

MID AMERICA APARTMENT COMMUNITIES INC
Form S-3ASR
March 20, 2015

As filed with the Securities and Exchange Commission on March 20, 2015

Registration No. 333-

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM S-3

**REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933**

MID-AMERICA APARTMENT COMMUNITIES, INC.

(Exact name of registrant as specified in its charter)

TENNESSEE
(State or other jurisdiction of
incorporation or organization)

62-1543819
(IRS Employer
Identification Number)

**6584 Poplar Avenue
Memphis, Tennessee 38138
(901) 682-6600**

(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)

**Robert J. DelPriore, Esq.
Executive Vice President and General Counsel**

**6584 Poplar Avenue
Memphis, Tennessee 38138
(901) 682-6600**

**(Name, address, including zip code and telephone number,
including area code, of agent for service)**

Copy to:

**Richard F. Mattern, Esq.
Baker, Donelson, Bearman, Caldwell & Berkowitz, PC
165 Madison Avenue, Suite 2000
Memphis, Tennessee 38103
Telephone (901) 577-2343**

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this Registration Statement as the Registrant shall determine.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer x

Accelerated filer o

Non-accelerated filer

Smaller reporting company o

(Do not check if a smaller reporting company) o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To Be Registered	Amount To Be Registered	Proposed Maximum Offering Price Per Share ⁽¹⁾	Proposed Maximum Aggregate Offering Price ⁽¹⁾⁽²⁾	Amount Of Registration Fee ⁽³⁾
Common Stock, par value \$0.01 per share	2,000,000	\$ 75.03	\$ 150,060,000	\$ 17,436.97

Estimated solely for purposes of calculating the registration fee. Calculated in accordance with Rule 457(c) under (1) the Securities Act of 1933, as amended (the Securities Act) based upon the average of the high and low sales prices of the common stock as reported on the New York Stock Exchange on March 16, 2015.

(2) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(c) under the Securities Act. The registration fee of \$14,768.31, associated with 1,967,456 shares of common stock that are being carried

(3) forward from the Registration Statement on Form S-3 (Registration No. 333-180257) initially filed on March 21, 2012 (the Prior Registration Statement), was previously paid in connection with the filing of the Prior Registration Statement.

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PROSPECTUS

MID-AMERICA APARTMENT COMMUNITIES, INC.

2,000,000 shares of common stock, \$0.01 par value per share

DIVIDEND AND DISTRIBUTION REINVESTMENT AND SHARE PURCHASE PLAN

We are pleased to offer you the opportunity to participate in the Mid-America Apartment Communities, Inc. Dividend and Distribution Reinvestment and Share Purchase Plan, or the plan. The plan has two components: a dividend and distribution reinvestment component and a direct common stock purchase component. The dividend and distribution reinvestment component provides holders of record and beneficial owners of our common stock, preferred stock and limited partnership interests in Mid-America Apartments, L.P., our operating partnership, all of which we call eligible securities, with an easy and economical way to designate all or any portion, but not less than 10%, of the cash dividends or distributions on their eligible securities for reinvestment in our common stock. The direct common stock purchase component permits our holders of eligible securities and new investors to purchase common stock in an economical and convenient manner.

This prospectus relates to 2,000,000 shares of our common stock, par value \$0.01 per share, to be offered for purchase under the plan. Our common stock is listed on the New York Stock Exchange, or NYSE, under the symbol MAA. On March 19, 2015, the closing price of our common stock was \$77.46 per share.

Key features of the plan are that you can:

- Enroll in the plan even if you are not a current holder of eligible securities;
- Purchase common stock through the plan without a personal broker and, in many cases, without paying a commission;
- Automatically reinvest all or any portion, but no less than 10%, of your dividends or distributions in our common stock;
- Purchase common stock at any time through optional cash investments of as little as \$250 per month or as much as \$5,000 per month at a discount from the market price that may range from 0% to 5% at our sole discretion;
- Make optional cash investments in our common stock in excess of \$5,000 per month at a discount from the market price that may range from 0% to 5% at our sole discretion;

- Authorize automatic monthly investments in our common stock from a checking or savings account;
- Transfer your common stock easily; and

- Own and transfer your common stock without holding or delivering physical certificates.

To assist us in maintaining our qualification as a real estate investment trust, or REIT, no person may own more than 9.9% of the total value of our outstanding capital stock, unless our board of directors waives this limitation. See the discussion in Question 9 for more information.

Please read this prospectus carefully and keep it and any future investment statements for your reference. If you have any questions about the plan, please call the plan administrator, American Stock Transfer & Trust Company LLC, or AST, toll free at 1-800-278-4353. Customer service representatives are available Monday through Friday, between the

hours of 8:00 A.M. and 8:00 P.M. Eastern time.

INVESTING IN OUR COMMON STOCK INVOLVES RISKS. BEFORE BUYING OUR COMMON STOCK, YOU SHOULD READ CAREFULLY THE RISK FACTORS DESCRIBED IN THIS PROSPECTUS AND OUR SECURITIES AND EXCHANGE COMMISSION FILINGS. SEE THE SECTION OF THIS PROSPECTUS CALLED RISK FACTORS ON PAGE 1 FOR A DISCUSSION OF RISKS APPLICABLE TO US AND AN INVESTMENT IN OUR COMMON STOCK.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is March 20, 2015.

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ABOUT THIS PROSPECTUS

Unless otherwise noted or unless the context otherwise requires, all references in this prospectus to we, us, our, company, MAA or similar references means Mid-America Apartment Communities, Inc. and its subsidiaries and affiliates. Our principal executive offices are located at 6584 Poplar Avenue, Memphis, TN 38138 and our telephone number is (901) 682-6600.

RISK FACTORS

Investment in our common stock involves risks. Before acquiring any shares of our common stock offered pursuant to this prospectus, you should carefully consider the risks described below as well as information contained, or incorporated by reference, in this prospectus or in any accompanying prospectus supplement, including, without limitation, the risks of an investment in MAA set forth under the captions Item 1A. Risk Factors and Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in our most recent annual report on Form 10-K and under the caption Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations and in Part II under Item 1A. Risk Factors in our quarterly reports on Form 10-Q, and as described in our other filings with the Securities and Exchange Commission, or SEC. The occurrence of any of these risks might cause you to lose all or a part of your investment. Please also refer to the section below entitled Forward-Looking Statements.

Your investment in the plan is not protected from losses.

Your investment in the plan is no different from any investment in common stock held directly by you. If you choose to participate in the plan, then you should recognize that neither we nor the plan administrator can assure you of a profit or protect you against loss on our common stock that you purchase under the plan. You bear the risk of loss in value and enjoy the benefits of gains with respect to all of our common stock that you purchase. You need to make your own independent investment and participation decisions consistent with your situation and needs. Neither we nor the plan administrator can guarantee liquidity in the markets, and the value and marketability of our common stock may be adversely affected by market conditions. Your ability to liquidate or otherwise dispose of our common stock in the plan is subject to the terms of the plan and the withdrawal procedures thereunder. You may not be able to withdraw or sell common stock in the plan in time to react to market conditions.

Plan accounts are not insured or protected by the Securities Investor Protection Corporation or any other entity and are not guaranteed by the Federal Deposit Insurance Corporation or any government agency.

We and the plan administrator will have limited liability to you with respect to the plan.

Neither we nor the plan administrator will be liable for any act, or for any failure to act, as long as we or they have made good faith efforts to carry out the terms of the plan, as described in this prospectus and on the forms that are designed to accompany each investment, sale or activity.

The purchase price for our common stock purchased or sold under the plan will vary.

The purchase price for any common stock that you purchase or sell under the plan will vary and cannot be predicted. You may purchase or sell common stock at a price that is different from (more or less than) the price that you would face if you acquired or sold common stock on the open market on the related dividend or distribution payment date, purchase date, or sale date, as appropriate.

We may not be able to pay dividends.

We cannot assure you that we will declare or pay dividends in the future, and nothing contained in the plan obligates us to do so. In order to qualify as a REIT, we must distribute to our shareholders at least 90% of our REIT taxable income each year. This distribution requirement may require us to distribute all or substantially all of our available cash and therefore may affect our ability to maintain dividend payments in the future if earnings decline. The requirements to qualify for REIT tax status are complex and technical, and we may not be able to qualify for reasons beyond our control. If we are unable to qualify for REIT tax status, then we may not be able to make distributions to our shareholders.

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You will not earn any interest on your dividends, distributions or cash pending investment.

No interest will be paid on dividends, distributions, cash or other funds held by the plan administrator pending investment or disbursement.

The market price for our common stock varies, and you should purchase common stock for long-term investment only.

Although our common stock currently trades on the NYSE, we cannot assure you that there will, at any time in the future, be an active trading market for our common stock. Even if there is an active trading market for our common stock, we cannot assure you that you will be able to sell all of the common stock held in your plan account at one time or at a favorable price, if at all. As a result, you should participate in the plan only if you are capable of, and seeking, to make a long-term investment in our common stock.

You may incur tax obligations without receiving cash with which to pay those obligations.

If you reinvest dividends from our common stock or preferred stock under the plan, you will be treated for federal income tax purposes as having received a dividend on the date common stock is purchased on your behalf under the plan, which may give rise to a tax payment obligation without providing you with cash to pay such tax when it becomes due. If you invest distributions from our operating partnership under the plan, you will be treated for federal income tax purposes as having received a distribution on the date common stock is purchased on your behalf under the plan. Because of your participation in the plan, you may not receive any cash with which to pay your tax obligations that may arise due to the allocation of income to you as a partner and/or the receipt of a distribution in excess of your basis in the operating partnership. If you participate in the share purchase program, you will be treated for federal income tax purposes as having received a distribution from the company on the date common stock is purchased on your behalf under the plan equal to the excess, if any, of the fair market value of the common stock on the purchase date less the amount of the optional cash payment. Such distribution may give rise to a tax payment obligation without providing you with cash to pay such tax when it becomes due. See Question 29 for a description of federal income tax consequences of participating in the plan.

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FORWARD-LOOKING STATEMENTS

We consider this and other sections of this prospectus to contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, with respect to our expectations for future periods. Forward-looking statements do not discuss historical fact, but instead include statements related to expectations, projections, intentions or other items related to the future. Such forward-looking statements include, without limitation, statements concerning property acquisitions and dispositions, joint venture activity, development and renovation activity as well as other capital expenditures, capital raising activities, rent and expense growth, occupancy, financing activities and interest rate and other economic expectations. Words such as expects, anticipates, intends, plans, believes, seeks, variations of such words and similar expressions are intended to identify such forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from the results of operations, financial conditions or plans expressed or implied by such forward-looking statements. Such factors include, among other things, unanticipated adverse business developments affecting us, or our properties, adverse changes in the real estate markets and general and local economies and business conditions. Although we believe that the assumptions underlying the forward-looking statements contained herein are reasonable, any of the assumptions could be inaccurate, and therefore such forward-looking statements included in this report may not prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by us or any other person that the results or conditions described in such statements or our objectives and plans will be achieved.

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The following factors, among others, could cause our future results to differ materially from those expressed in the forward-looking statements:

- inability to generate sufficient cash flows due to market conditions, changes in supply and/or demand, competition, uninsured losses, changes in tax and housing laws, or other factors;
- exposure, as a multifamily focused REIT, to risks inherent in investments in a single industry;
- adverse changes in real estate markets, including, but not limited to, the extent of future demand for multifamily units in our significant markets, barriers of entry into new markets which we may seek to enter in the future, limitations on our ability to increase rental rates, competition, our ability to identify and consummate attractive acquisitions or development projects on favorable terms, our ability to consummate any planned dispositions in a timely manner on acceptable terms, and our ability to reinvest sale proceeds in a manner that generates favorable returns;
- failure of new acquisitions to achieve anticipated results or be efficiently integrated;
- failure of development communities to be completed, if at all, within budget and on a timely basis or to lease-up as anticipated;
- unexpected capital needs;
- changes in operating costs, including real estate taxes, utilities and insurance costs;
- losses from catastrophes in excess of our insurance coverage;
- ability to obtain financing at favorable rates, if at all, and refinance existing debt as it matures;
- level and volatility of interest or capitalization rates or capital market conditions;
- loss of hedge accounting treatment for interest rate swaps or interest rate caps;
- the continuation of the good credit of our interest rate swap and cap providers;
- price volatility, dislocations and liquidity disruptions in the financial markets and the resulting impact on financing;

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the effect of any rating agency actions on the cost and availability of new debt financing;
significant decline in market value of real estate serving as collateral for mortgage obligations;
significant change in the mortgage financing market that would cause single-family housing, either as an owned or rental product, to become a more significant competitive product;
our ability to continue to satisfy complex rules in order to maintain our status as a REIT for federal income tax purposes, the ability of the Operating Partnership to satisfy the rules to maintain its status as a partnership for federal income tax purposes, the ability of our taxable REIT subsidiaries to maintain their status as such for federal income tax purposes, and our ability and the ability of our subsidiaries to operate effectively within the limitations imposed by these rules;

inability to attract and retain qualified personnel;
potential liability for environmental contamination;
adverse legislative or regulatory tax changes;

litigation and compliance costs associated with laws requiring access for disabled persons; and other risks identified in this prospectus and, from time to time, in other reports we file with the Securities and Exchange Commission, or the SEC, or in other documents that we publicly disseminate.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any reports, statements or other information that we have filed with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may request copies of these documents, upon payment of a copying fee, by writing to the SEC. Please call the SEC at 1-800-SEC-0330 for information on the operation of the Public Reference Room. Our SEC filings are also available to the public on the SEC internet site at <http://www.sec.gov>. Unless specifically listed in Incorporation of Certain Information by Reference, the information contained on the SEC website is not intended to be incorporated by reference in this prospectus.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

Certain information about us is incorporated by reference to reports and exhibits we file with the SEC that are not included in this prospectus. We disclose important information to you by referring you to these documents. Any statement contained in a document incorporated or deemed to be incorporated by reference into this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or any other subsequently filed document that is deemed to be incorporated by reference into this prospectus modifies or supersedes such statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus. We incorporate by reference the documents listed below that we have filed with the SEC:

Annual Report on Form 10-K for the year ended December 31, 2014 filed on February 25, 2015;

Current Report on Form 8-K filed on March 19, 2015; and

The description of our common stock contained in our Registration Statement on Form 8-A filed on December 14, 1993.

All documents that we file with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, on or after the date of this prospectus and prior to the termination of the offering made pursuant to this prospectus are also incorporated herein by reference and will automatically update and supersede information contained or incorporated by reference in this prospectus. Nothing in this prospectus shall be deemed to incorporate information furnished to but

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filed with the SEC pursuant to Item 2.02 or Item 7.01 of Form 8-K (or corresponding information furnished under Item 9.01 or included as an exhibit to Form 8-K).

You may request a copy of these filings, at no cost (other than exhibits and schedules to such filings, unless such exhibits or schedules are specifically incorporated by reference into this prospectus), by writing or calling us at the following address: Investor Relations, Mid-America Apartment Communities, Inc., 6584 Poplar Avenue, Memphis, Tennessee 38138, (901) 682-6600.

You should rely only on the information incorporated by reference or provided in this prospectus, any supplement to this prospectus or any other offering materials we may use. We have not authorized any person to provide information other than that provided in this prospectus, any supplement to this prospectus or any other offering materials we may use. You should assume that the information in this prospectus, any prospectus supplement and any other offering materials we may use is accurate only as of the date on its cover page and that any information in a document we have incorporated by reference is accurate only as of the date of the document incorporated by reference. The statements that we make in this prospectus or in any document incorporated by reference in this prospectus about the contents of any other documents are not necessarily complete, and are qualified in their entirety by referring you to copies of those documents that are filed as exhibits to the registration statement, of which this prospectus forms a part, or as an exhibit to the documents incorporated by reference. This prospectus may only be used where it is legal to sell these securities.

OUR COMPANY

MAA is a multi-family focused, self-administered and self-managed REIT. We own, operate, acquire and selectively develop apartment communities primarily located in the Southeast and Southwest regions of the United States. Our activities include full or partial ownership and operation of 268 multi-family properties and 3 commercial properties as of December 31, 2014, located in Alabama, Arizona, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, Missouri, Nevada, North Carolina, South Carolina, Tennessee, Texas and Virginia.

Our business is conducted principally through our operating partnership. We are the sole general partner of the operating partnership, holding 75,267,675 common units of partnership interest, or OP units, comprising a 94.7% partnership interest in the operating partnership as of December 31, 2014.

MAA was formed in Tennessee in 1993. Our corporate offices are located at 6584 Poplar Avenue, Memphis, Tennessee 38138 and our telephone number is (901) 682-6600.

INFORMATION ABOUT THE PLAN

The following questions and answers explain and constitute our dividend and distribution reinvestment and share purchase plan, which we refer to as the plan, as amended. If you decide not to participate in the plan, you will receive your dividends or distributions, as declared and paid in the usual manner.

1. What is the purpose of the plan?

The primary purpose of the plan is to provide holders of eligible securities and interested new investors with an economical and convenient way to increase their investment in MAA. We also may use the plan to raise additional capital through the sale each month of common stock available for issuance under the plan to purchasers of common stock (including brokers or dealers) who, in connection with any resales of such common stock, may be deemed to be

underwriters. These sales will be made through our ability to waive limitations on the maximum amount of any optional cash purchases.

The plan is primarily intended for the benefit of long-term investors, and not for the benefit of individuals or institutions which engage in short-term trading activities that could cause aberrations in the overall trading volume of our common stock. From time to time, financial intermediaries may engage in positioning transactions in order to benefit from any applicable discount from the market price for our common stock acquired through the optional cash purchases under

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the plan. These transactions may cause fluctuations in the trading volume of our common stock. We reserve the right to modify, suspend or terminate participation in this plan by otherwise eligible participants in order to eliminate practices which are not consistent with the purposes of the plan.

2. **What are my investment options under the plan?**

Once enrolled in the plan, you may purchase common stock through the following investment options:

Dividend and Distribution Reinvestment Program. Holders of eligible securities may elect to have all, a portion or none of their dividends or distributions paid on their eligible securities automatically reinvested in common stock through the dividend and distribution reinvestment program. Cash dividends are paid on common stock and preferred stock when and as declared by our Board of Directors, generally on a quarterly basis. Cash distributions are paid on the limited partnership interests when and as authorized by us, as general partner of Mid-America Apartments, L.P., our operating partnership, generally on a quarterly basis. Subject to the availability of our common stock registered for issuance under the plan, there is no limitation on the amount of dividends or distributions you may reinvest under the plan. Under the Emergency Economic Stabilization Act, passed by Congress in 2008, you must reinvest at least 10% of your dividend distribution each dividend period when participating in the dividend and distribution reinvestment component of the plan.

Share Purchase Program. Each month, holders of eligible securities and interested new investors may elect to invest optional cash payments in common stock, subject to a minimum monthly purchase limit of \$250 and a maximum monthly purchase limit of \$5,000. You may elect to make optional cash payments through automatic deductions from your banking or checking accounts. At our discretion, we may waive the maximum limit upon your written request.

See Question 20 to learn how to request a waiver. You may make optional cash purchases each month even if dividends or distributions on your eligible securities are not being reinvested and even if a dividend or distribution has not been declared. You may, but are not required to, enroll any common stock purchased through the plan into the dividend and distribution reinvestment program. To designate common stock for participation in the dividend and distribution reinvestment program, make the appropriate election on the authorization form described in Question 12.

3. **How can I change my investment options?**

You may change your investment options at any time by requesting a new authorization form and returning it to the plan administrator at the address set forth in Question 7. Any authorization form which is returned to the plan administrator to change your investment options will be effective in accordance with the schedule described in Question 11.

4. **What are the advantages and disadvantages of the plan?**

Before deciding whether to participate in the plan, you should consider the following advantages and disadvantages of the plan.

Advantages.

The plan provides you with the opportunity to reinvest dividends or distributions paid on all or a portion, but not less than 10%, of your eligible securities towards the purchase of our common stock. Under the Emergency Economic Stabilization Act, passed by Congress in 2008, you must reinvest at least 10% of your dividend distribution each dividend period when participating in the dividend and distribution reinvestment component of the plan.

The plan provides you with the opportunity to make monthly investments of optional cash payments, subject to a minimum of \$250 and a maximum of \$5,000 (unless the maximum limit is waived by us), for the purchase of our common stock. In addition, you have the flexibility to make these optional cash investments on a regular or occasional basis.

Advantages.

We may offer you the opportunity to acquire our common stock through optional cash purchases at a discount of up to 5% from the market price of our common stock.

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We pay all of the costs of purchasing common stock with initial investments, dividend and distribution reinvestments and optional cash purchases if the common stock is purchased directly from us. We also pay for the annual maintenance cost of your account. However, should the plan administrator purchase stock in the open market, you may be required to pay a brokerage commission (currently at \$0.05 per share). We may in our sole discretion, decide to pay the brokerage commission for stock purchased in the open market on your behalf. In addition, you will be responsible for certain costs if you decide to sell common stock you purchased through the plan. See Questions 21 and 26 for a description of these costs.

As noted above, you will have the convenience of having all or a portion, but no less than 10%, of your dividends and distributions automatically reinvested in our common stock. In addition, since the plan administrator will credit fractional shares of common stock to your plan account, you will receive full investment of your dividends and distributions. See Questions 16 and 23.

You will have the option of having your common stock certificates held for safekeeping by the plan administrator for a charge of \$7.50 payable each time you deliver certificates to the plan administrator, insuring your protection against loss, theft or destruction of the certificates representing your common stock.

You will simplify your record keeping by receiving periodic statements which will reflect all current activity in your plan account, including purchases, sales and latest balances. See Question 22.

At any time, you may direct the plan administrator to sell or transfer all or a portion of the common stock held in your plan account. See Question 26.

At any time, you may request a physical certificate be issued representing any or a portion of the whole common stock held in your plan account. See Question 24.

Disadvantages.

No interest will be paid by us or the plan administrator on dividends, distributions or optional cash payments held pending reinvestment or investment. In addition, optional cash payments of less than \$250 and that portion of any optional cash payment which exceeds the maximum monthly purchase limit of \$5,000 (unless this upper limit has been waived), are subject to return to you without interest. Moreover, purchases above the \$5,000 limit that have been granted a waiver will also be subject to return to you without interest in the event that the threshold price, if any, is not met. See Question 20.

You will not know the actual number of common stock that you have purchased until after the purchase date.