeds from the offering of the 2028 Notes to repay outstanding balances on our unsecured line of credit and other short-term borrowings (including amounts incurred to repay the $380.0 million secured unconventional mortgage notes) and the remainder for general corporate purposes.

At December 31, 2018, we had $99.6 million outstanding floating rate debt with a weight average interest rate on this debt of approximately 3.3%. At December 31, 2017, we had outstanding floating rate debt of approximately $175.0 million with a weighted average interest rate on this debt of approximately 1.9%.

Our indebtedness had a weighted average maturity of 4.9 years at December 31, 2018. The table below is a summary of the maturity dates of our outstanding debt and principal amortizations, and the weighted average interest rates on such debt, at December 31, 2018:

(in millions)	Amount	Weighted Average Interest Rate
2019	$ 437.3	5.2%
2020 *(1)*	(1.9)	—
2021	248.5	4.8
2022	448.8	3.2
2023	249.8	5.1
Thereafter	939.1	3.9
Total	$ 2,321.6	4.2%

(1) Includes only amortization of debt discounts and debt issuance costs, net of scheduled principal payments.

Subsequent to December 31, 2018, we repaid $200.0 million of secured notes utilizing our unsecured credit facility.

11. Derivative Financial Instruments and Hedging Activities

Risk Management Objective of Using Derivatives. We are exposed to certain risks arising from both our business operations and economic conditions. We principally manage our exposures to a wide variety of business and operational risks through management of our core business activities. We manage economic risks, including interest rate, liquidity, and credit risk, primarily by managing the amount, sources, and duration of our debt funding and the use of derivative financial instruments. Specifically, we may enter into derivative financial instruments to manage exposures arising from business activities resulting in differences in the amount, timing, and duration of our known or expected cash payments principally related to our borrowings. See Note 2, "Summary of Significant Accounting Policies and Recent Accounting Pronouncements" for a further discussion of derivative financial instruments.

Cash Flow Hedges of Interest Rate Risk. Our objectives in using interest rate derivatives are to add stability to interest expense and to manage our exposure to interest rate movements. To accomplish these objectives, we primarily use interest rate swaps and caps as part of our interest rate risk management strategy. Interest rate swaps involve the receipt of variable rate amounts from a counterparty in exchange for us making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. Interest rate caps involve the receipt of variable rate amounts from a counterparty if interest rates rise above the strike rate on the contract in exchange for an upfront premium. Our interest rate swaps and caps hedge interest expense and net proceeds from the settlement of such hedges will be classified as operating activities in the consolidated statement of cash flows.

Designated Hedges. The gain or loss on the derivatives designated and qualifying as cash flow hedges is reported as a component of other comprehensive income or loss and subsequently reclassified into earnings in the period the hedged forecasted transaction affects earnings and presented in the same line item as the earnings effect of the hedged item. During 2018, we entered into four designated hedges with a total notional value of $500.0 million to hedge a portion of anticipated future fixed rate debt issuances in 2018 and 2019. At December 31, 2018, we had a total of two designated hedges outstanding with a total notional value of $300.0 million to hedge a portion of anticipated future fixed rate debt issuances in 2019. At December 31, 2017, we had a total of three designated hedges outstanding with a total notional value of $200.0 million to hedge a portion of anticipated future fixed rate debt issuances in 2018.

In connection with the issuance of our 2028 Notes, we settled an aggregate of $400.0 million forward interest rate swap designated hedges resulting in a cash receipt of approximately $15.9 million which was recorded in accumulated other comprehensive income on our consolidated balance sheets and will be recognized over the life of the issued debt as an adjustment to interest expense.

Non-Designated Hedges. Derivatives are not entered into for trading or speculative purposes and are used to manage our exposure to interest rate movements and other identified risks. Our non-designated hedges are either specifically non-designated by management or do not meet strict hedge accounting requirements. Changes in the fair value of derivatives not designated in hedging relationships are recorded directly in earnings in interest and other income. At December 31, 2018 and 2017, we did not have any non-designated hedges outstanding.

The table below presents the fair value of our derivative financial instruments as well as their classification in the consolidated balance sheets at December 31, 2018 and 2017:

	Asset Derivatives				Liability Derivatives			
	December 31, 2018 *(1)*		December 31, 2017		December 31, 2018 *(1)*		December 31, 2017	
(in millions)	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments								
Interest Rate Swaps	Other Assets	$ —	Other Assets	$ 2.2	Other Liabilities	$ 7.4	Other Liabilities	$ 0.5

(1) The derivatives subject to master netting arrangements are presented on a gross basis on our condensed consolidated balance sheet as of December 31, 2018. There were no derivative contracts in a master netting arrangement as of December 31, 2018 and 2017.

The table below presents the effect of our derivative financial instruments in the consolidated statements of income and comprehensive income for the year ended December 31, 2018 and 2017:

(in millions)	Unrealized Gain Recognized in Other Comprehensive Income ("OCI") on Derivatives		Location of Gain Reclassified from Accumulated OCI into Income	Amount of Gain Reclassified from Accumulated OCI into Income	
Derivatives in Cash Flow Hedging Relationships	**2018**	**2017**		**2018**	**2017**
Interest Rate Swaps	$ 6.8	$ 1.7	Interest expense	$ 0.4	$ —

As of December 31, 2018, the amount we expect to be reclassified into earnings in the next 12 months as a decrease to interest expense is approximately $0.7 million.

Credit-Risk-Related Contingent Features. Derivative financial investments expose us to credit risk in the event of non-performance by the counterparties under the terms of the interest rate hedge agreements. The Company has an agreement with a derivative counterparty that contains a provision where the Company could be declared in default on its derivative obligations if repayment of the underlying indebtedness is accelerated by the lender due to the Company's default on the indebtedness. As of December 31, 2018, the fair value of derivatives in a net liability position, which excludes any adjustment for nonperformance risk, related to these agreements was approximately $7.4 million.

12. Share-based Compensation and Benefit Plans

Incentive Compensation. We currently maintain the 2018 Share Incentive Plan (the "2018 Share Plan") and the 2011 Share Incentive Plan (the "2011 Share Plan"), although no new awards may be granted under the 2011 Plan. Each of these plans were approved by the Company's shareholders. The shares available for awards under the 2018 Share Plan are, subject to certain other limits under the plan, generally available for any type of award authorized under the 2018 Share Plan, including stock options, stock appreciation rights, restricted stock awards, stock bonuses and other stock-based awards. Persons eligible to receive awards under the 2018 Share Plan include officers and employees of the Company or any of its subsidiaries, Trust Managers of the Company, and certain consultants and advisors to the Company or any of its subsidiaries. A total of 9.7 million shares ("Share Limit") was authorized under the 2018 Share Plan. Shares issued or to be issued are counted against the Share Limit as set forth as (1) 3.45 to 1.0 for every share award, excluding stock options and share appreciation rights, granted, and (2) 1.0 to 1.0 for every share of stock option or share appreciation right granted. As of December 31, 2018, there were approximately 8.2 million common shares available under the 2018 Share Plan, which would result in approximately 2.4 million shares which could be granted pursuant to full value awards conversion ratios as defined under the plan.

Total compensation cost for option and share awards charged against income was approximately $17.8 million, $18.8 million, and $21.3 million for 2018, 2017 and 2016, respectively. Total capitalized compensation cost for option and share awards was approximately $3.0 million for the year ended December 31, 2018, and was $3.8 million for both years ended December 31, 2017, and 2016.

A summary of activity under our share incentive plans for the year ended December 31, 2018 is shown below:

	Options Outstanding	Weighted Average Exercise / Grant Price	Nonvested Share Awards Outstanding	Weighted Average Exercise / Grant Price
Options and nonvested share awards outstanding at December 31, 2017	68,978	$ 61.15	499,898	$ 75.80
Granted	9,994	78.55	232,478	82.81
Exercised/Vested	(78,972)	63.35	(316,668)	75.66
Forfeited	—	—	(25,027)	79.83
Total options and nonvested share awards outstanding at December 31, 2018	—	$ —	390,681	$ 79.82

Options. Stock options other than reload options have a contractual life of ten years and vest over periods up to five years. Reload options vest at the grant date. Reload options are granted for the number of shares tendered as payment for the exercise price upon the exercise of an option with a reload provision. The reload options granted had an exercise price equal to the fair market value of a common share on the date of grant and expired on the same date as the original options which were exercised. None of our current incentive compensation plans carry reload option rights, and all of our obligations relating to reload options have been satisfied as of December 31, 2018. Expense for stock options is based on grant date fair value and recognized on a straight-line method over the vesting period.

We estimate the fair values of each option award on the date of grant using the Black-Scholes option pricing model. The weighted-average fair value of reload stock options granted during the years ended December 31, 2018, 2017 and 2016 and the weighted-average assumptions for such grants were as follows:

	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016
Weighted average fair value of options granted	$4.11	$5.25	$6.71
Expected volatility	15.1%	18.9%	18.0%
Risk-free interest rate	2.0%	1.3%	0.9%
Expected dividend yield	3.3%	5.5%	3.8%
Expected life	1 year	2 years	3 years

Our computations of expected volatility for 2018, 2017, and 2016 are based on the historical volatility of our common shares over a time period equal to the expected life of the option and ending on the grant date, and the interest rate for periods within the contractual life of the award is based on the U.S. Treasury yield curve in effect at the time of grant. The expected dividend yield on our common shares is based on the historical dividend yield over the expected term of the options granted. Our computation of expected life is based upon historical experience of similar awards, giving consideration to the contractual terms of the share-based awards.

The total intrinsic value of options exercised was approximately $2.0 million, $2.2 million, and $8.9 million during the years ended December 31, 2018, 2017, and 2016, respectively. At December 31, 2018, there was no unrecognized compensation cost related to unvested options and there were no options outstanding.

Share Awards and Vesting. Share awards for employees vest over periods up to five years and are valued at the market value of the shares on the grant date. In the event the holder of the share awards attains at least age 65, with ten or more years of service ("Retirement Eligibility") before the term in which the awards are scheduled to vest, the value of the share awards is amortized from the date of grant to the individual's Retirement Eligibility date.

At December 31, 2018, the weighted average fair value of share awards granted was $82.81, $83.41 and $74.92 in 2018, 2017 and 2016, respectively. The total fair value of shares vested during the years ended December 31, 2018, 2017 and 2016 was approximately $24.0 million, $23.1 million, and $27.2 million, respectively. At December 31, 2018, the unamortized value of previously issued unvested share awards was approximately $15.4 million which is expected to be amortized over the next two years.

Employee Share Purchase Plan ("ESPP"). In May 2018, our shareholders approved the 2018 Employee Share Purchase Plan (the "2018 ESPP") which amends and restates our 1999 Employee Share Purchase Plan (the "1999 ESPP") effective with the offering period commencing in June 2018. Under the 2018 ESPP, we may issue up to a total of approximately 500,000 common shares. The 2018 ESPP permits eligible employees to purchase our common shares either through payroll deductions or through semi-annual contributions. Each offering period has a six month duration commencing in June and December for which shares may be purchased at 85% of the market value, as defined on the first or last day of the offering period, whichever price is lower. We currently use treasury shares to satisfy ESPP share requirements. Each participant must hold the shares purchased for nine months in order to receive the discount, and a participant may not purchase more than $25,000 in value of shares during any plan year, as defined. The following table presents information related to our ESPP:

	2018	2017	2016
Shares purchased	15,330	18,986	20,797
Weighted average fair value of shares purchased	$ 90.93	$ 89.89	$ 82.33
Expense recorded (in millions)	$ 0.2	$ 0.3	$ 0.4

Rabbi Trust. We established a rabbi trust for a select group of participants in which share awards granted under the share incentive plan and salary and other cash amounts earned may be deposited. The rabbi trust is only in use for deferrals made prior to 2005, including bonuses related to service in 2004 but paid in 2005. The rabbi trust is an irrevocable trust and no portion of the trust fund may be used for any purpose other than the delivery of those assets to the participants. The assets held in the rabbi trust are subject to the claims of our general creditors in the event of bankruptcy or insolvency.

The value of the assets of the rabbi trust is consolidated into our financial statements. Granted share awards held by the rabbi trust are classified in equity in a manner similar to the manner in which treasury stock is accounted. Subsequent changes in the fair value of the shares are not recognized. The deferred compensation obligation is classified as an equity instrument and changes in the fair value of the amount owed to the participant are not recognized. At both December 31, 2018 and 2017, approximately 1.7 million share awards were held in the rabbi trust. Additionally, as of December 31, 2018 and 2017, the rabbi trust held trading securities totaling approximately $14.9 million and $26.7 million, respectively, which represents cash deferrals made by plan participants. Market value fluctuations on these trading securities are recognized in income in accordance with GAAP and the liability due to participants is adjusted accordingly.

At December 31, 2018 and 2017, approximately $21.2 million and $22.3 million, respectively, was required to be paid to us by plan participants upon the withdrawal of any assets from the rabbi trust, and is included in "Accounts receivable-affiliates" in our consolidated financial statements.

Non-Qualified Deferred Compensation Share Awards. In 2004, we established a Non-Qualified Deferred Compensation Plan which is an unfunded arrangement established and maintained primarily for the benefit of a select group of participants. Eligible participants commence participation in this plan on the date the deferral election first becomes effective. We credit to the participant's account an amount equal to the amount designated as the participant's deferral for the plan year as indicated in the participant's deferral election(s). Any modification to or termination of the plan will not reduce a participant's right to any vested amounts already credited to his or her account. Approximately 0.7 million and 1.0 million share awards were held in the plan at December 31, 2018 and 2017, respectively. Additionally, as of December 31, 2018 and 2017, the plan held trading securities totaling approximately $129.8 million and $93.6 million, respectively, which represents cash deferrals made by plan participants and diversification of share awards within the plan to trading securities. Market value fluctuations on these trading securities are recognized in income in accordance with GAAP and the liability due to participants is adjusted accordingly. The assets held in the Non-Qualified Deferred Compensation Plan are subject to the claims of our general creditors in the event of bankruptcy or insolvency.

The plan, as amended, permitted diversification of fully vested share awards into other equity securities subject to a six month holding period. Balances within temporary equity in our consolidated balance sheets relate to fully vested awards and the proportionate share of nonvested awards of participants within our Non-Qualified Deferred Compensation Plan who were permitted to diversify their shares into other equity securities.

The following table summarizes the eligible share award activity for the twelve months ended December 31:

(in thousands)	2018	2017
Temporary equity:		
Balance at inception/beginning of period	$ 77,230	$ 77,037
Change in classification	16,407	13,388
Change in redemption value	(669)	10,038
Diversification of share awards (429 and 261 shares during December 31, 2018 and 2017, respectively)	(40,294)	(23,233)
Balance at December 31	$ 52,674	$ 77,230

In December 2018, the plan was amended and restated and effective January 1, 2019 participants in the plan are no longer able to diversify their common shares six months after vesting. Thus, the fully vested share awards and the proportionate share of nonvested share awards eligible for diversification at the amendment date were reclassified on the effective date from temporary equity into additional paid-in capital in our consolidated balance sheet. Deferred share-based compensation cannot be diversified, and distributions from this plan are made in the same form as the original deferral.

401(k) Savings Plan. We have a 401(k) savings plan, which is a voluntary defined contribution plan, which provides participating employees the ability to elect to contribute up to 60 percent of eligible compensation, subject to limitations as defined by the federal tax code, with the Company making matching contributions up to a predetermined limit. The matching contributions made for the year ended December 31, 2018, was approximately $2.9 million, and were approximately $2.7 million for the each of the years ended December 31, 2017 and 2016. Employees become vested in our matching contributions 33% after one year of service, 67% after two years of service and 100% after three years of service.

13. Fair Value Measurements

Recurring Fair Value Disclosures. The following table presents information about our financial instruments measured at fair value on a recurring basis as of December 31, 2018 and 2017 using the inputs and fair value hierarchy discussed in Note 2, “Summary of Significant Accounting Policies and Recent Accounting Pronouncements”:

Financial Instruments Measured at Fair Value on a Recurring Basis

	December 31, 2018				December 31, 2017			
(in millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Other Assets								
Deferred compensation plan investments *(1)*	$ 144.7	$ —	$ —	$ 144.7	$ 120.3	$ —	$ —	$ 120.3
Derivative financial instruments - forward interest rate swap	—	—	—	—	—	2.2	—	2.2
Other Liabilities								
Derivative financial instruments - forward interest rate swaps	$ —	$ 7.4	$ —	$ 7.4	$ —	$ 0.5	$ —	$ 0.5

(1) *Approximately $12.7 million and $4.2 million of participant cash was withdrawn from our deferred compensation plan investments during the years ended December 31, 2018 and 2017, respectively. Approximately $40.3 million and $23.2 million of shares within the deferred compensation plan were diversified into other deferred compensation plan investments during the years ended December 31, 2018 and 2017, respectively.*

Nonrecurring Fair Value Disclosures. The nonrecurring fair value disclosures inputs under the fair value hierarchy are discussed in Note 2, “Summary of Significant Accounting Policies and Recent Accounting Pronouncements.” We completed three asset acquisitions of operating properties during the year ended December 31, 2018 and one asset acquisition of an operating property during the year ended December 31, 2017. We recorded the real estate assets and identifiable below market and in-place leases at their relative fair values based upon methods similar to those used by independent appraisers of income producing properties. The fair value measurements associated with the valuation of these acquired assets represent Level 3 measurements within the fair value hierarchy. See Note 8, "Acquisitions, Dispositions, and Discontinued Operations" for a further discussion about these acquisitions.

Financial Instrument Fair Value Disclosures. The following table presents the carrying and estimated fair values of our notes payable at December 31, 2018 and 2017, in accordance with the policies discussed in Note 2, "Summary of Significant Accounting Policies and Recent Accounting Pronouncements."

	December 31, 2018		December 31, 2017	
(in millions)	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Fixed rate notes payable	$ 2,222.0	$ 2,265.4	$ 2,029.6	$ 2,106.5
Floating rate notes payable	99.6	99.4	175.0	173.7

14. Net Change in Operating Accounts

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

	Year Ended December 31,		
(in thousands)	2018	2017	2016
Change in assets:			
Other assets, net	$ 10,364	$ (6,724)	$ (3,551)
Change in liabilities:			
Accounts payable and accrued expenses	(4,133)	(2,300)	(2,309)
Accrued real estate taxes	1,910	2,342	5,526
Other liabilities	(1,486)	(995)	(2,361)
Other	2,898	2,831	2,976
Change in operating accounts and other	$ 9,553	$ (4,846)	$ 281

15. Commitments and Contingencies

Construction Contracts. As of December 31, 2018, we estimate the additional cost to complete the six consolidated projects currently under construction to be approximately $335.2 million. We expect to fund this amount through a combination of one or more of the following: cash flows generated from operations, draws on our unsecured credit facility or other short-term borrowing, the use of debt and equity offerings under our automatic shelf registration statement, proceeds from property dispositions, equity issued from our 2017 ATM program, other unsecured borrowings or secured mortgages.

Litigation. We are subject to various legal proceedings and claims which arise in the ordinary course of business. Matters which arise out of allegations of bodily injury, property damage, and employment practices are generally covered by insurance. While the resolution of these legal proceedings and claims cannot be predicted with certainty, management believes the final outcome of such matters will not have a material adverse effect on our consolidated financial statements.

Other Commitments and Contingencies. In the ordinary course of our business, we issue letters of intent indicating a willingness to negotiate for acquisitions, dispositions, or joint ventures and also enter into arrangements contemplating various transactions. Such letters of intent and other arrangements are non-binding as to either party unless and until a definitive contract is entered into by the parties. Even if definitive contracts relating to the purchase or sale of real property are entered into, these contracts generally provide the purchaser with time to evaluate the property and conduct due diligence, 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 definitive contracts will be entered into with respect to any matter covered by letters of intent or we will consummate any transaction contemplated by any definitive contract. Furthermore, due diligence periods for real property are frequently extended as needed. An acquisition or sale of real property becomes probable at the time the due diligence period expires and the definitive contract has not been terminated. We are then at risk under a real property acquisition contract, but generally only to the extent of any earnest money deposits associated with the contract, and are obligated to sell under a real property sales contract. At December 31, 2018, we had $2.9 million in earnest money deposits of which $0.4 million is non-refundable for potential acquisitions of operating properties and land which are included in other assets, net in our consolidated balance sheet.

Lease Commitments. At December 31, 2018, we had long-term leases covering certain land, office facilities and equipment. Rental expense totaled approximately $3.8 million, $4.0 million, and $4.1 million for the years ended December 31, 2018, 2017 and 2016, respectively. Minimum annual rental commitments for the years ending December 31, 2019 through 2023 are approximately $2.9 million, $3.0 million, $3.1 million, $2.7 million and $2.6 million, respectively, and approximately $4.5 million in the aggregate thereafter.

Investments in Joint Ventures. We have entered into, and may continue in the future to enter into, joint ventures or partnerships (including limited liability companies) through which we own an indirect economic interest in less than 100% of the community or land owned directly by the joint venture or partnership. Our decision whether to hold the entire interest in an apartment community or land ourselves, or to have an indirect interest in the community or land through a joint venture or partnership, is based on a variety of factors and considerations, including: (i) our projection, in some circumstances, that we will achieve higher returns on our invested capital or reduce our risk if a joint venture or partnership vehicle is used; (ii) our desire to diversify our portfolio of investments by market; (iii) our desire at times to preserve our capital resources to maintain liquidity or balance sheet strength; and (iv) the economic and tax terms required by a seller of land or of a community, who may prefer or who may require less payment if the land or community is contributed to a joint venture or partnership. Investments in joint ventures or partnerships are not limited to a specified percentage of our assets. Each joint venture or partnership agreement is individually negotiated, and our ability to operate or dispose of land or of a community in our sole discretion may be limited to varying degrees in our existing joint venture agreements and may be limited to varying degrees depending on the terms of future joint venture agreements.

Employment Agreements. At December 31, 2018, we had employment agreements with 13 of our senior officers, the terms of which expire at various times through August 20, 2019. 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 plus a gross-up payment if certain situations occur, such as termination without cause or a change of control. In the case of 10 of the agreements, the severance payment equals one times the respective current annual base salary in the case of termination without cause and 2.99 times the respective average annual base salary over the previous three fiscal years in the case of a change of control and a termination of employment or a material adverse change in the scope of their duties. In the case of one agreement, the severance payment equals one times the respective current annual base salary for termination without cause and 2.99 times the greater of current gross income or average gross income over the previous three fiscal years in the case of a change of control. In the case of the other two agreements, the severance payment generally equals 2.99 times the respective average annual compensation over the previous three fiscal years in connection with, among other things, a termination without cause or a change of control, and the officer would be entitled to receive continuation and vesting of certain benefits in the case of such termination.

16. Quarterly Financial Data (unaudited)

Summarized quarterly financial data for the years ended December 31, 2018 and 2017, is as follows:

(in thousands, except per share amounts)	First	Second	Third		Fourth		Total *(a)*
2018:							
Revenues	$ 230,683	$ 237,133	$ 241,770		$ 244,919		$ 954,505
Net income attributable to common shareholders	39,395	38,671	38,866		39,196		156,128
Net income attributable to common shareholders per share – basic	0.41	0.40	0.41		0.41		1.63
Net income attributable to common shareholders per share – diluted	0.41	0.40	0.40		0.41		1.63
2017:							
Revenues	$ 219,521	$ 223,370	$ 228,178		$ 229,827		$ 900,896
Net income attributable to common shareholders	34,861	39,188	34,384		87,989		196,422
Net income attributable to common shareholders per share – basic	0.39	0.43	0.38	*(b)*	0.92	*(c)*	2.14
Net income attributable to common shareholders per share – diluted	0.39	0.43	0.38	*(b)*	0.91	*(c)*	2.13

(a) *Net income per share is computed independently for each of the quarters presented. Therefore, the sum of quarterly net income per share amounts may not equal the total computed for the year.*

(b) *Includes a $4,987, or $0.05 basic and diluted per share, impact related to expenses due to Hurricanes Harvey and Irma.*

(c) *Includes a $43,231, or $0.46 basic and $0.45 diluted per share, impact related to a gain on sale of one operating property.*

Camden Property Trust
Real Estate and Accumulated Depreciation
As of December 31, 2018
(in thousands)

Schedule III

	Initial Cost		Cost Subsequent to Acquisition/ Construction	Total Cost						
	Land	Building/ Construction in Progress & Improvements		Land	Building/ Construction in Progress & Improvements	Total	Accumulated Depreciation	Total Cost, Net of Accumulated Depreciation	Encumbrances	Year of Completion/ Acquisition
Current communities:										
ARIZONA										
Phoenix/Scottsdale										
Camden Chandler	$ 5,511	$ 62,429	$ 199	$ 5,511	$ 62,628	$ 68,139	$ 9,242	$ 58,897		2016
Camden Copper Square	4,825	23,672	7,892	4,825	31,564	36,389	19,107	17,282		2000
Camden Foothills	11,006	33,712	223	11,006	33,935	44,941	6,135	38,806		2014
Camden Hayden	9,248	35,254	150	9,248	35,404	44,652	5,812	38,840		2015
Camden Legacy	4,068	26,612	14,159	4,068	40,771	44,839	26,909	17,930		1998
Camden Montierra	13,687	31,727	5,671	13,687	37,398	51,085	9,289	41,796		2012
Camden Pecos Ranch	3,362	24,492	5,699	3,362	30,191	33,553	9,266	24,287		2012
Camden San Marcos	11,520	35,166	6,033	11,520	41,199	52,719	10,536	42,183		2012
Camden San Paloma	6,480	23,045	10,382	6,480	33,427	39,907	17,856	22,051		2002
Camden Sotelo	3,376	30,576	1,283	3,376	31,859	35,235	6,444	28,791		2013
CALIFORNIA										
Los Angeles/Orange County										
Camden Crown Valley	9,381	54,210	10,382	9,381	64,592	73,973	34,812	39,161		2001
Camden Glendale	21,492	96,158	331	21,492	96,489	117,981	13,770	104,211		2015
Camden Harbor View	16,079	127,459	23,253	16,079	150,712	166,791	66,559	100,232	$ 92,699	2003
Camden Main and Jamboree	17,363	75,387	2,335	17,363	77,722	95,085	20,949	74,136	45,895	2008
Camden Martinique	28,401	51,861	24,154	28,401	76,015	104,416	46,188	58,228		1998
Camden Sea Palms	4,336	9,930	7,641	4,336	17,571	21,907	9,667	12,240		1998
The Camden	18,286	118,730	215	18,286	118,945	137,231	13,137	124,094		2016
San Diego/Inland Empire										
Camden Landmark	17,339	71,315	2,977	17,339	74,292	91,631	17,087	74,544		2012
Camden Old Creek	20,360	71,777	9,093	20,360	80,870	101,230	28,800	72,430		2007
Camden Sierra at Otay Ranch	10,585	49,781	6,421	10,585	56,202	66,787	27,329	39,458		2003
Camden Tuscany	3,330	36,466	5,196	3,330	41,662	44,992	20,004	24,988		2003
Camden Vineyards	4,367	28,494	4,694	4,367	33,188	37,555	16,808	20,747		2002
COLORADO										
Denver										
Camden Belleview Station	8,091	44,003	3,404	8,091	47,407	55,498	10,391	45,107		2012
Camden Caley	2,047	17,445	7,020	2,047	24,465	26,512	13,931	12,581	15,349	2000
Camden										

Denver West	6,396	51,552	11,860	6,396	63,412	69,808	13,711	56,097		2012
Camden Flatirons	$ 6,849	$ 72,631	$ 413	$ 6,849	$ 73,044	$ 79,893	$ 12,825	$ 67,068		2015
Camden Highlands Ridge	2,612	34,726	20,608	2,612	55,334	57,946	28,524	29,422		1996
Camden Interlocken	5,293	31,612	17,062	5,293	48,674	53,967	25,904	28,063	$ 27,426	1999
Camden Lakeway	3,915	34,129	23,002	3,915	57,131	61,046	31,405	29,641	29,262	1997
Camden Lincoln Station	4,648	51,762	86	4,648	51,848	56,496	5,015	51,481		2017
WASHINGTON DC METRO										
Camden Ashburn Farm	4,835	22,604	5,758	4,835	28,362	33,197	11,441	21,756		2005
Camden College Park	16,409	91,503	6,950	16,409	98,453	114,862	25,352	89,510		2008
Camden Dulles Station	10,807	61,548	5,558	10,807	67,106	77,913	22,346	55,567		2008
Camden Fair Lakes	15,515	104,223	13,204	15,515	117,427	132,942	48,905	84,037		2005
Camden Fairfax Corner	8,484	72,953	9,642	8,484	82,595	91,079	33,123	57,956		2006
Camden Fallsgrove	9,408	43,647	5,545	9,408	49,192	58,600	21,337	37,263		2005
Camden Grand Parc	7,688	35,900	2,981	7,688	38,881	46,569	15,927	30,642		2005
Camden Lansdowne	15,502	102,267	24,504	15,502	126,771	142,273	49,157	93,116		2005
Camden Largo Town Center	8,411	44,163	4,280	8,411	48,443	56,854	20,068	36,786		2005
Camden Monument Place	9,030	54,089	3,651	9,030	57,740	66,770	20,847	45,923		2007
Camden NoMa	19,442	82,306	274	19,442	82,580	102,022	17,430	84,592		2014
Camden NoMa II	17,331	91,211	39	17,331	91,250	108,581	12,378	96,203		2017
Camden Potomac Yard	16,498	88,317	8,265	16,498	96,582	113,080	31,907	81,173		2008
Camden Roosevelt	11,470	45,785	4,238	11,470	50,023	61,493	20,151	41,342		2005
Camden Russett	13,460	61,837	6,861	13,460	68,698	82,158	29,016	53,142	45,056	2005
Camden Shady Grove	24,177	89,820	30	24,177	89,850	114,027	9,404	104,623		2018
Camden Silo Creek	9,707	45,301	7,703	9,707	53,004	62,711	20,688	42,023		2005
Camden Washingtonian	13,512	73,285	—	13,512	73,285	86,797	2,532	84,265		2018
FLORIDA										
Southeast Florida										
Camden Aventura	12,185	47,616	13,055	12,185	60,671	72,856	27,617	45,239		2005
Camden Boca Raton	2,201	50,057	268	2,201	50,325	52,526	8,742	43,784		2014
Camden Brickell	14,621	57,031	23,217	14,621	80,248	94,869	32,025	62,844		2005
Camden Doral	10,260	40,416	7,542	10,260	47,958	58,218	20,465	37,753		2005
Camden Doral Villas	6,476	25,543	7,590	6,476	33,133	39,609	14,881	24,728		2005
Camden Las Olas	12,395	79,518	19,634	12,395	99,152	111,547	39,655	71,892		2005
Camden Plantation	6,299	77,964	11,402	6,299	89,366	95,665	38,047	57,618		2005
Camden Portofino	9,867	38,702	9,382	9,867	48,084	57,951	20,170	37,781		2005
Orlando										
Camden Hunter's Creek	$ 4,156	$ 20,925	$ 5,769	$ 4,156	$ 26,694	$ 30,850	$ 12,172	$ 18,678		2005
Camden Lago Vista	3,497	29,623	6,033	3,497	35,656	39,153	15,582	23,571		2005
Camden LaVina	12,907	42,617	1,036	12,907	43,653	56,560	12,072	44,488		2012

Camden Lee Vista	4,350	34,643	8,524	4,350	43,167	47,517	24,338	23,179		2000
Camden North Quarter	9,990	68,471	742	9,990	69,213	79,203	3,641	75,562		2018
Camden Orange Court	5,319	40,733	3,300	5,319	44,033	49,352	15,681	33,671		2008
Camden Thornton Park	11,711	74,628	137	11,711	74,765	86,476	1,155	85,321		2018
Camden Town Square	13,127	45,997	833	13,127	46,830	59,957	11,711	48,246		2012
Camden World Gateway	5,785	51,821	8,348	5,785	60,169	65,954	25,433	40,521		2005
Tampa/St. Petersburg										
Camden Bay	7,450	63,283	15,072	7,450	78,355	85,805	43,641	42,164		1998/2002
Camden Montague	3,576	16,534	472	3,576	17,006	20,582	4,849	15,733		2012
Camden Pier District	16,704	105,383	851	16,704	106,234	122,938	6,025	116,913		2018
Camden Preserve	1,206	17,982	8,795	1,206	26,777	27,983	17,337	10,646		1997
Camden Royal Palms	2,147	38,339	3,905	2,147	42,244	44,391	15,779	28,612		2007
Camden Westchase Park	11,955	36,254	609	11,955	36,863	48,818	9,560	39,258		2012
GEORGIA										
Atlanta										
Camden Brookwood	7,174	31,984	8,835	7,174	40,819	47,993	18,783	29,210		2005
Camden Buckhead Square	13,200	43,785	657	13,200	44,442	57,642	2,928	54,714		2017
Camden Creekstone	5,017	19,912	5,148	5,017	25,060	30,077	5,804	24,273		2012
Camden Deerfield	4,895	21,922	8,376	4,895	30,298	35,193	13,970	21,223		2005
Camden Dunwoody	5,290	23,642	9,038	5,290	32,680	37,970	15,425	22,545		2005
Camden Fourth Ward	10,477	51,258	1,148	10,477	52,406	62,883	9,468	53,415		2014
Camden Midtown Atlanta	6,196	33,828	10,645	6,196	44,473	50,669	19,631	31,038		2005
Camden Paces	15,262	102,521	828	15,262	103,349	118,611	17,913	100,698		2015
Camden Peachtree City	6,536	29,063	7,636	6,536	36,699	43,235	16,374	26,861		2005
Camden Shiloh	4,181	18,798	5,972	4,181	24,770	28,951	11,595	17,356	10,565	2005
Camden St. Clair	7,526	27,486	8,010	7,526	35,496	43,022	16,859	26,163		2005
Camden Stockbridge	5,071	22,693	4,859	5,071	27,552	32,623	12,396	20,227		2005
Camden Vantage	11,787	68,822	3,747	11,787	72,569	84,356	15,103	69,253		2013
NORTH CAROLINA										
Charlotte										
Camden Ballantyne	$ 4,503	$ 30,250	$ 9,067	$ 4,503	$ 39,317	$ 43,820	$ 18,565	$ 25,255		2005
Camden Cotton Mills	4,246	19,147	6,703	4,246	25,850	30,096	12,629	17,467		2005
Camden Dilworth	516	16,633	2,568	516	19,201	19,717	8,067	11,650		2006
Camden Fairview	1,283	7,223	4,327	1,283	11,550	12,833	6,188	6,645		2005
Camden Foxcroft	1,408	7,919	4,620	1,408	12,539	13,947	6,588	7,359		2005
Camden Foxcroft II	1,152	6,499	3,216	1,152	9,715	10,867	4,603	6,264		2005
Camden Gallery	7,930	51,957	114	7,930	52,071	60,001	6,141	53,860		2017
Camden Grandview	7,570	33,859	11,922	7,570	45,781	53,351	20,152	33,199		2005
Camden Sedgebrook	5,266	29,211	7,723	5,266	36,934	42,200	17,475	24,725		2005
Camden South										

End	6,625	29,175	11,276	6,625	40,451	47,076	17,595	29,481		2005
Camden Stonecrest	3,941	22,021	6,451	3,941	28,472	32,413	13,817	18,596		2005
Camden Touchstone	1,203	6,772	3,528	1,203	10,300	11,503	5,406	6,097		2005
Raleigh										
Camden Crest	4,412	31,108	6,773	4,412	37,881	42,293	16,333	25,960		2005
Camden Governor's Village	3,669	20,508	6,291	3,669	26,799	30,468	11,585	18,883		2005
Camden Lake Pine	5,746	31,714	13,579	5,746	45,293	51,039	20,048	30,991		2005
Camden Manor Park	2,535	47,159	8,835	2,535	55,994	58,529	21,551	36,978		2006
Camden Overlook	4,591	25,563	9,781	4,591	35,344	39,935	17,017	22,918		2005
Camden Reunion Park	3,302	18,457	10,791	3,302	29,248	32,550	12,781	19,769		2005
Camden Westwood	4,567	25,519	9,062	4,567	34,581	39,148	14,891	24,257		2005
TEXAS										
Austin										
Camden Cedar Hills	2,684	20,931	2,072	2,684	23,003	25,687	8,336	17,351		2008
Camden Gaines Ranch	5,094	37,100	10,344	5,094	47,444	52,538	21,613	30,925		2005
Camden Huntingdon	2,289	17,393	10,470	2,289	27,863	30,152	19,185	10,967		1995
Camden La Frontera	3,250	32,376	363	3,250	32,739	35,989	6,210	29,779		2015
Camden Lamar Heights	3,988	42,773	356	3,988	43,129	47,117	8,103	39,014		2015
Camden Stoneleigh	3,498	31,285	8,478	3,498	39,763	43,261	17,559	25,702		2006
Corpus Christi										
Camden Breakers	1,055	13,024	14,405	1,055	27,429	28,484	15,973	12,511		1996
Camden Copper Ridge	1,204	9,180	9,511	1,204	18,691	19,895	15,730	4,165		1993
Dallas/Fort Worth										
Camden Addison	11,516	29,332	8,262	11,516	37,594	49,110	11,925	37,185		2012
Camden Belmont	$ 12,521	$ 61,522	$ 5,312	$ 12,521	$ 66,834	$ 79,355	$ 15,342	$ 64,013		2012
Camden Buckingham	2,704	21,251	10,705	2,704	31,956	34,660	20,173	14,487		1997
Camden Centreport	1,613	12,644	6,659	1,613	19,303	20,916	12,044	8,872		1997
Camden Cimarron	2,231	14,092	8,020	2,231	22,112	24,343	15,848	8,495		1997
Camden Farmers Market	17,341	74,193	22,213	17,341	96,406	113,747	49,780	63,967	$ 50,704	2001/2005
Camden Henderson	3,842	15,256	648	3,842	15,904	19,746	4,154	15,592		2012
Camden Legacy Creek	2,052	12,896	6,786	2,052	19,682	21,734	13,325	8,409		1997
Camden Legacy Park	2,560	15,449	8,070	2,560	23,519	26,079	15,528	10,551	13,864	1997
Camden Valley Park	3,096	14,667	15,344	3,096	30,011	33,107	28,118	4,989		1994
Camden Victory Park	13,445	71,735	158	13,445	71,893	85,338	9,086	76,252		2016
Houston										
Camden City Centre	4,976	44,735	3,853	4,976	48,588	53,564	18,081	35,483	33,790	2007
Camden City Centre II	5,101	28,131	426	5,101	28,557	33,658	7,514	26,144		2013
Camden Greenway	16,916	43,933	20,313	16,916	64,246	81,162	39,943	41,219		1999
Camden Holly Springs	11,108	42,852	12,030	11,108	54,882	65,990	16,527	49,463		2012
Camden										

McGowen Station	6,089	84,649	—	6,089	84,649	90,738	3,443	87,295		2018
Camden Midtown	4,583	18,026	10,559	4,583	28,585	33,168	18,258	14,910	28,054	1999
Camden Oak Crest	2,078	20,941	5,890	2,078	26,831	28,909	13,922	14,987		2003
Camden Park	4,922	16,453	6,030	4,922	22,483	27,405	6,789	20,616		2012
Camden Plaza	7,204	31,044	2,452	7,204	33,496	40,700	9,188	31,512	19,357	2007
Camden Post Oak	14,056	92,515	18,434	14,056	110,949	125,005	22,852	102,153		2013
Camden Royal Oaks	1,055	20,046	2,839	1,055	22,885	23,940	9,387	14,553		2006
Camden Royal Oaks II	587	12,743	25	587	12,768	13,355	3,457	9,898		2012
Camden Stonebridge	1,016	7,137	6,717	1,016	13,854	14,870	9,384	5,486		1993
Camden Sugar Grove	7,614	27,594	4,251	7,614	31,845	39,459	8,428	31,031		2012
Camden Travis Street	1,780	29,104	1,284	1,780	30,388	32,168	10,120	22,048		2010
Camden Vanderbilt	16,076	44,918	25,144	16,076	70,062	86,138	47,043	39,095	73,155	1994/1997
Camden Whispering Oaks	1,188	26,242	1,711	1,188	27,953	29,141	10,392	18,749		2008
Total current communities:	**$1,083,532**	**$ 5,865,522**	**$ 979,497**	**$1,083,532**	**$ 6,845,019**	**$7,928,551**	**$ 2,400,440**	**$ 5,528,111**	**$ 485,176**	
Communities under construction:										
Name / location										
Camden North End I *(1)* Phoenix, AZ		$ 95,865			$ 95,865	$ 95,865	$ 2,596	$ 93,269		N/A
Camden Grandview II *(1)* Charlotte, NC		21,267			21,267	21,267	113	21,154		N/A
Camden RiNo Denver, CO		41,594			41,594	41,594		41,594		N/A
Camden Downtown I Houston, TX		58,963			58,963	58,963		58,963		N/A
Camden Lake Eola Orlando, FL		34,016			34,016	34,016		34,016		N/A
Camden Buckhead Atlanta, GA		26,073			26,073	26,073		26,073		N/A
Total communities under construction:	**$ —**	**$ 277,778**	**$ —**	**$ —**	**$ 277,778**	**$ 277,778**	**$ 2,709**	**$ 275,069**	**$ —**	
Development pipeline communities:										
Name/location										
Camden North End II Phoenix, AZ		$ 15,301			$ 15,301	$ 15,301		$ 15,301		N/A
Camden Hillcrest San Diego, CA		28,853			28,853	28,853		28,853		N/A
Camden Atlantic Plantation, FL		16,666			16,666	16,666		16,666		N/A
Camden Arts District Los Angeles, CA		21,471			21,471	21,471		21,471		N/A
Camden Paces III Atlanta, GA		14,632			14,632	14,632		14,632		N/A
Camden Downtown II Houston, TX		10,719			10,719	10,719		10,719		N/A
Total development pipeline										

communities:	**$ —**	**$ 107,642**	**$ —**	**$ —**	**$ 107,642**	**$ 107,642**	**$ —**	**$ 107,642**	**$ —**	
Corporate		14,504		—	14,504	14,504		14,504		N/A
	$ —	**$ 14,504**	**$ —**	**$ —**	**$ 14,504**	**$ 14,504**	**$ —**	**$ 14,504**	**$ —**	
TOTAL	**$1,083,532**	**$ 6,265,446**	**$ 979,497**	**$1,083,532**	**$ 7,244,943**	**$8,328,475**	**$ 2,403,149**	**$ 5,925,326**	**$ 485,176**	

(1) Properties are in lease-up at December 31, 2018. Balances presented here includes costs which are included in buildings and improvements and land on the consolidated balance sheet at December 31, 2018. These costs related to completed unit turns for these properties.

Camden Property Trust
Real Estate and Accumulated Depreciation
As of December 31, 2018
(in thousands)

Schedule III

The changes in total real estate assets as adjusted for discontinued operations for the years ended December 31:

	2018	2017	2016
Balance, beginning of period	$ 7,667,743	$ 7,376,690	$ 7,387,597
Additions during period:			
Acquisition of operating properties	286,901	56,985	—
Development and repositions	300,294	224,202	278,447
Improvements	84,841	71,889	65,892
Deductions during period:			
Cost of real estate sold – other	(11,304)	(62,023)	(355,246)
Balance, end of period	**$ 8,328,475**	**$ 7,667,743**	**$ 7,376,690**

The changes in accumulated depreciation for the years ended December 31:

	2018	2017	2016
Balance, beginning of period	$ 2,118,839	$ 1,890,656	$ 1,780,694
Depreciation of real estate assets	284,310	255,924	243,403
Dispositions	—	(27,741)	(133,441)
Balance, end of period	**$ 2,403,149**	**$ 2,118,839**	**$ 1,890,656**

The aggregate cost for federal income tax purposes at December 31, 2018 was $7.5 billion.

Camden Property Trust
Mortgage Loans on Real Estate
As of December 31, 2018

Schedule IV

($ in thousands)

Description	Interest Rate	Final Maturity Date	Periodic payment terms	Face amount of mortgages	Carry amount of mortgages (a)
Parking Garage					
Developer advances					
Houston, TX	(b)	October 1, 2025	(c)	$ 9,314	$ 9,314

(a) The aggregate cost at December 31, 2018 for federal income tax purposes was approximately $9,314.

(b) This loan currently bears interest at 4% and will increase to 7% on any unpaid principal balance on January 1, 2019 with the completion of our planned apartment project at an adjacent location.

(c) Payments will consist of annual interest and principal payments from October 1, 2018 to October 1, 2025.

Changes in mortgage loans for the years ended December 31 are summarized below:

	2018	2017	2016
Balance, beginning of period	$ 18,790	$ 17,224	$ 13,161
Additions:			
Advances under real estate loans	—	1,566	7,458
Deductions:			
Collections of principal and loan payoff	(9,476)	—	(3,395)
Balance, end of period	$ 9,314	$ 18,790	$ 17,224

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Section 2: EX-10.35 (EXHIBIT 10.35)

Exhibit 10.35

CAMDEN PROPERTY TRUST
NON-QUALIFIED DEFERRED COMPENSATION PLAN

CAMDEN PROPERTY TRUST
NON-QUALIFIED DEFERRED COMPENSATION PLAN

Table of Contents

CAMDEN PROPERTY TRUST
NON-QUALIFIED DEFERRED COMPENSATION PLAN

RECITALS

Camden Property Trust, a Texas real estate investment trust (the "**Company**"), maintains the Camden Property Trust Non-Qualified Deferred Compensation Plan, as amended and restated from time to time (the "**Plan**"), primarily for the purpose of attracting and retaining a select group of management or highly compensated employees.

The Company desires to amend and restate the Plan as set forth herein.

The Plan is an unfunded arrangement established and maintained primarily for the benefit of a select group of management or highly compensated employees and is intended to be exempt from the participation, vesting, funding, and fiduciary requirements set forth in Title I of ERISA.

NOW THEREFORE, the Company hereby adopts this amendment and restatement of the Plan, effective as of the Effective Date or as otherwise stated herein.

Article 1 - DEFINITIONS

1.1 **Account**. The bookkeeping account established for each Participant as provided in Section 5.1 hereof. Each Participant's Account shall be sub-divided into a Cash Compensation Deferral Account (herein so called) and a Share Deferral Account (herein so called) as provided herein. The Company may, in its discretion, further divide such Accounts into sub-accounts to reflect amounts payable at different times and in different forms. Reference to an Account herein includes any such sub-account established for a Participant as the context requires.

1.2 **Administrator.** The Compensation Committee of the Board shall be the Administrator. The Administrator may delegate some or all of its authority to one or more individuals who are officers or employees of the Company or any of its Subsidiaries or to third parties.

1.3 **Board**. The Board of Trust Managers of the Company.

1.4 **Bonus**. Compensation that is designated as a bonus by the Employer, whether or not the Compensation is Performance-Based Compensation, including any pretax elective deferrals from said Bonus to any Employer-sponsored plan that includes amounts deferred under a Deferral Election or a qualified cash or deferred arrangement under Code Section 401(k) or cafeteria plan under Code Section 125.

1.5 **Cash Compensation**. In the case of a Participant who is an Employee, the Participant's earned income payable in cash, including Salary, Bonus, Performance-Based Compensation, and any other cash remuneration from the Employer that the Administrator designates prior to the start of the applicable Plan Year as Cash Compensation for purposes of the Plan; and, in the case of a Participant who is a Trust Manager and is not employed by the Company or any of its Subsidiaries, the Participant's Trust Manager Fees. To the extent that a Participant's Cash Compensation (including any Trust Manager Fees) is paid or settled in shares of the Company's common stock (or any other securities or property), the Participant's Deferral Election as to such Cash Compensation shall apply to such shares (or other securities or property).

1.6 **Cash Compensation Deferral**. That portion of a Participant's Cash Compensation that is deferred in accordance with Section 3.1 hereof but would have otherwise been payable in cash absent the deferral.

1.7 **Code**. The Internal Revenue Code of 1986, as amended.

1.8 **Compensation**. The Participant's Cash Compensation and Share Awards.

1.9 **Deferrals**. Collectively, the Cash Compensation Deferrals and Share Deferrals of a Participant.

1.10 **Deferral Election**. The written agreement, submitted to the Company on such form and in such manner as prescribed by the Administrator, by which an Eligible Participant agrees to participate in the Plan and make Deferrals thereto.

1.11 **Disability**. A Participant (or the Participant's designated primary beneficiary who is receiving installment payments under section 6.2(b)) shall be considered disabled if he or she (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering the Participant that is sponsored by the Employer.

1.12 **Effective Date**. The effective date of the Plan, as restated, which shall be January 1, 2019 except as otherwise expressly set forth herein.

1.13 **Eligible Participant**. Collectively, (i) any Employee designated by the Employer as an Eligible Participant and (ii) any Trust Manager.

1.14 **Employee**. Any person employed by the Employer.

1.15 **Employer**. Collectively, the Company and each of its Subsidiaries that has elected to adopt the Plan.

1.16 **ERISA**. The Employee Retirement Income Security Act of 1974, as amended.

1.17 **Investment Fund or Funds**. Each deemed investment which serves as a means to measure value for purposes of crediting increases or decreases with respect to a Participant's Accounts pursuant to Section 5.2. The Investment Funds shall be designated from time to time by the Administrator.

1.18 **Participant**. An Eligible Participant who is a Participant as provided in Article II.

1.19 **Payment Schedule**. The date as of which payment of Deferrals under the Plan will commence and the form in which payment of such Deferrals will be made.

1.20 **Performance-Based Compensation**. Compensation the amount of which, or entitlement to which, is contingent on the satisfaction of pre-established organizational or individual performance criteria relating to a performance period of at least twelve (12) consecutive months in which the Participant performs services. Organizational or individual performance criteria are considered pre-established if established in writing by not later than ninety (90) days after the commencement of the period of service to which the criteria relate, provided that the outcome is substantially uncertain at the time the criteria are established. Compensation shall be considered Performance-Based Compensation only if it satisfies the requirements set forth in Treas. Reg. Section 1.409A-1(e).

1.21 **Plan**. This Camden Property Trust Non-Qualified Deferred Compensation Plan, as amended and restated from time to time.

1.22 **Plan Year**. January 1 through December 31.

1.23 **Salary**. An Eligible Participant's base salary rate or rates in effect at any time during a Plan Year, including any pretax elective deferrals from said Salary to any Employer-sponsored plan that includes amounts deferred under a Deferral Election or a qualified cash or deferred arrangement under Code Section 401(k) or cafeteria plan under Code Section 125.

1.24 **Separation Benefits**. Deferrals elected by the Participant to be paid upon the Participant's Separation from Service (other than due to the Participant's death or Disability) as provided in Section 6.1(a).

1.25 **Separation from Service**. As to a particular Participant, a termination of services provided by the Participant to his or her Employer (as defined below in this definition), whether voluntarily or involuntarily, as determined by the Administrator in accordance with Section 409A of the Code and Treasury Regulation Section 1.409A-1(h). In determining whether a Participant has experienced a Separation from Service, the following provisions shall apply:

(i) For a Participant who provides services to an Employer as an employee, except as otherwise provided in clause (iii) below, a Separation from Service shall occur when the Participant has experienced a termination of employment with the Employer. A Participant shall be considered to have experienced a termination of employment for this purpose when the facts and circumstances indicate that the Participant and his or her Employer reasonably anticipate that either (A) no further services will be performed by the Participant for the Employer after the applicable date, or (B) that the level of bona fide services the Participant will perform for the Employer after such date (whether as an employee or as an independent contractor) will permanently decrease to no more than twenty percent (20%) of the average level of bona fide services performed by the Participant (whether as an employee or an independent contractor) over the immediately preceding period of thirty-six (36) months (or the full period of services to the Employer if the Participant has been providing services to the Employer less than thirty-six (36) months). However, if the Participant is on military leave, sick leave, or other bona fide leave of absence, the employment relationship between the Participant and the Employer shall be treated as continuing intact, provided that the period of such leave does not exceed six (6) months, or if longer, so long as the Participant retains a right to reemployment with the Employer under an applicable statute or by contract. If the period of a military leave, sick leave, or other bona fide leave of absence exceeds six (6) months and the Participant does not retain a right to reemployment under an applicable statute or by contract, the employment relationship shall be considered to be terminated for purposes of the Plan as of the first day immediately following the end of such six (6)-month period. In applying the provisions of this paragraph, a leave of absence shall be considered a bona fide leave of absence only if there is a reasonable expectation that the Participant will return to perform services for the Employer.

(ii) For a Participant who provides services to an Employer as an independent contractor (other than as a Trust Manager), except as otherwise provided in clause (iii) below, a Separation from Service shall occur upon the expiration of the contract (or in the case of more than one contract, all contracts) under which services are performed for such Employer, provided that the expiration of such contract(s) is determined by the Administrator to constitute a good-faith and complete termination of the contractual relationship between the Participant and such Employer.

(iii) For a Participant who provides services to an Employer as both an employee and an independent contractor, a Separation from Service generally shall not occur until the Participant has ceased providing services for the Employer as both an employee and as an independent contractor, as determined in accordance with the provisions set forth in clauses (i) and (ii) above. Similarly, if a Participant either (A) ceases providing services for an Employer as an independent contractor and begins providing services for such Employer as an employee, or (B) ceases providing services for an Employer as an employee and begins providing services for such Employer as an independent contractor, the Participant will not be considered to have experienced a Separation from Service until the Participant has ceased providing services for such Employer in both capacities, as determined in accordance with clauses (i) and (ii) above.

(iv) For a Participant who provides services to the Company solely as a Trust Manager (and not otherwise as an employee or independent contractor of any Employer), a Separation from Service shall not occur until the Participant has ceased providing services as a Trust Manager.

Notwithstanding the foregoing provisions of this definition, if a Participant provides services for an Employer as an employee and also provides services as a member of the Board, to the extent permitted by Treasury Regulation Section 1.409A-1(h)(5), the services provided by the Participant as a Trust Manager shall not be taken into account in determining whether the Participant has experienced a Separation from Service as an employee, and the services provided by such Participant as an employee shall not be taken into account in determining whether the Participant has experienced a Separation from Service as a Trust Manager, for purposes of the Plan.

Solely for purposes of this definition of "Separation from Service," the term "Employer" means the Employer that the Participant last performed services for or was employed by, as applicable, on the date of his or her Separation from Service, and all other entities that are required to be aggregated together and treated as the employer under Treasury Regulation Section 1.409A-1(h)(3).

1.26 **Share Award**. An award of shares or share units of the Company made to a Participant under the Share Incentive Plan. Unless otherwise provided by the Administrator in advance of the applicable deferral election deadline with respect to a particular stock option or stock appreciation right, stock options or stock appreciation rights that are granted by the Company to a Participant under the Share Incentive Plan shall also qualify as "Share Awards." If any such stock option or stock appreciation right is deferred pursuant to this Plan as a Share Award, it shall include terms that are intended to meet all the requirements of deferred compensation under Section 409A of the Code without reliance on Treasury Regulation Section 1.409A-1(b)(5)(i)(A) or (B) or Treasury Regulation Section 1.409A-1(b)(5)(ii) (i.e., the exemptions under which stock options and stock appreciation rights may not constitute a deferral of compensation if, in general, the taxable event with respect to the award is not delayed past the exercise of the award or the award qualifies as an incentive stock option under Section 422 of the Code). The Administrator may permit a Participant to make, in the applicable Deferral Election, one deferral election as to any Share Awards that are subject to the Deferral Election and in the form of stock options or stock appreciation rights and a separate deferral election as to any Share Awards that are subject to the Deferral Election and in the form of shares or share units.

1.27 **Share Deferral**. A Share Award that is deferred in accordance with Section 3.1 and Article VII hereof.

1.28 **Share Incentive Plan**. The Company's 2011 Share Incentive Plan, or any successor equity incentive plan thereto that may be adopted by the Company, as each may be amended and restated from time to time.

1.29 **Specified Date Benefits**. Deferrals elected by the Participant in accordance with Section 6.1(d) to be paid on one or more specified dates designated by the Administrator on the applicable Deferral Election form.

1.30 **Specified Employee**. A Participant who, as of the date of the Participant's Separation from Service, is a "specified employee" within the meaning of Treasury Regulation Section 1.409A-1(i).

1.31 **Subsidiary**. Any corporation or other entity a majority of whose outstanding voting shares or voting power is beneficially owned directly or indirectly by the Company.

1.32 **Trust**. The trust agreement or agreements the Employer may choose to adopt in its sole discretion, under which assets with respect to the Plan may be held, administered and managed. Participants shall have no right or claim to Trust assets set aside to fund benefits under the Plan, which shall remain the general assets of the Employer.

1.33 **Trust Manager**. A member of the Board.

1.34 **Trust Manager Fees**. All cash compensation (including annual retainer fees, fees for service on Board committees, and other cash remuneration) paid to a Trust Manager for services as a member of the Board.

1.35 **Trustee**. The entity or individual designated from time to time by the Administrator to serve as trustee of the Trust in accordance with the terms of the Plan and the Trust.

1.36 **Unforeseeable Emergency**. A severe financial hardship to the Participant resulting from (i) an illness or accident of the Participant, the Participant's spouse, or a dependent of the Participant (as defined in Section 152(a) of the Code); (ii) loss of the Participant's property due to casualty; or (iii) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. A severe financial hardship will not exist if such hardship can be relieved through reimbursement or compensation by insurance, or otherwise or by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause a severe financial hardship). Determination of whether a Participant has incurred an Unforeseeable Emergency shall be made by the Administrator, in accordance with the requirements of Section 409A of the Code and any guidance issued thereunder.

The foregoing definition of Unforeseeable Emergency shall also apply to an unforeseeable financial emergency of the Participant's designated primary beneficiary who is receiving installment payments under Section 6.2(b) as if such beneficiary were the Participant under this Section 1.36.

****

Article II - Participation

2.1 **Commencement of Participation**. Each Eligible Participant shall commence participation on the date his or her Deferral Election first becomes effective. In accordance with Section 6.3, each Participant shall be required to designate on a Deferral Election the form and timing of the distribution of the portion of his or her Account to which such Deferral Election relates.

2.2 **Change in Eligible Participant Status**.

(a) The Administrator may, at any time and in its sole discretion, terminate the ability of a Participant to defer Compensation (or to defer additional Compensation or types of Compensation) hereunder. All Deferrals for a Participant who becomes ineligible to participate shall cease as of the end of the Plan Year in which such former Participant is determined to no longer be an Eligible Participant. Such a former Participant shall not be permitted to submit a Deferral Election after he becomes ineligible to participate.

(b) Amounts credited to the Account of a Participant described in subsection (a) shall continue to be held, pursuant to the terms of the Plan, and shall be distributed as provided in Article VI.

****

Article III - Contributions

3.1 **Participant Deferrals**.

(a) There shall be credited to the Cash Compensation Deferral Account or Share Deferral Account, as applicable, of a Participant an amount equal to the amount designated as the Participant's Deferral for that Plan Year as indicated in the Participant's Deferral Election. Such amounts (Cash Compensation Deferrals or Share Deferrals) shall not be made available to such Participant, except as provided in Article VI, and any such Deferrals shall reduce such Participant's Cash Compensation or Share Awards in accordance with the provisions of the applicable Deferral Election; provided, however, that all such Deferrals shall be subject to the rights of the general creditors of the Employer as provided in Article IX.

(b) An Eligible Participant's election to defer Compensation under the Plan shall be effective only if the Participant delivers a Deferral Election indicating such Deferrals to the Administrator in accordance with this Section 3.1, such Deferral Election to be made on such form and in such manner as the Administrator shall prescribe.

(i) *In General*. Subject to paragraph (iii) of this Section 3.1(b), with respect to any Compensation that is not Performance-Based Compensation (including a Bonus that is not Performance-Based Compensation), a Participant shall file a Deferral Election with the Administrator within the time period established by the Administrator, but in all events no later than the close of the calendar year immediately preceding the calendar year in which the services to which the Deferral Election relates are to be performed; provided, however, that in the Plan Year in which an Employee or Trust Manager is first eligible to participate in the Plan, such Deferral Election shall be filed within thirty (30) days of the date on which the Employee or Trust Manager is first eligible to participate and shall be effective only with respect to Compensation for services to be rendered during the remainder of the Plan Year after the election is effective.

(ii) *Performance-Based Compensation Deferral*. With respect to Compensation that is Performance-Based Compensation, a Participant shall file a Deferral Election with the Administrator on or before the date that is six (6) months before the end of the applicable performance period, provided that the Participant performs services with the Employer continuously from the later of the beginning of the applicable performance period or the date the applicable performance criteria are established through the date of such election, and provided further that in no event may an election to defer Performance-Based Compensation be made after such compensation has become readily ascertainable.

(iii) *Legally-Binding Right*. Notwithstanding paragraph (i) of this Section 3.1(b), if Compensation may be awarded to a Participant in a year following a year in which services are performed to which the Compensation may relate and the Participant has no legally binding right to such Compensation as of the end of the year in which the services are performed, a Deferral Election with respect to such Compensation shall be filed with the Administrator no later than the last day of the year prior to the year in which the legally binding right to such Compensation may arise.

(c) The Deferral Election shall, subject to the limitations set forth in this Section 3.1, designate the amount or percentage of Cash Compensation and/or Share Awards to be deferred by the Participant. Upon making a Deferral Election, the Participant must also make an election regarding the time and form of payment of the Deferrals subject to such Deferral Election, in accordance with Section 6.3.

(d) The maximum amount or percentage of a Participant's Compensation that may be deferred each Plan Year shall be established by the Administrator prior to the start of such Plan Year.

(e) The Participant shall make appropriate arrangements with the Employer to provide for satisfaction of all taxes required to be withheld under the Federal Insurance Contributions Act ("**FICA**") and all other applicable taxes that are required to be withheld with respect to (1) Cash Compensation Deferrals, and (2) Share Deferrals as they become subject to FICA taxes and other withholding requirements (collectively, the "**Withholding Requirements**"). The Employer shall have the right at its option to (a) require the Participant to pay or provide for payment of the amount of such Withholding Requirements, or (b) deduct from any compensation or other amount otherwise payable in cash to the Participant the amount of such Withholding Requirements. The Employer also reserves the right to reduce such Participant's Deferrals to the extent necessary to satisfy such Withholding Requirements (subject to approval by the Compensation Committee of the Board as to any reduction in a Participant's Share Deferrals).

(f) A Deferral Election relating to a Plan Year may not be modified or revoked once such Plan Year has commenced. Notwithstanding the foregoing, in the event a Participant receives a distribution from the Plan due to an Unforeseeable Emergency, the Participant's Deferral Election shall be terminated as soon as administratively feasible following the distribution.

(g) Any Share Deferrals shall remain subject to the forfeiture and transfer restriction provisions of the Share Incentive Plan, any other terms or conditions established by the Company incident thereto or contained in the award in addition to any restrictions imposed pursuant to the Plan. A Participant may not elect a Share Deferral Period ending prior to the latest date on which the shares subject to the Share Deferral vest under the terms of the applicable Share Award or the provisions of the Share Incentive Plan.

(h) At the time of a Share Deferral election, a Participant may be given the right to elect that all or a stated percentage of dividends or dividend equivalent payments, as the case may be and if any, related to such Share Deferral also be deferred. Deferred dividends and dividend equivalent payments shall be credited in accordance with the terms of the applicable Share Award (which will specify whether any such deferred dividends or dividend equivalent payments shall be denominated in cash and credited hereunder to a Cash Compensation Deferral Account or denominated in shares and credited hereunder to a Share Deferral Account); provided, however, that any such deferred dividends and dividend equivalent payments credited hereunder shall be distributed in accordance with the Participant's Share Deferral election for the applicable Share Award. If, at the time of the Share Deferral election, a Participant does not elect such a dividend or dividend equivalent payment deferral, then any and all such dividends and dividend equivalent payments related to that Share Deferral Election shall be paid to the Participant in accordance with the terms of the applicable Share Award.

3.2 **Time of Contributions**. Unless otherwise determined by the Administrator, Cash Compensation Deferrals shall be transferred to the Trust as soon as administratively feasible after the date the corresponding amount would have otherwise been paid to the Participant absent the Participant's Deferral Election. The Employer shall also transmit at that time any necessary instructions regarding the allocation of such amounts among the Accounts of Participants. Any Share Deferral shall initially be accounted for by the Company and shall be transferred to the Trustee at such time as the Company shall, in its discretion, determine.

3.3 **Form of Contributions**. All Deferrals to the Trust shall be made in the form of cash or cash equivalents of US currency or Share Awards.

****

Article IV - Vesting

4.1 **Vesting of Deferrals**. A Participant shall have a one hundred percent (100%) vested right to the portion of his or her Account attributable to Cash Compensation Deferrals and any earnings on the deemed investment of such Deferrals. A Participant shall vest in Share Deferrals in accordance with the terms of the relevant Share Award under the Share Incentive Plan.

****

Article V - Accounts

5.1 **Bookkeeping Accounts**. The Administrator shall establish and maintain bookkeeping accounts in the name of each Participant. The Administrator shall maintain a Cash Compensation Deferral Account and Share Deferral Account for each Participant.

5.2 **Adjustment and Crediting of Accounts**.

(a) The Administrator shall adjust the amounts credited to each Participant's Account to reflect Deferrals, distributions, and the deemed investment experience of the Participant's Investment Fund selections, and any other appropriate adjustments. Such adjustments shall be made as is administratively necessary in the discretion of the Administrator.

(b) Subject to Section 5.3(c), the deemed investment experience credited to a Participant's Cash Compensation Deferral Account shall be determined on a periodic basis according to the earnings and losses of the Investment Fund selections made by the Participant. The earnings and losses will be determined as if the amounts credited to the Participant's Accounts were actually invested in the Investment Fund selected. Participants may select one or more of the Investment Funds designated by the Administrator in whole percentages of the applicable Cash Compensation Deferral Account balance. A Participant may change his or her selection of Investment Funds at such time and in such manner as the Administrator shall permit. An election shall be effective as soon as administratively feasible following the date of the change as indicated in writing by the Participant or such other means as the Administrator may approve.

5.3 **Investment of Trust Assets.**

(a) Deferrals hereunder may, in the sole discretion of the Employer, be set aside in a Trust in order to facilitate the payments of benefits under the Plan. Any such Trust shall constitute an unfunded arrangement and shall not affect the status of the Plan as an unfunded plan. Under no circumstances shall any Participant have any preferential or secured right to or interest in any assets of such Trust, and the rights of each Participant (and if applicable, any beneficiary) shall remain that of a general creditor of the Employer.

(b) A Participant may request, from time to time, that Trust assets attributable to his Cash Compensation Deferral Account be deemed to be invested in one or more Investment Funds. A Participant may not elect that deferred shares held in his Share Deferral Account be deemed to be invested in one or more Investment Funds; provided that deferred shares elected to be invested in one or more Investment Funds under a prior version of the Plan in accordance with the terms of the Plan at the time of such election shall be treated as invested in a Cash Compensation Deferral Account for purposes of this Section 5.3.

(c) In all cases, the Administrator shall not be obligated to make investments in the Investment Funds in which a Participant's Account is deemed invested for purposes of the Plan, but may choose to make such investments or may choose to make other investments as it deems appropriate.

****

Article VI - DISTRIBUTIONS

6.1 **Time of Payment.**

(a) *Separation from Service*. Subject to the following provisions of this Section 6.1, payment of the vested amounts credited to a Participant's Account(s) shall commence, at such time as previously elected by the Participant, following the Participant's Separation from Service. Notwithstanding the foregoing, with respect to distribution to a Participant who is a Specified Employee on account of Separation from Service (and, for clarity, not a distribution triggered by the Participant's death or Disability), distribution may not commence earlier than six (6) months following such Participant's Separation from Service. If the Participant fails to timely elect the date on which payment is to be made or commence, distribution shall be made or commence on the first business day following the date that is six (6) months from the Participant's Separation from Service.

(b) *Disability or Death*. If the Disability or death of the Participant (or of the designated primary beneficiary who is receiving installment payments under Section 6.2(b)) occurs at any time prior to complete distribution of the Participant's Account, all remaining vested amounts credited to the Participant's Account shall be paid in one (1) lump sum on the first day following six (6) months from the date of Disability or death, as the case may be; provided, however, that the Participant may make an election to receive installment payments pursuant to Section 6.2(b).

(c) *Limitation on Length of Deferred Commencement*. With respect to distribution following Separation from Service for a reason other than death or Disability, the Participant may elect to have distribution of Deferrals be made or commence at any time following the expiration of six (6) months following the date of the Participant's Separation from Service; provided, however, that any such distribution (i.e., any lump sum payment or, if installments are elected, the last such installment) must be made no later than the date that is thirty (30) years following the date of the Participant's Separation from Service (except as to Deferrals that relate to a Deferral Election made prior to January 1, 2019, in which case those Deferrals shall be subject to any applicable limitation of this Section 6.1(c) as in effect when the Deferral Election was made). Effective with Deferral Elections filed on or after January 1, 2014, Deferrals that the Participant has designated to be paid as Separation Benefits shall be paid in accordance with the Payment Schedule specified by the Participant in the Deferral Election and in accordance with this Article VI.

(d) *Payment on a Specified Date*. In addition to the election in paragraph (a) of this Section 6.1, a Participant may elect on his or her Deferral Election one or more specified dates on which to receive a specified dollar amount or percentage of the Deferrals subject to the Deferral Election or on which an annual installment stream of payment of such Deferrals will commence for the time period elected. Any amount not paid in accordance with a specified date election as of the Participant's Separation from Service, death or Disability will be paid in accordance with the Participant's applicable Separation Benefit election or, in the case of the Participant's death or Disability, as provided in Section 6.1(b). Effective with Deferral Elections filed on or after January 1, 2013, Deferrals that the Participant has designated to be paid as Specified Date Benefits may be paid or commence only on specified dates designated by the Administrator on the applicable

Deferral Election form shall be paid in accordance with the Payment Schedule specified by the Participant in the Deferral Election.

6.2 **Form of Payment**.

(a) The Participant's Account shall be payable in one of the following forms: (i) in one (1) lump sum payment; or (ii) in annual installments over a period of up to thirty (30) years (as elected by the Participant and, as to Deferrals that relate to a Deferral Election made prior to January 1, 2019, subject to any applicable limitation of this Section 6.2(a) as in effect when the Deferral Election was made); provided, however, that any election of a Separation Benefit shall be subject to the limitation provided in Section 6.1(c). In accordance with Treasury Regulation Section 1.409A-2(b)(2)(iii) and (iv) and for purposes of the Plan (including, without limitation, Section 6.4 hereof), an election for distribution in the form of installment payments shall be treated as an election of a series of separate payments.

(b) Notwithstanding Section 6.2(a), the Participant may elect (on a form and in a manner prescribed by the Administrator) that, in the event of the Participant's Disability or death, distribution of the Participant's remaining Account shall be made in one of the following forms: (i) one (1) lump sum, to be paid on the first day following six (6) months from the date of Disability or death, as applicable; (ii) annual installments over a three (3)-year period; or (iii) annual installments over a five (5)-year period. In the case of distribution in the form of installment payments, the first installment shall be paid on the first day following six (6) months from the date of the Participant's Disability or death (as applicable), and subsequent installments shall be paid on each anniversary thereof. If the Participant fails to timely elect the form in which benefits are to be distributed in the event of Disability or death, distribution shall be in the form of one (1) lump sum, to be paid on the first day following six (6) months from the date of Disability or death (as applicable). Notwithstanding a Participant's elected form of payment hereunder, in the event that, after a Participant's death, the Participant's primary beneficiary who is receiving installments dies, distribution of the Participant's remaining Account will be paid to the Participant's contingent beneficiary described in Section 8.3 in one (1) lump sum.

(c) The Participant's benefit as to a particular Deferral shall be distributed in the form previously elected by the Participant as to that Deferral. If the Participant fails to timely elect the form in which his or her benefit is to be distributed, distribution shall be in the form of one (1) lump sum.

6.3 **Distribution Election**. An election as to the date on which distribution of Separation Benefits or Specified Date Benefits is to be made or commence and the form of payment shall be made by the Participant at the time the Participant makes a Deferral Election and may be modified only as provided in Section 6.4. On each Deferral Election, a Participant may make separate distribution elections with respect to the Deferrals credited to the Participant's Cash Compensation Deferral Account and Share Deferral Account pursuant to that Deferral Election. If, with respect to a Deferral Election, the Participant fails to timely make an election relating to the commencement of distribution and the form of payment for the Deferrals subject to that Deferral Election, the last such election relating to distribution of benefits under the Plan made by the Participant shall apply to those Deferrals. If no such last election has been made, distribution shall be made as provided in Sections 6.1(a), 6.2(b) and 6.2(c), as applicable. Effective with

Deferral Elections filed on or after January 1, 2014, the Participant shall specify in the Deferral Election the portion of such Deferrals which shall be designated as either Separation Benefits and/or as Specified Date Benefits. If no designation is made, Deferrals shall be designated as Separation Benefits. The Participant shall also specify the Payment Schedule applicable to his or her Separation Benefits and/or Specified Date Benefits. If a Payment Schedule is not specified in the Deferral Election, the Payment Schedule shall be as provided in Section 6.2(c).

6.4 **Modifications to Distribution Elections.** A Participant may amend his or her previously-made distribution election by filing a new election with the Administrator on such form and in such manner as the Administrator shall prescribe; provided, that any such amendment:

(a) may not take effect until at least twelve (12) months after such amendment to the election is made;

(b) except in the case of a distribution due to Unforeseeable Emergency, Disability, or the death of the Participant, must extend the period of deferral for the first payment for which such amendment is made for a period of no less than five (5) years;

(c) may not be made less than twelve (12) months prior to the date of the first scheduled payment of the amount to which such amendment is made; and

(d) may not permit acceleration of the time or schedule of any payment under the Plan, except as may be permitted by applicable Treasury Regulations.

6.5 **Distribution Due to Unforeseeable Emergency**. A Participant (or the designated primary beneficiary of a Participant who is receiving installment payments under Section 6.2(b)) may request a distribution from the Participant's Account in the event that the Participant or primary beneficiary has experienced an Unforeseeable Emergency. If the Administrator determines that an Unforeseeable Emergency exists, the Administrator shall direct the suspension of Deferrals for the remainder of the Plan Year, and if such suspension is insufficient to alleviate the Unforeseeable Emergency, the Administrator may direct the distribution of an amount not in excess of the amount necessary to alleviate such Unforeseeable Emergency, plus such amounts as are necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance, or otherwise or by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship).

6.6 **Cashout Distribution**. Notwithstanding the preceding provisions of this Article VI, if at any time the Participant's vested interest in the Plan and any other non-qualified, defined contribution plan sponsored by the Employer in which the Participant participates is $10,000 or less, the Administrator may distribute such interest to the Participant in one (1) lump sum, provided the following requirements are also satisfied:

(a) The payment accompanies the termination of the entirety of the Participant's interest in the Plan, and all similar plans or arrangements that would constitute a nonqualified deferred compensation plan under Treasury Regulation Section 1.409A-1(c);

(b) The payment is made on or before the later of (i) December 31 of the calendar year in which the Participant's Separation from Service occurs, or (ii) the fifteenth (15^{th}) day of the third (3^{rd}) month following the Participant's Separation from Service; and

(c) The Participant is not provided with an election with respect to receipt of the payment.

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Article VII - SHARE AWARD DEFERRAL

7.1 **General.** A Share Award may be deferred as provided in this Article VII.

7.2 **Deferral of Share Awards.** A Participant, subject to the provisions hereof, may elect to defer all or a portion of a Share Award, on such terms as the Administrator may permit, by completing a Share Award Deferral Agreement and submitting it to the Administrator prior to the calendar year in which the Share Award is made. Such election may be made only with respect to Share Awards made on or after January 1, 2005. Such Deferral Elections shall be made pursuant to Section 3.1 hereof, in accordance with the provisions thereof (with respect to such deferrals, the period of deferral is sometimes referred to as the "**Share Deferral Period**") and shall be distributed pursuant to Article VI hereof. The Administrator shall credit such deferred Share Awards to a bookkeeping account (to be known as a "**Share Award Account**") for the benefit of such Participant. The Share Awards so deferred initially shall be accounted for by the Company and shall be transferred to the Trustee at such times as the Company shall, in its discretion, determine. Any election to defer all or a portion of a Share Award shall apply to any subsequent Share Award unless and until a revised Deferral Election is submitted to the Administrator.

7.3 **Terms and Conditions of Awards.** Any deferred Share Awards shall remain subject to the forfeiture and transfer restriction provisions of the Share Incentive Plan and any other terms and conditions established by the Company incident thereto in addition to any restrictions imposed pursuant to the Plan.

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Article VIII - Beneficiaries

8.1 **Beneficiaries**. Each Participant may from time to time designate one or more persons, entities or his or her estate as his or her beneficiary under the Plan. Such designation shall be made on a form prescribed by the Administrator.

8.2 **Change of Beneficiary Designation**. Each Participant may at any time and from time to time, change any previous beneficiary designation, without notice to or consent of any previously designated beneficiary, by amending his or her previous designation on a form prescribed by the Administrator.

8.3 **Determination of Beneficiary.**

(a) If the beneficiary does not survive the Participant (or is otherwise unavailable to receive payment), if the beneficiary does not survive until the final payment is made or if no beneficiary is validly designated, then the amounts payable under the Plan (or any remaining amount, as the case may be) shall be paid to the Participant's designated contingent beneficiary, if any, and, if none, to the Participant's surviving spouse, if any, and if none, to his or her surviving issue per stirpes, if any, and, if none, to his or her estate and such person shall be deemed to be a beneficiary hereunder. (For purposes of this Article, a per stirpes distribution to surviving issue means a distribution to such issue as representatives of the branches of the descendants of such Participant; equal shares are allotted for each living child and for the descendants as a group of each deceased child of the deceased Participant).

(b) If more than one person is the beneficiary of a deceased Participant, each such person shall receive a pro rata share of any death benefit payable unless otherwise designated on the applicable form.

(c) If a beneficiary who is receiving benefits dies, all benefits that were payable to such beneficiary shall then be payable to the estate of that beneficiary.

(d) If the Administrator has any doubt as to the proper beneficiary to receive payments hereunder, the Employer shall have the right to withhold such payments until the matter is finally adjudicated. However, any payment made by the Employer, in good faith and in accordance with the Plan, shall fully discharge the Employer from all further obligations with respect to that payment.

8.4 **Lost Participant or Beneficiary**.

(a) All Participants and beneficiaries shall have the obligation to keep the Administrator informed of their current address until such time as all benefits due have been paid.

(b) If a Participant or beneficiary cannot be located by the Administrator exercising due diligence, then, in its sole discretion, the Administrator may presume that the Participant or beneficiary is deceased for purposes of the Plan and all unpaid amounts (net of due diligence expenses) owed to the Participant or beneficiary shall be paid to his/her estate. Any such presumption of death shall be final, conclusive and binding on all parties.

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Article IX - Funding

9.1 **Prohibition Against Funding**. Benefits payable under the Plan shall be paid from the general assets of the Employer, or at the discretion of the Employer, from assets set aside in a Trust to assist the Employer with meeting its obligations hereunder; provided, however, that no person entitled to payment under the Plan shall have any claim, right, priority, security interest, or other interest in any fund, trust, account, or other asset of the Employer that may be looked to for such payment. The liability for the payment of benefits hereunder shall be evidenced only by the Plan and by the existence of a bookkeeping account established and maintained by the Administrator for purposes of the Plan. It is the express intention of the parties hereto that this arrangement shall be unfunded for tax purposes and for purposes of Title I of ERISA.

9.2 **Deposits in Trust**. Notwithstanding Section 9.1, or any other provision of the Plan to the contrary, the Employer may deposit into the Trust any amounts it deems appropriate to pay the benefits under the Plan. The amounts so deposited may include all contributions made pursuant to a Deferral Election by a Participant and shall remain the general assets of the Employer.

9.3 **Withholding of Employee Contributions**. The Administrator is authorized to make any and all necessary arrangements with the Employer in order to withhold the Participant's Deferrals under section 3.1 hereof from his or her Compensation. The Administrator shall determine the amount and timing of such withholding, but in all events any amounts must be withheld prior to the date on which such Compensation is otherwise payable or paid to the Participant or as otherwise required by applicable laws, rules and regulations.

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Article X - Claims Administration

10.1 **Claim Procedure**. A Participant or beneficiary (the "**Claimant**") must file with the Administrator a written claim for Plan benefits if the Claimant believes he or she has not received the benefits he or she is entitled to receive.

(a) *In General*. Notice of a denial of a claim for benefits (other than benefits due to Disability) will be provided by the Administrator to the Claimant within ninety (90) days after the Administrator's receipt of the Claimant's written claim for benefits, provided that the Administrator, in its discretion, may determine that an additional ninety (90)-day extension is warranted if it needs additional time to review the claim due to special circumstances. In such event, the Administrator shall notify the Claimant prior to the end of the initial ninety (90)-day period that an extension is needed, the reason therefor and the date by which the Administrator expects to render a decision.

(b) *Disability Claims*. Notice of a denial of a claim for benefits due to Disability (a "**Disability Claim**") will be provided within forty-five (45) days of the Administrator's receipt of the Claimant's Disability Claim. If the Administrator determines that it needs additional time to review the Disability Claim due to matters beyond the control of the Administrator, the time period for making a determination may be extended for up to thirty (30) days. In such event, the Administrator will provide the Claimant with a notice of the extension before the end of the initial forty-five (45)-day period. If the Administrator determines that a decision cannot be made within the first extension period due to matters beyond the control of the Administrator, the time period for making a determination may be further extended for an additional thirty (30) days. If such an additional extension is necessary, the Administrator shall notify the Claimant prior to the expiration of the initial thirty (30)-day extension. Any notice of extension shall indicate the circumstances necessitating the extension of time, the date by which the Administrator expects to furnish a notice of decision, the specific standards on which such entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim and any additional information needed to resolve those issues. A Claimant will be provided a minimum of forty-five (45) days to submit any necessary additional information to the Administrator. In the event that a thirty (30)-day extension is necessary due to a Claimant's failure to submit information necessary to decide a claim, the period for furnishing a notice of decision shall be tolled from the date on which the notice of the extension is sent to the Claimant until the earlier of the date the Claimant responds to the request for additional information or the response deadline.

(c) *Contents of Notice*. If a Claimant's request for benefits is denied, the notice of denial shall be in writing and shall contain the following information:

(i) The specific reason or reasons for the denial in plain language;

(ii) A specific reference to the pertinent Plan provisions on which the denial is based;

(iii) A description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why such material or information is necessary;

(iv) An explanation of the claims review procedures and the time limits applicable to such procedures;

(v) A statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse determination upon review; and

(vi) In the case of a complete or partial denial of a Disability Claim, the notice shall provide a statement that the Administrator will provide to the Claimant, upon request and free of charge, a copy of any internal rule, guideline, protocol or other similar criterion that was relied upon in making the decision.

10.2 **Appeal of Denied Claims**.

(a) *In General*. A Claimant whose claim (other than a Disability Claim) has been wholly or partially denied shall be entitled to appeal the claim denial by filing a written appeal to the Administrator within sixty (60) days after Claimant's receipt of the Administrator's decision denying the claim. Any claim filed more than sixty (60) days after Claimant's receipt of the decision will be untimely. A Claimant who timely appeals a denied claim will have the opportunity, upon request and free of charge, to have reasonable access to and copies of all documents, records and other information relevant to the Claimant's appeal. The Claimant may submit written comments, documents, records and other information relating to his or her claim with the appeal. The Administrator will review all comments, documents, records and other information submitted by the Claimant relating to the claim, regardless of whether such information was submitted or considered in the initial claim determination. The Administrator shall make a determination on the appeal within sixty (60) days after receiving the Claimant's written appeal, provided that the Administrator may determine that an additional sixty (60)-day extension is necessary due to special circumstances, in which event the Administrator shall notify the Claimant prior to the end of the initial sixty (60)-day period that an extension is needed, the reason therefor and the date by which the Administrator expects to render a decision.

(b) *Disability Claims*. An appeal of a denied Disability Claim must be filed in writing with the Administrator no later than one hundred eighty (180) days after receipt of the written notification of such claim denial. The review shall be conducted by the Administrator (exclusive of the person who made the initial adverse decision or such person's subordinate). In reviewing the appeal, the Administrator shall: (i) not afford deference to the initial denial of the Disability Claim, (ii) consult a medical professional who has appropriate training and experience in the field of medicine relating to the Claimant's Disability and who was neither consulted as part of the initial denial nor is the subordinate of such individual and (iii) identify the medical or vocational experts whose advice was obtained with respect to the initial benefit denial, without regard to whether the advice was relied upon in making the decision. The Administrator shall make its decision regarding the merits of the denied Disability Claim within forty-five (45) days following receipt of the appeal (or within ninety (90) days after such receipt, in a case where there are special circumstances requiring extension of time for reviewing the appealed claim). If an extension of time for reviewing the appeal is required because of special circumstances, written notice of the extension shall be furnished to the Claimant prior to the commencement of the extension. The notice will indicate the special circumstances requiring the extension of time and the date by which the Administrator expects to render the determination on review. Following its review of any additional information submitted by the Claimant, the Administrator shall render a decision on its review of the denied Disability Claim.

(c) *Contents of Notice*. If the Claimant's appeal is denied in whole or part, the Administrator shall provide written notice to the Claimant of such denial. The written notice shall include the following information:

(i) The specific reason or reasons for the denial;

(ii) A specific reference to the pertinent Plan provisions on which the denial is based;

(iii) A statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records, and other information relevant to the Claimant's claim;

(iv) A statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA; and

(v) For the denial of a Disability Claim, the notice will also include a statement that the Administrator will provide, upon request and free of charge, (A) any internal rule, guideline, protocol or other similar criterion relied upon in making the decision, (B) any medical opinion relied upon to make the decision and (C) the required statement under Section 2560.503-1(j)(5)(iii) of the Department of Labor regulations.

10.3 **Relevance**. For purposes of Section 10.1 and Section 10.2, documents, records, or other information shall be considered "relevant" to a Claimant's claim for benefits if such documents, records or other information:

(a) were relied upon in making the benefit determination;

(b) were submitted, considered, or generated in the course of making the benefit determination, without regard to whether such documents, records or other information were relied upon in making the benefit determination; or

(c) demonstrate compliance with the administrative processes and safeguards required pursuant to Section 10.1 and Section 10.2 regarding the making of the benefit determination.

10.4 **Six-Month Deadline for Filing Suit**. A Claimant dissatisfied with the Administrator's decision upon appeal under Section 10.2 must file any lawsuit challenging that decision no later than six months after the Administrator mails the notice of denial, regardless of any state or federal statues establishing provisions relating to limitations on actions. Any suit brought more than six months after the denial on appeal shall be deemed untimely. In ruling on any such suit, the court shall uphold the Administrator's determinations unless they constitute an abuse of discretion or fraud. No Claimant may institute any action or proceeding in any state or federal court of law or equity, or before any administrative tribunal or arbitrator, for a claim for benefits under the Plan until he or she first has exhausted the procedures set forth in Sections 10.1 and 10.2.

10.5 **Decisions of Administrator**. All actions, interpretations, and decisions of the Administrator shall be conclusive and binding on all persons, and shall be given the maximum deference permitted by law.

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Article XI - General Provisions

11.1 **Administrator**.

(a) The Administrator is expressly empowered to determine all questions arising in the administration, interpretation and application of the Plan; to employ actuaries, accountants, counsel, and other persons it deems necessary in connection with the administration of the Plan; to request any information from the Employer it deems necessary to determine whether the Employer would be considered insolvent or subject to a proceeding in bankruptcy; and to take all other necessary and proper actions to fulfill its duties as Administrator.

(b) The Administrator shall not be liable for any actions taken by it hereunder, unless due to its own gross negligence, willful misconduct or lack of good faith.

(c) The Administrator shall be indemnified and saved harmless by the Employer from and against all personal liability to which it may be subject by reason of any act done or omitted to be done in its official capacity as Administrator in good faith in the administration of the Plan and Trust, including all expenses reasonably incurred in its defense in the event the Employer fails to provide such defense upon the request of the Administrator. The Administrator is relieved of all responsibility in connection with its duties hereunder to the fullest extent permitted by law, short of breach of duty to the Participants and beneficiaries.

11.2 **No Assignment**. Benefits or payments under the Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors of the Participant or the Participant's beneficiary, whether voluntary or involuntary, and any attempt to so anticipate, alienate, sell, transfer, assign, pledge, encumber, attach or garnish the same shall not be valid, nor shall any such benefit or payment be in any way liable for or subject to the debts, contracts, liabilities, engagement or torts of any Participant or beneficiary, or any other person entitled to such benefit or payment pursuant to the terms of the Plan, except to such extent as may be required by law. If any Participant or beneficiary or any other person entitled to a benefit or payment pursuant to the terms of the Plan becomes bankrupt or attempts to anticipate, alienate, sell, transfer, assign, pledge, encumber, attach or garnish any benefit or payment under the Plan, in whole or in part, or if any attempt is made to subject any such benefit or payment, in whole or in part, to the debts, contracts, liabilities, engagements or torts of the Participant or beneficiary or any other person entitled to any such benefit or payment pursuant to the terms of the Plan, then such benefit or payment, in the discretion of the Administrator, shall cease and terminate with respect to such Participant or beneficiary, or any other such person.

11.3 **No Employment Rights**. Participation in the Plan shall not be construed to confer upon any Participant the legal right to be retained in the employ of the Employer, or give a Participant or beneficiary, or any other person, any right to any payment whatsoever, except to the extent of the benefits provided for hereunder. Each Participant shall remain subject to discharge to the same extent as if the Plan had never been adopted.

11.4 **Incompetence**. If the Administrator determines that any person to whom a benefit is payable under the Plan is incompetent by reason of physical or mental disability, the Administrator shall have the power to cause the payments becoming due to such person to be made to another for his or her benefit without responsibility of the Administrator or the Employer to see to the application of such payments. Any payment made pursuant to such power shall, as to such payment, operate as a complete discharge of the Employer, the Administrator and the Trustee.

11.5 **Identity**. If, at any time, any doubt exists as to the identity of any person entitled to any payment hereunder or the amount or time of such payment, the Administrator shall be entitled to hold such sum until such identity or amount or time is determined or until an order of a court of competent jurisdiction is obtained. The Administrator shall also be entitled to pay such sum into court in accordance with the appropriate rules of law. Any expenses incurred by the Employer, Administrator, and Trust incident to such proceeding or litigation shall be charged against the Account of the affected Participant.

11.6 **Other Benefits**. The benefits of each Participant or beneficiary hereunder shall be in addition to any benefits paid or payable to or on account of the Participant or beneficiary under any other pension, disability, annuity or retirement plan or policy whatsoever.

11.7 **Expenses**. All expenses incurred in the administration of the Plan, whether incurred by the Employer or the Plan, shall be paid by the Employer. Notwithstanding the foregoing, fees incurred as a result of investment activity in an individual Account shall be assessed against such Account if such Account is maintained on behalf of a former Participant.

11.8 **Insolvency**. Should the Employer be considered insolvent (as defined by the Trust), the Employer, through its Board and chief executive officer, shall give immediate written notice of such to the Trustee. Upon receipt of such notice, the Trustee shall comply with the applicable terms of the Trust.

11.9 **Amendment and Termination**.

(a) Except as otherwise provided in this Section, the Board or the Compensation Committee of the Board shall have the sole authority to modify, amend or terminate the Plan; provided, however, that any modification or termination of the Plan shall not reduce, without the consent of a Participant, a Participant’s right to any vested amounts already credited to his or her Account. The Plan may be amended by the Administrator or any other authorized committee of the Board if the primary effect of the amendment is to simplify or clarify Plan administration or if the primary purpose of the amendment is to cause the Plan to comply with applicable statutes, Regulations, or other published regulatory guidance. Distributions upon Plan termination shall in all events comply with guidance issued under Code Section 409A. An Employer may elect to terminate its status as such at any time and, in such event, such termination shall not affect the Employer’s obligations under the Plan with respect to amounts previously credited and/or deferred under the Plan (including earnings thereon) for which the Employer is liable.

The Board may terminate the Plan upon occurrence of any one of the following:

(i) Within twelve (12) months of the Employer’s dissolution taxed under Section 331 of the Code or with the approval of a bankruptcy court pursuant to 11 U.S.C. Section 503(b)(1)(A), provided that the amounts deferred under the Plan are included in the Participants’ gross income in the latest of:

(1) The calendar year in which the Plan termination occurs;

(2) The first calendar year in which the amount is no longer subject to a substantial risk of forfeiture; or

(3) The first calendar year in which the payment is administratively practicable.

(ii) Within the thirty (30) days preceding or the twelve (12) months following an event or transaction constituting a "change in the ownership or effective control" of the Company or a change "in the ownership of a substantial portion of the assets of" the Company (within the meaning of Section 409A(a)(2)(A)(v) of the Code and related guidance issued thereunder), provided all substantially similar arrangements sponsored by the Employer are also terminated, so that the Participant and all participants under substantially similar arrangements are required to receive all amounts of compensation deferred under the terminated arrangements within twelve (12) months of the date of termination of the arrangements.

(iii) At the discretion of the Employer, provided that all of the following requirements are satisfied:

(1) The termination does not occur proximate to a downturn in the financial health of the Employer;

(2) All arrangements sponsored by the Employer that would be aggregated with the Plan under Treasury Regulation Section 1.409A-1(c) if the same Participant participated in all of the arrangements are terminated;

(3) No payments are made under the terminated arrangements (other than payments that would be payable under the terms of the arrangements if the termination had not occurred) within twelve (12) months of the termination of the arrangements;

(4) All payments are made within twenty-four (24) months of the termination of the arrangements; and

(5) The Employer does not adopt a new arrangement that would be aggregated with any terminated arrangement under Treasury Regulation Section 1.409A-1(c) if the same Participant participated in both arrangements, at any time within three (3) years following the date of termination of the arrangement.

(iv) Such other events and conditions as the Commissioner of Internal Revenue may prescribe in generally applicable guidance published in the Internal Revenue Bulletin.

(b) A Participant shall have a right to the vested portion of his or her Account in the event of the termination of the Plan.

11.10 **Construction**. All questions of interpretation, construction or application arising under or concerning the terms of the Plan shall be decided by the Administrator, in its sole and final discretion, whose decision shall be final, binding and conclusive upon all persons. In the event of any conflict between the terms of the Plan and any Deferral Election, the terms of the Plan shall control.

11.11 **Governing Law**. The Plan shall be governed by, construed and administered in accordance with the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended, Code Section 409A so as to not result in any tax, penalty, or interest thereunder, and any other applicable federal law and any applicable guidance issued under any such law, provided, however, that to the extent not preempted by federal law, the Plan shall be governed by, construed and administered under the laws of the State of Texas, other than its laws respecting choice of law.

11.12 **Severability**. If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provision of the Plan and the Plan shall be construed and enforced as if such provision had not been included therein. If the inclusion of any Employee (or Employees) as a Participant under the Plan would cause the Plan to fail to be maintained solely for a select group of highly compensated or management employees, then the Plan shall be severed with respect to such Employee or Employees who shall be considered to be participating in a separate arrangement.

11.13 **Headings**. The Article headings contained herein are inserted only as a matter of convenience and for reference and in no way define, limit, enlarge or describe the scope or intent of the Plan nor in any way shall they affect the Plan or the construction of any provision thereof.

11.14 **Entire Agreement**. This instrument contains the entire terms of the Plan and supersedes any prior understandings or written documents which have heretofore set forth the terms of the Plan and/or any oral agreements between the Employer and any of the Participants respecting the within subject matter. No modification, amendment, change, or discharge of any term or provision of the Plan shall be valid or binding unless the same is in writing and signed by a duly authorized officer of the Company.

11.15 **Terms**. Capitalized terms shall have meanings as defined herein. Singular nouns shall be read as plural, masculine pronouns shall be read as feminine, and vice versa, as appropriate.

11.16 **Real Estate Investment Trust ("REIT") Status.** The Plan shall not permit the Deferral by any person that would result in the Employer being "closely held" within the meaning of Section 856(h) of the Code, or otherwise failing to qualify as a REIT under Section 856 *et seq*. of the Code (including but not limited to ownership that would result in the Employer owning (actually or constructively) an interest in a tenant that is described in Section 856(d)(2)(B) of the Code if the income derived by the Employer (either directly or indirectly through its affiliates) from such tenant may cause the Employer to fail to satisfy any of the gross income requirements of Section 856(c) of the Code).

Notwithstanding any other provision in the Plan or Trust, in the event that legal counsel for the Employer delivers an opinion to the Employer to the effect that the continuation of the Plan would result in a material risk that the Employer would lose its status as a REIT pursuant to Sections 856 *et seq.* of the Code, and the Employer determines in good faith that there is no feasible alternative that would result in the continuation of the Plan and the preservation of the Employer's REIT status, then the Board may terminate the Plan pursuant to Section 11.9(a)(iii) hereof; provided, that, in such case the Board shall provide the Participant(s) with reasonable prior written notice. Any amendment to the Plan will be binding upon all Participants and Beneficiaries, the Administrator and all other parties in interest.

11.17 **Compliance with Internal Revenue Code.** The Plan is intended to be a nonqualified deferred compensation plan within the definition of Section 409A of the Code, and is intended to meet all the requirements of that and any other applicable Code sections. The Plan has been amended previously to make available to Participants transitional relief offered under Section 409A of the Code, and to the extent such relief is no longer available, such provisions have been excluded from this restatement of the Plan. The Plan may be further amended as the Administrator may determine advisable to comply with such laws.

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IN WITNESS WHEREOF, the Company has caused the Plan document to be executed in its name and on its behalf this 19th day of December, 2018, to be effective as of the Effective Date.

CAMDEN PROPERTY TRUST

By: /s/ Alexander J. Jessett

Title: Alexander J. Jessett
Executive Vice President-Finance,
Chief Financial Officer and Treasurer

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Section 3: EX-21.1 (EXHIBIT 21.1)

EXHIBIT 21.1

Names of Significant 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 Summit Partnership, L.P.	Delaware	Camden Summit Partnership, L.P.

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Section 4: EX-23.1 (EXHIBIT 23.1)

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statements No. 33-80230, No. 333-32569, No. 333-57565, No. 333-99185, No. 333-62570, No. 333-174154, No. 333-225001, and in Post-Effective Amendments No. 1 to Registration Statements No. 333-99185, No. 333-62570, and No. 333-174154 all on Forms S-8 and in Registration Statements No. 333-25637, No. 333-103119, No. 333-126046, No. 333-135195, No. 333-159372, No. 333-177864, No. 333-197939, No. 333-217996, Amendment No. 1 to Registration Statement No. 33-84536, Amendment No. 4 to Registration Statement No. 333-70295, Amendment No. 1 to Registration Statement No. 333-92959, and Amendment No. 1 to Registration Statement No. 333-123612 all on Forms S-3 of our reports dated February 15, 2019, relating to the consolidated financial statements of Camden Property Trust and subsidiaries (the "Company"), and the effectiveness of the Company's internal control over financial reporting, appearing in this Annual Report on Form 10-K of Camden Property Trust for the year ended December 31, 2018.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas

February 15, 2019

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Section 5: EX-24.1 (EXHIBIT 24.1)

EXHIBIT 24.1

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Richard J. Campo, D. Keith Oden and Alexander J. Jessett, 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, 2018 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/ Heather J. Brunner
Signature

Heather J. Brunner
Print Name

Date: February 15, 2019

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Richard J. Campo, D. Keith Oden and Alexander J. Jessett, 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, 2018 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/ Scott S. Ingraham

Signature

Scott S. Ingraham

Print Name

Date: February 15, 2019

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Richard J. Campo, D. Keith Oden and Alexander J. Jessett, 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, 2018 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/ Renu Khator
Signature

Renu Khator
Print Name

Date: February 15, 2019

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Richard J. Campo, D. Keith Oden and Alexander J. Jessett, 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, 2018 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/ William B. McGuire, Jr.
Signature

William B. McGuire, Jr.
Print Name

Date: February 15, 2019

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Richard J. Campo, D. Keith Oden and Alexander J. Jessett, 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, 2018 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/ William F. Paulsen

Signature

William F. Paulsen

Print Name

Date: February 15, 2019

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Richard J. Campo, D. Keith Oden and Alexander J. Jessett, 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, 2018 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/ Frances Aldrich Sevilla-Sacasa

Signature

Frances Aldrich Sevilla-Sacasa

Print Name

Date: February 15, 2019

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Richard J. Campo, D. Keith Oden and Alexander J. Jessett, 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, 2018 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

Date: February 15, 2019

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned does hereby constitute and appoint Richard J. Campo, D. Keith Oden and Alexander J. Jessett, 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, 2018 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/ Kelvin R. Westbrook
Signature

Kelvin R. Westbrook
Print Name

Date: February 15, 2019

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Section 6: EX-31.1 (EXHIBIT 31.1)

EXHIBIT 31.1

CERTIFICATION

I, Richard J. Campo, certify that:

1. I have reviewed this annual report on Form 10-K of Camden Property Trust;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 15, 2019

/s/ Richard J. Campo
Richard J. Campo

Chairman of the Board of Trust Managers and
Chief Executive Officer

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Section 7: EX-31.2 (EXHIBIT 31.2)

EXHIBIT 31.2

CERTIFICATION

I, Alexander J. Jessett, certify that:

1. I have reviewed this annual report on Form 10-K of Camden Property Trust;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 15, 2019

/s/ Alexander J. Jessett

Alexander J. Jessett

Executive Vice President-Finance,
Chief Financial Officer and Treasurer

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Section 8: EX-32.1 (EXHIBIT 32.1)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, Richard J. Campo, Chairman of the Board and Chief Executive Officer of Camden Property Trust (the “Company”), and Alexander J. Jessett, the

Executive Vice President-Finance, Chief Financial Officer and Treasurer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Annual Report on Form 10-K of the Company for the period ended December 31, 2018 (“the Report”) fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Richard J. Campo

Richard J. Campo
Chairman of the Board of Trust Managers and
Chief Executive Officer

/s/ Alexander J. Jessett

Alexander J. Jessett
Executive Vice President-Finance,
Chief Financial Officer and Treasurer

Date: February 15, 2019

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