

PENNSYLVANIA REAL ESTATE INVESTMENT TRUST
Form DEF 14A
April 18, 2005

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
SCHEDULE 14A
(RULE 14a-101)**

**SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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-12.

**PENNSYLVANIA REAL ESTATE INVESTMENT TRUST
(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)(1) and 0-11.

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

Common Shares of Beneficial Interest

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

(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:

Pennsylvania Real Estate Investment Trust

(4) Date Filed:

April 18, 2005

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PENNSYLVANIA REAL ESTATE INVESTMENT TRUST

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
MAY 19, 2005**

The Annual Meeting of Shareholders of Pennsylvania Real Estate Investment Trust will be held on Thursday, May 19, 2005 at 11:00 a.m. at the Park Hyatt Philadelphia at The Bellevue, 200 South Broad Street, Philadelphia, Pennsylvania 19102 for the following purposes:

- (1) To elect four trustees;
- (2) To ratify the selection of KPMG LLP as our independent auditor for 2005; and
- (3) To transact such other business as may properly be brought before the meeting or any adjournment thereof.

Our board of trustees has fixed the close of business on April 1, 2005 as the record date for the determination of shareholders entitled to notice of and to vote at the meeting.

All shareholders are cordially invited to attend the meeting. **Whether or not you expect to attend the meeting in person, please complete, sign, and date the enclosed proxy and return it promptly so that your shares may be voted. You may also vote your shares by telephone or through the Internet by following the instructions set forth on the proxy card.** If you attend the meeting, you may revoke your proxy and vote in person.

By Order of the Board of Trustees

JEFFREY A. LINN
Secretary

Philadelphia, Pennsylvania
April 18, 2005

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PENNSYLVANIA REAL ESTATE INVESTMENT TRUST

**200 South Broad Street
Philadelphia, Pennsylvania 19102
www.preit.com**

PROXY STATEMENT

The Annual Meeting of Shareholders of Pennsylvania Real Estate Investment Trust will be held on Thursday, May 19, 2005 at 11:00 a.m. at the Park Hyatt Philadelphia at The Bellevue, 200 South Broad Street, Philadelphia, Pennsylvania 19102. We are mailing this Proxy Statement on or about April 18, 2005 to each holder of PREIT's issued and outstanding common shares of beneficial interest entitled to vote at the meeting in order to furnish information relating to the business to be transacted at the meeting. We have mailed our Annual Report to Shareholders for the fiscal year ended December 31, 2004 together with this Proxy Statement. We have included the Annual Report for informational purposes and not as a means of soliciting your proxy.

We have fixed the close of business on April 1, 2005 as the record date for the annual meeting. All holders of record at that time of PREIT's common shares of beneficial interest are entitled to notice of and are entitled to vote at the annual meeting and any adjournment or postponement thereof. On the record date, 36,474,699 common shares of beneficial interest were outstanding. PREIT's outstanding 11% non-convertible senior preferred shares are not entitled to vote at the annual meeting.

VOTING AND REVOCABILITY OF PROXIES

We hope you will attend the annual meeting. Whether or not you expect to attend the meeting in person, please complete, sign, date, and return the enclosed proxy card in the accompanying envelope, or submit your instructions by phone or by Internet, so that your shares will be represented. The envelope is addressed to our transfer agent and requires no postage. If you receive more than one proxy card because you have multiple accounts, you should sign and return all proxies received, or submit all proxies by phone or by Internet, to be sure all of your shares are voted.

On each matter voted on at the annual meeting and any adjournment or postponement of the meeting, each record holder of shares will be entitled to one vote per share. With respect to the election of trustees, assuming a quorum is present, the four nominees receiving the highest number of votes cast at the meeting will be elected trustees. If you mark your proxy as "Withhold Authority" or "Abstain" on any matter, or if you give specific instructions that no vote be cast on any specific matter, the shares represented by your proxy will not be voted on that matter, but will count toward the establishment of a quorum.

You may vote your shares at the annual meeting in person or by proxy. All valid proxies received before the annual meeting will be voted according to their terms. If you complete your proxy properly, whether by completing and returning a proxy card or by submitting your instructions by phone or by Internet, but do not provide instructions as to how to vote your shares, your proxy will be voted "FOR" the election of all trustees nominated by our board of trustees and "FOR" the ratification of KPMG LLP as our independent auditor. If any other business is properly brought before the annual meeting, proxies will be voted in accordance with the judgment of the persons voting the proxies. After providing your proxy, you may revoke it at any time before it is voted at the annual meeting by filing with our secretary an instrument revoking it or a duly executed proxy bearing a later date. You also may revoke your proxy by attending the annual meeting and giving notice of revocation. Attendance at the annual meeting, by itself, will not constitute revocation of a proxy.

Some banks, brokers, and other nominee record holders might be participating in the practice of "householding" proxy statements and annual reports. This means that only one copy of our proxy statement or annual report may have been sent to multiple shareholders in your household. We will promptly deliver a separate copy of either document to you if you request one by writing or calling as follows: Investor Relations, Pennsylvania Real Estate Investment Trust, The Bellevue, 200 South Broad Street, Philadelphia, PA 19102;

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Telephone: 215-875-0735. If you want to receive separate copies of the annual report and proxy statement in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker, or other nominee record holder, or you may contact us at the above address and phone number.

We will bear the cost of preparing and soliciting proxies, including the reasonable charges and expenses of brokerage firms or other nominees for forwarding proxy materials to shareholders. In addition to solicitation by mail, certain trustees, officers, and employees of PREIT and its subsidiaries may solicit proxies personally or by telephone or other electronic means without extra compensation, with the exception of reimbursement for actual expenses incurred in connection with the solicitation. The enclosed proxy is solicited by and on behalf of our board of trustees.

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PROPOSAL ONE □ ELECTION OF TRUSTEES

Our board of trustees has nominated Lee H. Javitch, Mark E. Pasquerilla, John J. Roberts, and Jonathan B. Weller, the four existing Class A trustees whose terms expire at the annual meeting, for re-election at the annual meeting as Class A trustees to serve until the annual meeting to be held in the spring of 2008 and until their respective successors have been duly elected and have qualified.

If any of the foregoing nominees becomes unable to or declines to serve, the persons named in the accompanying proxy have discretionary authority to vote for a substitute or substitutes, unless our board of trustees reduces the number of trustees to be elected.

Our trust agreement provides that nominations for election to the office of trustee at any annual or special meeting of shareholders are made by our board of trustees, or by petition in writing delivered to our secretary not fewer than thirty-five days before an annual or special meeting of shareholders signed by the holders of at least two percent of the common shares outstanding on the date of the petition. Nominations not made in accordance with these procedures will not be considered, unless the number of persons properly nominated is fewer than the number of persons to be elected to the office of trustee at the meeting. In this latter event, nominations for the trustee positions that would not otherwise be filled may be made at the meeting by any person entitled to vote in the election of trustees. For more information, see □Additional Information □ Board Matters,□ beginning on page 21.

Our board of trustees currently consists of twelve members who serve staggered, three-year terms.

The following table presents information concerning the four nominees for the office of Class A trustee, the eight trustees who will continue in office after the annual meeting, and PREIT's executive officers, including their ages, principal occupations, and the number of shares beneficially owned by them as of April 1, 2005.

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Name	Age	Principal Occupation and Affiliations	Trustee Since	Shares Beneficially Owned on April 1, 2005 ⁽¹⁾	
				Number	Percent
Nominees for the Office of Trustee					
<i>Class A Trustees; Terms to Expire in 2008</i>					
John J. Roberts	60	Former Global Managing Partner and member of Leadership Team, PricewaterhouseCoopers LLP, completing a 35 year career with the firm in 2002. Director, Armstrong Holdings, Inc., Safeguard Scientifics, Inc., and Vonage Holdings Corp. (a privately held company). Member of American Institute of CPAs. Former director of: SICOR, Inc., Philadelphia First Corporation, Greater Philadelphia Chamber of Commerce, Urban Affairs Partnership, and University City Science Center. Former member of advisory board of Kellogg School and the University of Southern California School of Accounting. Former trustee of Drexel University.	2003	3,250 ⁽²⁾	*
Lee H. Javitch	74	Private investor and former Chairman and Chief Executive Officer, Giant Food Stores, Inc. Director of Jewish Theological Seminary of America and Jewish Community Center of Harrison, NY. Former chairman of MAZON: A Jewish Response to Hunger, Rye Country Day School, Pennsylvania Council on Arts, and executive committee member of Boy Scouts of America.	1985	17,000 ⁽³⁾	*
Jonathan B. Weller	58	Vice Chairman of PREIT since June 2004. President and Chief Operating Officer of PREIT from 1993 to March 2004. From 1988 to 1993, Executive Vice President and Director of Eastdil Realty, Inc. (real estate investment banking). Member of National Association of Real Estate Investment Trusts, Urban Land	1994	172,709 ⁽⁴⁾	*

Institute and International Council of Shopping Centers. Chair of Lower Merion Conservancy. Director of Ramapo for Children.

Mark E. Pasquerilla ⁽⁵⁾	45	<p>President and Chairman of Crown Holding Company and its various subsidiaries and affiliates since April 1999. Chairman of the Board of Trustees and Chief Executive Officer of Crown American Realty Trust from April 1999 to November 2003. Vice Chairman of Crown American Realty Trust from September 1998 to April 1999. President of the Crown American Realty Trust, its various subsidiaries and affiliates from 1993 to November 2003. President and Vice Chairman of Crown Holding Company and its various subsidiaries from 1993 to 1999. Director of AmeriServ Financial, Inc., AmeriServ Financial Bank, AmeriServ Mortgage Company, Standard Mortgage Corporation of Georgia, AmeriServ Life Insurance Company, and AmeriServ Associates, Inc. since 2001 (entities formerly known as USBANCORP, Inc. and certain of its subsidiaries). Director of Concurrent Technologies Corporation, a charitable organization.</p>	2003	2,289,005 ⁽⁶⁾	6.0%
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Name	Age	Principal Occupation and Affiliations	Trustee Since	Shares Beneficially Owned on April 1, 2005 ⁽¹⁾	
				Number	Percent
Trustees Whose Terms Continue					
<i>Class B Trustees; Terms to Expire in 2006</i>					
Ronald Rubin	73	Chairman of PREIT since October 2001. Chief Executive Officer of PREIT since September 1997. Chairman and Chief Executive Officer of The Rubin Organization, Inc. (renamed PREIT-RUBIN, Inc. upon acquisition by PREIT in September 1997) from 1992 to September 1997. Trustee of International Council of Shopping Centers. Director of Exelon Corporation. Past Chairman of Center City District and past Chairman of the Greater Philadelphia Chamber of Commerce. Director of the Regional Performing Arts Center. Past President of Jewish Federation of Greater Philadelphia. Served on boards of Franklin Institute, Philadelphia Orchestra, Albert Einstein Medical Center, Tel Aviv University, American Friends of Hebrew University, Midlantic Bank (now PNC), University of the Arts and the United Jewish Appeal.	1997	1,532,162 ⁽⁷⁾	4.1%
Leonard I. Korman	69	Chairman and Chief Executive Officer, Korman Commercial Properties, Inc. (real estate development and management). Trustee of Albert Einstein Health Care Network, Thomas Jefferson University, and Korman Family Foundation. Former director or trustee of CoreStates Bank N.A., the Regional Advisory Board of First Union National Bank, and the Pennsylvania Academy of Fine Arts.	1996	365,100 ⁽⁸⁾	1.0%

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Donald F. Mazziotti ⁽⁵⁾	59	Executive Director, Portland Development Commission, since April 2001. Senior Consultant to ProDx, Inc. (technology services) since January 2001. Chief Information Officer, State of Oregon from 1998-2000. Chairman of Delta Development Group, Inc. (government relations, economic planning and management consulting) from 1995 to 1997. President of Delta Development Group, Inc. from 1988 to 1998. Member of Crown American Realty Trust Board of Trustees from 1993 to November 2003.	2003	4,307 ⁽⁹⁾	*
Stephen B. Cohen	59	Professor of Law, Georgetown University. Served on the Academic Advisory Committee to the Joint Committee on Taxation of the United States Congress.	2004	471,030 ⁽¹⁰⁾	1.3%

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Name	Age	Principal Occupation and Affiliations	Trustee Since	Shares Beneficially Owned on April 1, 2005 ⁽¹⁾	
				Number	Percent
Trustees Whose Terms Continue					
<i>Class C Trustees; Terms to Expire in 2007</i>					
George F. Rubin	62	Vice Chairman of PREIT since June 2004. President and Secretary, PREIT Services, LLC and PREIT-RUBIN, Inc. (formerly named The Rubin Organization, Inc., which was acquired by PREIT in September 1997) from September 1997 to June 2004. Trustee, member of the executive committee, and chair of the grounds and buildings committee of Lafayette College. Board Member, member of Executive Committee and Chair, Grounds and Buildings Committee of Elwyn Institute and Israel Elwyn and the Radnor Hunt. Chairman of the Board of Thorncroft Therapeutic Horseback Riding, Inc. Former treasurer of the Philadelphia Vietnam Veteran's Memorial Committee. Appointed by the President to the Veterans Committee on Education.	1997	785,773 ⁽¹¹⁾	2.1%
Rosemarie B. Greco	59	Director, Governor's Office of Health Care Reform, Commonwealth of Pennsylvania. Founding Principal, Grecoventures Ltd. (business investment and consulting partnership). Former CEO and President, CoreStates Bank, N.A. and President, CoreStates Financial Corp. Currently director of Exelon Corporation and Sunoco, Inc. and Trustee of SEI I Mutual Funds. Former corporate director of General Accident Insurance (USA), Cardone Industries, Inc., Genuardi's Family Markets, Inc. and Radian, Inc.; former chair of the Greater Philadelphia Chamber of Commerce, former President and	1997	11,000 ⁽¹²⁾	*

CEO of Philadelphia Private Industry Council; former member of Philadelphia Planning Commission and Board of Education; former chair of Pennsylvania Workforce Investment Board; and Trustee of the University of Pennsylvania School of Nursing.

Ira M. Lubert	55	Chairman of Lubert-Adler Partners, L.P., a company specializing in private equity investments in real estate and other entrepreneurial opportunities. Co-founder and managing partner of LLR Equity Partners, L.P., a venture fund making private equity investments in mid-Atlantic growth companies and middle market special opportunity situations. Chairman of GF Management, a company that specializes in the ownership and management of underperforming hospitality properties. Co-founder of LEM Mezzanine Fund, a fund making mortgage loans, and Quaker Bio Venture, a private equity fund engaged in making health care and life science investments.	2001	7,750 ⁽¹³⁾	*
Edward A. Glickman	47	President and Chief Operating Officer of PREIT since June 2004. Executive Vice President and Chief Financial Officer of PREIT from September 1997 to June 2004. Director of the Bala Cynwyd Library.	2004	255,598 ⁽¹⁴⁾	*

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Name	Age	Principal Occupation and Affiliations	Trustee Since	Shares Beneficially Owned on April 1, 2005 ⁽¹⁾	
				Number	Percent
Non-Trustee Executive Officers					
Joseph F. Coradino	53	President of PREIT Services, LLC and PREIT-RUBIN, Inc. since June 2004. Executive Vice President-Retail of PREIT from December 2001 to June 2004. Executive Vice President-Retail Division and Treasurer, PREIT-RUBIN, Inc. from November 1998 to June 2004. From September 1997 to November 1998, Senior Vice President-Retail Division and Treasurer, PREIT-RUBIN, Inc.	☐	142,808 ⁽¹⁵⁾	*
Douglas S. Grayson	46	Executive Vice President-Development of PREIT since March 2002. Executive Vice President - Development of PREIT-RUBIN, Inc. from October 1998 to March 2002. From September 1997 to September 1998, Vice President of PREIT-RUBIN, Inc.	☐	55,582 ⁽¹⁶⁾	*
Jeffrey A. Linn	56	Executive Vice President-Acquisitions and Secretary of PREIT since December 2001. From 1995 to December 2001, Senior Vice President-Acquisitions and Secretary of PREIT.	☐	71,868 ⁽¹⁷⁾	*
Bruce Goldman	46	Executive Vice President-General Counsel of PREIT since December 2002, and Assistant Secretary of PREIT since April 2003. From December 2001 to November 2002, Senior Vice President-General Counsel of PREIT. From September 2000 to December 2001, Senior Vice President-Legal of PREIT. From 1997 to 2000, Vice President of New City Development, the development subsidiary of Mirage Resorts, Inc.	☐	22,128 ⁽¹⁸⁾	*

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Robert F. McCadden	47	Executive Vice President and Chief Financial Officer of PREIT since May 2004. From 2002 to May 2004, Partner of KPMG LLP. From 1993 to 2002, Partner of Arthur Andersen LLP.	□	47,356 ⁽¹⁹⁾	*
David J. Bryant	47	Senior Vice President-Finance and Treasurer of PREIT since September 2000. From September 1997 to September 2000, Vice President-Financial Services of PREIT.	□	29,857 ⁽²⁰⁾	*
All Trustees and executive officers as a group (18 persons)	□	□	□	6,009,515 ⁽²¹⁾	14.9%

* Less than one percent.

- (1) Unless otherwise indicated in the following footnotes, each Trustee and executive officer has sole voting and investment power with respect to all such shares.
- (2) Includes 2,000 shares that Mr. Roberts owns directly and 1,250 shares subject to exercisable options. Excludes 3,750 shares subject to options that become exercisable in three equal annual installments of 1,250 shares beginning June 6, 2005.
- (3) Includes 8,000 shares that Mr. Javitch owns directly and 9,000 shares subject to exercisable options.
- (4) Includes 152,104 shares that Mr. Weller owns directly, 20,605 shares subject to exercisable options and 200 shares held by Mr. Weller as custodian for his child under the New York Uniform Gifts to Minors Act.
- (5) In accordance with the merger agreement between PREIT and Crown American Realty Trust, PREIT's Board of Trustees expanded the size of the Board by two in December 2003 and elected Messrs.

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Pasquerilla and Mazziotti, who were members of Crown's board at the time of the merger, to fill the vacancies created by the expansion.

- (6) Includes 13,940 shares that Mr. Pasquerilla owns directly, 1,250 shares subject to exercisable options, 505,390 shares held by Crown Investments Trust, 65,211 shares held by Marenrico Partnership, 1,703,214 Class B units of limited partnership interest in PREIT Associates, L.P. that are held by Crown Investments Trust and are redeemable for cash or, at PREIT's option, for a like number of shares. Mr. Pasquerilla controls Crown Investments Trust and Marenrico Partnership. Excludes 3,750 shares subject to options that become exercisable in three equal annual installments of 1,250 shares beginning December 12, 2005.
- (7) Includes 158,004 shares that Ronald Rubin owns directly, 678,417 Class A units of limited partnership interest in PREIT Associates, L.P. (49,006 of which are held by the Non-QTIP Marital Trust U/W of Richard I. Rubin (the "Marital Trust"), of which Ronald Rubin and George Rubin are beneficiaries, and 2,776 of which are owned by a corporation of which Ronald Rubin is the sole shareholder) that are redeemable for cash or, at PREIT's option, for a like number of shares, 150,000 shares subject to exercisable options, 7,835 shares held by a trust of which Ronald Rubin is a trustee, 378,974 Class A units of limited partnership interest in PREIT Associates, L.P. that are not redeemable until June 2, 2005 (172,075 of which are held by the Marital Trust, of which Ronald Rubin and George Rubin are beneficiaries) and 153,705 Class A units that are not redeemable until February 1, 2006 (45,853 of which are held by the Marital Trust). Includes 5,227 Class A units held by Pan American Office Investments, L.P. Ronald Rubin controls and holds substantial ownership interests in Pan American Office Investments, L.P.
- (8) Includes 247,088 shares that Mr. Korman owns directly, 420 shares owned by Mr. Korman's spouse, 90,264 shares held in trusts of which Mr. Korman is a co-trustee, 19,328 shares held by trusts of which Mr. Korman is a co-trustee and the sole beneficiary, and 8,000 shares subject to exercisable options. Mr. Korman disclaims beneficial ownership of the 90,264 shares held in trusts of which Mr. Korman is a co-trustee and the 420 shares owned by Mr. Korman's spouse.
- (9) Includes 3,057 shares that Mr. Mazziotti owns directly and 1,250 shares subject to exercisable options. Excludes 3,750 shares subject to options that become exercisable in three equal annual installments of 1,250 shares beginning December 12, 2005.
- (10) Includes 36,317 shares that Mr. Cohen owns directly, 37,056 shares owned by an Indenture of Trust of which Mr. Cohen is a beneficiary, 243,944 shares owned by the Deed of Trust of Sylvan M. Cohen of which Mr. Cohen is a future beneficiary and 153,713 shares owned by the Sylvan M. Cohen Charitable Remainder Trust of which Mr. Cohen is a trustee. Excludes 5,000 shares subject to options that become exercisable in four equal annual installments of 1,250 shares beginning on July 29, 2005.
- (11) Includes 87,699 shares that George F. Rubin owns directly, 324,929 Class A units of limited partnership interest in PREIT Associates, L.P. (49,006 of which are held by the Marital Trust) that are redeemable for cash or, at PREIT's option, for a like number of shares, 75,000 shares subject to exercisable options, and 7,835 shares held by a trust of which Mr. Rubin is a trustee. Also includes 900 shares held by a trust, the beneficiary of which is Mr. Rubin's daughter, 500 shares held by Mr. Rubin's spouse, as to both of which Mr. Rubin disclaims beneficial ownership, 202,801 Class A units of limited partnership interest in PREIT Associates, L.P. that are not redeemable until June 2, 2005 (172,074 of which are held by the Marital Trust of which Ronald Rubin and George Rubin are beneficiaries) and 86,109 Class A units that are not redeemable until February 1, 2006 (45,853 of which are held by the Marital Trust). Excludes 5,227 Class A units held by Pan American Office Investments, L.P. George Rubin holds limited partnership interests in Pan American Office Investments, L.P.
- (12) Includes 4,000 shares that Ms. Greco owns directly and 7,000 shares subject to exercisable options.
- (13) Includes 4,000 shares that Mr. Lubert owns directly and 3,750 shares subject to exercisable options. Excludes 1,250 shares subject to options that do not become exercisable until December 12, 2005.
- (14) Includes 64,630 shares that Mr. Glickman owns directly, 56,708 Class A units of limited partnership interest in PREIT Associates, L.P. that are redeemable for cash or, at PREIT's option, for a like number of shares, and 134,260 shares subject to exercisable options.

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- (15) Includes 104,889 Class A units of limited partnership interest in PREIT Associates, L.P. that are redeemable for cash or, at PREIT's option, for a like number of shares.
- (16) Includes 23,917 Class A units of limited partnership interest in PREIT Associates, L.P. that are redeemable for cash or, at PREIT's option, for a like number of shares.
- (17) Includes 50,868 shares that Mr. Linn owns directly, 20,000 shares subject to exercisable options, and 1,000 shares that are held by Mr. Linn as custodian for his son under the Pennsylvania Uniform Gifts to Minors Act.
- (18) Mr. Goldman directly owns all 22,128 shares.
- (19) Mr. McCadden directly owns all 47,356 shares.
- (20) Includes 6,021 Class A units of limited partnership interest in PREIT Associates, L.P. that are redeemable for cash or, at PREIT's option, for a like number of shares and 2,500 shares subject to exercisable options.
- (21) Includes 433,865 shares subject to exercisable options and 3,457,978 Class A and Class B units of limited partnership interest in PREIT Associates, L.P. that are or will be redeemable for cash or, at PREIT's option, for a like number of shares. In certain instances, two Trustees beneficially own the same shares because they share voting or investment power over the shares. These shares have been counted only once in this total.

Required Vote

With respect to the election of trustees, assuming a quorum is present, the four nominees receiving the highest number of votes cast at the annual meeting will be elected trustees. If you mark your proxy as "Withhold Authority" in the election of trustees, or if you give specific instructions that no vote be cast in the election of trustees, the shares represented by your proxy will not be voted in the election of trustees, but will count toward the establishment of a quorum. Your broker may vote your shares on the election of trustees even if you do not instruct your broker how to vote.

Board Recommendation

Our board of trustees recommends that shareholders vote FOR the election of each of the nominees for trustee.

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PROPOSAL TWO □
RATIFICATION OF SELECTION OF INDEPENDENT AUDITOR

The audit committee of the board of trustees has selected KPMG LLP as PREIT's independent auditor to perform the audit of our financial statements for 2005. KPMG was our independent auditor for the year ended December 31, 2004. The firm is a registered public accounting firm. A representative of KPMG is expected to be present at the annual meeting and available to respond to appropriate questions, and will be given an opportunity to make a statement, if the representative so desires.

Although shareholder ratification of our selection of KPMG as our independent auditor is not required by our by-laws or otherwise, the board is submitting the selection of KPMG to our shareholders for ratification as a matter of good corporate practice. Despite ratification, the audit committee in its discretion may select a different registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of PREIT.

Required Vote

Assuming a quorum is present, the proposal to ratify KPMG as PREIT's independent auditor for 2004 will be approved if a majority of the shares present in person or by proxy and casting a vote on this proposal vote &#