

STOCK OWNERSHIP GUIDELINES OF ESSEX PROPERTY TRUST, INC.

Purpose

The purpose of these Stock Ownership Guidelines (“*Ownership Guidelines*”) of Essex Property Trust, Inc. (“*Essex*” or the “*Company*”) is to align the interests of the Essex Board of Directors (the “*Board*”) and key executives with the interests of stockholders. These guidelines will be monitored and subject to change by the Board’s Nominating and Corporate Governance Committee.

Participation

Essex Property Trust’s Ownership Guidelines apply to the following persons:

- Members of the Board Directors
- Chief Executive Officer (“*CEO*”)
- Chief Financial Officer (“*CFO*”)
- All Other Executive Officers (as defined under Section 16 of the Securities Exchange Act of 1934)

Determination of Stock Ownership Goals

The stock ownership goal for each person subject to the Ownership Guidelines is determined on an individual basis, first in dollars as a multiple of the director’s cash retainer or the executive’s base salary, and then by converting such amount to a fixed number of shares. Ownership goals are established as follows:

CEO:	5x base salary
CFO and other Executive Officers:	4x base salary
Directors (who are not employees):	5x cash retainer

Effective Date: For Board members serving as such on or before January 10, 2010, the effective date of these Ownership Guidelines is January 10, 2010. For employees that were an Executive Officer on or before March 1, 2011, the effective date of these Ownership Guidelines is March 1, 2011. For those individuals, the stock ownership goal will be determined using their annual retainer for directors or base salaries for executive officers as of the effective dates and the Essex stock price as of January 1, 2010 (\$83.65) for directors and as of February 10, 2011 (\$115.66) for executive officers.

For Board members, retained after January 10, 2010, and employees, appointed as an Executive Officer after March 1, 2011, the effective date of these Ownership Guidelines will be the date that they begin to serve as a Board Member or become an Executive Officer. The stock ownership goal under the Ownership Guidelines for persons assuming a position subsequent to January 10, 2010 for Board members and March 1, 2011 for Executive Officers will be

determined using their annual cash retainer or base salaries as of the date they become subject to the Ownership Guidelines and using Essex's closing common stock price on such date.

Once established, a person's stock ownership goal will not change because of changes in his or her cash retainer or base salary or fluctuations in Essex's common stock price. An individual's stock ownership goal will only be re-established for Executive Officers that become the CEO or a Board member, and thus have a higher stock ownership goal, as more fully described in the section titled "Attainment Period".

Counting Shares Owned: Only shares of Essex common stock that are owned in the following forms will be considered in determining whether an individual's stock ownership goal has been achieved:

- Shares owned directly by the individual or his or her immediate family members residing in the same household;
- Shares held in an individual's IRA accounts;
- Shares held by an individual in Essex's 401 (k) plan;
- Shares owned by an individual under any Essex sponsored restricted stock or similar type plan, including any performance based share plan and shares underlying Series Z-1 units and long-term incentive plan awards, regardless of restrictions or risk of forfeiture;
- Shares held in a grantor trust for the benefit of the individual or his or her immediate family members residing in the same household;
- Shares owned by a partnership, limited liability company or other entity to the extent of the individual's interest therein (or the interest therein of his or her immediate family members residing in the same household), but only if the individual has or shares power to vote or dispose of the shares.
- Share equivalents of vested stock options assuming a hypothetical Net Shares (as defined below) settlement.

For purposes of these Ownership Guidelines, shares shall include shares issued or issuable upon exchange of limited partnership units of Essex Portfolio, L.P.

Attainment Period: Directors will have a four-year period and executive officers will have a five-year period to attain their stock ownership goals. Thus, for example, Executives subject to the Ownership Guidelines as of March 1, 2011 are required to achieve their goal by March 1, 2016. If an individual's stock ownership goal increases because of a change in position, a three-year period to achieve the incremental amount of shares will begin on the effective date of the change in position.

Stock Retention Requirements: The following restrictions and conditions will apply during any time-period during which an executive officer's stock ownership goal has not been achieved, including during the 4 or 5 year period to attain compliance with these Ownership Guidelines:

- a. The individual will be required to retain at least 75% of Net Shares delivered through Essex's equity compensation plans. "Net Shares" are defined to include Essex common stock or units of Essex Portfolio, L.P., including Series Z-1 units and long-term incentive plan awards, and include those shares that are owned by the individual after shares are

sold, swapped or traded to pay applicable withholding taxes and the exercise price of stock options.

- b. Shares that are owned by an individual on the date that he or she becomes subject to the Ownership Guidelines may be disposed of only for one or more of the Exclusion Purposes set forth below and only upon compliance with the procedures set forth therein.

If an individual's stock ownership goal under the Ownership Guidelines is not attained by the end of the specified period, the retention requirement applicable to that individual under a. above shall be increased to 100%.

Once an individual achieves his or her stock ownership goal, the retention restrictions no longer will apply unless a disposition would cause the individual's stock ownership to fall below his or her goal. The retention requirements above shall be the consequence of any failure to attain or to maintain any stock ownership goal under these Ownership Guidelines or subsequent changes to these guidelines as determined by the Board.

During any period in which an individual's stock ownership goal is not met, share dispositions will be permitted for the following reasons ("*Exclusion Purposes*"):

- Estate planning;
- Post –secondary education funding for a direct family member;
- Funding the purchase of a primary residence; and
- Other unforeseen expenses such as uninsured medical or other catastrophic events.

In order to be excluded from the above retention requirements for other reasons other, an individual must submit a written request to the General Counsel. The request should outline the reasons for the exclusion disposition, the number of shares that will be sold, and a plan for obtaining future compliance with these guidelines. The General Counsel will review the request and will make a determination, which shall be subject to review and approval by the Board's Nominating and Corporate Governance Committee. Any such exclusion permitted shall be deemed to be consistent with these Ownership Guidelines and shall not be deemed a waiver.

Hardship

There may be rare instances in which compliance with the Ownership Guidelines would place a severe hardship on an individual or would prevent an individual from complying with a court order, such as in the case of a divorce settlement. In these instances, the individual must submit a request in writing to the General Counsel that summarizes the circumstances and describes the extent to which an exemption from the Ownership Guidelines is being requested. The General Counsel will review the request with the Chief Executive Officer (or the Chairman of the Nominating and Corporate Governance Committee in the case of a request by the Chairman or Chief Executive Officer) and will make a determination, which shall be subject to review and approval by the Board's Nominating and Corporate Governance Committee. If the request is granted in whole or in part, the General Counsel or his or her designee will, in consultation with the individual, develop an alternative stock ownership plan that reflects both the intention of these Ownership Guidelines and the individual's particular circumstances. Such alternative plan

shall be subject to review and approval by the Board's Nominating and Corporate Governance Committee. Any such granted request and alternative stock ownership plan shall be deemed to be consistent with these Ownership Guidelines and shall not be deemed a waiver.

Reporting

Subject to compliance with Section 16 reporting requirements, individuals subject to these Ownership Guidelines shall be required to provide a schedule disclosing the number of shares owned (by category as listed in the section titled "Counting Shares Owned"), and to sign an attestation as to the accuracy of such schedule.

Administration

The Ownership Guidelines shall be administered and interpreted annually by the General Counsel, who will submit periodic compliance reports to the Nominating and Corporate Governance Committee.