

**CAMDEN PROPERTY TRUST
AUDIT COMMITTEE OF THE BOARD OF TRUST MANAGERS CHARTER**

July 24, 2003

I. PURPOSE

The Committee (the "Committee") is established by the Board of Trust Managers (the "Board") of Camden Property Trust (the "Company") for the primary purposes of assisting the Board in overseeing:

- the integrity of the Company's financial statements,
- the Company's compliance with legal and regulatory requirements,
- the independent accountants' qualifications and independence, and
- the performance of the Company's internal audit function and independent accountants.

In addition, the Committee shall review, as it deems appropriate, the adequacy of the Company's systems of disclosure controls and internal controls regarding financial reporting and accounting.

Consistent with this function, the Committee should encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee should also provide an open avenue of communication among the independent accountants, financial and senior management, the internal auditing function, and the Board.

The Committee may obtain advice and assistance from outside legal, accounting, or other advisors as it deems appropriate to perform its duties and responsibilities. The Committee may retain and compensate these advisors without seeking Board approval.

The Company shall provide appropriate funding, as determined by the Committee, for payment of compensation to the independent accountant and to any advisers that the Committee chooses to engage.

The Committee will primarily fulfill its responsibilities by carrying out the activities enumerated in Section III of this Charter. The Committee will report regularly to the Board regarding the execution of its duties and responsibilities.

II. COMPOSITION AND MEETINGS

The Committee shall be comprised of three or more Trust Managers as determined by the Board, each of whom shall meet the independence requirements of Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. Trust Manager fees are the only compensation that a member of

the Committee may receive from the Company. All members of the Committee shall have a working familiarity with basic finance and accounting practices and at least one member of the Committee shall be an audit committee financial expert (as defined in Item 401(h) of Regulation S-K). The existence of such member or members as an audit committee financial expert(s), including his or her name and whether or not he or she is independent, shall be disclosed in periodic filings as required by the Securities and Exchange Commission (the "SEC"). Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Company or an outside consultant.

No Trust Manager may serve as a member of the Committee if he or she serves on the audit committee of more than two other public companies, unless the Board determines that such simultaneous service would not impair the ability of such individual to effectively serve on the Committee. Any such determination must be disclosed in the Company's annual proxy statement.

The members of the Committee shall be elected by the Board at the annual organizational meeting of the Board and shall serve until their successors shall be duly elected and qualified or until their earlier death, retirement, resignation or removal. The Board shall have the power at any time to change the membership of the Committee and to fill vacancies on it, subject to such new member(s) satisfying the independence, experience and financial expertise requirements referred to herein. The members of the Committee shall designate a Chair by majority vote of the full Committee membership.

The Committee shall hold regular meetings as may be necessary and such special meetings as may be called by the Chair of the Committee or at the request of the independent accountants or the director of the internal auditing department, if any, or other personnel responsible for the Company's internal audit function. As part of its job to foster open communication, the Committee will meet periodically with management, the internal auditors (or other personnel responsible for the Company's internal audit function), and the independent accountants in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately. In addition, the Committee will meet quarterly with the independent accountants and management to discuss the Company's annual audited financial statements and quarterly financial statements, including the Company's disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations." The Committee may request any officer or employee of the Company or the Company's outside counsel or independent accountants to attend a meeting of the Committee or to meet with any member of, or consultant to, the Committee. Independent Trust Managers who are not members of the Committee are welcome to attend and participate in the meetings of the Committee unless otherwise specified by the Chairperson, but may not vote and will not be compensated for participation in any such meeting.

III. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties the Committee shall:

Documents/Reports/Accounting Information Review

1. Review this Charter periodically, at least annually, and recommend to the Board any necessary amendments as conditions dictate.

2. Review and discuss with management and the independent accountants the Company's annual audited financial statements and quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations." Review and discuss other reports or documents submitted by the Company to a governmental entity or the public that contain significant financial information regarding the Company that has not previously been publicly disclosed.

3. Recommend to the Board whether the financial statements should be included in the Company's Annual Report on Form 10-K. Discuss with financial management and the independent accountants the quarterly financial statements prior to the filing of each Quarterly Report on Form 10-Q.

4. Discuss with management earnings press releases (paying particular attention to the use of "pro forma" or "adjusted" non-GAAP information) and financial information and earnings guidance provided to analysts and rating agencies. Such discussions may be on general terms (i.e., discussion of the types of information to be disclosed and the type of presentation to be made). The Committee need not discuss in advance each earnings release or each instance in which the Company may provide earnings guidance.

Independent Accountants

5. Directly appoint, retain, compensate, evaluate and terminate the independent accountants. The independent accountants shall report directly to the Committee and the Committee shall be directly responsible for oversight of the independent accountants, including resolution of disagreements between management and the independent accountants in the event that they arise.

6. Discuss with the independent accountants the matters required by Statement on Auditing Standards No. 61 (Communication with Audit Committees) relating to quality of the accounting principles adopted by the Company and the conduct of the audit, including any audit problems or difficulties that the independent accountants may have encountered in the course of the audit work (including any restrictions on the scope of activities or access to requested information) and management's response thereto, and any significant disagreements with management; review the independent accountants' attestation and management's internal control report; and hold timely discussions with the independent accountants regarding the following:

- all critical accounting policies and practices;

- material written communications between the independent accountants and management, including, but not limited to, the management letter and schedule of unadjusted differences; and
 - an analysis of the independent accountants' judgment as to the quality of the Company's accounting principles, setting forth significant reporting issues and judgments made in connection with the preparation of the financial statements.
7. At least annually, obtain and review a report by the independent accountants describing
- the firm's internal quality-control procedures;
 - any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and
 - (to assess the independent accountants' independence) all relationships between the independent accountants and the Company.

Evaluate the qualifications, performance and independence of the independent accountants, including a review and evaluation of the lead partner of the independent accountants. In making its evaluation, the Committee will take into account the opinions of management and the Company's internal auditors (or other personnel responsible for the internal audit function). Assure the regular rotation of the lead audit partner as required by law and consider whether, in order to assure continuing independence of the independent accountants, there should be regular rotation of the audit firm itself.

8. Review and preapprove both audit and non-audit services to be provided by the independent accountants (other than as provided in Section 10A(i)(B) of the Exchange Act relating to *de minimis* exceptions from the preapproval requirements).

9. Ensure that the independent accountants submit to the Committee on a periodic basis written statements regarding their independence and delineating all relationships between the independent accountants and the Company, including the written disclosures required by *Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees)*, and discuss with the independent accountants such statements and any disclosed relationships or services that may impact the objectivity and independence of the independent accountants and, if so determined by the Committee, recommend that the Board take appropriate action to satisfy itself of the independence of the independent accountants.

10. Set clear hiring policies, compliant with governing laws or regulations, for employees or former employees of the independent accountants.

Financial Reporting Processes and Accounting Policies

11. Discuss with the independent accountants and the internal auditors (or other personnel responsible for the internal audit function) the integrity of the Company's financial reporting processes (both internal and external) and internal control structure (including disclosure controls). Review the Company's policies relating to the avoidance of conflicts of interest and discuss with counsel any relationships and transactions between the Company and its executive officers or Trust Managers that could impact the integrity of the Company's financial reports.

12. Discuss with management and the independent accountants major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies.

13. Review analyses prepared by management and/or the independent accountants setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.

14. Review the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, if any, on the financial statements of the Company.

15. Establish and maintain procedures for the receipt, retention, and treatment of complaints from the Company's employees regarding accounting, internal accounting controls, or auditing matters.

16. Establish and maintain procedures for the confidential, anonymous submission by the Company's employees regarding questionable accounting or auditing matters.

Internal Audit

17. Ensure that the Company has an internal audit function to provide management and the Committee with ongoing assessments of the Company's risk management processes and system of internal control. The Company may choose to outsource this function to a firm other than its independent accountants.

18. Review the adequacy of the Company's internal audit function.

19. Periodically, meet separately with the persons performing the internal audit function to discuss any issues warranting Committee attention.

Legal Compliance and Risk Management

20. Discuss with the Company's counsel, legal matters that may have a material impact on the Company's financial statements or compliance policies or procedures.

21. Discuss with management guidelines and policies to govern the process by which risk assessment and risk management is handled, including the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

Other Responsibilities

22. Prepare the report required by the SEC's proxy rules to be included in the Company's annual proxy statement.

23. Annually, conduct a performance evaluation of the Committee relative to the Committee's purpose, duties and responsibilities outlined herein.

24. Perform any other activities consistent with this Charter, the Company's by-laws and governing law, as the Committee or the Board deems necessary or appropriate.

25. The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant preapprovals of audit and nonaudit services, provided that the decisions of such subcommittee to grant preapprovals will be presented to the full Committee at its next scheduled meeting.

26. The Committee may perform such other functions as may be requested by the Board from time to time.

Limitations on Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to prepare financial statements, plan or conduct audits or to determine whether the Company's financial statements and disclosures are complete or accurate or in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent accountants.

It is also not the responsibility of the Committee to develop corporate governance guidelines or codes of business conduct or ethics, including, except as expressly set forth herein, with respect to conflicts of interests or relationships between the Company and its executive officers or Trust Managers. This is the responsibility of the Corporate Governance Committee of the Board.