WEINGARTEN REALTY INVESTORS /TX/
Form DEF 14A
March 26, 2008

WEINGARTEN REALTY INVESTORS

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
May 7, 2008

To Our Shareholders:

You are invited to attend our annual meeting of shareholders that will be held at our corporate office located at 2600 Citadel Plaza Drive, Houston, Texas 77008, on Wednesday, May 7, 2008, at 9:00 a.m., Houston time. The purpose of the meeting is to vote on the following proposals:

Proposal 1:	To elect nine trust managers to serve until their successors are elected and qualified.
Proposal 2:	To ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2008.

Shareholders of record at the close of business on March 14, 2008 are entitled to notice of, and to vote at, the annual meeting. A proxy card and a copy of our annual report to shareholders for the fiscal year ended December 31, 2007 are enclosed with this notice of annual meeting and proxy statement.

Your vote is important. Accordingly, you are asked to vote, whether or not you plan to attend the annual meeting. You may vote by: (i) mail by marking, signing, dating and returning the accompanying proxy card in the postage-paid envelope we have provided, or returning it to Weingarten Realty Investors, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717, (ii) using the Internet at www.proxyvote.com, (iii) phone by calling 1-800-690-6903, or (iv) attending the annual meeting and voting in person. If you plan to attend the annual meeting to vote in person and your shares are registered with our transfer agent, BNY Mellon Shareowner Services, or in the name of a broker or bank, you must secure a proxy from the broker or bank assigning voting rights to you for your shares. You may revoke your proxy by (i) executing and submitting a later dated proxy card, (ii) subsequently authorizing a proxy through the Internet or by telephone, (iii) sending a written revocation of proxy to our Secretary at our principal executive office, or (iv) attending the annual meeting and voting in person.

By Order of the Board of Trust Managers,

M. Candace DuFour
Senior Vice President and Secretary
March 26, 2008
Houston, Texas

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PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS
Wednesday, May 7, 2008

Weingarten Realty Investors
2600 Citadel Plaza Drive
Houston, Texas 77008

The board of trust managers is soliciting proxies to be used at the 2008 annual meeting of shareholders to be held at our corporate office located at 2600 Citadel Plaza Drive, Houston, Texas 77008, on Wednesday, May 7, 2008, at 9:00 a.m., Houston time. This proxy statement, accompanying proxy card and annual report to shareholders for the fiscal year ended December 31, 2007 are first being mailed to shareholders on or about March 26, 2008. Although the annual report is being mailed to shareholders with this proxy statement, it does not constitute part of this proxy statement.

Who May Vote

Only shareholders of record at the close of business on March 14, 2008 are entitled to notice of, and to vote at, the annual meeting. As of March 14, 2008, we had 83,925,461 common shares of beneficial interest issued and outstanding. Each common shareholder of record on the record date is entitled to one vote per share on each matter properly brought before the annual meeting for each common share held.

In accordance with our amended and restated bylaws, a list of shareholders entitled to vote at the annual meeting will be available at the annual meeting and for 10 days prior to the annual meeting, between the hours of 9:00 a.m. and 4:00 p.m. local time, at our principal executive offices listed above.

How You May Vote

You may vote using any of the following methods:

- BY MAIL: Mark, sign, and date your proxy card and return it in the postage-paid envelope we have provided, or return it to Weingarten Realty Investors, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717. The named proxies will vote your shares according to your directions. If you submit a signed proxy card without indicating your vote, the person voting the proxy will vote your shares in favor of proposals one and two.

- BY INTERNET: Go to www.proxyvote.com and use the Internet to transmit your voting instructions and for electronic delivery of information until 11:59 P.M. Eastern Time on May 6, 2008. Have your proxy card in hand when you access the Web site and then follow the instructions.

- BY PHONE: Call 1-800-690-6903 and use any touch-tone telephone to transmit your voting instructions until 11:59 P.M. Eastern Time on May 6, 2008. Have your proxy card in hand when you call and then follow the instructions.

- BY ATTENDING THE ANNUAL MEETING IN PERSON:

You may revoke your proxy at any time before it is exercised by:

- giving written notice of revocation to our Senior Vice President and Secretary, M. Candace DuFour, at Weingarten Realty Investors, P.O. Box 924133, Houston, Texas, 77292-4133;

- timely delivering a properly executed, later-dated proxy; or

- voting in person at the annual meeting.

Voting by proxy will in no way limit your right to vote at the annual meeting if you later decide to attend in person. If you hold common shares through any of our share purchase or savings plans, you will receive voting instructions. Please sign and return those instructions promptly to assure that your shares are represented at the annual meeting. If your shares are held in the name of a bank, broker or other holder of record, you must obtain a proxy, executed in your favor, to be able to vote at the annual meeting. If no direction is given and the proxy is validly executed, the shares represented by the proxy will be voted in favor of proposal one and two. The persons authorized under the proxies will vote upon any other business that may properly come before the annual meeting according to their best judgment to the same extent as the person delivering the proxy would be entitled to vote. We do not anticipate that any other matters will be raised at the annual meeting.

Quorum

The presence, in person or represented by proxy, of the holders of a majority (41,962,731 shares) of the common shares entitled to vote at the annual meeting is necessary to constitute a quorum at the annual meeting. However, if a quorum is not present at the annual meeting, the shareholders present in person or represented by proxy have the power to adjourn the annual meeting until a quorum is present or represented. Pursuant to our amended and restated bylaws, abstentions and broker "non-votes" are counted as present and entitled to vote for purposes of determining a quorum at the annual meeting. A broker "non-vote" occurs when a nominee holding common shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner.

Required Vote

The affirmative vote of the holders of a majority (41,962,731 shares) of the common shares present in person or represented by proxy is required to re-elect trust managers. Any trust manager who is currently on the board shall remain on the board, regardless of the number of votes he receives, unless he is replaced by a nominee who receives the requisite vote to become a new trust manager. All of the nominees currently serve as a trust manager. Abstentions and broker non-votes are not counted for purposes of the election of trust managers.

The ratification of the appointment of Deloitte & Touche LLP requires the affirmative vote of the holders of a majority (41,962,731 shares) of the common shares represented in person or by proxy at the annual meeting and entitled to vote thereon in order to be approved.

Cost of Proxy Solicitation

The cost of soliciting proxies will be borne by us. Proxies may be solicited on our behalf by our trust managers, officers, employees or soliciting service in person, by telephone, facsimile or by other electronic means. In accordance with SEC regulations and the rules of the New York Stock Exchange (NYSE), we will reimburse brokerage firms and other custodians, nominees and fiduciaries for their expenses incurred in mailing proxies and proxy materials and soliciting proxies from the beneficial owners of our common shares.

PROPOSAL ONE

ELECTION OF TRUST MANAGERS

Pursuant to the Texas Real Estate Investment Trust Act, our amended and restated declaration of trust, and our amended and restated bylaws, our business, property and affairs are managed under the direction of the board of trust managers. At the annual meeting, nine trust managers will be elected by the shareholders, each to serve until his successor has been duly elected and qualified, or until the earliest of his death, resignation or retirement. Regardless of the number of votes each nominee receives, pursuant to the Texas Real Estate Investment Trust Act, each trust manager will continue to serve unless another nominee receives the affirmative vote of the holders of 66 2/3% of our outstanding common shares.

The persons named in the enclosed proxy will vote your shares as you specify on the enclosed proxy. If you return your properly executed proxy but fail to specify how you want your shares voted, the shares will be voted in favor of the nominees listed below. The board of trust managers has proposed the following nominees for election as trust managers at the annual meeting. Each of the nominees was nominated by the governance committee and each nominee is currently a member of the board of trust managers. The governance committee did not receive any nominations for trust manager from any person.

Nominees

Stanford Alexander, Chairman of the Board of Trust Managers since 2001. Chief Executive Officer from 1993 to December 2000. President and Chief Executive Officer from 1962 to 1993. Trust manager since 1956 and our employee since 1955. Age: 79

Andrew M. Alexander, trust manager since 1983. Chief Executive Officer since 2001. President since 1997. Executive Vice President/Asset Manager from 1993 to 1996 and President of Weingarten Realty Management Company since 1993. Senior Vice President/Asset Manager of Weingarten Realty Management Company from 1991 to 1993, and Vice President from 1990 to 1991 and, prior to our reorganization in 1984, Vice President from 1988 to 1990. Mr. Alexander has been our employee since 1978. He is a director of Academy Sports & Outdoors, Inc. Age: 51

James W. Crownover, trust manager since 2001. Since 1998, Mr. Crownover has managed his personal investments. Mr. Crownover completed a 30-year career with McKinsey & Company, Inc. in 1998 where he was managing director of its southwest practice and a member of the firm's board of directors. He currently serves as a director on the boards of Chemtura Corporation (compensation committee member), FTI Consulting, Inc. (audit committee member), and Allied Waste Industries (audit committee member). He also serves as Chairman of the Board of Trustees of Rice University. Age: 64

Robert J. Cruikshank, trust manager since 1997. Since 1993, Mr. Cruikshank has managed his personal investments. Senior partner of Deloitte & Touche LLP from 1989 to 1993. He currently serves on the boards of Encysive

Pharmaceuticals, Inc. (audit committee chairman) and MAXXAM, Inc. (audit committee member, compensation committee member). Age: 77

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Melvin A. Dow, trust manager since 1984. Shareholder, Winstead P.C. (Formally Winstead, Sechrest & Minick P. C.) since August 2001. Chairman/Chief Executive Officer of Dow, Cogburn & Friedman, P.C. (which merged with Winstead, Sechrest & Minick P.C. in 2001) from 1995 to 2001. Age: 80

Stephen A. Lasher, trust manager since 1980. President of The GulfStar Group, Inc. since January 1991. Age: 60

Douglas W. Schnitzer, trust manager since 1984. Chairman/Chief Executive Officer of Senterra Real Estate Group, L.L.C. since 1994. Age: 51

C. Park Shaper, trust manager since 2007. President of Knight, Inc. (formerly Kinder Morgan, Inc.), Kinder Morgan Energy Partners, L.P., and Kinder Morgan Management, LLC, since 2005. Served as Executive Vice President from 2004 to 2005. Currently serves as Director of Kinder Morgan Energy Partners, L.P., and Kinder Morgan Management, LLC, since 2003. Age: 39

Marc J. Shapiro, trust manager since 1985. Since 2003, Mr. Shapiro has served as a consultant to J. P. Morgan Chase & Co. as a non-executive Chairman of its Texas operations. Former Vice Chairman of J. P. Morgan Chase & Co. from 1997 through 2003. He served as Chairman and Chief Executive Officer of Chase Bank of Texas from January 1989 to 1997. He currently serves as a director of Kimberly-Clark Corporation (compensation committee chairman), Burlington Northern Santa Fe Corporation (audit committee member) and The Mexico Fund (audit committee member) .. Age: 60

Andrew M. Alexander is the son of Stanford Alexander. Douglas W. Schnitzer is the first cousin of Stephen A. Lasher.

The governance committee will consider trust manager candidates nominated by shareholders. Recommendations, including the nominee's name and an explanation of the nominee's qualifications should be sent to M. Candace DuFour, Senior Vice President and Secretary, at P.O. Box 924133, Houston, Texas 77292-4133. The procedure for nominating a person for election as a trust manager is described under "Shareholder Proposals" on page 30.

The board of trust managers unanimously recommends that you vote FOR the election of trust managers as set forth in Proposal One.

Board Meetings and Committees

During 2007, the board of trust managers held six meetings. No trust manager attended less than 75% of the total number of board and committee meetings on which the trust manager served that were held while the trust manager was a member of the board or committee, as applicable. All of our trust managers are strongly encouraged to attend our annual meeting of shareholders. Seven of our trust managers attended our 2007 annual meeting of shareholders. The board's current standing committees are as follows:

Name	Governance Committee	Audit Committee	Management Development & Compensation Committee	Executive Committee	Pricing Committee
Employee Trust Managers:					
Stanford Alexander				X	X
Andrew M. Alexander				X (1)	X (1)
Non-Employee Trust Managers:					
James W. Crownover	X	X (1)			
Robert J. Cruikshank		X	X (1)	X	
Melvin A. Dow				X	
Stephen A. Lasher		X	X	X	X
Douglas Schnitzer	X				
C. Park Shaper		X			
Marc J. Shapiro	X (1)		X		

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(1)Chairman

Governance Committee

The governance committee which operates pursuant to a written charter, has the responsibility to (1) oversee the nomination of individuals to the board, including the identification of individuals qualified to become board members and the recommendation of such nominees; (2) develop and recommend to the board a set of governance principles; and (3) oversee matters of governance to insure that the board is appropriately constituted and operated to meet its fiduciary obligations, including advising the board on matters of board organization, membership and function and committee structure and membership. The committee also recommends trust manager compensation and benefits. The governance committee will consider nominees made by shareholders. Shareholders should send nominations to the company's Senior Vice President and Secretary, M. Candace DuFour. Any shareholder nominations proposed for consideration by the governance committee should include the nominee's name and qualifications for board membership. The governance committee recommends to the board the slate of individuals to be presented for election as trust managers. The governance committee shall establish criteria for the selection of potential trust managers, taking into account the following desired attributes: ethics, leadership, independence, interpersonal skills, financial acumen, business experiences, industry knowledge, and diversity of viewpoints. The same criterion is applied to candidates recommended by any source. See "Shareholder Proposals" on page 30. The governance committee met four times in 2007.

Audit Committee

The audit committee which acts pursuant to a written charter, assists the board in fulfilling its responsibilities for general oversight of (1) our financial reporting processes and the audit of our financial statements, including the integrity of our financial statements; (2) our compliance with ethical policies contained in our code of conduct and ethics; (3) legal and regulatory requirements; (4) the independence, qualification and performance of our independent registered public accounting firm; (5) the performance of our internal audit function; and (6) risk assessment and risk management. The committee has the responsibility for selecting our independent registered public accounting firm and pre-approving audit and non-audit services. Among other things, the audit committee prepares the audit committee report for inclusion in the annual proxy statement; reviews the audit committee charter and the audit committee’s performance; and reviews our disclosure controls and procedures, information security policies and corporate policies with respect to financial information and earnings guidance. The audit committee also oversees investigations into complaints concerning financial matters. The audit committee has the authority to obtain advice and assistance from outside legal, accounting or other advisors as the audit committee deems necessary to carry out its duties. The audit committee met five times in 2007.

Management Development and Compensation Committee

The management development and compensation committee (1) discharges the board’s responsibilities to establish the compensation of our executives; (2) produces an annual report on executive compensation for inclusion in our annual proxy statement; (3) provides general oversight for our compensation structure, including our equity compensation plans and benefits programs; and (4) retains and approves the terms of the retention of any compensation consultant or other compensation experts. Other specific duties and responsibilities of the committee include reviewing the leadership development process; reviewing and approving objectives relative to executive officer compensation; approving employment agreements for executive officers; approving and amending our incentive compensation and share option programs (subject to shareholder approval if required); and annually evaluating its performance and its written charter. The committee held only two telephonic meetings during 2007 due to a policy change as described in the "Compensation Discussion and Analysis-Overview of Compensation Program" on page 12.

Executive Committee

The executive committee has the authority to enter into transactions to acquire and dispose of real property, execute certain contracts and agreements, including, but not limited to, borrowing money and entering into financial derivative contracts, leases (as landlord or tenant) and construction contracts valued from $30 million up to $100 million. In February 2007, the board amended the range from $30 million up to $100 million to $50 million up to $100 million. The committee was established by the board to approve these significant transactions. We have a detailed process that is followed for all of these transactions and the execution of unanimous consents for such transactions is the final documentation of such process. The executive committee did not meet in person during 2007, but conducted business by the execution of four unanimous written consents during that year.

Pricing Committee

The pricing committee is authorized to exercise all the powers of the board of trust managers in connection with the offering, issuance and sale of our securities. The pricing committee did not meet in person during 2007, but conducted business by having one telephonic meeting during the year.

Corporate Governance

Independence of Trust Managers and Committee Members. Our board has determined that each of the following trust managers standing for re-election has no material relationship with us (either directly or as a partner, shareholder or officer of an organization that has a relationship with us) and is independent within the meaning of our trust manager independence standards, which reflect exactly NYSE Director Independence Standards, as

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currently in effect: Messrs. Crownover, Cruikshank, Lasher, Schnitzer, Shaper and Shapiro. The board has determined that Messrs. S. Alexander and A. Alexander are not independent trust managers within the meaning of the NYSE Director Independence Standards. Mr. Dow is considered independent under the NYSE Director Independence Standards, however due to the amount of legal work that Mr. Dow personally performs for his firm on our account, the board of trust managers has elected to not consider him an independent director. Furthermore, the board has determined that each of the members of each of the governance, audit and management development and compensation committees has no material relationship with us (either directly as a partner, shareholder or officer of an organization that has a relationship with us) and is independent within the meaning established by the NYSE.

Audit Committee Financial Expert. The board of trust managers has determined that Messrs. Cruikshank and Shaper meet the definition of audit committee financial expert promulgated by the Securities and Exchange Commission and are independent, as defined in the NYSE Listing Standards.

Committee Charters and other Governance Materials. Our board has adopted (1) a governance committee charter, a management development and compensation committee charter and an audit committee charter; (2) standards of independence for our trust managers; (3) a code of conduct and ethics for all trust managers, officers and employees; and (4) corporate governance guidelines. Our governance committee charter, management development and compensation committee charter, audit committee charter, corporate governance guidelines and code of conduct and ethics are available on our web site at www.weingarten.com. These materials are also available in print to any shareholder who requests them by submitting a request to Richard Summers, Vice President and Director of Investor Relations, 2600 Citadel Plaza Drive, Suite 300, Houston, Texas 77008.

Communications with the Board. Individuals may communicate with the board by sending a letter to:

M. Candace DuFour
Senior Vice President and Secretary to the Board of Trust Managers
2600 Citadel Plaza Drive, Suite 300
Houston, Texas 77008

All trust managers have access to this correspondence. Communications that are intended specifically for non-management trust managers should be sent to the street address noted above, to the attention of the chairman of the Governance Committee. In accordance with instructions from the board, the secretary to the board reviews all correspondence, organizes the communications for review by the board, and posts communications to the full board or individual trust managers as appropriate.

Executive Sessions. Generally, executive sessions of non-employee trust managers are held at the end of each board meeting. In accordance with our Governance Policies, our independent trust managers will meet at least once per year in executive session. The chairman of the governance committee, currently Marc J. Shapiro, serves as chairman during the executive session. During 2007, our non-employee trust managers met three times in executive session.

TRUST MANAGER COMPENSATION TABLE

The following table provides compensation information for the one year period ended December 31, 2007 for each non-officer member of our board of trust managers.

Trust Manager Compensation at Fiscal Year-End

Name	Fees Earned or Paid in Cash ($) (1)	Stock Awards ($) (2)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
James W. Crownover	$ 39,000	$ 77,296					$ 116,296
Robert J. Cruikshank	36,000	77,296					113,296
Melvin A. Dow	25,000	77,296					102,296
Stephen A. Lasher	34,000	77,296					111,296
Douglas W. Schnitzer	29,000	77,296					106,296
C. Park Shaper (3)	7,500						7,500
Marc J. Shapiro	35,000	77,296					112,296

(1) Each non-employee trust manager receives an annual retainer fee in the amount of $25,000. The audit committee chairman received an additional $10,000 and each audit committee member received an additional $5,000. The chairmen of all other committees received an additional $6,000 and non-employee committee members received an additional $4,000. Members of the executive and pricing committees receive no additional compensation for their services.
(2) Each non-employee trust manager received an award on May 3, 2007 of 1,600 restricted shares valued at $48.31 per share. Restricted shares are deferred for a minimum of five years from the date of grant.
(3) Mr. Shaper was elected as a board of trust manager in July 2007.

Compensation Committee Interlocks and Insider Participation

During fiscal 2007, three of our independent trust managers served on the management development and compensation committee. The committee members for 2007 were Messrs. Cruikshank, Lasher and Shapiro. No member of the management development and compensation committee has any interlocking relationship with any other company that requires disclosure under this heading.

Certain Transactions

Mr. Dow is a shareholder of Winstead P.C. (formerly Winstead, Secrest & Minick P.C.), a law firm that had a relationship with Weingarten during the 2007 fiscal year. Winstead P.C. performs a significant amount of work for us. Payments made by us to Winstead P.C. for work performed constituted less than 2% of the firm's total revenue for 2007.

We review all relationships and transactions in which we and our significant shareholders, trust managers and executive officers or their respective immediate family members are participants to determine whether such persons have a direct or indirect material interest in a transaction. As required under SEC rules, transactions that are determined to be directly or indirectly material to us or a related party are disclosed. We also disclose transactions or categories of transactions we consider in determining that a trust manager is independent. In addition, our audit committee and/or governance committee reviews and, if appropriate, approves or ratifies any related party transaction that is required to be disclosed.

SHARE OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the beneficial ownership of our common shares as of February 4, 2008 by (1) each person known by us to own beneficially more than 5% of our outstanding common shares, (2) each current trust manager, (3) each named executive officer, and (4) all current trust managers and executive officers as a group. The number of shares beneficially owned by each entity, person, trust manager or executive officer is determined under the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares as to which the individual has the sole or shared voting power or investment power and also any shares that the individual has a right to acquire as of April 4, 2008 (60 days after February 4, 2008) through the exercise of any share option or other right. Unless otherwise indicated, each person has sole voting and investment power (or shares such powers with his spouse) with respect to the shares set forth in the following table. Unless otherwise noted in a footnote, the address of each person listed below is c/o Weingarten Realty Investors, 2600 Citadel Plaza Drive, Houston, Texas 77008.

Certain of the shares listed below are deemed to be owned beneficially by more than one shareholder under SEC rules.

Name	Amount and Nature of Beneficial Ownership		Percent of Class
Trust Managers and Executive Officers			
Stanford Alexander	5,851,710	(1)	7.0%
Andrew M. Alexander	1,794,221	(2)	2.1%
James W. Crownover	15,370		*
Robert J. Cruikshank	10,570		*
Martin Debrovner	530,902	(3)	*
Melvin A. Dow	1,141,942	(4)	1.4%
Johnny Hendrix	104,217	(5)	*
Stephen A. Lasher	533,945	(6)	*
Stephen C. Richter	217,041	(7)	*
Douglas W. Schnitzer	1,425,125	(8)	1.7%
C. Park Shaper		(9)	
Marc J. Shapiro	61,845		*
All trust managers and executive officers as a group (12 persons)	10,351,852	(10)	12.2%
Five Percent Shareholders			
Barclays Global Investors Japan Limited (11)	6,019,790		7.2%
The Vanguard Group, Inc. 23-1946036 (12)	4,746,430		5.7%

*Beneficial ownership of less than 1% of the class is omitted.

(1) Includes 1,083,073 shares held by various trusts for the benefit of Mr. S. Alexander's children and 677,518 shares for which voting and investment power are shared with Messrs. A. Alexander and Dow. Also includes 148,814 shares that may be purchased by Mr. S. Alexander upon exercise of share options that are currently exercisable or that will become exercisable on or before April 4, 2008. Includes 1,070,200 shares held by a charitable foundation, over which shares Mr. S. Alexander and his wife Joan have voting and investment power.

(2) Includes 667,518 shares over which Messrs. S. Alexander and Dow have shared voting and investment power, and 334,115 shares that Mr. A. Alexander may purchase upon the exercise of share options that will be exercisable on or before April 4, 2008. Also includes 56,250 shares held by a charitable foundation, over which shares Mr. A. Alexander and his wife Julie have voting and investment power and 8,292 shares held in trust for the benefit of Mr. A. Alexander's children. Of the total number of shares owned, 3,025 are pledged as security for Mr. A. Alexander.

(3) Includes 185,262 shares that may be purchased upon the exercise of share options that will be exercisable on or before April 4, 2008. Of the total number of shares owned, 21,000 shares are pledged as security for Mr. Debrovner.

(4) Includes 667,518 shares over which Messrs. Dow, S. Alexander and A. Alexander have shared voting and investment power.

(5) Includes 39,883 shares that may be purchased upon the exercise of share options that will be exercisable on or before April 4, 2008.

(6) Includes 112,500 shares held by trusts for the benefit of Mr. Lasher's children, over which Mr. Lasher exercises voting and investment power.

(7) Includes 7,818 shares held in trust for the benefit of Mr. Richter's children, for which he has shared voting and investment power with his wife Evelyn, and 97,818 shares that may be purchased upon the exercise of share options that will be exercisable on or before April 4, 2008. Of the total number of shares owned, 9,100 shares are pledged as security for Mr. Richter.

(8) Mr. Schnitzer owns 6,995 shares individually. With respect to the remaining shares beneficially owned, Mr. Schnitzer shares voting and investment power with Joan Weingarten Schnitzer under trusts for Joan Weingarten Schnitzer.

(9) Mr. Shaper was elected as a board of trust manager in 2007 and does not own any shares as of February 4, 2008.

(10) Includes 805,892 shares that may be purchased upon the exercise of share options that will be exercisable on or before April 4, 2008.

(11) According to a Schedule 13G filed with the U.S. Securities and Exchange Commission ("SEC") on February 5, 2008, Barclays Global Investors, NA. ("BGI"), Barclays Global Fund Advisors ("BGI Fund"), Barclays Global Investors, LTD ("BGI LTD"), Barclays Global Investors Japan Trust and Banking Company Limited ("BGI Trust"), Barclays Global Investors Japan Limited ("BGI Japan"), Barclays Global Investors Canada Limited ("BGI Canada"), Barclays Global Investors Australia Limited ("BGI Australia"), and Barclays Global Investors (Deutschland) AG ("BGI Germany") reported beneficial ownership of the shares reported in the table. BGI reported sole voting power with respect to 2,660,942 shares and sole dispositive power with respect to 3,326,718 shares; BGI Fund reported sole voting and dispositive power with respect to 2,500,578 shares; BGI LTD reported sole voting and dispositive power with respect to 124,347 shares; BGI Japan reported sole voting and dispositive power with respect to 68,147 shares; BGI Trust, BGI Canada, BGI Australia and BGI Germany each reported no beneficial ownership of shares. The address for BGI and BGI Fund is 45 Fremont Street, San Francisco, CA 94105; the address for BGI LTD is Murray House, 1 Royal Mint Court, London, EC3N 4HH, England; the address for BGI Trust and BGI Japan is Ebisu Prime Square Tower, 8th Floor, 1−1−39 Hiroo Shibuya−Ku, Tokyo, 150−0012, Japan; the address for BGI Canada is Brookfield Place 161 Bay Street, Suite 2500, P.O. Box 614, Toronto, Ontario M5J 2S1, Canada; the address for BGI Australia is Level 43, Grosvenor Place, 225 George Street, P.O.

Box N43, Sydney, Australia NSW 1220; and the address for BGI Germany is Apianstrasse 6, D-85774, Unterfohring, Germany.

(12) Pursuant to information contained in a Schedule 13G/A filed by or on behalf of the beneficial owners with the SEC on February 12, 2008. The Vanguard Group reported sole voting power with respect to 26,437 shares and sole dispositive power with respect to 4,746,430 shares. The reported address of The Vanguard Group, Inc. 23-1946036, is 100 Vanguard Blvd. Malvern, PA 19355.

We are pleased to report that management, employees, trust managers and their extended families own, in the aggregate, approximately 15.3% of our outstanding common shares as of February 4, 2008, including any share options that will be exercisable on or before April 4, 2008.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our trust managers and executive officers, and persons who own more than 10% of a registered class of our equity securities, to file reports of holdings and transactions in our securities with the SEC and the NYSE. Executive officers, trust managers and greater than 10% beneficial owners are required by applicable regulations to furnish us with copies of all Section 16(a) forms they file with the SEC.

Based solely upon a review of the reports furnished to us with respect to fiscal 2007, we believe that all SEC filing requirements applicable to our trust managers, executive officers and 10% beneficial owners were satisfied, except Mr. Lasher, who had one late filing.

EXECUTIVE OFFICERS

No trust manager or executive officer was selected as a result of any arrangement or understanding between the trust manager or executive officer and any other person. All executive officers are elected annually by, and serve at the discretion of, the board of trust managers.

Our executive officers are as follows:

Name	Age	Position	Recent Business Experience
Stanford Alexander	79	Chairman of the Board	See “Election of Trust Managers”
Andrew M. Alexander	51	President and Chief Executive Officer	See “Election of Trust Managers”
Martin Debrovner	71	Vice Chairman	1997 to Present - Vice Chairman; 1993 to 1997 - President and Chief Operating Officer
Johnny Hendrix	50	Executive Vice President/Asset Management	Appointed Executive Vice President, February 2005; 2001 to 2004 - Senior Vice President/Director of Leasing; 1998 to 2000 - Vice President/Associate Director of Leasing
Stephen C. Richter	53	Executive Vice President and Chief Financial Officer	Appointed Executive Vice President and Chief Financial Officer, February 2005; 2000 to 2005 - Senior Vice President and Chief Financial Officer; 1997 to 2000 - Senior Vice President and Treasurer

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Overview of Compensation Program

The management development and compensation committee (for purposes of this analysis, the “Committee”) of the board has responsibility for establishing, implementing and continually monitoring adherence with our compensation philosophy. The Committee ensures that the total compensation paid to our executive leadership team is fair, reasonable and competitive. Generally, the types of compensation and benefits provided to members of the executive leadership team, including the named executive officers, are similar to those provided to other executive officers at other Real Estate Investment Trusts (“REITs”). Throughout this proxy statement, the individuals who served as President and Chief Executive Officer, Chairman, Vice Chairman, Executive Vice President and Chief Financial Officer and Executive Vice President/Asset Management during fiscal 2007, are referred to as the “named executive officers.” When we use the term "our top three executives", we mean our President and Chief Executive Officer, our Chairman and our Vice Chairman. It should be noted that in 2007, we changed our policy of meeting in December to award cash and equity incentive compensation for performance in such year. In February 2008, we met to determine awards based on 2007 performance. As a result, the Summary Compensation Table on page 18 does not reflect equity incentive awards. They are, however, reflected in this discussion.

Compensation Objectives and Philosophy

The Committee believes that the most effective executive compensation program is one that is designed to reward the achievement of specific annual, long-term and strategic goals, and one that is designed to align executives’ interests with those of the shareholders by rewarding performance above established goals, with the ultimate objective of improving shareholder value. The Committee evaluates both performance and compensation to ensure that we maintain our ability to attract and retain superior employees in key positions and that compensation provided to key employees remains competitive relative to the compensation paid to similarly situated executives of our peer companies. To that end, the Committee believes executive compensation packages provided by us to our executives, including the named executive officers, should include both cash and share-based compensation that reward performance as measured against established goals.

Role of Executive Officers in Compensation Decisions

The Committee makes all compensation decisions for our top three executive officers. Our Chief Executive Officer annually reviews the performance of our Chief Financial Officer and our Executive Vice President/Asset Management. The conclusions reached and recommendations based on these reviews, including with respect to salary adjustments, annual bonus and equity award amounts, are presented to the Committee. The Committee can exercise its discretion in modifying any recommended adjustment or award. Mr. A. Alexander also reviews the performance of our Chairman and our Vice Chairman with the Committee. The Committee establishes, in conjunction with Mr. A. Alexander, salary adjustments, annual bonus and equity award amounts for these two executive officers. The Committee reviews the performance of our Chief Executive Officer.

Peer Groups for Executive Compensation Purposes

In July 2007, the Committee retained FPL Associates, an outside executive compensation consulting firm, to assist it in considering compensation for its top three executive officers. The Company has not engaged FPL to perform any other consulting services. In November 2007, FPL provided the Committee with relevant market data to consider when making compensation decisions for our top three executive officers.

For executive compensation purposes, we compare our compensation programs to the compensation programs of our retail REIT peer group and our size-based REIT peer group. As of November 19, 2007, the date of FPL's report to the Committee, the following REITs comprised our retail REIT peer group. The information provided from the various REITs was based on 2006 compensation data.

CBL & Associates Properties, Inc.	Macerich Company
Developers Diversified Realty Corporation	Pennsylvania Real Estate Investment Trust
Equity One, Inc.	Ramco-Gershenson Properties Trust
Federal Realty Investment Trust	Regency Centers Corporation
Glimcher Realty Trust	Taubman Centers, Inc.
Kimco Realty Corporation	

The retail REIT peer group had total capitalization ranging from approximately $1.4 billion to $16.0 billion, with a median of $7.2 billion. Our total capitalization at that time was $7.1 billion.

As of September 30, 2007, the following REITs comprised our size-based REIT peer group:

Brandywine Realty Trust	First Industrial Realty Trust, Inc
BRE Properties, Inc.	Health Care Property Investors, Inc.
Camden Property Trust	Liberty Property Trust
CBL & Associates Properties, Inc.	Mack-Cali Realty Corporation
Colonial Properties Trust	Regency Centers Corporation
Crescent Real Estate Equities Company	Taubman Centers, Inc.
Duke Realty Corporation	United Dominion Realty Trust
Essex Property Trust, Inc.	Ventas, Inc.
Federal Realty Investment Trust	

The size-based REIT peer group had total capitalization ranging from $4.0 billion to $12.0 billion, with a median of $6.8 billion. Our total capitalization at that time was $7.1 billion.

The two most prevalent performance metrics applied to public real estate companies are total shareholder return (TSR) and funds from operations (FFO). We compared our TSR and FFO per share growth to those of the REITs in both of the peer groups. The median TSR for our REIT peer group and size-based REIT peer group (from January 1, 2007 to September 30, 2007) was 2.24% and -10.93%, respectively. Our TSR for the same period was -7.02%. The median FFO per share growth for our retail peer group and size-based REIT peer group was 7.09% and 7.74% (estimates for the full year 2007), respectively. Our FFO per share growth was 8.1%.

Total Compensation

In setting compensation for our executive officers, including our Chief Executive Officer, the Committee focuses on total annual compensation. For this purpose, total annual compensation consists of base salary, cash bonus at target levels of performance and long-term equity incentive compensation. In setting the total annual compensation of our executive officers, the Committee evaluates both market data provided by the compensation consultants and information on the performance of each executive officer for the prior year. In order to remain competitive in the marketplace for executive talent, the target levels for the total annual compensation of our executive officers, including our Chief Executive Officer, are set above the median of the peer group comparisons described above. In order to reinforce a "pay for performance" culture, targets for individual executive officers may be set above or below the median depending on the individual's performance in prior years. The Committee believes that setting target levels above the median for our peer groups, permitting adjustments to targets based on past performance, and providing incentive compensation if they perform well, is consistent with the objectives of our compensation policies described above. In particular, the Committee believes that this approach enables us to attract and retain skilled and talented executives to guide and lead our businesses and supports a “pay for performance” culture.

Annual Cash Compensation

In order to remain competitive with REITs in our peer groups, we pay our named executive officers commensurate with their experience and responsibilities. Cash compensation is divided between base salary and annual bonus.

Base Salary. Each of our named executive officers receives a base salary to compensate him for services performed during the year. When determining the base salary for each of our top three executives, the Committee considers the market levels of similar positions at the peer group companies, through the data provided to them by FPL, the performance of the executive officer and the experience of the executive officer in his position. The base salaries of our top three executives are established annually by the Committee. The top three executives are eligible for annual increases in their base salaries as a result of individual performance, their salaries relative to market levels of our peer group and any added responsibility since the last salary increase. Based on the performance of our Company in 2007, no annual increase in base salary was granted to any of our top three executives. The Committee did, however, feel that given the efforts being made by our top three executives to increase the company’s profitability in these tough economic times, no downward adjustment would be appropriate. Our Chief Executive Officer’s annual base salary remains at $700,000. The median base salary of a CEO in our retail REIT peer group is $575,000 and in our size-based REIT peer group is $566,747. The base salaries paid to our named executive officers are set forth below in the Summary Compensation Table on page 18.

Annual Bonus. The Committee’s practice is to provide a significant portion of each named executive officer’s compensation in the form of an annual cash bonus. These annual bonuses are, for our top three executives, based 100% upon company performance objectives. This practice is consistent with our compensation objective of supporting a performance-based environment. Each year, the Committee sets for the named executive officers, the target bonus that may be awarded to those officers if the goals are achieved, which is based on a percentage of base salary. For 2007, the Committee established the following corporate level goals:

Goal	% of Company Goal	% Attained	Company Portion of Bonus
Increasing FFO	40%	101%	40%
Growth in Acquisitions and New Development	45%	96%	43%
Non-Core Asset Dispositions	10%	90%	9%
Implementation of Initiatives to Achieve Future Growth	5%	100%	5%
Total Company Bonus Percentage			97%

For our top three executives, 2007 performance was measured against our company-wide objectives. For all other named executive officers, 2007 performance was measured based 50% on company-wide performance and 50% on the achievement of goals for which the executive was responsible. The Committee makes an annual determination as to the appropriate weighting between company-wide and executive specific goals based on its assessment of the appropriate balance.

In 2008, the Committee approved annual bonus payments for 2007 performance to the named executive officers of 97% of the corporate level goals. Based on this bonus award, our Chief Executive Officer received total bonus cash compensation of $509,900, bringing his total cash compensation to $1,209,900. The median total cash compensation for a CEO of our retail REIT peer group was $1,275,000 and $1,442,305 for a CEO of our size-based REIT peer group. Based on the assessment of the Chief Executive Officer of the performance of our Executive

Vice President and Chief Financial Officer and Executive Vice President/Asset Management against their executive specific personal goals, the Committee approved payments to such officers at 115% of the individual targets. The annual bonuses paid to each of the named executive officers are set forth in the Summary Compensation Table. For the purposes of disclosure in the Summary Compensation Table on page 18, the annual bonus is classified as non-equity incentive compensation because the payments are intended as an incentive for performance to occur during the year, in which the described performance targets that must be met for the bonus to be paid are communicated to the executive in advance and the outcome is substantially uncertain when the target is set.

Long-Term Equity Incentive Compensation. We award long-term equity incentive grants to our named executive officers as part of our overall compensation package. These awards are consistent with our policies of fostering a performance-based environment and aligning the interests of our senior management with the financial interests of our shareholders. When determining the amount of long-term equity incentive awards to be granted to our executives, the Committee considers, among other things, the following factors: our business performance, the responsibilities and performance of the executive, our share price performances, and other market factors, including the data provided by FPL. By using a mix of restricted stock awards and share options, subject to a five-year graded vesting, we compensate executives for long-term service to company and for sustained increase in our share performance. The Committee divides the long-term equity incentive compensation 50/50 between restricted stock awards and share options. The aggregate fair value of the long-term incentive awards is based on the performance-based goals described above under “Annual Bonus.” Because these awards are part of an annual compensation program designed to establish our total compensation, equity awards from prior years were not considered when setting our awards relating to 2007 performance. The aggregate fair value of the long-term incentive awards granted in 2008 to our Chief Executive Officer is $1,400,000. The median value of the long-term incentive awards granted to CEOs in 2006 in our retail REIT peer group was $1,355,797 and $2,134