

Campus Crest Communities, Inc.  
Form DEF 14A  
March 14, 2012

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, DC 20549**

**SCHEDULE 14A**

**(Rule 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the**

**Securities Exchange Act of 1934**

Filed by the registrant

Filed by a party other than the registrant

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

**Campus Crest Communities, Inc.**

**(Name of registrant as specified in its charter)**

**(Name of person(s) filing proxy statement, if other than the registrant)**

Payment of filing fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

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

(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:

(5) Total fee paid:

.. Fee paid previously with preliminary materials.

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by Registration Statement number, or the Form or Schedule and the date of its filing.

(1) Amount previously paid:

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

(3) Filing party:

(4) Date filed:

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON APRIL 23, 2012**

To our stockholders:

You are cordially invited to attend the 2012 annual meeting of the stockholders of Campus Crest Communities, Inc., a Maryland corporation, which will be held at the Renaissance Charlotte SouthPark Hotel, 5501 Carnegie Blvd, Charlotte, North Carolina 28209, on April 23, 2012 at 10:00 a.m., local time. At the meeting, stockholders will consider and vote on the following matters:

1. the election of seven directors to hold office until our 2013 annual meeting of stockholders and until his successor has been duly elected and qualifies;
2. the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2012; and
3. the approval, by non-binding vote, of executive compensation.

In addition, stockholders will consider and vote on such other business as may properly come before the annual meeting, including any adjournments or postponements of the meeting.

If you own shares of our common stock as of the close of business on February 27, 2012, you can vote those shares by proxy or at the meeting.

Pursuant to rules promulgated by the Securities and Exchange Commission, we are providing access to our proxy materials over the Internet. On or about March 14, 2012, we expect to mail our stockholders either (i) a copy of this proxy statement, the accompanying proxy card, our annual report and the Notice of Internet Availability of Proxy Materials (the "Notice") or (ii) the Notice only, each in connection with the solicitation of proxies by the board of directors for use at the annual meeting and any adjournments or postponements thereof. If you received the Notice by mail, you will not receive a printed copy of the proxy materials other than as described herein. The Notice contains instructions for your use of this process, including how to access our proxy statement and annual report over the Internet, how to authorize your proxy to vote online and how to request a paper copy of the proxy statement and annual report.

If you are unable to attend the meeting in person, it is very important that your shares be represented and voted at the annual meeting. You may authorize your proxy to vote your shares over the Internet as described in the Notice. Alternatively, if you received a paper copy of the proxy card by mail, please complete, date, sign and promptly return the proxy card in the self-addressed stamped envelope provided. You may also vote by telephone as described in your proxy card. If you vote your shares over the Internet, by mail or by telephone prior to the annual meeting, you may nevertheless revoke your proxy and cast your vote personally at the meeting.

By order of the board of directors:

**DONALD L. BOBBITT, JR.**  
*Executive Vice President, Chief Financial Officer and Secretary*

Charlotte, North Carolina

March 14, 2012

**2012 ANNUAL MEETING OF STOCKHOLDERS**

**OF**

**CAMPUS CREST COMMUNITIES, INC.**

**PROXY STATEMENT**

**QUESTIONS AND ANSWERS**

***Q: Why did I receive a Notice of Internet Availability of Proxy Materials?***

A: Our board of directors is soliciting proxies to be voted at our annual meeting. The annual meeting will be held at the Renaissance Charlotte SouthPark Hotel, 5501 Carnegie Blvd, Charlotte, North Carolina 28209, on Monday, April 23, 2012, at 10:00 a.m., local time. Pursuant to rules promulgated by the Securities and Exchange Commission ( SEC ), we are providing access to our proxy materials over the Internet. On or about March 14, 2012, we are mailing either (i) a copy of this proxy statement, the accompanying proxy card, our annual report and the Notice of Internet Availability of Proxy Materials (the Notice ), or (ii) the Notice only, to our stockholders of record on February 27, 2012. The Notice and this proxy statement summarize the information you need to know to vote by proxy or in person at the annual meeting. You do not need to attend the annual meeting in person in order to vote.

***Q: When was the Notice mailed?***

A: The Notice was mailed to stockholders beginning on or about March 14, 2012.

***Q: Who is entitled to vote?***

A: All common stockholders of record as of the close of business on February 27, 2012, the record date, are entitled to vote at the annual meeting.

***Q: What is the quorum for the meeting?***

A: A quorum at the annual meeting will consist of a majority of the votes entitled to be cast by the holders of all shares of common stock outstanding. No business may be conducted at the meeting if a quorum is not present. As of the record date, 31,024,665 shares of common stock were issued and outstanding. If less than a majority of outstanding shares entitled to vote are represented at the annual meeting, the chairman of the meeting may adjourn the annual meeting to another date, time or place, not later than 120 days after the original record date of February 27, 2012. Notice need not be given of the new date, time or place if announced at the meeting before an adjournment is taken.

***Q: How many votes do I have?***

A: You are entitled to one vote for each whole share of common stock you held as of the record date. Our stockholders do not have the right to cumulate their votes for directors.

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***Q: What is the difference between holding shares as a stockholder of record and as a beneficial owner?***

A: If your shares are registered in your name with our transfer agent, American Stock Transfer and Trust Company, LLC, you are the stockholder of record of those shares.

If your shares are held in a stock brokerage account or by a bank or other holder of record, you are considered the beneficial owner of those shares. The Notice and proxy statement and any accompanying documents have been forwarded to you by your broker, bank or other holder of record. As the beneficial owner, you have the right to direct your broker, bank or other holder of record how to vote your shares by using the voting instruction card or by following their instructions for voting by telephone or on the Internet.

**Q: *How do I vote?***

A: Whether or not you plan to attend the annual meeting, we urge you to authorize your proxy to vote your shares over the Internet as described in the Notice. Alternatively, if you received a paper copy of the proxy card by mail please complete, date, sign and promptly return the proxy card in the self-addressed stamped envelope provided. You may also authorize your proxy to vote your shares by telephone as described in your proxy card. Authorizing your proxy over the Internet, by mailing a proxy card or by telephone will not limit your right to attend the annual meeting and vote your shares in person. Your proxy (one of the individuals named in your proxy card) will vote your shares per your instructions.

**Q: *How do I vote my shares that are held by my broker?***

A: If you have shares held by a broker, you may instruct your broker to vote your shares by following the instructions that the broker provides to you. Most brokers allow you to authorize your proxy by mail, telephone and on the Internet.

**Q: *What am I voting on?***

A: You will be voting on:

Proposal 1: the election of seven directors to hold office until our 2013 annual meeting of stockholders and until his successor has been elected and qualifies;

Proposal 2: the ratification of the appointment of KPMG LLP to act as our independent registered public accounting firm for year ending December 31, 2012; and

Proposal 3: the approval, by non-binding vote, of executive compensation.

In addition, you will be voting on such other business as may properly come before the annual meeting, including any adjournments or postponements thereof.

**Q: *What vote is required to approve the proposals assuming that a quorum is present at the annual meeting?***

|  |  |
|--|--|
| A: Proposal 1: Election of Directors                       | The election of the director nominees must be approved by a plurality of the votes cast. |
| Proposal 2: Ratification of Independent Auditors           | Ratification of the appointment of auditors requires a majority of the votes cast.       |
| Proposal 3: Advisory Vote Approving Executive Compensation | Advisory vote approving executive compensation requires a majority of the votes cast.    |

**Q: *How are abstentions and broker non-votes treated?***

A: If you are a beneficial owner whose shares are held of record by a broker, you must instruct the broker how to vote your shares. A broker non-vote occurs when a bank, broker or other holder of record holding shares for a beneficial owner does not vote on a particular proposal

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because that holder does not have discretionary voting power for that particular item (such as the election of directors and the approval of our executive compensation) and has not received instructions from the beneficial owner.



If you are a beneficial owner whose shares are held of record by a broker, your broker has discretionary voting authority under New York Stock Exchange ( NYSE ) rules to vote your shares on the ratification of KPMG LLP as our independent registered public accounting firm even if the broker does not receive voting instructions from you. However, your broker does not have discretionary authority to vote on the election of directors or on the advisory vote approving our executive compensation, in which case a broker non-vote will occur and your shares will not be voted on these matters.

Pursuant to Maryland law, abstentions and broker non-votes are counted as present for purposes of determining the presence of a quorum. For purposes of the election of directors and the votes on the proposals, abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote.

**Important: NYSE Rule 452 prohibits NYSE member organizations from giving a proxy to vote with respect to an election of directors without receiving voting instructions from a beneficial owner. Therefore, brokers will not be entitled to vote shares at the annual meeting with respect to the election of directors without instructions by the beneficial owner of the shares. Beneficial owners of shares held in broker accounts are advised that, if they do not timely provide instructions to their broker, their shares will not be voted in connection with the election of directors. Accordingly, it is particularly important that beneficial owners instruct their brokers how they wish to vote their shares.**

**Q: Will there be any other items of business on the agenda?**

A: The board of directors does not know of any other matters that may be brought before the annual meeting nor does it foresee or have reason to believe that proxy holders will have to vote for substitute or alternate nominees for election to the board of directors. In the event that any other matter should come before the annual meeting or any nominee is not available for election, the persons named in the enclosed proxy will have discretionary authority to vote all proxies with respect to such matters in accordance with their discretion.

**Q: What happens if I submit my proxy without providing voting instructions on all proposals?**

A: Proxies properly submitted via the Internet, mail or telephone will be voted at the annual meeting in accordance with your directions. If the properly-submitted proxy (other than proxies submitted by an institution subject to NYSE Rule 452) does not provide voting instructions on a proposal, **the proxy will be voted as follows:**

**to elect (FOR) each of the director nominees listed in Proposal 1 Election of Directors;**

**in favor of (FOR) Proposal 2 Ratification of Appointment of Independent Registered Public Accounting Firm; and**

**in favor of (FOR) Proposal 3 Advisory (Non-Binding) Vote Approving Executive Compensation.**

**Q: Will anyone contact me regarding this vote?**

A: No arrangements or contracts have been made with any solicitors as of the date of this proxy statement, although we reserve the right to engage solicitors if we deem them necessary. Such solicitations may be made by mail, telephone, facsimile, e-mail or personal interviews.

**Q: Who has paid for this proxy solicitation?**

A:

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We have paid the entire expense of preparing, printing and mailing the Notice and, to the extent requested by our stockholders, the proxy materials and any additional materials furnished to stockholders. Proxies may be solicited by our directors, officers or employees personally or by telephone without additional

compensation for such activities. We will also request persons, firms and corporations holding shares in their names or in the names of their nominees, which are beneficially owned by others, to send appropriate solicitation materials to such beneficial owners. We will reimburse such holders for their reasonable expenses.

***Q: May stockholders ask questions at the annual meeting?***

A: Yes. There will be time allotted at the end of the meeting when our representatives will answer questions from the floor.

***Q: What does it mean if I receive more than one Notice?***

A: It means that you have multiple accounts at the transfer agent or with brokers. Please submit all of your proxies over the Internet, following the instructions provided in the Notice, by mail or by telephone to ensure that all of your shares are voted.

***Q: How many copies should I receive if I share an address with another stockholder?***

The SEC has adopted rules that permit companies and intermediaries, such as a broker, bank or other agent, to implement a delivery procedure called householding. Under this procedure, multiple stockholders who reside at the same address may receive a single copy of our proxy materials, unless the affected stockholder has provided us with contrary instructions. This procedure provides extra convenience for stockholders and cost savings for companies.

Our company and some brokers, banks or other agents may be householding our proxy materials. A single Notice and, if applicable, a single set of our proxy materials, including the proxy statement, the accompanying proxy card, our annual report and the Notice, will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker, bank or other agent that it will be householding communications to your address, householding will continue until you are notified otherwise or until you revoke your consent. If you did not respond that you did not want to participate in householding, you were deemed to have consented to the process. Stockholders may revoke their consent at any time by contacting Broadridge ICS, either by calling toll-free (800) 542-1061 or by writing to Broadridge ICS, Household Department, 51 Mercedes Way, Edgewood, New York, 11717.

Upon written or oral request, we will promptly deliver a separate copy of the Notice and, if applicable, a single set of our proxy materials, to any stockholder at a shared address to which a single copy of any of those documents was delivered. To receive a separate copy of the Notice and, if applicable, our proxy materials, you may send a written request to Campus Crest Communities, Inc., 2100 Rexford Road, Suite 414, Charlotte, North Carolina 28211, Attention: Corporate Secretary or call (704) 496-2500. In addition, if you are receiving multiple copies of the Notice and, if applicable, our proxy materials, you can request householding by contacting our Corporate Secretary in the same manner.

***Q: Can I change my vote after I have voted?***

A: Yes. Proxies properly submitted over the Internet, by mail or by telephone do not preclude a stockholder from voting in person at the meeting. A stockholder may revoke a proxy at any time prior to its exercise by filing with our corporate secretary a duly executed revocation of proxy, by properly submitting, either by Internet, mail or telephone, a proxy to our corporate secretary bearing a later date or by appearing at the meeting and voting in person. Attendance at the meeting will not by itself constitute revocation of a proxy.

***Q:*** *Can I find additional information on the company's website?*

**A:** Yes. Our website is located at [www.campuscrest.com](http://www.campuscrest.com). Although the information contained on our website is not part of this proxy statement, you can view additional information on the website, such as our corporate governance guidelines, our code of business conduct and ethics, charters of our board committees and reports that we file with the SEC. A copy of our corporate governance guidelines, our code of business conduct and ethics and each of the charters of our board committees may be obtained free of charge by writing to Campus Crest Communities, Inc., 2100 Rexford Road, Suite 414, Charlotte, North Carolina, 28211, Attention: Corporate Secretary.

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**PROPOSAL 1: ELECTION OF DIRECTORS**

Our board of directors consists of seven members with directors serving one-year terms and until their successors are duly elected and qualified. The term for each director expires at each annual meeting of stockholders.

At the 2012 annual meeting, all seven directors will be elected to serve until the 2013 annual meeting and until their successors are duly elected and qualified. The board of directors has nominated our current directors, Ted W. Rollins, Michael S. Hartnett, N. Anthony Coles, Richard S. Kahlbaugh, Denis McGlynn, William G. Popeo and Daniel L. Simmons to serve as directors (the Nominees ). The board of directors anticipates that each Nominee will serve, if elected, as a director. However, if anyone nominated by the board of directors is unable to accept election, the proxies will be voted for the election of such other person or persons as the board of directors may recommend.

**The board of directors recommends a vote FOR each Nominee.**

**The Board of Directors**

*Information Regarding the Nominees*

The biographical descriptions below set forth certain information with respect to each Nominee for election as a director at the annual meeting. Each of our current directors has served on the board since our initial public offering, which was consummated in October 2010. The board has identified specific attributes of each Nominee that the board has determined qualify that person for service on the board.

**Ted W. Rollins**

*Co-Chairman of the Board and  
Chief Executive Officer*

*Age: 49*

Mr. Rollins has served as the co-chairman of our board of directors and our chief executive officer since our inception. Mr. Rollins, together with Mr. Hartnett, founded Campus Crest Group, LLC ( Campus Crest Group ) in 2004. As a co-founder of Campus Crest Group, Mr. Rollins has a comprehensive knowledge of our history and operations and is therefore well qualified to serve as the co-chairman of our board of directors. His core focus has been on operations and finance, while working together with Mr. Hartnett to source development opportunities and oversee construction. Prior to founding Campus Crest Group in 2004, Mr. Rollins, together with Mr. Hartnett, co-founded and managed companies that have successfully developed and operated service-enriched housing properties. Mr. Rollins is an owner of MXT Capital, LLC ( MXT Capital ), which is a holding company whose primary holding is its interest in our company. Mr. Rollins has also directed several private real estate focused investment funds. From 1998 through 2002, he was president of St. James Capital, an investment company focused on research-based, structural land investment and niche income property opportunities. From 1991 to 1996, Mr. Rollins served as president of The Balance Group, a private equity investment group focused on investing in and providing advisory services to small operating companies. Mr. Rollins founded The Balance Group in 1991. He was president of Rollins Investments, Inc., a real estate development and property management company with investments in retail, hospitality and mixed-use developments ( Rollins Investments ) from 1988 to 1991, and chief financial officer of RealtiCorp, a research-based land fund which focused on procurement of land for multi-site users such as retail chains, restaurants and convenience stores from 1996 to 1998. Mr. Rollins serves as the lead independent director and a member of the audit committee and the nominating and corporate governance committee of Fortegra Financial Corporation (NYSE: FRF). He began his career at Drexel Burnham Lambert as a real estate investment banker in 1985. Mr. Rollins received his BSBA from the Citadel and his MBA from the Fuqua School of Business at Duke University.

**Michael S. Hartnett**

*Co-Chairman of the Board and  
Chief Investment Officer*

Age: 53

Mr. Hartnett has served as the co-chairman of our board of directors and our chief investment officer since our inception. Mr. Hartnett, together with Mr. Rollins, founded Campus Crest Group in 2004. As a co-founder of Campus Crest Group, Mr. Hartnett has a comprehensive knowledge of our history and operations and is therefore well qualified to serve as the co-chairman of our board of directors. His core focus has been on building the development and construction organizations. Mr. Hartnett is also an owner of MXT Capital. Prior to founding Campus Crest Group in 2004, Mr. Hartnett co-founded and managed companies that have successfully developed and operated service-enriched housing properties. He was the founder and president of the Percheron Group, a real estate development management services company, and partnered with several ownership groups that focused on student housing opportunities across the southeast United States. He was a co-founder and executive vice president of Senior LifeChoice, LLC, a nationally recognized regional developer and operator of service-enriched senior housing communities. He was vice president of Rollins Investments from 1990 to 1994. Mr. Hartnett received his BS degree in structural engineering from the University of Maine and his MBA from the Fuqua School of Business at Duke University.

**N. Anthony Coles**

*Independent Director*

Age: 51

Committees:

*Compensation*

*Nominating and Corporate  
Governance*

Dr. Coles has been a member of our board of directors since October 2010. In addition, since March 2008, Dr. Coles has served as president and chief executive officer of Onyx Pharmaceuticals, Inc. (NASDAQ: ONXX), a publicly-traded biopharmaceutical company. From November 2005 until March 2008, Dr. Coles served as president and chief executive officer of NPS Pharmaceuticals, Inc. (NASDAQ: NPSP), a publicly-traded biopharmaceutical company. From May 2002 to October 2005, Dr. Coles served as senior vice president of commercial operations at Vertex Pharmaceuticals, Incorporated (NASDAQ: VRTX), a publicly-traded biotechnology company. Dr. Coles serves on the board of directors of Laboratory Corporation of America® Holdings (NYSE: LH), a publicly-traded clinical laboratory company. In addition, Dr. Coles currently serves as a trustee and member of the Executive Committee for the Johns Hopkins University Board of Trustees. Dr. Coles's public-company and business management experience makes him well-qualified to serve on our board of directors. Dr. Coles received his MD from Duke University, his MPH from Harvard University and his BS from Johns Hopkins University.

**Richard S. Kahlbaugh**

*Lead Independent Director*

Age: 51

Mr. Kahlbaugh has been a member of our board of directors since October 2010. Since April 2010, Mr. Kahlbaugh has served as the chairman, chief executive officer and president of Fortegra Financial Corporation (NYSE: FRF) (Fortegra), a publicly-traded insurance services company. Since June 2007, Mr. Kahlbaugh has served as the chief executive officer and president of Fortegra and from 2004 until June 2007, he served in various roles at Fortegra, including chief operating officer from 2004 until June 2007, executive vice president from 2006 to 2007 and senior vice president from 2004 to 2006. Mr. Kahlbaugh's senior management experience, as well as his experience in general business finance and operations, make him well-qualified to serve on our board of directors. Mr. Kahlbaugh received his BA from the University of Delaware and his JD from the Delaware Law School.

Committees:

*Audit*

*Nominating and Corporate  
Governance (Chair)*

**Denis McGlynn**

*Independent Director*

Age: 66

Mr. McGlynn has been a member of our board of directors since October 2010. Since October 1996, Mr. McGlynn has served as the president and chief executive officer of each of Dover Downs Gaming & Entertainment, Inc. and Dover Motorsports, Inc. Dover Downs Gaming & Entertainment, Inc. (NYSE: DDE) is a publicly-traded gaming and entertainment company. Dover Motorsports, Inc. (NYSE: DVD) is a publicly-traded holding company that markets and promotes motorsports entertainment in the United States. Since November 1979, Mr. McGlynn has served as president of Dover Downs, Inc., the predecessor of both Dover Downs Gaming & Entertainment, Inc. and Dover Motorsports, Inc. Mr. McGlynn's public company and business management experience makes him well-qualified to serve on our board of directors. Mr. McGlynn received his BBA from Pace College and was an officer in the United States Air Force.

Committees:

Audit

Compensation (Chair)

**William G. Popeo**

*Independent Director*

Age: 54

Mr. Popeo has been a member of our board of directors since October 2010. Since June 2006, Mr. Popeo has served as the president, chief executive officer and a member of the board of directors of CSC Trust Company of Delaware, a specialty provider of corporate trust, escrow and agency services. Since December 2005, Mr. Popeo has also served as a vice president of CSC Trust Company of Delaware's parent, Corporation Service Company, where he oversees the independent director and passive investment company businesses. From June 2004 to December 2005, Mr. Popeo was a principal with Sam Park & Company, a commercial real estate development company. Mr. Popeo's commercial real estate experience, legal background and experience with financial accounting make him well-qualified to serve on our board of directors. Mr. Popeo received his BA, JD and MBA from Boston College and is a certified public accountant and licensed attorney.

Committees:

Audit (Chair)

**Daniel L. Simmons**

*Independent Director*

Age: 58

Mr. Simmons has been a member of our board of directors since October 2010. In January 2002, Mr. Simmons co-founded Harbor Retirement Associates, LLC, a senior living development and management company, and Mr. Simmons has served as a principal of HRA Holdings, LLC, the holding company of Harbor Retirement Associates, LLC, since its founding. Prior to forming HRA Holdings, LLC, Mr. Simmons served as a consultant to CNL Financial Group, Inc., where he provided advice on the formation, registration and strategic direction of CNL Retirement Properties, Inc., a publicly-traded unlisted REIT. Mr. Simmons' REIT, property development and management experience makes him well-qualified to serve on our board of directors. Mr. Simmons attended Florida State University and the University of South Florida.

Committees:



Compensation

Nominating and Corporate  
*Governance*

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**Biographical Information Regarding Executive Officers Who Are Not Directors**

**Earl C. Howell**

*President and Chief Operating Officer*

*Age: 62*

Mr. Howell has served as our president and chief operating officer since our inception. Prior to our initial public offering, Mr. Howell had been providing consulting services to us since October 2009. From 2002 to April 2009, he served in multiple positions with Silverton Bank, and its predecessor, The Bankers Bank, including serving as chief operating officer of Silverton Bank, N.A. from 2007 until his departure in April 2009. In his role as chief operating officer at Silverton, Mr. Howell's responsibilities included regional branch administration, payment and settlement operations, information technology and human resources, and involved oversight of over 200 employees. In May 2009, subsequent to Mr. Howell's departure, the Office of the Comptroller of the Currency appointed the Federal Deposit Insurance Corporation as receiver for Silverton Bank, N.A., and in June 2009, Silverton Financial Services, Inc., the parent holding company of Silverton Bank, N.A., filed a chapter 7 petition under the federal bankruptcy code. In May 2009, Mr. Howell founded Harlequin Consulting, a private consulting firm specializing in strategy and executive compensation. In addition to Mr. Howell's professional experience, he served for 30 years on both active duty and reserve in the U.S. Army, attaining the rank of Colonel, Special Forces and serving with deployments ranging from Vietnam to Bosnia. Mr. Howell received his BA and his MBA from the University of North Carolina at Chapel Hill, and he is also a graduate of the U.S. Army War College.

**Donald L. Bobbitt, Jr.**

*Executive Vice President,*

*Chief Financial Officer and Secretary*

*Age: 43*

Mr. Bobbitt has served as our executive vice president, chief financial officer and secretary since our inception. Prior to our initial public offering, Mr. Bobbitt served as the chief financial officer of Campus Crest Group since January 2008. From April 2006 to December 2007, Mr. Bobbitt was chief financial officer of Motorsports Authentics, LLC, a private company which marketed and distributed NASCAR motorsports licensed merchandise. Prior to this, Mr. Bobbitt had an eleven-year career with Speedway Motorsports, Inc. (NYSE: TRK), a publicly-traded company, where he served in a variety of positions, including vice president of business operations, assistant corporate controller and vice president of finance. Prior to joining Speedway Motorsports, Inc., Mr. Bobbitt was in the financial services practice at Deloitte & Touche LLP. Mr. Bobbitt received his BS from Wake Forest University and is a certified public accountant.

**Robert Dann**

*Executive Vice President and Division President-Campus Crest Real Estate and Campus Crest Development*

*Age: 50*

Mr. Dann has served as our executive vice president and division president of both Campus Crest Real Estate Management and Campus Crest Development since April 2011. From October of 2005 until April of 2011, he was president of CSM Lodging, LLC in Minneapolis, Minnesota, where he oversaw a portfolio of 38 hotels. Prior to that, Mr. Dann served as vice president of operations for Interstate Hotels & Resorts and also as executive vice president with Boykin Management in Cleveland, Ohio. He also has more than 15 years of property level hotel experience with such companies as Ian Schrager Hotels, Helmsley Hotels, Westin and InterContinental. Mr. Dann is a graduate of the University of Denver with a BSBA in Hotel and Restaurant Management.

**Brian L. Sharpe**

*Executive Vice President and  
Division President-Construction  
and Facilities*

Mr. Sharpe has served as our executive vice president and division president of construction and facilities since our inception. Prior to our initial public offering, since 2006, Mr. Sharpe served as president of Campus Crest Construction and, from April 2008 until December 2009, simultaneously served as the chief operating officer of Campus Crest Group. As both division president and chief operating officer, Mr. Sharpe has overseen the development, construction and maintenance of our properties and directed our global purchasing efforts. From September 1999 until April 2006, Mr. Sharpe served as a senior program manager at BBL Construction Services, LLC, where he shared management responsibilities for the national construction program of BBL Medical Facilities. Mr. Sharpe attended Villanova University.

Age: 53

**Board Leadership**

The board recognizes that one of its key responsibilities is to evaluate and determine its optimal leadership structure so as to provide independent oversight of management. The board understands that there is no single, generally accepted approach to providing board leadership and the right board leadership structure may vary as circumstances warrant. Consistent with this understanding, our independent directors consider the board's leadership structure on an annual basis.

The board of directors will annually elect a chairman of the board, who may or may not be the chief executive officer of our company. Since our formation in 2010, Ted W. Rollins has served as our co-chairman of the board and chief executive officer and Michael S. Hartnett has served as our co-chairman of the board and chief investment officer. Messrs. Rollins and Hartnett are involved in both our day-to-day operations and the strategic decision making at the board level. Based on its most recent review of our leadership structure, the board continues to believe that this leadership structure is optimal for us because it provides our company with strong and consistent leadership. The board believes that having Messrs. Rollins and Hartnett serving in these positions provides us with decisive and effective leadership.

In considering its leadership structure, the board has taken a number of factors into account. The board, which consists of a majority of independent directors, exercises a strong, independent oversight function. This oversight function is enhanced by the fact that all of the board's committees—audit, compensation and nominating and corporate governance committees—are comprised entirely of independent directors. Further, as specified in our corporate governance guidelines (and as discussed in greater detail below), the board has designated one of its independent directors as the lead independent director, with significant responsibilities. A number of board and committee processes and procedures, including regular executive sessions of non-management directors and a regular review of our executive officers' performance, provide substantial independent oversight of our management's performance. Finally, under our bylaws and corporate governance guidelines, the board has the ability to change its structure, should that be deemed appropriate and in the best interest of our company and our stockholders. The board believes that these factors provide the appropriate balance between the authority of those who oversee our company and those who manage it on a day-to-day basis.

The co-chairmen of the board preside at all meetings of the stockholders and of the board as a whole. The co-chairmen perform such other duties, and exercise such powers, as from time to time shall be prescribed in our bylaws or by the board of directors. As discussed below, the lead independent director performs such duties as may be specified by the board and outlined in our corporate governance guidelines.

**Lead Independent Director**

As stated in our corporate governance guidelines, our board of directors annually elects a non-management and independent director to serve in a lead capacity to coordinate the activities of the other non-management and independent directors, and to perform any other duties and responsibilities that the board of directors may determine. Although annually elected, it is generally expected that he or she will serve for more than one year. Richard S. Kahlbaugh currently serves as our lead independent director.

The role of the lead independent director may include:

presiding at executive sessions, including coordinating the agendas for the sessions;

functioning as principal liaison on sensitive issues between the independent directors and management;

approving the appropriate provision of information sent to the board, including agenda items;

facilitating the board's approval of the number and frequency of board meetings, as well as meeting schedules, to assure that there is sufficient time for discussion;

authorizing the retention of outside advisors and consultants who report directly to the board of directors; and

if requested by stockholders, ensuring that he/she is available, when appropriate, for consultation and direct communication.

#### **Director Independence**

Under the enhanced corporate governance standards of the NYSE, at least a majority of our directors, and all of the members of our audit committee, compensation committee and nominating and corporate governance committee, must meet the test of independence. The NYSE standards provide that to qualify as an independent director, in addition to satisfying certain bright-line criteria, the board of directors must affirmatively determine that a director has no material relationship with us (either directly or as a partner, stockholder or officer of an organization that has a relationship with the company). Our board of directors has affirmatively determined that each of Dr. Coles and Messrs. Kahlbaugh, McGlynn, Popeo and Simmons satisfies the bright-line independence criteria of the NYSE and that none has a relationship with us that would interfere with such person's ability to exercise independent judgment as a member of the board of directors. Therefore, we believe that all of these directors, who constitute a majority of our board of directors, are independent under the NYSE rules.

We have implemented procedures for interested parties, including stockholders, to communicate directly with our independent directors. We believe that providing a method for interested parties to communicate directly with our independent directors, rather than the full board of directors, would provide a more confidential, candid and efficient method of relaying any interested party's concerns or comments. See [Communication with the Board of Directors, Independent Directors and the Audit Committee](#).

#### **Board Meetings**

The board of directors held five meetings in 2011, the audit committee held eight meetings in 2011, the compensation committee held four meetings in 2011 and the nominating and corporate governance committee held one meeting in 2011. Each director attended more than 75% of the board meetings and each director's respective committee meetings in 2011. The board of directors does not have a policy with respect to directors' attendance at annual meetings of stockholders.

As required by the NYSE rules, the independent directors of our board regularly meet in executive session, without management present. Generally, these executive sessions follow after each meeting of the board and each committee meeting. In 2011, the independent directors of the board met in executive session without management present four times. Our lead independent director presides over such independent, non-management sessions of the board.

## **Board Committees**

Our board of directors has appointed an audit committee, a compensation committee and a nominating and corporate governance committee and has adopted a written charter for each of these committees. Each of these committees has three directors and is composed exclusively of independent directors, as required by and defined in the rules and listing qualifications of the NYSE and, with respect to the members of the audit committee, Rule 10A-3 promulgated pursuant to the Securities Exchange Act of 1934, as amended (the Exchange Act). Moreover, to the extent required by Rule 16b-3 of the Exchange Act, our compensation committee is composed exclusively of non-employee directors who qualify as outside directors for purposes of Section 162(m) of the Internal Revenue Code. Our board of directors may from time to time establish other committees to facilitate the management of our company.

### *Audit Committee*

Our audit committee consists of Richard S. Kahlbaugh, Denis McGlynn and William G. Popeo, each of whom is an independent director. Each member of the audit committee is financially literate and able to read and understand fundamental financial statements. William G. Popeo chairs our audit committee and serves as our audit committee financial expert, as that term is defined by the SEC. Our audit committee assists the board in overseeing, among other things:

our system of internal controls;

our accounting and financial reporting processes;

the integrity and audits of our consolidated financial statements;

our compliance with legal and regulatory requirements;

the qualifications and independence of our independent auditors; and

the performance of our independent auditors and any internal auditors.

Our audit committee also is responsible for engaging an independent registered public accounting firm, reviewing with the independent registered public accounting firm the plans and results of the audit engagement, approving professional services provided by the independent registered public accounting firm, reviewing the independence of the independent registered public accounting firm, considering the range of audit and non-audit fees and reviewing the adequacy of our internal accounting controls. The audit committee has the power to investigate any matter brought to its attention within the scope of its duties and to retain counsel for this purpose where appropriate.

Our board of directors has adopted a policy for the review and approval of related person transactions requiring disclosure under Rule 404(a) of Regulation S-K. The policy provides that the audit committee is responsible for reviewing and approving or disapproving all interested transactions, including any transaction, arrangement or relationship in which (i) the amount involved may be expected to exceed \$120,000 in any fiscal year, (ii) we will be a participant and (iii) a related person has a direct or indirect material interest. A related person is defined as an executive officer, director or nominee for election as director, or a greater than 5% beneficial owner of our common stock, or an immediate family member of the foregoing.

In addition, we have a written code of business conduct and ethics that covers a wide range of business practices and procedures and that establishes guidelines for our directors, officers and employees, including standards for many situations where potential conflicts of interest may arise. Our code of business conduct and ethics requires all directors, officers and employees to report any transactions or relationships that reasonably could be expected to give rise to a conflict of interest to the chairman of the audit committee or our chief financial officer or through our whistleblower hotline. In addition, our corporate governance guidelines require that each member of our board of directors consult the nominating and corporate governance committee in advance of



accepting an invitation to serve on another company's board. Because the facts and circumstances regarding potential conflicts are difficult to predict, the board of directors has not adopted a written policy for evaluating conflicts of interests. In the event a conflict of interest arises, the board will review, among other things, the facts and circumstances of the conflict, our applicable corporate governance policies, the effects of any potential waivers of those policies, applicable state law, and the NYSE continued listing rules and regulations, and will consider the advice of counsel, before making any decisions regarding the conflict.

The audit committee held eight meetings in 2011.

#### ***Compensation Committee***

Our compensation committee consists of N. Anthony Coles, Denis McGlynn and Daniel L. Simmons, each of whom is an independent director. Denis McGlynn chairs our compensation committee. The principal functions of our compensation committee include:

evaluating the performance of our officers;

establishing overall employee compensation policies and recommending, as appropriate or necessary, to our board of directors major compensation programs;

reviewing and approving the compensation payable to our named executive officers, including salary and bonus awards and awards under our 2010 Equity Incentive Compensation Plan;

administering our 2010 Equity Incentive Compensation Plan and any other compensation plans, policies and programs of ours;

assisting management in complying with our proxy statement and annual report disclosure requirements; and

discharging the board's responsibilities relating to compensation of our directors.

The compensation committee held four meetings in 2011.

#### ***Nominating and Corporate Governance Committee***

Our nominating and corporate governance committee consists of N. Anthony Coles, Richard S. Kahlbaugh and Daniel L. Simmons, each of whom is an independent director. Richard S. Kahlbaugh chairs our nominating and corporate governance committee. The principal functions of our nominating and corporate governance committee include:

seeking, considering and recommending to our board of directors qualified candidates for election as directors, recommending a slate of nominees for election as directors at the annual meeting of stockholders and verifying the independence of directors;

recommending to our board of directors the appointment of each of our executive officers;

periodically preparing and submitting to our board of directors for adoption the committee's selection criteria for director nominees;

reviewing and making recommendations on matters involving the general operation of our board of directors and our corporate governance;

annually recommending to our board the nominees for each committee of the board; and



annually facilitating the assessment of our board of directors' performance as a whole and of the individual directors and report thereon to our board.

The nominating and corporate governance committee held one meeting in 2011.

### **Risk Management**

Our board of directors takes an active and informed role in our risk management policies and strategies. At least annually, our executive officers, who are responsible for our day-to-day risk management practices, present to the board of directors a comprehensive report on the material risks to our company, including credit risk, liquidity risk and operational risk. At that time, the management team also reviews with the board of directors our risk mitigation policies and strategies specific to each risk that is identified. If necessary, our board of directors may delegate specific risk management tasks to management or an appropriate committee. Throughout the year, management monitors our risk profile and, on a regular basis, updates the board of directors as new material risks are identified or the aspects of a risk previously presented to the board materially change. The nominating and corporate governance committee, subject to the review of the audit committee, also actively monitors risks to our company throughout the year, and with the aid of management, identifies any additional risks that need to be elevated for the full board's consideration.

### **Nomination of Directors**

Before each annual meeting of stockholders, the nominating and corporate governance committee considers the nomination of all directors whose terms expire at the next annual meeting of stockholders and also considers new candidates whenever there is a vacancy on the board or whenever a vacancy is anticipated due to a change in the size or composition of the board, a retirement of a director or for any other reasons. In addition to considering incumbent directors, the nominating and corporate governance committee may identify director candidates based on recommendations from the directors and executive officers. The committee may in the future engage the services of third-party search firms to assist in identifying or evaluating director candidates. No such firm was engaged in 2011.

The nominating and corporate governance committee evaluates annually the effectiveness of the board as a whole and of each individual director and identifies any areas in which the board would be better served by adding new members with different skills, backgrounds or areas of experience. The nominating and corporate governance committee and the board of directors consider director candidates based on a number of factors including:

whether the candidate will be independent, as such term is defined by the NYSE listing standards;

whether the candidate has a general understanding of marketing, finance, corporate strategy and other elements relevant to the operation of a publicly-traded company in today's business environment;

the candidate's character, including whether the candidate possesses high personal and professional ethics, integrity and values;

the candidate's educational and professional background, including whether the candidate has demonstrated leadership ability, with broad experience, diverse perspectives, and the ability to exercise sound business judgment;

whether the candidate has an understanding of our business, including experience in areas important to the operations of our company; and

whether the candidate provides a diversity of viewpoints, background, experience and demographics as compared the current members of the board.

Candidates are also evaluated based on their understanding of our business and willingness to devote adequate time to carrying out their duties. The nominating and corporate governance committee also monitors the mix of skills, experience and background to assure that the board has the necessary composition to effectively perform its oversight function. As noted immediately above, diversity characteristics of a candidate are just one of several factors considered by the committee when evaluating director candidates. A candidate will neither be included nor excluded from consideration solely based on his or her diversity traits. The nominating and corporate governance committee conducts regular reviews of current directors in light of the considerations described above and their past contributions to our board of directors. The board reviews the effectiveness of its director candidate nominating policies annually.

The nominating and corporate governance committee will consider appropriate nominees for directors whose names are submitted in writing by a stockholder of our company. Director candidates submitted by our stockholders will be evaluated by the nominating and corporate governance committee on the same basis as any other