

Cogdell Spencer Inc.
Form DEF 14A
April 23, 2007

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE 14A

**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

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 §240.14a-12

Cogdell Spencer Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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**COGDELL SPENCER INC.
4401 Barclay Downs Drive, Suite 300
Charlotte, NC 28209-4670**

April 23, 2007

Dear Stockholder:

We cordially invite you to attend the 2007 annual meeting of stockholders of Cogdell Spencer Inc. The meeting will be held on Tuesday, May 22, 2007, at 9:00 a.m., local time, at our headquarters located at 4401 Barclay Downs Drive, Suite 300, Charlotte, North Carolina 28209. The matters expected to be acted upon at the meeting are described in detail in the attached notice of annual meeting of stockholders and proxy statement. We encourage you to read these materials carefully and to take part in the affairs of our company by voting on matters described in the accompanying proxy statement.

Your vote is very important. Whether you plan to attend the meeting or not, please complete the enclosed proxy card and return it as promptly as possible in the envelope provided. If you attend the meeting, you may continue to have your shares of common stock voted as instructed in the proxy or you may withdraw your proxy at the meeting and vote your shares of common stock in person. We look forward to seeing you at the meeting.

Sincerely,

FRANK C. SPENCER
President and Chief Executive Officer

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**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held May 22, 2007**

NOTICE IS HEREBY GIVEN that the 2007 annual meeting of stockholders (the Annual Meeting) of Cogdell Spencer Inc., a Maryland corporation, will be held at our headquarters located at 4401 Barclay Downs Drive, Suite 300, Charlotte, North Carolina 28209 on Tuesday, May 22, 2007 at 9:00 a.m. local time, for the following purposes as further described in the accompanying proxy statement:

1. To elect seven members to the board of directors, each to serve until the 2008 annual meeting of stockholders. The nominees to the board of directors are the following: James W. Cogdell, Frank C. Spencer, John R. Georgius, Richard B. Jennings, Christopher E. Lee, Richard C. Neugent, and Randolph D. Smoak, M.D.;
2. To ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2007; and
3. To transact such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

Our board of directors has fixed the close of business on Tuesday, April 10, 2007 as the record date for determination of stockholders entitled to receive notice of and to vote at the Annual Meeting, or any adjournments or postponements of the Annual Meeting. Only holders of record of our common stock at the close of business on that day will be entitled to vote at the Annual Meeting, or any adjournments or postponements of the Annual Meeting.

You are requested to complete and sign the enclosed proxy card, which is being solicited by our board of directors, and to mail it promptly in the enclosed postage-prepaid envelope. Any proxy may be revoked by delivery of a later dated proxy. In addition, stockholders of record who attend the Annual Meeting may vote in person, even if they have previously delivered a signed proxy.

By Order of the Board of Directors

CHARLES M. HANDY
Corporate Secretary

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WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING, TO ENSURE YOUR REPRESENTATION AT THE ANNUAL MEETING, PLEASE MARK, SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD AS PROMPTLY AS POSSIBLE IN THE POSTAGE PREPAID ENVELOPE ENCLOSED FOR THAT PURPOSE. YOU MAY STILL VOTE IN PERSON IF YOU ATTEND THE ANNUAL MEETING. IF YOU ATTEND THE MEETING, YOU MAY CONTINUE TO HAVE YOUR SHARES OF COMMON STOCK VOTED AS INSTRUCTED IN THE PROXY OR YOU MAY WITHDRAW YOUR PROXY AT THE MEETING AND VOTE YOUR SHARES OF COMMON STOCK IN PERSON.

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**COGDELL SPENCER INC.
4401 Barclay Downs Drive, Suite 300
Charlotte, NC 28209-4670**

**PROXY STATEMENT
ANNUAL MEETING OF STOCKHOLDERS
To Be Held May 22, 2007**

GENERAL INFORMATION

We are sending this proxy statement and the accompanying proxy card in connection with the solicitation of proxies by the board of directors (the Board) of Cogdell Spencer Inc., a Maryland corporation, for use at our 2007 annual meeting of stockholders (the Annual Meeting), and at any adjournments or postponements thereof, to be held at our headquarters located at 4401 Barclay Downs Drive, Suite 300, Charlotte, North Carolina 28209 on Tuesday, May 22, 2007 at 9:00 a.m. local time. The purposes of the Annual Meeting are:

- (1) To elect seven members to the Board, each to serve until the 2008 annual meeting of stockholders, the nominees to the Board being James W. Cogdell, Frank C. Spencer, John R. Georgius, Richard B. Jennings, Christopher E. Lee, Richard C. Neugent and Randolph D. Smoak, M.D.;
- (2) To ratify the appointment of Deloitte & Touche LLP, as our independent registered public accounting firm for the year ending December 31, 2007; and
- (3) To transact such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

This proxy statement is accompanied by a copy of our Annual Report to Stockholders for the fiscal year ended December 31, 2006.

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ABOUT THE MEETING

Record Date

The Board has fixed the close of business on Tuesday, April 10, 2007 as the record date (the **Record Date**) for determination of stockholders entitled to notice of, and to vote at, the Annual Meeting. Each share of our common stock, \$0.01 par value per share (**Common Stock**), is entitled to one vote for each matter to be voted upon. As of the Record Date, there were 11,928,574 shares of Common Stock outstanding and entitled to vote at the Annual Meeting.

Quorum; Voting

The presence, in person or by proxy, of the stockholders entitled to cast a majority of all the votes entitled to be cast at the Annual Meeting shall constitute a quorum for the transaction of business at the Annual Meeting. If a quorum is not present or represented at the Annual Meeting, the Chairman of the Annual Meeting shall have the power to adjourn the Annual Meeting to a date not more than 120 days after the original Record Date without notice other than announcement at the Annual Meeting, until a quorum is present or represented. At any such adjourned Annual Meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the Annual Meeting as originally noticed.

Each stockholder is entitled to one vote for each share of Common Stock registered in the stockholder's name on the Record Date. A plurality of all of the votes cast at the Annual Meeting at which a quorum is present shall be sufficient to elect a director. A majority of the votes cast at the Annual Meeting at which a quorum is present shall be sufficient to approve any other matter which may properly come before the Annual Meeting.

If you properly execute a proxy in the accompanying form, and if we receive it prior to voting at the Annual Meeting, the shares that the proxy represents will be voted in the manner specified on the proxy. If no specification is made, abstentions will not be counted as votes cast and will have no effect on the result of the vote.

Election Inspectors

Votes cast by proxy or in person at the Annual Meeting will be tabulated by the election inspectors appointed for the meeting, who will determine whether or not a quorum is present. The election inspectors will treat abstentions as shares that are present and entitled to vote for purposes of determining the presence of a quorum but as unvoted for purposes of determining the approval of any matter submitted to the stockholders for a vote. If a broker indicates on the proxy that it does not have discretionary authority as to certain shares to vote on a particular matter, those shares will not be considered as present and entitled to vote with respect to that matter.

Shares Held in Street Name

Under New York Stock Exchange (the **NYSE**) rules, if your shares are held in street name, your broker may, without instructions from you, vote your shares on all proposals set forth in this proxy statement.

If you cast a vote by proxy, you may revoke it at any time before it is voted by:

giving written notice to our Secretary at our address,

expressly revoking the proxy, by signing and forwarding to us a proxy dated later, or

by attending the Annual Meeting and personally voting the Common Stock owned of record by you as of the Record Date.

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Costs of Soliciting Proxies

We will bear the entire costs of soliciting proxies for the Annual Meeting. In addition to solicitation by mail, certain of our directors, executive officers and regular employees may solicit the return of proxies by telephone, facsimile, personal interview or otherwise without being paid additional compensation. Continental Stock Transfer & Trust Company, our transfer agent and registrar, will assist in the distribution of proxy materials and tabulation of votes. We will also reimburse brokerage firms and other persons representing the beneficial owners of our shares for their reasonable expenses in forwarding proxy solicitation material to the beneficial owners in accordance with the proxy solicitation rules and regulations of the Securities and Exchange Commission (the SEC) and the NYSE.

Delivery of Materials

The rules of the SEC allow for householding, which is the delivery of a single copy of an annual report and proxy statement to any address shared by two or more stockholders. This combined mailing must be addressed to the stockholders as a group. Duplicate mailings can be eliminated by allowing stockholders to consent to such elimination, or through implied consent if: (1) it is believed that the stockholders are members of the same family, (2) the stockholders are notified that householding is to be used and (3) the stockholders do not request continuation of duplicate mailings. If you own shares of Common Stock in your own name as of the Record Date, householding will not apply to your shares. If your shares of Common Stock are held in street name, depending upon the practices of your broker, bank or other nominee, you may need to contact them directly to discontinue duplicate mailings to your address. If you wish to revoke your consent to householding, and instead want mailings made to each individual at the shared address, you must contact your broker, bank or other nominee.

If you wish to request extra copies free of charge of our annual report or proxy statement, please either send your request in writing to Cogdell Spencer Inc., 4401 Barclay Downs Drive, Suite 300, Charlotte, North Carolina 28209-4670, Attn: Investor Relations; make your request by calling (704) 940-2900; or visit our website at www.cogdellspencer.com.

ITEMS TO BE VOTED ON BY STOCKHOLDERS

ITEM 1 *ELECTION OF DIRECTORS*

In accordance with the provisions of our Amended and Restated Articles of Incorporation and By-laws, each member of the Board is elected at the Annual Meeting. Each member of the Board elected will serve for a term expiring at the 2008 annual meeting of stockholders and until his successor has been elected and qualified, or until his earlier resignation or removal. Messrs. James W. Cogdell, Frank C. Spencer, John R. Georgius, Richard B. Jennings, Christopher E. Lee, Richard C. Neugent and Randolph D. Smoak, M.D. are the Board's nominees for election.

Proxies in the accompanying form that are properly executed and returned will be voted at the Annual Meeting, and any adjournments or postponements thereof in accordance with the directions on such proxies. If no directions are specified, such proxies will be voted FOR the election of the seven persons specified as nominees for directors, each of whom will serve until the 2008 annual meeting of stockholders. We have no reason to believe that any of the nominees will be unable or unwilling to serve if elected. However, should any director nominee named herein become unable or unwilling to serve if elected, it is intended that the proxies will be voted for the election, in his stead, of such other person as the Board may nominate, unless the Board reduces the size of the membership of the Board prior to the Annual Meeting to eliminate the position of any such nominee.

The Board has affirmatively determined that Messrs. Georgius, Lee and Neugent and Dr. Smoak are independent within the standards prescribed by the NYSE.

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The following table sets forth the name, age and the position(s) with us, if any, currently held by each person nominated as a director:

Name	Age	Title
James W. Cogdell	65	Chairman
Frank C. Spencer	46	Chief Executive Officer, President and Director
John R. Georgius(1)(2)	62	Director
Richard B. Jennings	63	Director
Christopher E. Lee(2)(3)	59	Director
Richard C. Neugent(1)(3)	63	Director
Randolph D. Smoak, M.D.(1)(2)(3)	73	Director

(1) Member of Audit Committee

(2) Member of Compensation Committee

(3) Member of Nominating and Corporate Governance Committee

Following are biographical summaries for our nominees for election as directors:

James W. Cogdell, Chairman of the Board. Since 1972 Mr. Cogdell has served as the Chairman and Chief Executive Officer of Cogdell Spencer Advisors, Inc. and has served as Chairman of our Board since our inception in 2005. Mr. Cogdell was named Entrepreneur of the Year by the Charlotte Chamber of Commerce for the large companies category in 2002. He is an eight-year chairman of the Citizens Capital Budget Advisory Committee for Mecklenburg County, North Carolina. In addition, Mr. Cogdell is a member of Catawba Lands Conservancy. Mr. Cogdell has been recognized with the Outstanding Layman Award for 2004 by the North Carolina Division of Soil and Water Conservation. He is an activist on civic and cultural development organizations ranging from public schools and child advocacy, to conservation, scouting and the arts. Mr. Cogdell is a member of the United States Eventing Association, the U.S. Equestrian Federation and formerly served on the Board of Directors for the Carolina Horse Park Foundation and as President of the Irish Draught Horse Society of North America. Mr. Cogdell has developed more than 70 healthcare real estate properties valued at over \$400 million during his career.

Frank C. Spencer, Chief Executive Officer, President and Director. Frank C. Spencer, our Chief Executive Officer and President, has served as one of our directors since our inception in 2005. Since 1998, Mr. Spencer has served as President of Cogdell Spencer Advisors, Inc. and prior to that in other executive capacities with Cogdell Spencer Advisors, Inc. since joining us in 1996. Prior to his employment with Cogdell Spencer Advisors, Inc. Mr. Spencer was Executive Director of The Children's Services Network, a non-profit organization, from 1993 to 1996. He began his real estate career with the Crosland Group, where he was Corporate Vice President responsible for portfolio management, marketing and advisory services. Mr. Spencer was named to the *40 under 40* list for top young business executives by the *Charlotte Business Journal* in 2000. He has had works published in *Urban Land Magazine* and the *Institutional Real Estate Letter on Real Estate Finance*. Mr. Spencer has been an instructor at the Healthcare Financial Management Association's state, regional and national meetings, a member of the University of North Carolina at Charlotte Real Estate Program Board of Advisors, an instructor at Montreat College and a full member of the Urban

Land Institute and is a member of the board of directors of The Mountain Retreat Association. Mr. Spencer was instrumental in the establishment of McCreesh Place, a permanent residence for 64 formerly homeless men in Mecklenburg County, North Carolina, led a mission group for Habitat for Humanity to Malawi, Africa and has served as Vice Chairman of the Transitional Families Program for the Charlotte Mecklenburg Housing Authority. Mr. Spencer received a B.A. with honors in German from the University of North Carolina where he was a Morehead Scholar and received an M.B.A. from Harvard Business School with high distinction and was designated as a Baker Scholar.

John R. Georgius, Director. John R. Georgius has served as one of our directors since our inception in 2005. He is an advisory member of the CEO Council of Council Ventures, LP, a technology-focused venture

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capital fund in which he is a founding investor. From 1975 to December 1999, Mr. Georgius served in various executive positions at First Union Corporation including President and Chief Operating Officer, Vice Chairman, President of First Union National Bank and Senior Vice President and head of the trust division. Over his 37-year banking career, Mr. Georgius directed or otherwise participated in more than 140 acquisitions in the financial services arena. Mr. Georgius has served as a director of First Union Corporation, First Union National Bank, VISA USA, and VISA International. He currently serves as a director for Alex-Lee Corporation, has been a member of its audit and compensation committees and serves as Chairman of the Investment Committee for the Board of Trustees at Presbyterian College and of the N.C. Waterfowl Association. Mr. Georgius received a B.B.A. in accounting and corporate finance from Georgia State University and is a graduate of the American Bankers Association National Graduate Trust School at Northwestern University.

Richard B. Jennings, Director. Richard B. Jennings has served as one of our directors since our inception in 2005. He is President of Realty Capital International Inc., a real estate investment banking firm, that he founded in 1991, and is President of Jennings Securities LLC, a National Association of Securities Dealers, Inc. (NASD) member securities firm since 1995. From 1990 to 1991, Mr. Jennings served as Senior Vice President of Landauer Real Estate Counselors, and from 1986 to 1989, Mr. Jennings served as Managing Director of Real Estate Finance at Drexel Burnham Lambert. From 1969 to 1986, Mr. Jennings oversaw the REIT investment banking business at Goldman, Sachs & Co. During his tenure at Goldman, Sachs & Co., Mr. Jennings founded and managed the Mortgage Finance Group from 1979 to 1986. Mr. Jennings also serves as a member of the board of directors of Commercial Net Lease Realty, Inc. and Alexandria Real Estate Equities, Inc. He is a licensed NASD Principal and New York real estate broker. Mr. Jennings received a B.A. in economics, Phi Beta Kappa and Magna Cum Laude, from Yale University, and received an M.B.A. from Harvard Business School.

Christopher E. Lee, Director. Christopher E. Lee has served as one of our directors since our inception in 2005. He is President and Chief Executive Officer of CEL & Associates, Inc., one of the nation's leading real estate advisory firms. For the past 27 years, Mr. Lee has provided a variety of strategic, compensation, organizational and performance benchmarking services to hundreds of real estate firms nationwide. Mr. Lee is a frequent speaker at national real estate conferences, a regular contributor to various real estate publications and is the editor of the national real estate newsletter, *Strategic Advantage*. Prior to his consulting career, Mr. Lee worked for the Marriott and Boise Cascade corporations. Mr. Lee serves on the Advisory Board for the Business School and the Real Estate School at San Diego State University. Mr. Lee received a B.A. from San Diego State University, an M.S. degree from San Jose State University, and a Ph.D. in organizational development from Alliant International University.

Richard C. Neugent, Director. Richard C. Neugent has served as one of our directors since our inception in 2005. He is President of RCN Healthcare Consulting Inc., a firm that he formed in 2003 which develops business for a national healthcare consulting practice in strategic and operational improvement services for hospitals, health systems and academic medical centers in the southeastern United States. Mr. Neugent has been involved in the healthcare industry for over 37 years. He was President and Chief Executive Officer of Bon Secours-St. Francis Health System in Greenville, South Carolina from 1981 to 2003. Prior to that time, he was Chief Operating Officer of Rapides Regional Medical Center in Alexandria, Louisiana. Mr. Neugent also served as a Captain in the Medical Service Corps of the U.S. Air Force where he oversaw the construction of hospitals and dispensaries. Mr. Neugent constructed the first women's hospital in the state of South Carolina. Mr. Neugent was named the 2001 *Greenville Magazine's Nelson Mullins Business Person of the Year*. In 2003, Mr. Neugent was presented with the *Order of the Palmetto*, the state of South Carolina's highest civilian award. Mr. Neugent has served on the advisory boards of Clemson University, The University Center in Greenville and First Union National Bank. In addition, he has served on the board of the United Way and has held leadership positions in several United Way annual campaigns. He also served on the Greenville Chamber of Commerce board. Mr. Neugent consults with the Christian Blind Mission International, USA located in Greenville, South Carolina. Mr. Neugent received a B.S. from Alabama College and received an M.S. from The University of Alabama in hospital administration.

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Randolph D. Smoak, M.D., Director. Dr. Randolph D. Smoak has served as one of our directors since our inception in 2005. He is a clinical professor of surgery and is a former President of the American Medical Association (AMA), having served from 2000 to 2001. Dr. Smoak also served as a member of the Board of Trustees with the AMA from 1992 through 2002. Since his retirement, he has served on various boards including The Hollins Cancer Center Advisory Board, The Tobacco Free Kids Board, The Orangeburg Calhoun Technical College Foundation Board and The Greenville Family Partnership Board. He was the lead spokesperson for the AMA's anti-smoking campaign, representing the Department of Health and Human Services Interagency Committee on Smoking and Health. Dr. Smoak was a member of Orangeburg Surgical Associates from 1967 through 2001. Dr. Smoak served as President and Chairman of South Carolina Medical Association as well as president of the South Carolina Division of the American Cancer Society. He is a founding member of the South Carolina Oncology Society, completed two terms as Governor from South Carolina to the American College of Surgeons, and served as Chairman of the Board of Directors of the World Medical Association. Dr. Smoak received a B.S. from The University of South Carolina and received an M.D. from The Medical University of South Carolina.

Recommendation Regarding the Election of Directors

The Board recommends that you vote FOR the election of the seven named nominees.

ITEM 2 *RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM*

The Audit Committee of the Board has appointed Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2007, subject to ratification of this appointment by our holders of Common Stock. We have been advised by Deloitte & Touche LLP that it is a registered public accounting firm with the Public Company Accounting Oversight Board (the PCAOB) and complies with the auditing, quality control and independence standards and rules of the PCAOB and the SEC. We expect that representatives of Deloitte & Touche LLP will be present at the Annual Meeting to make a statement if they desire to do so. They will also be available to answer appropriate questions from stockholders. Our Amended and Restated Articles of Incorporation and By-laws do not require that stockholders ratify the appointment of the independent registered public accounting firm. We are submitting the appointment for ratification because the Board believes it is a matter of good corporate practice.

Recommendation Regarding Ratification of the Appointment of Deloitte & Touche LLP

The Board recommends that you vote FOR ratification of this appointment.

INFORMATION ABOUT THE BOARD AND ITS COMMITTEES

Board Meetings

The Board intends to hold at least four regularly scheduled meetings per year and additional special meetings as necessary. Each director is expected to attend scheduled and special meetings, unless unusual circumstances make attendance impractical. The Board may also take action from time to time by written consent. The Board met four times during 2006. Each of our directors attended at least 75% of the meetings of our Board and 75% of the meetings of the committees of our Board on which the director served. We expect each of our directors to attend the Annual Meeting in person unless unusual circumstances make attendance impractical. In 2006, all of our directors attended our annual meeting of stockholders.

Executive Sessions of Non-Management Directors

It is the policy of the Board that the independent members of the Board meet separately without management (including management directors) at least twice per year during regularly scheduled Board meetings in order to discuss such matters as the independent directors consider appropriate. The lead independent director will assume the responsibility of chairing the meetings of independent directors and shall

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bear such further responsibilities which the independent directors as a whole or the Board might designate from time to time. Our independent auditors, finance staff, legal counsel, other employees and other outside advisers may be invited to attend these meetings.

The Board will periodically appoint a chair. Both independent and management directors, including our Chief Executive Officer, are eligible for appointment as the chair. The chair, or if the chair is not an independent director, the Chairman of the Nominating and Corporate Governance Committee shall serve as the lead independent director. The lead independent director is responsible for coordinating the activities of the other independent directors, including scheduling and conducting separate meetings of the independent directors and for such other duties as are assigned from time to time by the Board.

Board Committees

The Board has three standing committees: an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. Each of these committees has at least three directors and is composed exclusively of independent directors, by reference to the rules, regulations and listing standards of the NYSE, the national exchange on which our Common Stock is traded.

Committee Charters

The Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee charters meet the standards that have been established by the NYSE. Copies of these charters are available on our website at www.cogdellspencer.com or will be provided to any stockholder upon request.

Audit Committee

The Audit Committee helps to ensure the integrity of our financial statements, the qualifications and independence of our independent auditors and the performance of our internal audit function and independent auditors. The Audit Committee selects, assists and meets with the independent auditors, oversees each annual audit and quarterly review, monitors our systems of internal controls and prepares the report that U.S. federal securities laws require to be included in our annual proxy statement. John R. Georgius chairs the Audit Committee and serves as our Audit Committee financial expert, as that term is defined by the SEC, and Richard C. Neugent and Randolph D. Smoak, M.D. serve as members of this committee. The Audit Committee met seven times in 2006.

Compensation Committee

The Compensation Committee reviews and approves the compensation and benefits of our executive officers, administers and makes recommendations to our Board regarding our compensation and stock incentive plans and produces an annual report on executive compensation for inclusion in our proxy statement. Christopher E. Lee chairs the Compensation Committee and John R. Georgius and Randolph D. Smoak, M.D. serve as members of this committee. The Compensation Committee may delegate all or a portion of its duties and responsibilities to a subcommittee of the Compensation Committee, provided that a charter is adopted for such subcommittee. Executive officers play a role in determining or recommending the amount or form of executive officer and director compensation. Prior to establishing our general compensation philosophy, the Compensation Committee consults with our Chairman of the Board and Chief Executive Officer. Our Chairman of the Board and Chief Executive Officer provide recommendations to the Compensation Committee with regard to the compensation of our executive officers and with regard to our other highly paid employees and the executive officers and employees of our subsidiaries. The Compensation Committee met three times in 2006.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee develops and recommends to our Board a set of corporate governance principles, adopts a code of ethics, adopts policies with respect to conflicts of interest, monitors our compliance with corporate governance requirements of state and U.S. federal law and the rules

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and regulations of the NYSE, establishes criteria for prospective members of our Board, conducts candidate searches and interviews, oversees and evaluates our Board and management; evaluates from time to time the appropriate size and composition of our Board, recommends, as appropriate, increases, decreases and changes in the composition of our Board and formally proposes the slate of directors to be elected at each annual meeting of our stockholders. Richard C. Neugent chairs the Nominating and Corporate Governance Committee and Christopher E. Lee and Randolph D. Smoak, M.D. serve as members of this committee. The Nominating and Corporate Governance Committee met one time in 2006.

The Nominating and Corporate Governance Committee will consider recommendations made by stockholders. Under our By-Laws, and as SEC rules permit, stockholders must follow certain procedures to nominate a person for election as a director at an annual or special meeting, or to introduce an item of business at an annual meeting. A stockholder must notify our Secretary in writing of the director nominee or the other business. The notice must include the required information (as set forth below on page 28, Other Matters Stockholder Proposals and Nominations for the Board) and be delivered to our Secretary at our principal executive offices not earlier than the 150th day and not later than 5:00 p.m., Eastern time, on the 120th day prior to the first anniversary of the date of mailing of the notice for the preceding year s annual meeting.

If the date of the Annual Meeting is advanced or delayed by more than 30 days from the first anniversary of the date of the preceding year s annual meeting, notice by the stockholder must be delivered as described above not earlier than the 150th day prior to the date of mailing of the notice for such annual meeting and not later than 5:00 p.m., Eastern time, on the later of the 120th day prior to the date of such annual meeting or the 10th day following the day on which disclosure of the date of such meeting is first made. The public announcement of a adjournment or postponement of an annual meeting does not change or create a new opportunity for notice as described above.

Director Compensation

Each non-employee member of our Board is entitled to receive annual compensation for his services as a director as follows: \$25,000 per year, \$1,000 per meeting attended, \$500 per committee meeting attended and \$500 per teleconference or committee meeting attended. The chairperson of the Audit Committee will be entitled to receive an additional \$10,000 annually and the chairperson of each other committee will be entitled to receive an additional \$2,500 annually in compensation. Such amounts shall be paid in cash.

Upon joining our Board, each non-employee director received 2,500 shares of restricted stock, all of which vested on the date of grant. Directors who are our employees will not receive any compensation for their services as directors. Each member of our Board is reimbursed for out-of-pocket expenses associated with service on our behalf and associated with attendance at or participation in board meetings or committee meetings.

The following table sets forth compensation information for each of our non-employee directors for the fiscal year ended December 31, 2006:

Director Compensation

Fees	Change in Pension Value and Non-Equity Nonqualified
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Name	Earned		Incentive	Deferred		All Other Comp	Total
	or Paid in Cash	Stock Awards	Option Awards	Plan Compensation	Compensation Earnings		
John R. Georgius	\$ 42,000	\$	\$	\$	\$	\$ 2,625	\$ 44,625
Richard B. Jennings	\$ 29,500	\$	\$	\$	\$	\$ 2,625	\$ 32,125
Christopher E. Lee	\$ 33,000	\$	\$	\$	\$	\$ 2,625	\$ 35,625
Richard C. Neugent	\$ 35,500	\$	\$	\$	\$	\$ 2,625	\$ 38,125
Randolph D. Smoak	\$ 34,000	\$	\$	\$	\$	\$ 2,625	\$ 36,625

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EXECUTIVE OFFICERS AND OTHER OFFICERS

Key Executive Officers

Information for James W. Cogdell and Frank C. Spencer is contained above under the heading Item 1 Election of Directors. Information with respect to some of our other key executive officers is set forth below. All of our executive officers are appointed as executive officers at the annual organizational meeting of the Board held at the time of each annual meeting of stockholders.

Charles M. Handy, Chief Financial Officer, Senior Vice President and Secretary. Charles M. Handy has served as our Chief Financial Officer, Senior Vice President and Secretary since our inception in 2005. Prior to that, Mr. Handy had served as the Chief Financial Officer, Treasurer and Corporate Secretary for Cogdell Spencer Advisors, Inc. since 1997. Formerly, Mr. Handy was Corporate Controller for Faison & Associates, Inc., a commercial real estate management and development firm headquartered in Charlotte, North Carolina, and began his career at Ernst & Whinney. Mr. Handy has more than 18 years of experience in commercial real estate, accounting, finance and operations. Mr. Handy is a member of the American Institute of Certified Public Accountants and the North Carolina Association of Certified Public Accountants. He has also acted as the Compliance Officer for Cogdell Spencer Advisors, Inc.'s licensing and regulation process. Mr. Handy is a licensed real estate broker in North Carolina and broker-in-charge for us. Mr. Handy received an associates degree from Lees-McRae College, a B.S.B.A. in accounting and real estate from Appalachian State University and received an M.B.A. from Wake Forest University.

Devereaux Gregg, Vice President - Development. Mr. Gregg has served as our Vice President - Development since our inception in 2005. Prior to that, Mr. Gregg had served as Vice President - Development for Cogdell Spencer Advisors, Inc. since 1997. From 1993 until 1997, Mr. Gregg was Director of Leasing and Property Management with Norcom Development, a real estate development firm, where he was responsible for a portfolio of 30 commercial properties located in North Carolina, South Carolina and Georgia. Prior to that time, Mr. Gregg acted as Director of Commercial Development and later as Vice President of Commercial Operations at The Paragon Group, a real estate development firm, based in Charlotte, North Carolina, from 1988 through 1993. Mr. Gregg received a B.B.A. and an M.B.A. from Southern Methodist University.

Matthew Nurkin, Vice President - Acquisitions. Mr. Nurkin has served as our Vice President - Acquisitions since our inception in 2005. Prior to that, Mr. Nurkin served as the Vice President - Acquisitions for Cogdell Spencer Advisors, Inc. since 2001. Since 1996, Mr. Nurkin has been responsible for expanding Cogdell Spencer Advisor's activities in ownership and debt restructuring of existing hospital and physician-owned facilities. Prior to joining our Company, Mr. Nurkin was employed at The Shelton Company, Bank of America and First Union Capital Markets in various banking and investment analyst positions. Mr. Nurkin received a B.A. in English literature from Wake Forest University, completed graduate studies at St. Peters College, Oxford University, and expects to receive an M.B.A. from Belk College of Business, University of North Carolina at Charlotte.

Rex A. Noble, Vice President - Management. Mr. Noble has served as our Vice President - Management since our inception in 2005. In 1996, Mr. Noble joined Cogdell Spencer Advisors, Inc. as a Property Manager; became Assistant Regional Vice President of the Upstate Region in 1997 and served as the Vice President - Management for Cogdell Spencer Advisors, Inc. from 1999 until 2005. Prior to joining our Company, Mr. Noble was employed with GB&S Corp. as part of its management team. He is currently licensed by the North and South Carolina Real Estate Commissions. Mr. Noble received a B.S. from Francis Marion University.

Mary J. Surles, Vice President Management. Ms. Surles has served as our Vice President Management since our inception in 2005. Prior to that, Ms. Surles served as an Asset Manager, and later as a Vice President for Cogdell Spencer Advisors, Inc. Since 1985, Ms. Surles has been involved in all areas of our activities with an emphasis on property management and leasing. Some of Ms. Surles activities include sale or resyndication of properties, refinancing, coordinating the transfer of partnership interests, and contracting

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for space retrofits. Ms. Surles holds South Carolina broker and North Carolina salesman licenses. Ms. Surles completed coursework at Midlands Technical College and Horry Georgetown Technical College.

In addition, on March 26, 2007, we entered into an employment agreement with Heidi Barringer. Ms. Barringer will serve as our Executive Vice President and will be responsible for asset management, human resources and information technology. For more information on the terms of our employment agreement with Ms. Barringer, we refer you to the Current Report on Form 8-K filed by us on March 30, 2007.

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REPORT OF THE AUDIT COMMITTEE

The Audit Committee assists the Board in fulfilling its responsibility for oversight of the quality and integrity of our accounting, auditing and financial reporting practices, and our compliance with laws, regulations and corporate policies, and the independent registered public accounting firm's qualifications, performance and independence. Consistent with this oversight responsibility, the Audit Committee has reviewed and discussed with management the audited financial statements for the fiscal year ended December 31, 2006 and their assessment of internal control over financial reporting as of December 31, 2006. Deloitte & Touche LLP, our independent registered public accountants, issued its unqualified report on our financial statements.

The Audit Committee also has discussed and reviewed with Deloitte & Touche LLP the matters required to be discussed in accordance with Statement on Auditing Standards No. 61, *Communication with Audit Committees*, as amended. The Audit Committee also has received the written disclosures and the letter from Deloitte & Touche LLP required by Independence Standards Board Standard No. 1, *Independence Discussions with Audit Committees*, as amended, and has conducted a discussion with Deloitte & Touche LLP relative to its independence. The Audit Committee has considered whether Deloitte & Touche LLP's provision of non-audit services is compatible with its independence.

As set forth in the charter of the Audit Committee, our management is responsible for the preparation, presentation and integrity of our financial statements. Management is also responsible for maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures that provide for compliance with accounting standards and applicable laws and regulations. Our independent registered public accounting firm is responsible for planning and carrying out a proper audit of our annual financial statements, and reviews of our quarterly financial statements prior to the filing of each Quarterly Report on Form 10-Q. The members of the Audit Committee are not our full-time employees and are not performing the functions of auditors or accountants. As such, it is not the duty or responsibility of the Audit Committee or its members to conduct field work or other types of auditing for accounting reviews or procedures or to set auditor independence standards. All members of the Audit Committee have been affirmatively determined by the Board to be independent within the standards prescribed by the NYSE and the applicable rules promulgated by the SEC. The Board also has determined that the Audit Committee has at least one audit committee financial expert, as defined in Item 401(h) of SEC Regulation S-K, such expert being Mr. Georgius, and that he is independent, as that term is used in Item 7(d)(3)(iv) of Schedule 14A under the Securities Exchange Act of 1934, as amended (the Exchange Act).

Based on these reviews and discussions, the Audit Committee recommended to the Board that our audited financial statements for the fiscal year ended December 31, 2006 be included in our Annual Report on Form 10-K for filing with the SEC.

Respectfully submitted by the members of the Audit Committee:

John R. Georgius, Chairman
Richard C. Neugent
Randolph D. Smoak, M.D.

CORPORATE GOVERNANCE MATTERS

Corporate Governance Guidelines

Our Board, in its role of overseeing the conduct of our business, is guided by our Corporate Governance Guidelines. Our Corporate Governance Guidelines reflect the NYSE listing standards. Among other things, our Corporate Governance Guidelines contain categorical standards for determining director independence in accordance with the NYSE listing standards. A copy of our Corporate Governance Guidelines is available on our website at www.cogdellspencer.com.

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Director Independence

The Guidelines provide that a majority of our directors serving on our Board must be independent as required by the listing standards of the NYSE and the applicable rules promulgated by the SEC. Our Board has affirmatively determined, based upon its review of all relevant facts and circumstances, that each of the following directors has no direct or indirect material relationship with us and is independent under the listing standards of the NYSE and the applicable rules promulgated by the SEC: Messrs. Georgius, Lee and Neugent and Dr. Smoak. The Board has determined that each of Mr. Cogdell, the Chairman of the Board, Mr. Spencer, our Chief Executive Officer and Mr. Jennings is not an independent director because each is either our executive officer or has or has had direct or indirect material relationships with us. Pursuant to an engagement letter entered into on December 1, 2004, we engaged Realty Capital International Inc., an affiliate of Mr. Jennings, to provide advisory services to us relating to the structure and terms of our formation transactions and our initial public offering. As part of this engagement, we paid \$10,000 in cash per month in fees for Realty Capital International Inc.'s role as adviser throughout the course of our initial public offering. Upon the closing of our initial public offering, Realty Capital International Inc. also received a success fee equal to 0.5% of the gross offering proceeds, including any over-allotment proceeds.

Whistleblowing and Whistleblower Protection Policy

The Audit Committee has established procedures for: (1) the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls or auditing matters, and (2) the confidential and anonymous submission by our employees of concerns regarding questionable accounting or auditing matters. If you wish to contact the Audit Committee to report complaints or concerns relating to our financial reporting, you may do so by (i) calling the Compliance Hotline at 1-800-595-5573, (ii) emailing our Compliance Email Box at whistleblower@cogdellspencer.com, or (iii) delivering the report via regular mail, which may be mailed anonymously, to c/o Audit Committee, Cogdell Spencer Inc., 4401 Barclay Downs Drive, Suite 300, Charlotte, NC 28209-4670. A copy of the policy is available on our website at www.cogdellspencer.com.