

AMERICAN LAND LEASE INC
Form DEF 14A
April 05, 2005

SCHEDULE 14A INFORMATION

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

- ☒ Filed by the Registrant
- ☐ Filed by a Party other than the Registrant
- ☐ Preliminary Proxy Statement
- ☐ Confidential, for Use of the Commission Only
- (as permitted by Rule 14a-6(e)(2))
- ☒ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

AMERICAN LAND LEASE, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- ☒ No fee required.
- ☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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

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

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

(4) Proposed maximum aggregate value of transaction:

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(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

AMERICAN LAND LEASE, INC.

29399 US 19 Hwy North, Suite 320

Clearwater, Florida 33761

(727) 726-8868

March 25, 2005

To Our Stockholders:

You are cordially invited to the 2005 Annual Meeting of Stockholders of American Land Lease, Inc., a Delaware corporation, to be held at Stanford Place 3, 4582 South Ulster Street Parkway, Suite 1100, Denver, Colorado 80237, on Wednesday, April 27, 2005, at 8:00 a.m., local time.

The formal notice of the annual meeting and a proxy statement describing the matters to be acted upon at the annual meeting are contained in the following pages.

Enclosed is a proxy that enables you to vote your shares on the matters to be considered at the annual meeting even if you are unable to attend the annual meeting. If you wish to vote in accordance with management's recommendations, you need only sign, date and return the proxy in the enclosed postage-paid envelope to record your vote. Stockholders also are entitled to vote on any other matter that properly comes before the annual meeting.

REGARDLESS OF THE NUMBER OF SHARES YOU OWN, PLEASE BE SURE YOU ARE REPRESENTED AT THE ANNUAL MEETING BY ATTENDING IN PERSON OR BY RETURNING YOUR PROXY AS SOON AS POSSIBLE. EVEN IF YOU PLAN TO ATTEND IN PERSON, PLEASE DATE, SIGN AND RETURN THE ENCLOSED PROXY CARD.

Sincerely,

Terry Considine

Chairman of the Board and

Chief Executive Officer

AMERICAN LAND LEASE, INC.

29399 US 19 Hwy North, Suite 320

Clearwater, Florida 33761

(727) 726-8868

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Our Stockholders:

The 2005 Annual Meeting of Stockholders of American Land Lease, Inc., a Delaware corporation (the Company), will be held at Stanford Place 3, 4582 South Ulster Street Parkway, Suite 1100, Denver, Colorado 80237, on Wednesday, April 27, 2005 at 8:00 a.m., local time to consider and act upon the following matters:

1. to elect Thomas L. Rhodes and Bruce E. Moore as Class III Directors, to serve until the 2008 Annual Meeting of Stockholders and until their respective successors are duly elected and shall have qualified;
2. to ratify the selection of Ernst & Young LLP to serve as independent auditors for the Company for the fiscal year ending December 31, 2005;
3. to amend Section 4.1 of the Second Amended and Restated Certificate of Incorporation of the Company to increase the authorized preferred stock of the Company from 1,000,000 shares to 3,000,000 shares; and
4. to transact such other business as may properly come before the annual meeting and any adjournments or postponements thereof.

A proxy statement describing these matters is attached to this notice. Only stockholders of record of our common stock at the close of business on March 22, 2005, the record date for the annual meeting, will be entitled to notice of and to vote at the annual meeting and at any adjournments or postponements thereof.

The Board of Directors of the Company desires to have maximum representation at the annual meeting and requests that you mark, date, sign and timely return the enclosed proxy to the exchange agent, Wells Fargo Shareowner Services, at the address listed on the enclosed proxy in the postage-paid envelope provided whether or not you expect to attend the annual meeting in person. Since you may revoke a proxy at any time, you may vote in person at the annual meeting even if you have returned a proxy.

BY ORDER OF THE BOARD OF DIRECTORS,

Shannon E. Smith

Secretary and Chief Financial Officer

March 25, 2005

AMERICAN LAND LEASE, INC.

29399 US 19 Hwy North, Suite 320

Clearwater, Florida 33761

(727) 726-8868

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON APRIL 27, 2005

To Our Stockholders:

This proxy statement is furnished to the holders of the common stock of American Land Lease, Inc., a Delaware corporation (the "Company"), in connection with the solicitation by the Board of Directors of the Company (the "Board of Directors") of proxies for use at the 2005 Annual Meeting of Stockholders of the Company, to be held at Stanford Place 3, 4582 South Ulster Street Parkway, Suite 1100, Denver, Colorado 80237 on Wednesday, April 27, 2005 at 8:00 a.m., local time, and at any adjournments or postponements thereof. The annual meeting is being held for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. The proxy materials, including this proxy statement, the accompanying proxy card and the Notice of Annual Meeting of Stockholders, are first being mailed to stockholders beginning on or about April 7, 2005. At the annual meeting, the holders of the Company's common stock will be asked to consider and vote upon the following proposals: (1) to elect Thomas L. Rhodes and Bruce E. Moore as Class III Directors, to serve until the 2008 Annual Meeting of Stockholders and until their respective successors are elected and qualified, (2) to ratify the selection of Ernst & Young LLP to serve as independent auditors for the Company for the fiscal year ended December 31, 2005, and (3) to amend Section 4.1 of the Second Amended and Restated Certificate of Incorporation of the Company.

GENERAL INFORMATION

In this proxy statement, the words "the Company," "we," "our" and "us" refer to American Land Lease, Inc., a Delaware corporation and, as the context requires, its subsidiary entities.

Solicitation

The enclosed proxy is being solicited by the Company. In addition to solicitations by mail, solicitations may be made by personal interview, telephone and facsimile transmission by our directors and officers. No additional compensation will be paid to our directors and officers for the solicitation of proxies. All costs of the solicitation will be paid solely by the Company. We will reimburse banks, brokers and others holding shares in their names or the names of nominees or otherwise for reasonable out-of-pocket expenses incurred in sending proxies and proxy materials to the beneficial owners of such shares.

Voting Rights and Votes Required

Holders of record of shares of the Company's common stock at the close of business on March 22, 2005, the record date for the annual meeting, are entitled to notice of, and to vote at, the annual meeting. On the record date, approximately 7,454,000 shares of the Company's common stock were outstanding. The presence, in person or by proxy, of holders of a majority of the shares of the Company's common stock entitled to vote at the annual meeting constitutes a quorum for the transaction of business at the annual meeting. Shares represented by proxies that reflect abstentions or broker non-votes (i.e., shares held by a broker or nominee which are represented at the annual meeting, but with respect to which such broker or nominee is not empowered to vote on a particular proposal) will be counted as shares that are present and entitled to vote for purposes of determining the presence of a quorum.

Each share of the Company's common stock outstanding on the record date is entitled to one vote on each matter presented at the annual meeting. The affirmative vote of a plurality of all of the votes cast at the annual meeting for the election of directors (assuming a quorum is present) is necessary for the election of a director. For purposes of the election of directors, abstentions or broker non-votes will not be counted as votes cast and will have no effect on the result of the vote, although they will count toward the presence of a quorum.

Voting of Proxies

Shares of the Company's common stock represented by all properly executed proxies received prior to the vote at the annual meeting will be voted as specified in the proxy. Unless contrary instructions are indicated on the proxy, the shares of the Company's common stock represented by such proxy will be voted **FOR** the election of Mr. Rhodes and Mr. Moore as directors of the Company, **FOR** the selection of Ernst & Young LLP as the Company's independent auditors, **FOR** the approval of amendment to Section 4.1 of the Second Amended and Restated Certificate of Incorporation of the Company. We currently know of no other business to be brought before the annual meeting other than as described herein. If any other matters are presented properly to the stockholders for action at the annual meeting and any adjournments or postponements thereof, the proxy holders named in the enclosed proxy intend to vote in their discretion on all matters on which the shares of the Company's common stock represented by such proxy are entitled to vote.

Revocability of Proxy

You can change your vote at any time before the vote is taken at the annual meeting. You can do this in one of three ways. First, you can send a written notice dated later than your proxy card stating that you would like to revoke your current proxy. Second, you can complete and submit a new proxy card dated later than your original proxy card. If you choose either of these two methods, you must submit your notice of revocation or your new proxy card to the Secretary of the Company. The Secretary of the Company must receive the notice or new proxy card before the vote is taken at the annual meeting. Third, you can attend the annual meeting and vote in person. Simply attending the annual meeting, however, will not revoke your proxy. If you have instructed a broker to vote your shares, you must follow the directions received from your broker as to how to change your vote.

Stockholder Communications to the Board of Directors; Annual Report

Our 2004 Annual Report to Stockholders (the "Annual Report"), including a copy of our 2004 Annual Report on Form 10-K (the "2004 Form 10-K") as filed with the Securities and Exchange Commission (the "SEC"), was mailed to stockholders in April 2005. The Annual Report contains financial and other information about the activities of the Company, including consolidated financial statements for the year ended December 31, 2004. Neither the Company's 2004 Form 10-K nor the Annual Report is incorporated into this proxy statement or is to be considered part of the proxy materials.

The Board has established a process to receive communications from stockholders and other interested parties. Stockholders and other interested parties may contact any member (or all members) of the Board of Directors, any committee thereof or any chair of any such committee) by mail or electronically. To communicate via mail with the Board of Directors, any individual directors or any group or committee of directors, correspondence should be addressed to the Board of Directors or any such individual directors or group or committee of directors by either name or title. All such correspondence should be sent c/o Corporate Secretary at 29399 US Highway 19 North, Suite 320, Clearwater, Florida 33761. To communicate with any of the Company's directors electronically, stockholders may do so on the corporate website at www.americanlandlease.com. Under the headings, "Corporate Governance/Communicate with Directors," an on-line form is available which may be used for writing an electronic message to the Board of Directors, any individual directors, or any group or committee of directors. Instructions are provided on our website as well which describe how to send such a message.

All communications received as set forth in the preceding paragraph will be opened by the office of the Company's Secretary for the sole purpose of determining whether the contents represent a message to our directors. Any contents that are not in the nature of advertising, promotions of a product or service, or patently offensive material will be forwarded promptly to the addressee. In the case of communications to the Board of Directors or any group or committee of directors, the Secretary's office will make sufficient copies of the contents to send to each director who is a member of the group or committee to which the envelope or e-mail is addressed.

Upon written request addressed to the Secretary of the Company, copies of the Annual Report will be furnished, without exhibits, without charge to any person whose proxy is being solicited in connection with this proxy statement. Requests and inquiries should be addressed to American Land Lease, Inc., Attn: Secretary, 29399 US Hwy 19 North, Suite 320, Clearwater, Florida 33761.

PROPOSAL 1: ELECTION OF DIRECTORS

Our current charter and bylaws provide for three classes of directors with staggered terms of office. Nominees for each class serve for terms of three years and until the election and qualification of their successors or until their earlier resignation, death or removal from office. Vacancies on the Board of Directors may be filled by a majority of the Board of Directors. The Company's bylaws require that the Board of Directors consists of certain number of Independent Directors, therefore; any vacancy among the independent directors must be filled by a replacement nominated by the remaining independent directors. Each director elected by the Board of Directors to fill a vacancy shall hold office until the next annual meeting of the stockholders, at which time the stockholders shall elect a director to serve the remaining term of the class into which such director is elected.

The Board of Directors currently consists of five members, including one Class I Director, whose term expires at the 2006 Annual Meeting of Stockholders, two Class II Directors whose terms expire at the 2007 Annual Meeting of Stockholders and two Class III Directors whose terms expire at the 2005 Annual Meeting of Stockholders.

The Company's bylaws require the number of independent directors to be not less than four if the number of directors is eight or greater; not less than three if the number of directors is six or seven; and not less than two if the number of directors is less than six. Our independent directors are Bruce D. Benson, Thomas L. Rhodes, Todd W. Sheets and Bruce E. Moore.

At the annual meeting, two Class III Directors will be elected to a term expiring at the 2008 Annual Meeting of Stockholders. Unless otherwise specified, the enclosed proxy will be voted **FOR** the election of the Board of Directors' nominees, Thomas L. Rhodes and Bruce E. Moore, as Class III Directors of the Company. Neither management nor the Board of Directors knows of any reason why Messrs. Rhodes and Moore would be unavailable to serve as a director. Discretionary authority may be exercised by the proxy holders named in the enclosed proxy to vote for a nominee proposed by the Board of Directors if Messrs. Rhodes or Moore becomes unavailable for election.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF
MESSRS. RHODES AND MOORE AS DIRECTORS OF THE COMPANY.**

PROPOSAL 2: RATIFICATION OF SELECTION OF INDEPENDENT AUDITORS

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The firm of Ernst & Young LLP, the Company's independent auditors for the year ended December 31, 2004, was selected by the Audit Committee of the Board of Directors, and approved by the Board of Directors, to act in the same capacity for the fiscal year ending December 31, 2005, subject to ratification by the Company's stockholders. The aggregate fees billed for services rendered by Ernst & Young LLP during the years ended December 31, 2004 and 2003 are described below under the caption Company's Relationship with Independent Auditors.

Representatives of Ernst & Young LLP will be present at the annual meeting and will be given the opportunity to make a statement if they so desire and to respond to appropriate questions.

The affirmative vote of a majority of the votes cast regarding the proposal is required to ratify the selection of Ernst & Young LLP. Accordingly, abstentions or broker non-votes will not affect the outcome of the vote on the proposal. Unless instructed to the contrary in the proxy, the shares represented by the proxies that have been properly submitted will be voted **FOR** the proposal to ratify the selection of Ernst & Young LLP to serve as independent auditors for the Company for the fiscal year ending December 31, 2005.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE RATIFICATION OF THE SELECTION OF ERNST & YOUNG LLP.

PROPOSAL 3: AMENDMENT TO SECTION 4.1 OF SECOND AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

The proposed amendment to the Company's Second Amended and Restated Certificate of Incorporation would amend and restate Section 4.1 in its entirety to read as follows:

The total number of shares of stock which the Corporation shall have authority to issue is 15,000,000 shares of capital stock, consisting of 12,000,000 shares of Common Stock, par value of \$.01 (the "Common Stock"), and 3,000,000 shares of Preferred Stock, par value \$.01 per share (the "Preferred Stock").

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE AMENDMENT TO SECTION 4.1 OF SECOND AMENDED AND RESTATED CERTIFICATE OF INCORPORATION.

DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

Certain information with respect to our nominees for election as director, our continuing directors and our executive officers, as of March 5, 2005, appears below and was furnished in part by each such person.

Each of our executive officers serves for a term of one year and until his or her successor is elected and qualified or until his or her earlier resignation or removal by the Board of Directors. There are no family relationships among any of our directors and executive officers.

<u>Name</u>	<u>Age</u>	<u>First Elected</u>	<u>Position(s) Held with the Company</u>
Terry Considine	57	September 1996	Chairman of the Board of Directors (Class II) and Chief Executive Officer
Thomas L. Rhodes	65	September 1996	Vice Chairman of the Board of Directors; Independent Director (Class III); Chairman of the Nominating and Corporate Governance Committee and Member of the Audit Committee and the Compensation Committee
Bruce E. Moore	62	February 1998	Independent Director (Class III); Member of Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee
Bruce D. Benson	66	October 1996	Independent Director (Class II); Chairman of the Compensation Committee and Member of the Audit Committee and the Nominating and Corporate Governance Committee
Todd W. Sheets	46	November 2000	Independent Director (Class I); Chairman of the Audit Committee and Member of Compensation Committee and the Nominating and Corporate Governance Committee
Robert G. Blatz	43	February 1999	President and Chief Operating Officer
Shannon E. Smith	39	October 2000	Chief Financial Officer, Treasurer and Secretary

Terry Considine has been Chairman of the Board of Directors and Chief Executive Officer of the Company since April 1998. From September 1996 to April 1998, Mr. Considine served as Co-Chairman of the Board of Directors and Co-Chief Executive Officer of the Company. Mr. Considine also served as Chairman of the Board of Directors and Chief Executive Officer of Commercial Assets, Inc., (CAX) until its merger with the Company on August 11, 2000. He is the sole owner of Considine Investment Co. and has since July 1994 been the Chairman of the Board of Directors and Chief Executive Officer of Apartment Investment and Management Company (AIMCO), a publicly traded real estate investment trust.

Thomas L. Rhodes has been Vice Chairman of the Board of Directors of the Company since April 1998, is Chairman of the Nominating and Corporate Governance Committee, and serves as a member of the Audit Committee and the Compensation Committee. Mr. Rhodes is Chairman of *National Review* magazine where he served as President since November 1992 and as a Director since 1988. From 1976 to 1992, he held various positions at Goldman, Sachs & Co. and was a General Partner from 1986 until November 1992. Mr. Rhodes is Chairman of Board of Directors of the Lynde and Harry Bradley Foundation and serves as a Director of Apartment Investment & Management Company.

Bruce E. Moore has served as a director of the Company since July 1998. Mr. Moore was appointed President and Chief Operating Officer of the Company in February 1998. Mr. Moore resigned from his position as Chief Operating Officer, Secretary and Treasurer of the Company in November 2000; the latter two positions he had held since October 2000. Mr. Moore resigned from his position of President of the Company in July 2001. He also served as President and Chief Operating Officer of CAX until its merger with the Company on August 11, 2000. Mr. Moore is the founder and Chief Executive Officer of Brandywine Financial Services Corporation (Brandywine) and its affiliates, a private real estate firm specializing in various aspects of the real estate industry, including asset management, consulting, development, property management, brokerage and capital formation.

Bruce D. Benson has served as a director of the Company since October 1996 and serves as Chairman of the Compensation Committee and as a member of the Audit Committee and the Nominating and Corporate Governance Committee. For the past 39 years, he has been the owner and President of Benson Mineral Group, a domestic oil and gas production company, and, from 1997 to 2004 served as Chairman, Chief Executive Officer and President of United States Exploration, Inc., an oil and gas exploration company listed on the American Stock Exchange. The stock of United States Exploration, Inc. was sold on January 28, 2004 to an unaffiliated company and Mr. Benson resigned as Chairman of the Board, Chief Executive Officer, and President.

Todd W. Sheets has served as a director of the Company since November 2000 and is the Chairman of the Audit Committee and a member of the Compensation Committee and the Nominating and Corporate Governance Committee. Mr. Sheets is currently a private investor. Previously, he was a Managing Director of Pinehill Capital Partners, Inc., an investment company, and Raymond James and Associates, Inc., a financial services firm, where he was responsible for initiating and overseeing the firm's practice in the areas of publicly traded real estate companies, its recovering markets real estate private equity program, and was a member of its Investment Policy Committee.

Robert G. Blatz was appointed President of the Company in July 2001. He was appointed Chief Operating Officer and Secretary of the Company in November 2000. He resigned as Secretary of the Company in July 2001. He functioned as the Company's Executive Vice President from February 1999 to November 2000 (having been appointed to that position in September 1999). From June 1998 until joining the Company, he served as a Senior Associate for Coopers & Lybrand (predecessor to PricewaterhouseCoopers) as a consultant for management and financial systems. From May 1993 to June 1998, he was with the Heritage Foundation, a public policy organization, most recently as its Vice President and Chief Financial Officer.

Shannon E. Smith was appointed Chief Financial Officer of the Company in February 2001. Mr. Smith joined the Company in October 2000 as Chief Accounting Officer and Treasurer. From March 1997 to October 2000, Mr. Smith served as Vice President and Chief Financial Officer of Jemison-Demsey Holding Company, and other entities controlled by Jemison Investment Company, based in Alabama. Jemison-Demsey Holding Company manages interests in the flat-rolled steel service center business and metal building component manufacturing business. He is a Certified Public Accountant.

There are no arrangements or understandings pursuant to which any of our directors or executive officers were selected as directors or officers. None of our directors or executive officers has been involved in any legal

proceedings during the past five years that are material to an evaluation of the ability or integrity of such persons. None of our directors or executive officers is a party to any material legal proceedings or has a material interest in any such legal proceedings that is adverse to the Company or any of the Company's subsidiaries.

Board of Directors and Officers

The Board of Directors held four regular meetings in 2004. During 2004, no director attended fewer than 75% of the aggregate number of meetings of the Board of Directors and all committees thereof on which he served. The Company invites the Board of Directors to its annual stockholders meeting, but does not require them to do so. Last year, one director attended the annual stockholder meetings. The Board of Directors currently has a standing Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee.

The Audit Committee of the Board of Directors held six meetings in 2004. The Audit Committee currently consists of four members: Messrs. Sheets (Chairman), Benson, Rhodes, and Moore. The Audit Committee has adopted a written charter, a copy of which is available on the Company's website at www.americanlandlease.com. The Audit Committee makes recommendations to the Board of Directors concerning the engagement of independent auditors, reviews with the independent auditors the plans and results of the audit engagement, reviews the independence of the independent auditors and considers the range of audit and non-audit fees. The Board of Directors has determined that each member of the Audit Committee is independent, as that term is defined in Sections 303.01(B)(2)(a) and (3) of the listing standards of the New York Stock Exchange, Inc. (the "NYSE"). The Board of Directors has also determined that all of the current Audit Committee members are audit committee financial experts, as that item is defined in Regulation S-K promulgated by the SEC.

The Compensation Committee of the Board of Directors held one meeting in 2004. Messrs. Benson (Chairman), Sheets, Rhodes, and Moore are the current members of this committee. The Compensation Committee determines compensation for the chief executive officer of the Company and reviews compensation policy for other executive officers.

The Nominating and Corporate Governance Committee of the Board of Directors held four meetings in 2004. Messrs. Rhodes (Chairman), Sheets, Benson, and Moore are the current members of this committee. The Board of Directors has determined that each current member of the Nominating and Corporate Governance Committee is independent, as that term is defined in the applicable NYSE listing standards. The Nominating and Corporate Governance Committee recommends individuals for election to the board of directors for vote by the stockholders at the annual meeting. A copy of the charter of the Nominating and Corporate Governance Committee is available on the Company's website at www.americanlandlease.com.

There have been no material changes to the procedures by which our stockholders may recommend nominees for directors.

The Nominating and Corporate Governance Committee will consider director candidates recommended by stockholders. In considering candidates submitted by stockholders, the Nominating and Corporate Governance Committee will take into consideration the needs of the Board of Directors and the qualifications of the candidate. To have a candidate considered by the Nominating and Corporate Governance Committee, a stockholder must submit the recommendation in writing and must include the following information:

The name of the stockholder and evidence of the person's ownership of Company stock, including the number of shares owned and the length of time of ownership; and

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The name of the candidate, the candidate's resume or a listing of his or her qualifications to be a director of the Company and the person's consent to be named as a director if selected by the Nominating and Corporate Governance Committee and nominated by the Board of Directors.

The stockholder recommendation and information described above must be sent to the Secretary of the Company at 29399 US Highway 19 North, Suite 320, Clearwater, Florida 33761 and must be received by the Secretary not less than 120 days prior to the anniversary date of the Company's most recent annual meeting of shareholders.

Policies on Business Ethics and Conduct

The members of the Board of Directors and the Company's Chief Executive Officer, President and Chief Operating Officer and Chief Financial Officer are required to comply with a Code of Business Conduct and Ethics (the "Code"). The Code is intended to focus the Board of Directors, the individual directors and the Company's executive officers on areas of ethical risk, help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct, and foster a culture of honesty and accountability. The Code covers all areas of professional conduct relating to service on the Board of Directors and as an executive officer of the Company, including conflicts of interest, unfair or unethical use of corporate opportunities, strict maintenance of confidential information, compliance with all applicable laws and regulations and oversight of ethics and compliance by employees of the Company.

The full texts of both the Standards of Business Ethics and Conduct and of the Code of Business Conduct and Ethics are available on the Company's website, at www.americanlandlease.com under the "Corporate Governance" caption.

Executive Sessions

Executive sessions or meetings of non-management directors are held regularly (at least four times a year) to review the report of the independent auditor, the criteria upon which the performance of the Chairman of the Board of Directors and Chief Executive Officer and other senior managers is based, the performance of the Chairman of the Board of Directors and Chief Executive Officer against such criteria, the compensation of the Chairman of the Board of Directors and Chief Executive Officer and other senior managers, and any other relevant matters. Meetings are held from time to time with the Chairman of the Board of Directors and Chief Executive Officer for a general discussion of relevant subjects.

Presiding Director

The Chairmen of the Company's Audit, Compensation and Nominating and Corporate Governance committees of the Board of Directors each preside as the chair at meetings or executive sessions of independent directors at which the principal items to be considered are within the scope of the authority of their respective committee. A lead independent director is designated to preside at executive sessions on a rotating basis among all independent directors. The Company's experience has indicated that this practice provides leadership at all of the meetings or executive sessions of independent directors. Stockholders of the Company may communicate with the presiding director or with the non-management directors as a group in the manner set forth above under the caption "Stockholder Communications to the Board of Directors; Annual Report.

Compliance With Section 16(a) of the Exchange Act

Our executive officers and directors, and persons who own more than ten percent of our common stock, are required under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), to file reports of ownership and changes in ownership of our securities with the SEC

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and the NYSE. Copies of those reports also must be furnished to us. Based solely upon a review of the copies of reports furnished to us, we believe that for the year ended December 31, 2004, all filing requirements were timely met by our executive officers, directors and beneficial owners of more than ten percent of our common stock.

Executive Compensation

The following table sets forth, in summary form, the compensation paid by the Company in 2004, 2003, and 2002 to its Chief Executive Officer and two other executive officers whose salary and bonus during 2004 exceeded \$100,000 (the Named Executive Officers)

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation			Long Term Compensation		
		Salary	Bonus	Other Annual Compensation	Restricted Stock Award (\$)	Securities Underlying Stock Options (#)	All Other Compensation (\$)
		(\$)	(\$)(9)	(\$)			
Terry Considine Chairman of the Board of Directors and Chief Executive Officer	2004		60,000		160,000(1)	14,831(1)	
	2003		180,000		158,000(2)	10,000(2)	
	2002				190,000(3)	12,346(3)	
Robert G. Blatz President and Chief Operating Officer	2004	200,000	270,000		15,000(4)	14,831(4)	2,600(7)
	2003	175,000	285,000		220,000(5)	30,000(5)	1,600(8)
	2002	175,000	75,000	1,000	205,000(6)	12,346(6)	
Shannon E. Smith Chief Financial Officer, Treasurer and Secretary	2004	175,000	175,000		15,000(4)	10,593(4)	2,600(7)
	2003	150,000	210,000		96,000(5)	20,000(5)	2,000(8)
	2002	150,000	50,000		140,000(6)	12,346(6)	

- (1) Mr. Considine's compensation in 2004 was awarded on January 25, 2005 and was comprised of 6,941 shares of restricted stock with a value of \$160,000 (based upon the closing market price of \$23.05 at the date of grant) and options to acquire 14,831 shares of the Company's common stock at a per share price of \$23.05, with an aggregate grant date present value of \$35,000. The restricted stock and stock options vest equally in four installments beginning on the first anniversary of the date of grant. Holders of restricted stock awards are entitled to receive the dividends thereto commencing on the date of grant.
- (2) Mr. Considine's compensation in 2003 was awarded on February 5, 2004 and was comprised of 7,974 shares of restricted stock with a value of \$158,000 (based upon the closing market price of \$19.84 at the date of grant) and options to acquire 10,000 shares of the Company's common stock at a per share price of \$19.84, with an aggregate grant date present value of \$17,000. The restricted stock and stock options vest equally in four installments beginning on the first anniversary of the date of grant. Holders of restricted stock awards are entitled to receive the dividends thereto commencing on the date of grant.
- (3) Mr. Considine's 2002 compensation was awarded on February 5, 2003 and was comprised of 13,204 shares of restricted stock with a value of \$190,000 (based upon the closing market price of \$14.39 at the date of grant) and options to acquire 12,346 shares of the Company's common stock at a per share exercise price of \$14.39 with an aggregate grant date present value of \$10,000. Holders of restricted stock awards are entitled to receive the dividends thereto commencing on the date of grant.
- (4) As a part of 2004 compensation, on January 25, 2005, Messrs. Blatz and Smith were each granted restricted stock awards of 651 shares. The value of these awards at the date of grant based upon the closing market price of \$23.05 was \$15,000. Holders of restricted stock awards are entitled to receive the dividends thereto commencing on the date of grant. In addition and as a part of 2004 compensation, on January 25, 2005, Messrs. Blatz and Smith were granted options to acquire 14,831 shares and 10,593 shares, respectively, of the Company's common stock at a per share exercise price of \$23.05, with an aggregate grant date present value of \$35,000 and \$25,000, respectively. The restricted stock and options vest equally in four installments beginning on the first anniversary of date of grant.
- (5) As a part of 2003 compensation, on February 5, 2004, Messrs. Blatz and Smith were granted restricted stock awards of 11,069 shares and 4,859 shares, respectively. The value of these awards at the date of grant based upon the closing market price of \$19.84 was \$220,000 and

\$96,000, respectively. Holders of restricted stock

- awards are entitled to receive the dividends thereto commencing on the date of grant. In addition and as a part of 2003 compensation, on February 5, 2004, Messrs. Blatz and Smith were granted options to acquire 30,000 shares and 20,000 shares, respectively, of the Company's common stock at a per share exercise price of \$19.84, with an aggregate grant date present value of \$50,000 and \$34,000, respectively. The restricted stock and options vest equally in four installments beginning on the first anniversary of date of grant.
- (6) As a part of 2002 compensation, on February 5, 2003, Messrs. Blatz and Smith were granted restricted stock awards of 14,246 shares and 9,729 shares, respectively, which shares will vest in four equal annual installments beginning on the first anniversary of the date of grant. The value of these awards at the date of grant based upon the closing market price of \$14.39, was \$205,000 and \$140,000, respectively. Holders of restricted stock awards are entitled to receive the dividends thereto commencing on the date of grant. In addition and as a part of 2002 compensation, on February 5, 2003, Messrs. Blatz and Smith were each granted options to acquire 12,346 shares of the Company common stock at a per share exercise price of \$14.39, with an aggregate grant date present value of \$10,000. The options vest in four equal annual installments beginning on the first anniversary of the date of grant.
- (7) As part of 2004 compensation, in March 2005, the Company made 401(k) matching contributions to Messrs. Blatz and Smith of \$2,600 each.
- (8) As part of 2003 compensation, in March 2004, the Company made 401(k) matching contributions to Messrs. Blatz and Smith of \$1,600 and \$2,000, respectively.
- (9) As a part of 2004 and 2003 compensation, Messrs. Considine, Blatz and Smith received dividends on unvested restricted stock issued as HPS shares under the Company's 1998 Stock Incentive Plan. Amounts included as bonus compensation for 2003 were \$5,000, \$30,000 and \$15,000, respectively, for each of the named executive officers. Amounts included as bonus compensation for 2004 were \$10,000, \$70,000 and \$35,000, respectively, for each of the named executive officers.

The following table sets forth certain information regarding stock options granted to the Named Executive Officers during 2004:

OPTION GRANTS IN LAST FISCAL YEAR

Name	Individual Grants				
	Number of Securities Underlying Options Granted (#)	% of Total Options Granted to Employees in Fiscal Year	Exercise Price (\$/sh)(1)	Expiration Date	Grant Date Present Value \$(3)
Terry Considine	10,000(2)	11.8%	\$ 19.84	2/5/2014	\$ 16,800
Robert G. Blatz	30,000(2)	35.3%	19.84	2/5/2014	50,400
Shannon E. Smith	20,000(2)	23.5%	19.84	2/5/2014	33,600

- (1) The exercise price is equal to the fair market value of the Company's common stock on the date of grant.
- (2) On February 5, 2004, Messrs. Considine, Blatz and Smith received stock options to purchase 10,000, 30,000, and 20,000 shares, respectively of the Company's common stock under the 1998 Stock Incentive Plan. The options vest in four equal annual installments beginning on the first anniversary of the date of grant.
- (3) The estimated present value at grant date of option grants in 2004 has been calculated using the Black-Scholes option pricing model based on the following assumptions: an estimated time until exercise of 8.5 years, a volatility of 0.14, a risk-free interest rate of 4.26% and a dividend yield of 5.04%. The real value of these options depends on the actual performance of the Company's common stock during the applicable period and upon when options are exercised. No gain to the optionee is possible without an increase in the share price, which would benefit all stockholders as well.

The following table sets forth the number and value of unexercised options held by each Named Executive Officer as of December 31, 2004. Mr. Considine exercised 100,000 options on August 4, 2004 at an exercise price of \$11.45.

**AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR
AND FISCAL YEAR END OPTION VALUES**

Name	Number of Securities		Underlying Unexercised	
	Options at Fiscal		Value of	
	Shares	Value	Year-End (#)	Unexercised In-the-Money Options at Fiscal Year-End (\$)
	Acquired	Realized	Exercisable/	Exercisable/
	On Exercise (#)	(\$)	Unexercisable	Unexercisable (1)
Terry Considine	100,000	\$ 787,000	453,087/19,259	\$ 2,331,000/102,000
Robert G. Blatz			43,087/39,259	\$ 389,000/156,000
Shannon E. Smith			43,087/29,259	\$ 532,000/129,000

- (1) The value of in-the-money options is calculated by multiplying (A) the number of securities underlying such options by (B) the difference between (i) the closing price of the Company's common stock at December 31, 2004 and (ii) the option exercise price.

The following table sets forth each award made to a Named Executive Officer in 2004 under a long-term incentive plan:

LONG-TERM INCENTIVE PLANS AWARDS IN LAST FISCAL YEAR

Name	Number of Shares (#)	Performance or Other Period Until Maturation or Payout	Estimated Future Payouts Under Non-Stock Price-Based Plans		
			Threshold (\$ or #)(4)	Target (\$ or #)	Maximum (\$ or #)
Terry Considine	5,000(1)	December 31, 2006	10 shares	5,000 shares	5,000
Robert G. Blatz	40,000(2)	December 31, 2006	80 shares	40,000 shares	40,000
Shannon E. Smith	20,000(3)	December 31, 2006	40 shares	20,000 shares	20,000

- On February 4, 2004, Mr. Considine was awarded 5,000 HPS shares. The HPS shares were granted under the terms of the Company's 1998 Stock Incentive Plan. The HPS shares vest, if at all, on December 31, 2006, based upon the extent that the total return realized by stockholders exceeds the ten-year average total return of the Equity REIT Index, as reported by the NAREIT. The total return for the Company is measured over a three-year period that begins on January 1, 2004 and ends on December 31, 2006. For the HPS shares to fully vest on December 31, 2006, the total return over the three-year period must exceed the Equity REIT Index total return by 5%. The Equity REIT Index total return was 12.05% for the period ending December 31, 2003; as such, in order for the HPS shares to fully vest, the actual total return over the three years is required to be 17.05%. If the actual total return for the three-year period is between 12.05% and 17.05%, then a ratable portion of the shares would vest. To the extent that such shares are not vested as of December 31, 2006, such shares, but none of the dividends, are forfeited and returned to the Company.
- On February 4, 2004, Mr. Blatz was awarded 40,000 HPS shares with the same terms as those for Mr. Considine's award.
- On February 4, 2004, Mr. Smith was awarded 20,000 HPS shares with the same terms as those for Mr. Considine's award.

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Assumed actual total return for the Company over the three-year period is equal to 12.05%. If the actual total return for the three-year period is between 12.05% and 17.05%, then a ratable portion of the awards will vest. No HPS shares will vest if the actual total return for the Company over the three-year period is less than or equal to 12.05%, in which case, the HPS shares will be forfeited and returned to the Company; however, the executives will retain the dividends.

Compensation of Directors

During 2004, our non-employee directors received an annual fee of 1,512 shares of the Company's common stock. The Company also paid a fee of \$300 for attendance at each meeting of the Board of Directors, and \$300 for each meeting of any committee thereof. Compensation for the non-employee directors in 2005 is an annual fee of 1,301 shares of the Company's common stock, which shares were issued January 25, 2005, a fee of \$300 for attendance at each meeting of the Board of Directors, and a fee of \$300 for each meeting of any committee thereof.

Under the 1998 Stock Incentive Plan, all of our non-employee directors are eligible to receive annual grants of market-price options to acquire 2,800 shares of the Company's common stock on the date of each annual stockholders meeting. These options will be immediately exercisable upon grant and have a term of ten years. The grants may be modified after further review by the Company. In January 2005, at the annual compensation meeting, the Board of Directors voted to not compensate the non-employee directors with stock options and to forego the options issued at the time of the annual meeting.

Employment Contracts, Termination of Employment and Change in-Control Arrangements

The Company does not have employment contracts, termination of employment or change-in-control arrangements with any of the Named Executive Officers.

Compensation Committee Interlocks and Insider Participation

During 2004, Messrs. Benson, Sheets, Rhodes, and Moore served on the Compensation Committee. Mr. Considine served as Chairman of the Board and Chief Executive Officer of the Company and Mr. Rhodes served as Vice Chairman of the Board of the Company. Mr. Considine is Chairman of the Board and Chief Executive Officer of AIMCO and Mr. Rhodes serves on the board of directors and on the compensation and human resources, audit, corporate governance, and nominating committees of AIMCO.

COMPENSATION COMMITTEE REPORT TO STOCKHOLDERS

Messrs. Benson, Sheets, Rhodes, and Moore, all of whom are not members of management, constitute the Compensation Committee of the Board of Directors. The Compensation Committee determines the compensation of the Chief Executive Officer and reviews compensation policy for other executive officers.

In making its determinations and reviews, the committee considers various factors: the alignment of management financial awards with stockholder objectives for total return (dividend income plus share price appreciation); reasonability of compensation in consideration of all the facts, including total return, the size and complexity of the Company, and practices of other real estate investment trusts (REITs); and recruitment and retention of the Company's management.

Compensation of senior management, excluding the Chief Executive Officer, is comprised of base compensation, bonus compensation and long term incentive compensation (collectively, Total Compensation). It is Company policy to set base compensation at or below the median paid by comparable companies to executive officers with comparable responsibilities; to utilize bonus compensation with a mixture of cash and stock options and/or restricted stock to compensate specific accomplishments and, in combination with base compensation, to provide compensation comparable to the median paid to industry peers with comparable responsibilities; and to award long term incentive compensation (which is a mixture of stock options and restricted stock) at levels dependent upon the Company's performance. In years when the Company's financial performance is superior to benchmarks, it is Company policy to set total compensation at levels which reward such performance. If Company performance is not superior to benchmarks, it is Company policy to maintain aggregate total compensation of senior management at levels equal to or below the median level of the peer group, balanced by individual performance. The comparable companies reviewed by the Compensation Committee are among those included in the Morgan Stanley REIT Index and peer group indices used in the stock price performance graph on page 16 of this Proxy Statement. Among the factors considered by the Compensation Committee, in addition to total return, are various metrics of the Company measured against the peer group, such as adjusted funds from operations, and the scale of the business. The Chief Executive Officer is compensated in an amount determined by the Compensation Committee to be appropriate in consideration of all facts and circumstances.

Base Compensation. The Compensation Committee determined 2004 base compensation for the Chief Executive Officer; reviewed and approved 2004 base compensation for other senior management based upon the recommendation of the Chief Executive Officer and President; and considered such 2004 base compensation reasonable and in line with Company policy. Mr. Considine waived any base pay for 2004.

Bonus and Long Term Incentive Compensation. In awarding bonus and long term incentive compensation for the Chief Executive Officer in 2004, the Compensation Committee considered, among other things, that:

- n adjusted funds from operations and funds from operations per share increased to \$1.37 and \$1.50 respectively, an increase of 3.0% and 3.5% respectively over the prior year's results. The annual dividend of \$1.00 per share was maintained;
- n the Company's 2004 total return of 19.0% was less than that of the Morgan Stanley REIT Index, which had a return of 31.5%, but greater than that of the Manufactured Housing REIT peer group, which had a return of 16.7%;
- n same store net operating income growth was 11.3%; and
- n development of new subdivisions and new facilities at the Company's Savanna Club, Brentwood, Royal Palm and Riverside communities continued.

Reviewing the Company's accomplishments and financial performance during 2004, the Compensation Committee determined that the company had performed in line with its goals and benchmarks. Thus, the Compensation Committee approved total compensation to Mr. Considine as follows:

Base	Bonus	Long Term Incentive	Total
Compensation	Compensation	Compensation	Compensation
	\$ 60,000	\$ 195,000	\$ 255,000

Mr. Considine's Total Compensation of \$245,000 was comprised of \$60,000 in cash, including dividends paid on unvested HPS awards, and \$195,000 in equity compensation, of which \$160,000 was awarded in the form of 6,941 shares of restricted stock and \$35,000 in the form of 14,831 options to acquire the Company's common stock at \$23.05 per share. For purposes of calculating the number of shares of restricted stock to be granted, the dollars allocated to restricted stock were divided by \$23.05 per share, which was the closing price on the grant date. For purposes of calculating the number of stock options to be granted, the dollars allocated to stock options were divided by \$2.36, which is the Black-Scholes valuation. The Black-Scholes Option Pricing Model, which may be used to measure compensation cost under Statement of Financial Accounting Standards No. 123, *Accounting for Stock-Based Compensation* and Statement of Financial Accounting Standards No. 123, *Share-Based Payment*, is also the exercise price for options granted that day.

Date: March 18, 2005

BRUCE D. BENSON (CHAIRMAN)
TODD W. SHEETS
THOMAS L. RHODES
BRUCE E. MOORE

The above report will not be deemed to be incorporated by reference into any filing by the Company under the Securities Act of 1933 (the Securities Act) or the Exchange Act except to the extent that the Company specifically incorporates the same by reference therein, and shall not be deemed soliciting material or otherwise deemed filed under either such act.

Audit Committee Report

The Audit Committee oversees the Company's financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the financial statements and the reporting process including the systems of internal controls. In fulfilling its oversight responsibilities, the Audit Committee reviewed the audited financial statements in the 2004 Form 10-K with management including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements. A written charter approved by the Board of Directors governs the Audit Committee.

The Audit Committee reviewed with the Company's management and the Company's independent auditors, who are responsible for expressing an opinion on the conformity of those audited financial statements with accounting principles generally accepted in the United States, their judgments as to the quality, not just the acceptability, of the Company's accounting principles. The Audit Committee has also discussed with the independent auditors the matters required to be discussed pursuant to Statement of Accounting Standards No. 61, Codification of Statements on Auditing Standards, Communication with Audit Committees. In addition, the Audit Committee has received from the independent auditors the written disclosures and letter required by Rule 3600T of the Public Company Accounting Oversight Board, which adopts on an interim basis Independence Standards Board Standard No. 1, relating to independence discussions with audit committees, has discussed with the independent auditors their independence from the Company and its management and has considered whether the independent auditor's provision of non-audit services to the Company is compatible with maintaining the auditor's independence.

The Audit Committee discussed with the Company's independent auditors the overall scope and plans for their audit. The Audit Committee meets with independent auditors, with and without management present, to discuss the results of their examination, their evaluation of the Company's internal controls, and the overall quality of the Company's financial reporting. The Audit Committee held six meetings during fiscal year 2004.

Each of the Audit Committee members has represented that they do not have a relationship with the Company that might interfere with exercise of his independence from the Company and its management.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board of Directors has approved, that the audited financial statements be included in the 2004 Form 10-K for filing with the SEC.

Date: March 18, 2005

Todd W. Sheets (Chairman)
Bruce D. Benson
Thomas L. Rhodes
Bruce E. Moore

The above report will not be deemed to be incorporated by reference into any filing by the Company under the Securities Act or the Exchange Act, except to the extent that the Company specifically incorporates the same by reference therein, and shall not be deemed soliciting material or otherwise deemed filed under either such act.

PERFORMANCE GRAPH

The following graph was prepared based on the following assumptions: (1) an initial investment of \$100 was invested at the close of business on December 31, 1999 in (a) common stock of the Company; (b) stock of the companies in the Standard & Poor's 500 Index; and (c) stock of the companies in our peer group index; and (2) all dividends received were reinvested. *The stock price performance shown on the following graph is not necessarily indicative of future price performance.*

Index	Period Ending					
	12/31/99	12/31/00	12/31/01	12/31/02	12/31/03	12/31/04
American Land Lease, Inc.	100.00	96.90	139.34	160.68	241.45	287.28
S&P 500*	100.00	91.20	80.42	62.64	80.62	89.47
SNL Manufactured Homes REITS Index	100.00	121.39	137.99	132.37	169.91	183.29

* Source: CRSP, Center for Research in Security Prices, Graduate School of Business, The University of Chicago 2005.
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This performance graph shall not be incorporated into any filings by the Company under the Securities Act or the Exchange Act, except to the extent that the Company specifically incorporates the same by reference therein, and shall not be deemed soliciting material or otherwise deemed filed under either such act.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL

OWNERS AND MANAGEMENT

The table below sets forth, as of March 5, 2005 the number of shares of our common stock beneficially owned by (1) each person known by the Company to be a beneficial owner of more than 5% of our common stock; (2) all directors, individually, and each executive officer that holds our common stock, individually; and (3) all of our directors and executive officers as a group, which information was furnished in part by each such person.

<u>Name of Beneficial Owner (1)</u>	<u>Number of Shares of Common Stock(2)</u>	<u>Percentage of Common Stock Outstanding(3)</u>	<u>Number of Partnership Units(4)</u>	<u>Percentage Ownership of the Company(5)</u>
Terry Considine (6)	945,468	12.0%	290,096	13.9%
Thomas L. Rhodes (7)	250,556	3.3%	170,979	4.9%
Bruce E. Moore (8)	345,489	4.5%	25,355	4.3%
Bruce D. Benson (9)	211,438	2.8%	81,928	3.5%
Robert G. Blatz (10)	265,528	3.5%		3.1%
Shannon E. Smith(11)	180,616	2.4%		2.1%
Todd W. Sheets (12)	63,298	*		*
The Wilder Corporation of Delaware(13)	601,891	8.1%	18,889	7.4%
Third Avenue Management, LLC(14)	442,508	5.9%		5.3%
All directors and executive officers as a				
group (7 persons)	2,262,393	26.3%	568,358	29.5%

* Denotes ownership of less than 1% of the outstanding shares of the Company's common stock.

- (1) Includes, where applicable, shares owned by such person's minor children and spouse and by other related individuals and entities. Unless otherwise indicated, such person has sole voting and investment power as to the shares listed and such person's address is 29399 U.S. Hwy 19, North, Suite 320, Clearwater, Florida 33761. Excludes units of limited partnership of Asset Investors Operating Partnership (OP Units) that are not redeemable within 60 days.
- (2) Excludes shares of common stock issuable upon redemption of OP Units.
- (3) Represents the number of shares of common stock beneficially owned by each person divided by the total number of shares of common stock outstanding. Any shares of common stock which may be deemed to be beneficially owned by that person and are deemed outstanding for the purpose of computing the percentage of outstanding shares of common stock owned by that person, but not any other person. At March 5, 2005, 7,454,000 shares, excluding OP Units, were outstanding.
- (4) Through wholly owned subsidiaries, the Company acts as general partner of, and, as of March 5, 2005, holds approximately 88% of the interests in the Asset Investors Operating Partnership. After a one-year holding period, OP Units may be tendered for redemption and, upon tender, may be acquired by the Company for shares of common stock at an exchange ratio of one share of common stock for each OP Unit (subject to adjustment). If all OP Units were acquired by the Company for common stock, these shares of common stock would constitute approximately 11.6% of the then outstanding shares of Common Stock.
- (5) Represents the number of shares of common stock beneficially owned, divided by the total number of shares of common stock outstanding, assuming that all 976,238 OP Units outstanding at March 7, 2005 are redeemed in exchange for shares of common stock (notwithstanding any holding period requirements).
- (6) Includes: 2,500 shares subject to options that are exercisable within 60 days and 262,331 OP Units held by Mr. Considine, and 242,197 shares and 27,765 OP Units held by Titahotwo Limited Partnership, RLLLP, a registered limited liability limited partnership for which Mr. Considine serves as the general partner and holds a 0.5% ownership interest. Also includes the following shares of which Mr. Considine disclaims beneficial ownership: 81,079 shares held by a non-profit foundation in which Mr. Considine has shared voting and investment power, and 100,000 shares and 456,173 shares subject to options that are exercisable within 60 days held by Titaho Limited Partnership, RLLLP, a registered limited liability limited partnership for which Mr. Considine's brother is the trustee for the sole general partner.

- (7) Includes 158,400 options to acquire common stock exercisable and 170,979 OP Units redeemable within 60 days.
- (8) Includes 8,721 shares held by Brandywine Real Estate Management Services Corporation, an entity in which Mr. Moore owns a 50% interest, 302,800 options to acquire common stock exercisable and 25,355 OP Units redeemable within 60 days.
- (9) Includes 70,112 options to acquire common stock exercisable and 81,928 OP Units redeemable within 60 days.
- (10) Includes 53,673 options to acquire common stock exercisable within 60 days.
- (11) Includes 51,173 options to acquire common stock exercisable within 60 days.
- (12) Includes 58,400 options to acquire common stock exercisable within 60 days.
- (13) Wilder Corporation is located at 3000 Gulf-to-Bay Blvd., 6th Floor, Clearwater, FL 34659
- (14) Third Avenue Management LLC is located at 622 Third Avenue New York, NY 10017

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth, as of December 31, 2004, the total number of securities to be issued pursuant to outstanding awards under our equity compensation plans, the weighted average exercise price of the outstanding awards, and the number of securities available for future grant under our equity compensation plans:

Plan Category	Number of securities	Weighted-average	Number of securities
	to be issued upon exercise of outstanding options, warrants and rights		remaining available for future issuance under equity compensation plans (excluding securities subject to outstanding options)
		exercise price of outstanding options, warrants and rights	
Equity compensation plans approved by security holders	1,377,000	\$ 16.63	1,623,000
Equity compensation plans not approved by security holders	-0-	-0-	-0-

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Officer Stock Loans

In previous years, the Company had provided loans to three of its executive officers in an amount equal to the total cash required to purchase common stock of the Company at the then prevailing market prices. These loans have a 10-year maturity, are 25% recourse to the executive officers, bear interest at 7.5% and are secured by the stock acquired with the proceeds from the loans. During the year ended December 31, 2002, an officer who had separated from the Company repaid the balance due in full in accordance with the terms of the loan. As of December 31, 2004, the total balance outstanding on loans made to Mr. Blatz and Mr. Smith secured by Company common stock was \$748,000 and principal and interest payments made on these obligations during the year ended December 31, 2004 was \$110,000. The loans are current with respect to principal and interest. In compliance with current regulations, the Company has not provided or modified loans to executive officers since January 2, 2001.

COMPANY'S RELATIONSHIP WITH INDEPENDENT AUDITORS

Our Board of Directors appointed the firm of Ernst & Young LLP to audit the financial statements of the Company through December 31, 2004. A representative of Ernst & Young LLP is expected to be present at the annual meeting and available to respond to appropriate questions. Ernst & Young LLP has indicated that it will not make a statement, although an opportunity for a statement will be provided.

The aggregate fees billed for services rendered by Ernst & Young LLP during the years ended December 31, 2004 and 2003 are as follows:

Audit Fees

Fees for audit services totaled approximately \$399,000 in 2004 and approximately \$185,000 in 2003. These amounts include fees associated with the annual audit of the financial statements of the Company. Fees for audit services also include fees for the reviews of the Company's Quarterly Reports on Form 10-Q, registration statements filed with the SEC, other SEC filings, compliance with Sarbanes-Oxley, and consents.

Audit-Related Fees

Fees for audit-related services totaled approximately \$16,000 in 2004 and approximately \$23,000 in 2003. Audit-related services principally include due diligence in connection with acquisitions and accounting consultations.

Tax Fees

Fees for tax services, including tax compliance services, tax advice and tax planning totaled approximately \$53,000 in 2004 and \$87,000 in 2003.

All Other Fees

There were no fees billed or incurred in 2004 or 2003 related to other services not included in the above or financial information systems design and implementation.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditor

On November 5, 2003, the Audit Committee adopted the Audit and Non-Audit Services Pre-Approval Policy (the "Pre-approval Policy"). The Pre-approval Policy describes the Audit, Audit-related, Tax and Other Permitted services that have the general pre-approval of the Audit

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Committee, typically subject to a dollar limit of \$10,000. The term of any general pre-approval is generally twelve (12) months from the date of pre-approval, unless the Audit Committee considers a different period and states otherwise. At least annually, the Audit Committee will review and pre-approve the services that may be provided by the independent auditor without obtaining specific pre-approval from the Audit Committee. In accordance with this review, the Audit Committee may add to or subtract from the list of general pre-approved services or modify the permissible dollar limit associated with pre-approvals. As set forth in the Pre-approval Policy, unless a type of service has received general pre-approval and is anticipated to be within the dollar limit associated with the general pre-approval, it will require specific pre-approval by the Audit Committee if it is to be provided by the independent auditor. For both types of pre-approval, the Audit Committee will consider whether such services are consistent with the rules on auditor independence. The Audit Committee will also consider whether the independent auditor is best

positioned to provide the most effective and efficient service, for reasons such as its familiarity with the Company's business, people, culture, accounting systems, risk profile and other factors, and whether the service might enhance the Company's ability to manage or control risk or improve audit quality. All such factors will be considered as a whole, and no one factor will necessarily be determinative. For the year ended December 31, 2004, 5% of the total fees paid to the independent auditor were not pre-approved in accordance with the de minimis provisions of the Pre-approval Policy.

**PROPOSED INCREASE IN AUTHORIZED
CAPITAL STOCK AND PREFERRED STOCK**

On March 30, 2005, the Board of Directors of the Company approved a proposal to increase the Company's authorized capital stock and preferred stock by unanimous written consent. If approved by stockholders, the proposed increase in the Company's authorized capital stock and preferred stock will be accomplished through an amendment to Section 4.1 of the Company's Second Amended and Restated Certificate of Incorporation that will increase the total authorized preferred stock of the Company from 1,000,000 shares to 3,000,000 shares.

The Board of the Directors of the Company approved the proposed increase in authorized preferred stock because it believes that the continued availability of shares of preferred stock is advisable to provide the Company with the flexibility to take advantage of opportunities to issue stock in order to obtain capital, as consideration for possible acquisitions or for other purposes (including, without limitation, the issuance of additional shares of preferred stock through public offerings in appropriate circumstances). There are, at present, no plans, understandings, agreements or arrangements concerning the issuance of additional shares of common stock or preferred stock.

The affirmative vote of a majority of the votes cast regarding the proposal is required to approve the amendment to Section 4.1 of the Company's Second Amended and Restated Certificate of Incorporation. For purposes of this proposal, a broker non-vote is the functional equivalent of no vote on this proposal.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE PROPOSED INCREASE IN AUTHORIZED CAPITAL STOCK AND PREFERRED STOCK.

OTHER MATTERS

We know of no matters to be brought before the annual meeting other than as set forth herein. However, if any such other matters are properly presented to the stockholders for action at the annual meeting and any adjournments or postponements thereof, it is the intention of the proxy holders named in the enclosed proxy to vote in their discretion on all matters on which the shares represented by such proxy are entitled to vote.

**STOCKHOLDER PROPOSALS TO BE INCLUDED
IN THE 2006 PROXY STATEMENT**

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Pursuant to Rule 14a-8 under the Exchange Act, any holder of at least \$2,000 in market value of common stock of the Company who has held such securities for at least one year and who desires to have a proposal presented in the Company's proxy material for use in connection with the 2006 Annual Meeting of Stockholders must transmit that proposal (along with his or her name, address, the number of shares of common stock that he or she holds of record or beneficially, the dates upon which the shares of common stock were acquired, documentary support for a claim of beneficial ownership and a statement of willingness to hold such common stock through the date of the 2006 Annual Meeting of Stockholders) in writing as set forth below. Proposals of

stockholders intended to be presented at the 2006 Annual Meeting of Stockholders must be received by the Company's Secretary at 29399 US Hwy 19 North, Suite 320, Clearwater, Florida 33761 on or before December 15, 2005. In order for proposals of stockholders made outside of Rule 14a-8 under the Exchange Act to be considered timely within the meaning of Rule 14a-4(c) under the Exchange Act, the Secretary of the Company must receive such proposals at the above address by March 28, 2006. In accordance with the Company's bylaws, proposals of stockholders made outside of Rule 14a-8 under the Exchange Act must be submitted not later than March 28, 2006 and not earlier than February 26, 2006.

BY ORDER OF THE BOARD OF DIRECTORS,

Terry Considine

Chairman of the Board and

Chief Executive Officer

March 25, 2005

