

Edgar Filing: Campus Crest Communities, Inc. - Form 424B5

Campus Crest Communities, Inc.  
Form 424B5  
June 03, 2013

Title of Each Class of Securities To Be Registered	Proposed Maximum Offering Price	Amount Of Registration Fee (1)(2)
Common Stock, par value \$0.01 per share	\$ 100,000,000	\$ 13,640

Calculated in accordance with Rule 457(o) and Rule 457(r) under the Securities Act of 1933, as amended (the Securities Act ), based on the proposed maximum aggregate offering price and Rule 457(r) under the Securities Act.

(1) In accordance with Rules 456(b) and 457(r) under the Securities Act, the registrant initially deferred payment of all of the registration fees for the Registration Statement (File No. 333-188144) filed by the registrant on April 25, 2013, as amended by Post-Effective Amendment No. 1 thereto, filed on June 3, 2013.

(2) Pursuant to Rule 457(p) under the Securities Act, filing fees aggregating \$34,868 have already been paid with respect to unsold securities registered pursuant to the Registration Statement on Form S-3 (File No. 333-177646), and are being carried forward. As a result, the filing fee of \$13,640 due for this offering is offset in full against the registration fee previously paid.

---

TABLE OF CONTENTS

**Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-188144**

**PROSPECTUS SUPPLEMENT  
(To prospectus dated April 25, 2013)**

**\$100,000,000**

**Common Stock**

Campus Crest Communities, Inc. has entered into equity distribution agreements with each of Robert W. Baird & Co. Incorporated, Barclays Capital Inc., Citigroup Global Markets Inc., Raymond James & Associates, Inc. and RBC Capital Markets, LLC (collectively the Sales Agents and each, individually, a Sales Agent ) relating to the shares of our common stock, par value \$0.01 per share, offered by this prospectus supplement and the accompanying prospectus. In accordance with the terms of the equity distribution agreements, we may offer and sell shares of our common stock having an aggregate gross sales price of up to \$100,000,000 from time to time through the Sales Agents as our sales agents.

Sales of shares of our common stock, if any, will be made under the equity distribution agreements by means of ordinary brokers transactions on the New York Stock Exchange ( NYSE ) at market prices, in block transactions, or as otherwise agreed by the applicable Sales Agent and us.

We will pay each of the Sales Agents a commission that will not exceed 2.0% of the gross sales price per share of our common stock sold through it as agent under the applicable equity distribution agreement.

Under the terms of the equity distribution agreements, we also may sell shares of our common stock to each of the Sales Agents as principal for its own account at a price agreed upon at the time of sale. If we sell shares of our common stock to any Sales Agent acting as principal, we will enter into a separate terms agreement with the Sales Agent, and we will describe this agreement in a separate prospectus supplement or pricing supplement.

The Sales Agents are not required to sell any specific number or dollar amount of shares of our common stock, but will use their respective reasonable efforts, as our agents and subject to the terms of the equity distribution agreements, to sell the shares of our common stock offered, as instructed by us. The offering of shares of our common stock pursuant to the equity distribution agreements will terminate upon the earlier of (1) the sale of all the shares of our common stock subject to the equity distribution agreements and (2) the termination of the equity distribution agreements, pursuant to their terms, by either the Sales Agents or us.

Our common stock is listed on the NYSE under the symbol CCG. The last reported sales price of our common stock on May 31, 2013 was \$12.65 per share.

We are organized and conduct our operations in a manner to qualify as a real estate investment trust ( REIT ) for U.S. federal income tax purposes. To assist us in complying with certain U.S. federal income tax requirements applicable to REITs, our charter contains certain restrictions relating to the ownership and transfer of shares of our capital stock, including an ownership limit of 9.8% in value or in number of shares, whichever is more restrictive, of our outstanding shares of common stock or of our outstanding shares of capital stock.

**Investing in our common stock involves risks. You should carefully read the sections entitled Risk Factors beginning on page S-4 of this prospectus supplement, beginning on page 10 of our Annual Report on Form 10-K for the year ended December 31, 2012 and beginning on page 40 of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 for a discussion of the risks that you should consider before making a decision to invest in our common stock.**

**Neither the Securities and Exchange Commission (the SEC ) nor any state or other securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

BAIRD      BARCLAYS      CITIGROUP      RAYMOND JAMES      RBC CAPITAL MARKETS

**The date of this prospectus supplement is June 3, 2013.**

---

TABLE OF CONTENTS

# TABLE OF CONTENTS

## Prospectus Supplement

<u>About This Prospectus Supplement</u>	<u>S-ii</u>
<u>Prospectus Supplement Summary</u>	<u>S-1</u>
<u>Risk Factors</u>	<u>S-4</u>
<u>Cautionary Note Regarding Forward-Looking Statements</u>	<u>S-5</u>
<u>Use of Proceeds</u>	<u>S-7</u>
<u>Plan of Distribution</u>	<u>S-8</u>
<u>Legal Matters</u>	<u>S-10</u>
<u>Experts</u>	<u>S-10</u>
<u>Incorporation of Certain Documents by Reference</u>	<u>S-10</u>

## Prospectus

<u>About This Prospectus</u>	<u>1</u>
<u>Cautionary Note Regarding Forward-Looking Statements</u>	<u>2</u>
<u>Our Company</u>	<u>3</u>
<u>Risk Factors</u>	<u>3</u>
<u>Ratio of Earnings to Fixed Charges</u>	<u>5</u>
<u>Use of Proceeds</u>	<u>6</u>
<u>Description of Capital Stock</u>	<u>7</u>
<u>Description of Preferred Stock</u>	<u>12</u>
<u>Description of Debt Securities</u>	<u>14</u>
<u>Description of Depositary Shares</u>	<u>23</u>
<u>Description of Rights</u>	<u>27</u>
<u>Description of Warrants</u>	<u>28</u>
<u>Certain Provisions of Maryland Law and of our Charter and Bylaws</u>	<u>29</u>
<u>Material U.S. Federal Income Tax Considerations</u>	<u>35</u>
<u>Book-Entry Securities</u>	<u>60</u>
<u>Plan of Distribution</u>	<u>61</u>
<u>Experts</u>	<u>63</u>
<u>Legal Matters</u>	<u>63</u>
<u>Where You Can Find More Information</u>	<u>63</u>
<u>Incorporation of Certain Documents by Reference</u>	<u>64</u>

**You should rely only on the information contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus or any applicable free writing prospectus. We have not, and the Sales Agents have not, authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell, or a solicitation of an offer to purchase, any securities in any jurisdiction where it is unlawful to make such offer or solicitation. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, any applicable free writing prospectus and the documents incorporated by reference herein or therein is accurate**

**only as of their respective dates or on the date or dates which are specified in these documents. Our business, financial condition, liquidity, results of operations, business and prospects may have changed since those dates.**

S-i

---

TABLE OF CONTENTS

## **ABOUT THIS PROSPECTUS SUPPLEMENT**

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of common stock and also adds to, and updates information contained in, the accompanying prospectus. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to this offering. To the extent the information contained in this prospectus supplement differs or varies from the information contained in the accompanying prospectus or documents incorporated by reference therein, the information in this prospectus supplement will supersede such information.

This prospectus supplement does not contain all of the information that is important to you. You should read the accompanying prospectus as well as the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. See *Incorporation of Certain Documents by Reference*.

*When used in this prospectus supplement, unless the context otherwise requires, references to we, us and our refer to Campus Crest Communities, Inc., a Maryland corporation, and its consolidated subsidiaries, including our operating partnership, Campus Crest Communities Operating Partnership, LP, a Delaware limited partnership, through which we conduct substantially all of our business. We refer to the Campus Crest Communities Operating Partnership, LP as the operating partnership.*

S-ii

---

TABLE OF CONTENTS

## PROSPECTUS SUPPLEMENT SUMMARY

*This summary only highlights the more detailed information appearing elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. It does not contain all of the information that is important to you. You should carefully read this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus before deciding whether to invest in our common stock.*

### Our Company

We are a self-managed, self-administered and vertically-integrated REIT focused on developing, building, owning and managing a diversified portfolio of high-quality student housing properties. We seek to differentiate ourselves through our vertical integration and consistent branding across our portfolio through two unique brands targeting different segments of the college student population. The Grove® brand offers more traditional apartment floor plans and focuses on customer service, privacy, on-site amenities and a proprietary residence life program. The Copper Beech brand and townhome product offers more residential-type living to students looking for a larger floor plan with a front door and back porch.

As of March 31, 2013, we owned interests in 39 operating student housing Grove properties containing approximately 7,670 apartment units and 20,884 beds. All of our Grove operating properties are recently built, with an average age of approximately 3.6 years as of March 31, 2013, and contain modern apartment units with many resort-style amenities.

For the three months ended March 31, 2013, the average occupancy for our 39 Grove operating properties was approximately 90.1% and the average total revenue per occupied bed was approximately \$506. Our properties are primarily located in medium-sized college and university markets, which we define as markets located outside of major U.S. cities that have nearby schools generally with overall enrollment of approximately 5,000 to 20,000 students.

As of March 31, 2013, 32 of our Grove operating properties, containing approximately 6,248 apartment units and 16,936 beds, were wholly-owned, and seven of our operating properties, containing approximately 1,422 apartment units and 3,948 beds, were owned through joint ventures with Harrison Street Real Estate Capital ( HSRE ) in which we own interests ranging from 10.0% to 49.9%.

As of March 31, 2013, we also owned interests in a portfolio of 35 Copper Beech-branded student housing properties, one undeveloped land parcel and corporate office building held by the members of Copper Beech Townhome Communities, LLC and Copper Beech Townhome Communities (PA), LLC (collectively, Copper Beech ). Copper Beech consists of 35 student housing properties, including two Phase II development properties scheduled to open in fall 2013, plus one undeveloped land parcel in Charlotte, North Carolina, and Copper Beech's corporate office building in State College, Pennsylvania. Copper Beech consists primarily of townhouse units located in eighteen geographic markets in the United States across thirteen states. As of March 31, 2013, Copper Beech comprised approximately 6,242 rentable units with approximately 16,645 rentable beds, including the units and beds expected to become available at the two development properties. The student housing properties have an average age of approximately seven years. For the three months ended March 31, 2013, the average occupancy for the student housing properties was approximately 98.1%, and the total revenue per occupied bed was approximately \$486.

We intend to consummate the acquisition of an initial 48.0% interest in Copper Beech in steps. On March 18, 2013, we acquired a 48.0% interest in six properties that did not require lender consent prior to sale, and, on April 15, 2013,

we acquired a 48.0% interest in an additional property. At March 31, 2013, our effective interest in Copper Beech was approximately 25.3%. We will continue to close on our 48.0% interest in each remaining property at such time as we obtain the requisite lender consent relating thereto, anticipating completion by the third quarter of 2013.

In addition to our existing properties, we actively seek new organic growth opportunities. We commenced building six new student housing properties in 2012, three of which are wholly owned by us and three of which are owned by a joint venture with HSRE in which we own a 20% interest. We also commenced building three new student housing properties in 2013, one of which is owned by a joint venture with HSRE and Brandywine Realty Trust in which we own a 30% interest and act as the co-developer and two of which

S-1

---



TABLE OF CONTENTS

are owned by a joint venture with HSRE in which we own a 30% interest. Six of these new properties are scheduled to open in August 2013, and three properties are scheduled to open in August 2014.

We were incorporated in the State of Maryland on March 1, 2010. Substantially all of our assets are held by, and we have conducted substantially all of our activities through, our operating partnership and its wholly-owned subsidiaries. We are the sole general partner of our operating partnership, and, as a result, our board of directors effectively directs all of our operating partnership's affairs. As of March 31, 2013, we owned the sole general partnership interest, 99.3% of the outstanding common units of limited partnership interest in our operating partnership ( OP common units ), and all of the outstanding preferred units of limited partnership interest in our operating partnership.

We are organized and conduct our operations to qualify as a REIT under the Internal Revenue Code of 1986, as amended (the Code ). As a REIT, we generally will not be subject to U.S. federal income tax on our income to the extent we currently distribute our income to our stockholders and maintain our qualification as a REIT.

Our principal executive offices are located at 2100 Rexford Road, Suite 414, Charlotte, North Carolina 28211, and our telephone number is (704) 496-2500. Our website is [www.campuscrest.com](http://www.campuscrest.com). However, the information located on, or accessible from, our website is not, and should not be considered to be, part of this prospectus supplement, the accompanying prospectus or any free writing prospectus or incorporated into any other filing that we have made or will make with the SEC.

S-2

---

TABLE OF CONTENTS

## The Offering

Issuer

Campus Crest Communities, Inc.

Common stock offered by us

Common stock with an aggregate gross sales price of up to \$100,000,000.

NYSE Symbol

CCG

Use of Proceeds

We will contribute the net proceeds we receive from this offering to our operating partnership in exchange for OP common units in our operating partnership.

Our operating partnership intends to use such net proceeds for working capital and general corporate purposes, including without limitation the development and acquisition of student housing properties, and the reduction of debt.

Affiliates of Barclays Capital Inc., Citigroup Global Markets Inc., Raymond James & Associates, Inc. and RBC Capital Markets, LLC are lenders under our revolving credit facility. To the extent that we use a portion of the net proceeds from this offering to reduce borrowings outstanding under our revolving credit facility, these affiliates will receive their proportionate shares of such portion of the net proceeds used to reduce amounts outstanding under our revolving credit facility. See Plan of Distribution.

Restrictions on Ownership and Transfer

To help us to qualify as a REIT, our charter, subject to certain exceptions, contains restrictions on the number of shares of our common stock and our capital stock that a person may own. Our charter provides generally that no person may own, or be deemed to own by virtue of the attribution provisions of the Code, either more than 9.8% in value or in number of shares, whichever is more restrictive, of our outstanding shares of capital stock, or more than 9.8% in value or in number of shares, whichever is more restrictive, of our outstanding shares of common stock. See Description of Capital Stock Restrictions on Ownership and Transfer in the accompanying prospectus.

Risk Factors

See Risk Factors beginning on page S-4 of this prospectus supplement, beginning on page 10 of our Annual Report on Form 10-K for the year ended December 31, 2012 and beginning on page 40 of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 for a discussion of the risks that you should consider before making a decision to invest in our common stock.

S-3

---

TABLE OF CONTENTS

## **RISK FACTORS**

Investing in our common stock involves risks. Before making an investment decision with respect to the shares of common stock offered by this prospectus supplement, in addition to the other information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein, you should carefully read the risk factors described below and incorporated by reference in this prospectus supplement and the accompanying prospectus from (1) our Annual Report on Form 10-K for the year ended December 31, 2012 filed with the SEC on February 26, 2013, (2) our Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 filed with the SEC on April 30, 2013 and (3) documents filed by us with the SEC after the date of this prospectus supplement and which are deemed incorporated by reference in this prospectus supplement and the accompanying prospectus. Such risks are not the only risks that we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our financial condition, liquidity, results of operations, business, prospects and the trading price of our common stock. In such a case, you may lose all or part of your investment.

### **This offering may be dilutive, and there may be future dilution of our common stock.**

After giving effect to the issuance of common stock in this offering, the receipt of the expected net proceeds and the use of those proceeds as described under Use of Proceeds, this offering may have a dilutive effect on our estimated earnings per share and funds from operations per share for the year ending December 31, 2013 or subsequent years during which the offering is ongoing. The actual amount of potential dilution cannot be determined at this time and will be based on numerous factors. Additionally, we are not restricted by our organizational documents, contractual arrangements or otherwise from issuing additional common stock or preferred stock, including any securities that are convertible into or exchangeable or exercisable for, or that represent the right to receive, common stock or preferred stock or any substantially similar securities in the future. The market price of our common stock could decline as a result of issuances of a large number of shares of our common stock after this offering or the perception that such issuances could occur.

### **Our management will have broad discretion with respect to the use of the proceeds of this offering.**

Our management has significant flexibility in applying the net proceeds we expect to receive from this offering. We intend to use the net proceeds from this offering for general corporate purposes, which may include repaying debt, including our revolving credit facility. See Use of Proceeds. However, because the net proceeds are not required to be allocated to any specific investment or transaction, you cannot determine at this time the value or propriety of our application of the net proceeds, and you may not agree with our decisions. In addition, our use of the net proceeds from this offering may not yield a significant return or any return at all. The failure by our management to apply these funds effectively could have an adverse effect on our financial condition, results of operations or the trading price of our common stock.

TABLE OF CONTENTS

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus, including the documents that are incorporated by reference, contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and include this statement for the purpose of complying with these safe harbor provisions. Forward-looking statements are generally identifiable by use of forward-looking terminology such as may, will, should, potential, intend, expect, seek, anticipate, estimate, approximately, believe, predict, continue, plan or other similar words or expressions. Forward-looking statements are based on certain assumptions, discuss future expectations, describe future plans and strategies, contain financial and operating projections or state other forward-looking information. Our ability to predict results or the actual effect of future events, actions, plans or strategies is inherently uncertain. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in, or implied by, the forward-looking statements. Factors that could materially and adversely affect us include but are not limited to:

- the factors included in our most recent Annual Report on Form 10-K, including those set forth under the headings Business, Risk Factors and Management's Discussion and Analysis of Financial Condition and Results of Operations, in our Quarterly Reports on Form 10-Q and in other documents that we may file from time to time in the future with the SEC;

  - the performance of the student housing industry in general;

  - decreased occupancy or rental rates at our properties resulting from competition or other factors;

    - the operating performance of our properties;

- the availability of attractive development and/or acquisition opportunities in properties that satisfy our investment criteria and the success of our acquisition, development and construction activities, including satisfaction of conditions to closing for pending acquisitions and, in some cases, the negotiation and execution of definitive documents and satisfaction of the conditions therein;

- changes in the admissions or housing policies of the colleges and universities from which we draw student-tenants;

- changes in our business and growth strategies and in our ability to consummate acquisitions or dispositions or additional joint venture transactions;

- our ability to manage effectively our growth and expansion into new markets or to integrate acquisitions successfully;

  - our capitalization and leverage level;

    - our capital expenditures;

- the degree and nature of our competition, in terms of developing properties, consummating acquisitions and in obtaining student-tenants to fill our properties;

- volatility in the real estate industry, interest rates and spreads, the debt or equity markets, the economy generally or the local markets in which our properties are located, whether the result of market events or otherwise;

- events or circumstances which undermine confidence in the financial markets or otherwise have a broad impact on financial markets, such as the sudden instability or collapse of large financial institutions or other significant corporations, terrorist attacks, natural or man-made disasters or threatened or actual armed conflicts;

- the availability and terms of short-term and long-term financing, including financing for development and construction activities;

S-5



TABLE OF CONTENTS

the credit quality of our student-tenants and parental guarantors;  
changes in personnel, including the departure of key members of our senior management, and lack of availability of, or our inability to attract, qualified personnel;

unanticipated increases in financing and other costs, including a rise in interest rates;  
estimates relating to our ability to make distributions to our stockholders in the future and our expectations as to the form of any such distributions;

development and construction costs and timing;

environmental costs, uncertainties and risks, especially those related to natural disasters;

changes in governmental regulations, accounting treatment, tax rates and similar matters;

legislative and regulatory changes (including changes to laws governing the taxation of REITs); and

limitations imposed on our business and our ability to satisfy complex rules in order for us to qualify as a REIT for U.S. federal income tax purposes and the ability of certain of our subsidiaries to qualify as taxable REIT subsidiaries for U.S. federal income tax purposes, and our ability and the ability of our subsidiaries to operate effectively within the limitations imposed by these rules.

This list of risks and uncertainties, however, is only a summary of some of the more important factors and is not intended to be exhaustive. You should carefully review the risks and information contained, or incorporated by reference, in this prospectus supplement and the accompanying prospectus, including, without limitation, the Risk Factors sections of this prospectus supplement, our most recent Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q and in other documents that we may file from time to time in the future with the SEC. You are cautioned not to place undue reliance on forward-looking statements. The matters summarized in this prospectus supplement and the accompanying prospectus and the documents incorporated by reference herein and therein could cause our actual results and performance to differ materially from those set forth in, or implied by, our forward-looking statements. Accordingly, we cannot guarantee future results or performance. Furthermore, except as required by law, we are under no duty to, and we do not intend to, update any of our forward-looking statements after the date of this prospectus supplement, whether as a result of new information, future events or otherwise.

S-6

---

TABLE OF CONTENTS

## **USE OF PROCEEDS**

We will contribute the net proceeds we receive from this offering to our operating partnership in exchange for OP common units in our operating partnership.

Our operating partnership intends to use such net proceeds for working capital and general corporate purposes, including without limitation the development and acquisition of student housing properties, and the reduction of debt.

We may use a portion of the net proceeds from this offering to repay amounts outstanding under our revolving credit facility. As of March 31, 2013, the annual interest rate payable on our revolving credit facility was approximately 1.96% and we had approximately \$62.5 million outstanding under our revolving credit facility. Our revolving credit facility matures on January 8, 2017, subject to a one-year extension, which we may exercise at our option if certain terms and conditions are satisfied, including the payment of an extension fee.

Affiliates of Barclays Capital Inc., Citigroup Global Markets Inc., Raymond James & Associates, Inc. and RBC Capital Markets, LLC are lenders under our revolving credit facility. To the extent that we use a portion of the net proceeds from this offering to reduce borrowings outstanding under our revolving credit facility, these affiliates will receive their proportionate shares of such portion of the net proceeds used to reduce amounts outstanding under our revolving credit facility. See Plan of Distribution.

S-7

---

TABLE OF CONTENTS

## **PLAN OF DISTRIBUTION**

We have entered into separate equity distribution agreements with each of Robert W. Baird & Co. Incorporated, Barclays Capital Inc., Citigroup Global Markets Inc. Raymond James & Associates, Inc. and RBC Capital Markets, LLC under which we may offer and sell shares of our common stock having an aggregate gross sales price of up to \$100,000,000 from time to time through the Sales Agents as our sales agents (such Sales Agent selected by us for sale, the Designated Sales Agent ). The equity distribution agreements will be filed as exhibits to a current report on Form 8-K, which is incorporated by reference in this prospectus supplement. Sales of shares of our common stock, if any, will be made under the equity distribution agreements by means of ordinary brokers transactions on the NYSE at market prices, in block transactions, or as otherwise agreed by the applicable Sales Agent and us.

Under the terms of the equity distribution agreements, we also may sell shares to each of the Sales Agents as principal for its own account at a price agreed upon at the time of sale. If we sell shares to a Sales Agent as principal, we will enter into a separate terms agreement with the Sales Agent and will describe any such agreement in a separate prospectus supplement or pricing supplement.

We will designate the maximum amount of shares of our common stock to be sold through the Designated Sales Agent on a daily basis or otherwise as we and such Designated Sales Agent agree. Subject to the terms and conditions of the equity distribution agreements, the Designated Sales Agent will use its reasonable efforts to sell on our behalf all of the designated shares of our common stock. We may instruct the Designated Sales Agent not to sell shares of our common stock if the sales cannot be effected at or above the price designated by us in any such instruction. We may suspend the offering of shares of our common stock under any equity distribution agreement by notifying the applicable Sales Agent. A Sales Agent may suspend the offering of shares of our common stock under its respective equity distribution agreement by notifying us of such suspension.

The Designated Sales Agent will provide written confirmation to us following the sale of shares of our common stock sold under the equity distribution agreement to which it is a party. Each confirmation will include the number of shares of our common stock sold on that day, the sales price and the compensation payable by us to the Designated Sales Agent in connection with the sales.

We will pay the Designated Sales Agent a commission that will not exceed 2.0% of the gross sales price per share of our common stock sold through it as our agent under the equity distribution agreement to which it is a party. The remaining sales proceeds, after deducting any transaction fees imposed by any governmental or self-regulatory organization in connection with the sales, will equal our net proceeds for the sale of the shares of our common stock.

Settlement for sales of shares of our common stock will occur on the third business day following the date on which any sales were made in return for payment of the net proceeds to us. There is no arrangement for funds to be received in an escrow, trust or similar arrangement.

We estimate that the total expenses of the offering payable by us, excluding discounts and commissions under the equity distribution agreements, will be approximately \$200,000.

The Sales Agents will act as sales agents on a reasonable efforts basis. In connection with the sale of shares of our common stock on our behalf, one or more Sales Agents may be deemed to be an underwriter within the meaning of the Securities Act, and the compensation paid to the Sales Agents may be deemed to be underwriting commissions or discounts. We have agreed to provide indemnification and contribution to the Sales Agents against certain civil liabilities, including liabilities under the Securities Act.



Unless otherwise required, we will report at least quarterly the number of shares of our common stock sold through the Sales Agents under the sales agreements and the net proceeds to us in connection with the sales of shares of our common stock.

The offering of shares of our common stock pursuant to the equity distribution agreements will terminate upon the earlier of (1) the sale of all shares of our common stock subject to the equity distribution agreements, or (2) termination of the equity distribution agreements, pursuant to their terms, by either the Sales Agents or us.

S-8

---

TABLE OF CONTENTS

The Sales Agents and their respective affiliates have engaged in, and may in the future engage in, investment banking, commercial banking and other commercial dealings in the ordinary course of business with us and our affiliates, for which they have received and may continue to receive customary fees and commissions.

Affiliates of Barclays Capital Inc., Citigroup Global Markets Inc., Raymond James & Associates, Inc. and RBC Capital Markets, LLC are lenders under our revolving credit facility. Under this facility, affiliates of Barclays Capital Inc. and Raymond James & Associates, Inc. also act as co- syndication agents, joint lead arrangers and joint book running managers, affiliates of Citigroup Global Markets Inc. also act as administrative agent, joint lead arranger and joint book running manager and affiliates of RBC Capital Markets, LLC also act as documentation agents. In connection with their participation in our credit facility, Barclays Capital Inc., Citigroup Global Markets Inc., Raymond James & Associates, Inc. and RBC Capital Markets, LLC or their affiliates receive customary fees. To the extent that we use a portion of the net proceeds from this offering to reduce borrowings outstanding under our revolving credit facility, these affiliates will receive their proportionate shares of such portion of the net proceeds used to reduce amounts outstanding under our revolving credit facility.

In addition, in the ordinary course of their business activities, the Sales Agents and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. Certain of the Sales Agents or their affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such Sales Agents and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially our common stock. Any such short positions could adversely affect future trading prices of our common stock. The Sales Agents and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

S-9

---

TABLE OF CONTENTS

## **LEGAL MATTERS**

Certain legal matters in connection with this offering will be passed upon for us by Hogan Lovells US LLP. Saul Ewing LLP will issue an opinion to us regarding certain matters of Maryland law. Sidley Austin LLP, New York, New York, will act as counsel to the Sales Agents.

## **EXPERTS**

The consolidated balance sheets of Campus Crest Communities, Inc. and subsidiaries as of December 31, 2012 and 2011, and the related consolidated statements of operations and comprehensive income (loss), and changes in equity (deficit) of Campus Crest Communities, Inc. and subsidiaries for the years ended December 31, 2012 and 2011 and for period from October 19, 2010 (commencement of operations) through December 31, 2010, the related combined statements of operations and comprehensive income (loss), and changes in equity (deficit) of Campus Crest Communities Predecessor for the period from January 1, 2010 through October 18, 2010, the related consolidated statements of cash flows of Campus Crest Communities, Inc. and subsidiaries for the years ended December 31, 2012 and 2011, the related combined statement of cash flows of Campus Crest Communities, Inc. and subsidiaries and Campus Crest Communities Predecessor for the year ended December 31, 2010, and related financial statement Schedule III, and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2012, have been incorporated by reference in this prospectus supplement in reliance upon the reports of KPMG LLP, independent registered public accounting firm, which reports appear in the December 31, 2012 annual report of Campus Crest Communities, Inc. incorporated by reference herein and upon the authority of said firm as experts in accounting and auditing.

The combined consolidated statement of revenues and certain expenses of the Copper Beech Townhome Communities Portfolio for the year ended December 31, 2012 has been incorporated by reference herein in reliance upon the report of KPMG LLP, independent auditors, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing. KPMG LLP's report refers to the fact that the combined consolidated statement of revenues and certain expenses were prepared for the purpose of complying with the rules and regulations of the SEC and it is not intended to be a complete presentation of the combined and consolidated revenues and expenses.

## **INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

We incorporate information into this prospectus supplement and the accompanying prospectus by reference, which means that we disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus supplement and the accompanying prospectus, except to the extent superseded by information contained herein or by information contained in documents filed with the SEC after the date of this prospectus supplement and the accompanying prospectus and prior to the termination of the offering of our common stock covered by this prospectus supplement.

The documents listed below have been filed by us under the Exchange Act with the SEC and are incorporated by reference in this prospectus supplement and the accompanying prospectus:

Annual Report on Form 10-K for the year ended December 31, 2012;

Edgar Filing: Campus Crest Communities, Inc. - Form 424B5

Quarterly Report on Form 10-Q for the quarter ended March 31, 2013;  
Current Reports on Form 8-K filed on January 10, 2013, February 26, 2013, February 27, 2013, February 27, 2013,  
March 6, 2013, March 21, 2013, April 9, 2013, April 26, 2013 and May 23, 2013;  
the information specifically incorporated by reference into our Annual Report on Form 10-K for the year ended  
December 31, 2012 from our Definitive Proxy Statement on Schedule 14A filed with the SEC on March 13, 2013;  
and  
the description of our common stock contained in our registration statement on Form 8-A filed with the SEC on  
September 15, 2010, including any amendments and reports filed for the purpose of updating such description.

---

TABLE OF CONTENTS

All documents that we file (but not those that we furnish) pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act on or after the date of this prospectus supplement and the accompanying prospectus and prior to the termination of the offering of our common stock covered under this prospectus supplement shall be deemed to be incorporated by reference into this prospectus supplement and the accompanying prospectus and will automatically update and supersede the information in this prospectus supplement, the accompanying prospectus and any previously filed documents. You may read and copy any documents filed by us at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our filings with the SEC are also available to the public through the SEC's Internet website [www.sec.gov](http://www.sec.gov) and through the NYSE, 20 Broad Street, New York, New York 10005, on which we expect our common stock to be listed.

Copies of all documents which are incorporated by reference in this prospectus supplement and the accompanying prospectus (not including the exhibits to such information, unless such exhibits are specifically incorporated by reference) will be provided without charge to each person, including any beneficial owner of the securities offered by this prospectus supplement and the accompanying prospectus, to whom this prospectus supplement and the accompanying prospectus is delivered, upon written or oral request. Requests should be directed to our Secretary, 2100 Rexford Road, Suite 414, Charlotte, North Carolina 28211 (telephone number: (704) 496-2500). You may also obtain copies of these filings, at no cost, by accessing our website at [www.campuscrest.com](http://www.campuscrest.com); however, the information found on our website is not considered part of this prospectus supplement or the accompanying prospectus.

S-11

---

TABLE OF CONTENTS

**PROSPECTUS**

**Campus Crest Communities, Inc.**

Common Stock  
Preferred Stock  
Debt Securities  
Depository Shares  
Rights  
Warrants

We may offer and sell, from time to time, one or any combination of the securities we describe in this prospectus. The debt securities and preferred stock we may offer may be convertible into or exercisable or exchangeable for debt, common or preferred stock, warrants or other securities of our company. We refer to our debt securities, preferred stock, common stock, depository shares and warrants collectively as the securities. We will provide the specific terms of any offering of these securities in a supplement to this prospectus.

This prospectus may not be used to sell securities unless accompanied by a prospectus supplement, which will describe the method and terms of the related offering. The prospectus supplement will also describe the specific manner in which we will offer these securities and may also add to, update or change information contained in the prospectus. We urge you to carefully read this prospectus and the applicable prospectus supplement or any related free writing prospectus, as well as the documents incorporated by reference herein or therein, before you make your investment decision.

In addition, the specific terms may include limitations on direct or beneficial ownership or restrictions on transfer of the securities offered by this prospectus, in each case as may be appropriate to preserve our status as a real estate investment trust ( REIT ) for federal income tax purposes.

We may offer and sell these securities to or through one or more underwriters, through dealers or agents, or through a combination of these methods on an immediate, continuous or delayed basis. If any underwriters, agents or dealers are involved in the sale of any securities, the applicable prospectus supplement will set forth their names, the specific terms of the plan of distribution, any over-allotment option and any applicable commissions or discounts. For more detailed information, see Plan of Distribution on page 61.

Our common stock is traded on the New York Stock Exchange under the symbol CCG. Our principal executive offices are located at 2100 Rexford Road, Suite 414, Charlotte, North Carolina 28211, and our telephone number is (704) 496-2500.

**Investing in our securities involves risks. See Risk Factors beginning on page 3 herein and in the applicable prospectus supplement and the documents incorporated by reference for risks relating to an investment in our securities.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.**

The date of this prospectus is April 25, 2013

---

TABLE OF CONTENTS

# TABLE OF CONTENTS

## Prospectus

	Page
<u>About This Prospectus</u>	<u>1</u>
<u>Cautionary Note Regarding Forward-Looking Statements</u>	<u>2</u>
<u>Our Company</u>	<u>3</u>
<u>Risk Factors</u>	<u>3</u>
<u>Ratio of Earnings to Fixed Charges</u>	<u>5</u>
<u>Use of Proceeds</u>	<u>6</u>
<u>Description of Capital Stock</u>	<u>7</u>
<u>Description of Preferred Stock</u>	<u>12</u>
<u>Description of Debt Securities</u>	<u>14</u>
<u>Description of Depositary Shares</u>	<u>23</u>
<u>Description of Rights</u>	<u>27</u>
<u>Description of Warrants</u>	<u>28</u>
<u>Certain Provisions of Maryland Law and of our Charter and Bylaws</u>	<u>29</u>
<u>Material U.S. Federal Income Tax Considerations</u>	<u>35</u>
<u>Book-Entry Securities</u>	<u>60</u>
<u>Plan of Distribution</u>	<u>61</u>
<u>Experts</u>	<u>63</u>
<u>Legal Matters</u>	<u>63</u>
<u>Where You Can Find More Information</u>	<u>63</u>
<u>Incorporation of Certain Documents by Reference</u>	<u>64</u>



TABLE OF CONTENTS

## **ABOUT THIS PROSPECTUS**

This prospectus is part of an automatic shelf registration statement that we filed with the Securities and Exchange Commission, which we refer to as the SEC, utilizing a shelf registration process. This prospectus provides you with a general description of the securities we may offer. Each time we offer securities, we will provide a prospectus supplement and attach it to this prospectus. The prospectus supplement will contain specific information about the terms of the securities being offered at that time. The prospectus supplement may also add, update or change information contained in this prospectus.

You should rely only on the information provided or incorporated by reference in this prospectus and any applicable prospectus supplement. We have not authorized anyone to give any information or to make any representations concerning the securities we may offer except those which are in this prospectus, the prospectus supplement which is delivered with this prospectus, any document incorporated by reference into this prospectus or such prospectus supplement, or any free writing prospectus that we may authorize or provide to you. If anyone gives any other information or representation, you should not rely on it. This prospectus is not an offer to sell or a solicitation of an offer to buy any securities other than the securities which are referred to in the prospectus supplement. This prospectus is not an offer to sell or a solicitation of an offer to buy securities in any circumstances in which the offer or solicitation is unlawful. You should not assume that the information appearing in this prospectus, any applicable prospectus supplement or the documents incorporated by reference herein or therein is accurate as of any date other than their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

This prospectus and the applicable prospectus supplement or free writing prospectus that we have authorized do not contain all of the information included in the registration statement. We have omitted parts of the registration statement as permitted by the SEC's rules and regulations. For further information, we refer you to the information under the headings *Where You Can Find More Information* and *Incorporation of Certain Documents by Reference*.

The registration statement also includes exhibits. Statements contained in this prospectus and the applicable prospectus supplement, or any document incorporated by reference into this prospectus or such prospectus supplement, or any free writing prospectus that we may authorize or provide to you, about the provisions or contents of any agreement or other document are not necessarily complete. If SEC rules and regulations require that any agreement or document be filed as an exhibit to the registration statement, you should refer to that agreement or document for a complete description of these matters.

You should read carefully the entire prospectus and any applicable prospectus supplement, as well as the documents incorporated by reference in the prospectus and any applicable prospectus supplement, which we have referred you to in *Incorporation of Certain Information by Reference* below, before making an investment decision. Information incorporated by reference after the date of this prospectus may add, update or change information contained in this prospectus. Any information in such subsequent filings and any applicable prospectus supplement that is inconsistent with this prospectus will supersede the information in this prospectus or any earlier prospectus supplement.

When we refer to *Campus Crest*, *we*, *us* or *our* in this prospectus, we mean Campus Crest Communities, Inc. and subsidiaries or, as the context may require, Campus Crest Communities, Inc. only.

TABLE OF CONTENTS

## **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus and the information incorporated by reference in it include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). All statements other than those of historical facts included or incorporated by reference in this prospectus, including those related to our financial outlook, liquidity, goals, business strategy, projected plans and objectives of management for future operating results, and forecasts of future events are forward-looking statements. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and include this statement for the purpose of complying with these safe harbor provisions. Forward-looking statements are generally identifiable by use of forward-looking terminology such as may, will, should, potential, intend, expect, seek, anticipate, estimate, approximately, believe, could, project, predict, or similar words or expressions. Forward-looking statements are based on certain assumptions, discuss future expectations, describe future plans and strategies, contain financial and operating projections or state other forward-looking information. Our ability to predict results or the actual effect of future events, actions, plans or strategies is inherently uncertain. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in, or implied by, the forward-looking statements. Factors that may cause our actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements include, but are not limited to, the following:

- the performance of the student housing industry in general;
- decreased occupancy or rental rates at our properties resulting from competition or other factors;
- the operating performance of our properties;
- the availability of attractive development and/or acquisition opportunities in properties that satisfy our investment criteria and the success of our acquisition, development and construction activities, including satisfaction of conditions to closing for pending acquisitions and, in some cases, the negotiation and execution of definitive documents and satisfaction of the conditions therein;
- changes in the admissions or housing policies of the colleges and universities from which we draw student-tenants;
- changes in our business and growth strategies and in our ability to consummate acquisitions or dispositions or additional joint venture transactions;
- our ability to manage effectively our growth and expansion into new markets or to integrate acquisitions successfully;
- our capitalization and leverage level;
- our capital expenditures;
- the degree and nature of our competition, in terms of developing properties, consummating acquisitions and in obtaining student-tenants to fill our properties;
- volatility in the real estate industry, interest rates and spreads, the debt or equity markets, the economy generally or the local markets in which our properties are located, whether the result of market events or otherwise;
- events or circumstances which undermine confidence in the financial markets or otherwise have a broad impact on financial markets, such as the sudden instability or collapse of large financial institutions or other significant corporations, terrorist attacks, natural or man-made disasters or threatened or actual armed conflicts;
- the availability and terms of short-term and long-term financing, including financing for development and construction activities;
- the credit quality of our student-tenants and parental guarantors;



## TABLE OF CONTENTS

changes in personnel, including the departure of key members of our senior management, and lack of availability of, or our inability to attract, qualified personnel;

unanticipated increases in financing and other costs, including a rise in interest rates;

estimates relating to our ability to make distributions to our stockholders in the future and our expectations as to the form of any such distributions;

development and construction costs and timing;

environmental costs, uncertainties and risks, especially those related to natural disasters;

changes in governmental regulations, accounting treatment, tax rates and similar matters;

legislative and regulatory changes (including changes to laws governing the taxation of REITs); and

limitations imposed on our business and our ability to satisfy complex rules in order for us to qualify as a REIT for U.S. federal income tax purposes and the ability of certain of our subsidiaries to qualify as taxable REIT subsidiaries for U.S. federal income tax purposes, and our ability and the ability of our subsidiaries to operate effectively within the limitations imposed by these rules.

This list of risks and uncertainties, however, is only a summary of some of the most important factors and is not intended to be exhaustive. You should carefully review the risks and information contained, or incorporated by reference, in this prospectus or any applicable prospectus supplement, including, without limitation, the Risk Factors beginning on page 4 herein and incorporated by reference herein from our most recent Annual Report on Form 10-K and other reports and information that we file from time to time in the future with the SEC. You are cautioned to not place undue reliance on forward-looking statements. Except as required by law, we are under no duty to, and we do not intend to, update any of our forward-looking statements after the date of this prospectus, whether as a result of new information, future events or otherwise.

## **OUR COMPANY**

We are a self-managed, self-administered and vertically-integrated REIT focused on developing, building, owning and managing a diversified portfolio of high-quality, residence life student housing properties. We were incorporated in the State of Maryland on March 1, 2010 and commenced operations upon completion of our initial public offering of our common stock on October 19, 2010. Substantially all of our assets are held by, and we conduct substantially all of our activities through, our operating partnership, Campus Crest Communities Operating Partnership, LP, and its wholly-owned subsidiaries. We are the sole general partner of our operating partnership, and, as a result, our board of directors effectively directs all of our operating partnership's affairs. As of December 31, 2012, we owned approximately 98.9% of the outstanding limited partnership units of our operating partnership.

We are organized and conduct our operations to qualify as a REIT under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the Code). As a REIT, we generally will not be subject to U.S. federal income tax on our income to the extent we currently distribute our income to our stockholders and maintain our qualification as a REIT.

Our principal executive offices are located at 2100 Rexford Road, Suite 414, Charlotte, North Carolina 28211, and our telephone number is (704) 496-2500. Our website is [www.campuscrest.com](http://www.campuscrest.com). However, the information located on, or accessible from, our website is not, and should not be deemed to be, part of this prospectus, any applicable prospectus supplement or any free writing prospectus or incorporated into any other filing that we make with the SEC.

## **RISK FACTORS**

An investment in our securities involves a high degree of risk. We urge you to carefully consider the risks incorporated by reference in this prospectus and, in any applicable prospectus supplement used in connection with an offering of securities, before making an investment decision, including those risks identified under Risk Factors in our annual report on Form 10-K for the year ended December 31, 2012, which is incorporated by reference in this prospectus and which may be amended, supplemented or superseded from time to time by other reports that we subsequently file with the SEC. Additional risks,

TABLE OF CONTENTS

including those that relate to any particular securities we offer, may be included in the applicable prospectus supplement, any document incorporated by reference into this prospectus or such prospectus supplement or any free writing prospectus that we may authorize or provide to you.

Our business, financial condition, results of operations and cash flows could be materially adversely affected by any of these risks. The market or trading price of our securities could decline due to any of these risks. In addition, please read Cautionary Note Regarding Forward-Looking Statements in this prospectus, where we describe additional uncertainties associated with our business and the forward-looking statements included or incorporated by reference in this prospectus or in any prospectus supplement used in connection with an offering of securities.

4

---

TABLE OF CONTENTS**RATIO OF EARNINGS TO FIXED CHARGES**

Our consolidated ratio of earnings to combined fixed charges and preferred stock dividends for the fiscal years ended December 31, 2012 and 2011, the period from October 19, 2010 to December 31, 2010, the period from January 1, 2010 to October 18, 2010 and the fiscal years ended December 31, 2009 and 2008 are set forth below. Information presented for periods prior to October 19, 2010, the date of our initial public offering, relate to Campus Crest Communities Group, our predecessor (the Company Predecessor). For purposes of calculating the ratio of earnings to fixed charges, earnings consist of income before taxes, noncontrolling interest and equity in losses of equity investees, plus fixed charges less capitalized interest. Fixed charges include interest expense, capitalized interest, amortization of premiums, discounts, and deferred financing costs related to debt and an estimate of the interest component of rent expense.

	The Company		Period	The Company Predecessor		
	Year Ended	Year Ended	October 19,	January 1,	Year Ended	Year Ended
	December	December	2010	2010	December	December
	31, 2012	31, 2011	through	through	31, 2009	31, 2008
			December	October 18,		
			31, 2010 <sup>(1)</sup>	2010 <sup>(1)</sup>		
	(dollars in thousands)					
Earnings:						
Income before taxes, noncontrolling interests and equity in earnings (loss) of unconsolidated subsidiaries	\$10,793 <sup>(2)</sup>	\$5,409 <sup>(3)</sup>	\$(1,442) <sup>(4)</sup>	\$(20,393)	\$(17,164)	\$(26,097)
Add: Fixed charges	20,882	10,176	4,289	21,769	17,080	17,533
Add: Amortization of capitalized interest <sup>(5)</sup>	113	53	1	113	137	127
Less: Capitalized interest	(2,385)	(1,950)	(175)	(85)	(381)	(1,789)
Total earnings (loss)	\$29,403	\$13,688	\$2,673	\$1,404	\$(328)	\$(10,226)
Combined fixed charges and preferred stock dividends						
Interest expense	\$11,545	\$6,888	\$2,519	\$20,836	\$15,871	\$14,946
Capitalized interest	2,385	1,950	175	85	381	1,789
Amortization of deferred financing costs	2,838	1,338	1,595	848	828	798
Dividends on preferred stock <sup>(6)</sup>	4,114					
Combined fixed charges and preferred stock dividends	\$20,882	\$10,176	\$4,289	\$21,769	\$17,080	\$17,533
Ratio of earnings to combined fixed charges and preferred stock dividends <sup>(7)</sup>	1.41x	1.35x	0.62x	0.06x	<sup>(8)</sup>	<sup>(8)</sup>

(1) Our initial public offering was completed October 19, 2010.

(2)

Edgar Filing: Campus Crest Communities, Inc. - Form 424B5

Includes non-cash gain of approximately \$6.6 million recognized in connection with the acquisition of our joint venture partner's interest in The Grove at Moscow and The Grove at Valdosta, which if excluded would result in a ratio of earnings to fixed charges of 1.09x.

(3) Includes non-cash gain of approximately \$3.2 million recognized in connection with the acquisition of our joint venture partner's interest in The Grove at Huntsville and The Grove at Statesboro, which if excluded would result in a ratio of earnings to fixed charges of 1.03x.

(4) Includes non-cash gain of approximately \$0.6 million recognized in connection with the acquisition of our joint venture partner's interest in The Grove at San Marcos, which if excluded would result in a ratio of earnings to fixed charges of 0.49x.

5

---



TABLE OF CONTENTS

(5) Represents an estimate based on the Company's and the Company Predecessor's established depreciation policies and an analysis of capitalized interest.

(6)

We issued preferred stock in February 2012.

(7) The shortfall of earnings to combined fixed charges and preferred stock dividends for Campus Crest Communities, Inc. for the period October 19, 2010 through December 31, 2010 was approximately \$1.6 million and for the Company Predecessor for the period January 1, 2010 through October 18, 2010 and for the years ended December 31, 2009, 2008 was approximately \$20.4 million, \$17.4 million and \$27.8 million respectively.

(8)

Earnings for the period were less than zero.

## **USE OF PROCEEDS**

Unless we specify otherwise in the applicable prospectus supplement, we intend to use the net proceeds from the sale of securities under this prospectus to provide additional funds for general corporate purposes. Those purposes include the repayment or refinancing of debt, property acquisitions and development in the ordinary course of business, working capital, investment in financing transactions and capital expenditures. Any specific allocation of the net proceeds of an offering of securities will be determined at the time of such offering and will be described in the applicable prospectus supplement. Until we apply the net proceeds for specific purposes, we may invest such net proceeds in short-term or marketable securities.

TABLE OF CONTENTS

## DESCRIPTION OF CAPITAL STOCK

*We are a Maryland corporation. Your rights as a stockholder are governed by Maryland law, including the Maryland General Corporation Law ( MGCL ), and our charter and bylaws. The following is a summary of the material terms of our capital stock. You should read our charter and bylaws, copies of which are exhibits to the registration statement of which this prospectus is a part, for complete information. See Where You Can Find More Information.*

### General

*Authorized Shares.* Our charter provides that we may issue up to 500,000,000 shares of our common stock, \$0.01 par value per share, and 50,000,000 shares of preferred stock, \$0.01 par value per share. As of April 24, 2013, there were 64,552,648 shares of our common stock issued and outstanding and 2,300,000 shares of preferred stock issued and outstanding.

*Authority of Our Board of Directors Relating to Authorized Shares.* Our charter authorizes our board of directors to amend our charter to increase or decrease the total number of our authorized shares, or the number of shares of any class or series of capital stock that we have authority to issue, without stockholder approval. Our board of directors also has the authority, under our charter and without stockholder approval, to classify any unissued shares of common or preferred stock into one or more classes or series of stock and to reclassify any previously classified but unissued shares of any series of our common or preferred stock. If, however, there are any laws or stock exchange rules that require us to obtain stockholder approval in order for us to take these actions, we will contact our stockholders to solicit that approval.

We believe that the power to issue additional shares of common stock or preferred stock and to classify or reclassify unissued shares of common or preferred stock and then issue the classified or reclassified shares provides us with increased flexibility in structuring possible future financings and acquisitions and in meeting other needs that may arise in the future. The additional classes or series, as well as the additional shares of stock, will be available for issuance without further action by our stockholders, unless stockholder approval is required by applicable law or the rules of any stock exchange or automated quotation system on which our securities may be listed or traded.

*Terms and Conditions of Authorized Shares.* Prior to issuance of shares of each class or series, our board of directors is required by Maryland law and our charter to set, subject to the provisions of our charter regarding restrictions on transfer of stock, the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms or conditions of redemption for each class or series. As a result, our board of directors could authorize the issuance of shares of common stock or preferred stock with terms and conditions that could have the effect of delaying, deferring or preventing a transaction or a change of control that would involve a premium price for holders of our common stock or otherwise be favorable to them.

*Stockholder Liability.* Applicable Maryland law provides that our stockholders are not personally liable for our acts and obligations and that our funds and property are the only recourse for our acts and obligations.

### Common Stock

Subject to the preferential rights of any other class or series of stock and to the provisions of our charter regarding restrictions on transfer of stock, holders of shares of our common stock are entitled to receive distributions on such stock if, as and when authorized by our board of directors out of assets legally available for the payment of

distributions, and declared by us, and to share ratably in our assets legally available for distribution to our stockholders in the event of our liquidation, dissolution or winding up, after payment of or adequate provision for all of our known debts and liabilities.

Subject to the provisions of our charter regarding restrictions on ownership and transfer of stock and except as may otherwise be specified in the terms of any class or series of common stock, each outstanding share of our common stock entitles the holder to one vote on all matters submitted to a vote of stockholders, including the election of directors and, except as provided with respect to any other class or series of stock, the holders of our common stock will possess the exclusive voting power. There is no cumulative voting in the election of our directors, which means that the holders of a majority of the outstanding shares of our

## TABLE OF CONTENTS

common stock can elect all of the directors then standing for election and the holders of the remaining shares will not be able to elect any directors. Under Maryland law, the holders of a plurality of the votes cast at a meeting at which directors are to be elected is sufficient to elect a director unless a corporation's charter or bylaws provide otherwise.

Our bylaws provide for such plurality voting in the election of directors.

Holders of shares of our common stock have no preference, conversion, exchange, sinking fund, redemption or appraisal rights and have no preemptive or other rights to subscribe for any of our securities. Subject to the provisions of our charter regarding the restrictions on ownership and transfer of stock, shares of our common stock have equal dividend, liquidation and other rights.

Our charter authorizes our board of directors to reclassify any unissued shares of our common stock into other classes or series of classes of stock and to establish the number of shares in each class or series and to set the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications or terms or conditions of redemption for each such class or series.

## **Preferred Stock**

Under our charter, our board of directors may from time to time establish and issue one or more series of preferred stock without stockholder approval. Prior to issuance of shares of each series, our board of directors is required by Maryland law and our charter to set, subject to the provisions of our charter regarding restrictions on transfer of stock, the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms or conditions of redemption for each series. Thus, our board of directors could authorize the issuance of shares of preferred stock that have priority over our common stock with respect to dividends or rights upon liquidation or with terms and conditions which could have the effect of delaying, deferring or preventing a transaction or a change of control of us that might involve a premium price for holders of our common stock or otherwise be in their best interests. As of April 24, 2013, there were 2,300,000 shares of preferred stock outstanding. See Description of Preferred Stock.

## **Restrictions on Ownership and Transfer**

In order for us to qualify as a REIT under the Code, our stock must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months or during a proportionate part of a shorter taxable year (other than the first year for which an election to be a REIT has been made). Also, not more than 50% of the value of the outstanding shares of stock may be owned, directly or indirectly (and taking into account certain constructive ownership rules under the Code), by five or fewer individuals (as defined in the Code to include certain entities) during the last half of a taxable year (other than the first year for which an election to be a REIT has been made). To qualify as a REIT, we must satisfy other requirements as well. See Material United States Federal Income Tax Considerations Requirements for Qualification as a REIT.

Our charter contains restrictions on the ownership and transfer of our stock which are intended to assist us in complying with these requirements and continuing to qualify as a REIT. The relevant sections of our charter provide that, subject to the exceptions described below, no person or entity may beneficially own, or be deemed to own by virtue of the applicable constructive ownership provisions of the Code, more than 9.8% by value or number of shares, whichever is more restrictive, of either our outstanding common stock or our outstanding capital stock in the aggregate. We refer to these restrictions, collectively, as the ownership limit. A person or entity that becomes subject to the ownership limit by virtue of a violative transfer that results in a transfer to a trust, as set forth below, is referred to as a purported beneficial transferee if, had the violative transfer been effective, the person or entity would have

been a record owner and beneficial owner or solely a beneficial owner of our stock, or is referred to as a purported record transferee if, had the violative transfer been effective, the person or entity would have been solely a record owner of our stock.

The constructive ownership rules under the Code are complex and may cause stock owned actually or constructively by a group of related individuals and/or entities to be owned constructively by one individual or entity. As a result, the acquisition of less than 9.8% by vote or value, whichever is more restrictive, of either our outstanding common stock or our outstanding capital stock in the aggregate (or the acquisition of an interest in an entity that owns, actually or constructively, our stock) by an individual or entity, could

TABLE OF CONTENTS

nevertheless cause that individual or entity, or another individual or entity, to own constructively in excess of 9.8% by vote or value, whichever is more restrictive, of either our outstanding common stock or our outstanding capital stock in the aggregate and thereby violate the ownership limit.

Our charter further prohibits:

any person from beneficially or constructively owning shares of our stock that would result in our being closely held under Section 856(h) of the Code (without regard to whether the interest is held during the last half of a taxable year) or otherwise cause us to fail to qualify as a REIT (including, but not limited to, beneficial or constructive ownership that would cause us to own (actually or constructively) an interest in a tenant described in Section 856(d)(2) of the Code if the income derived by the tenant would cause us to fail to satisfy the gross income requirements applicable to REITs); and

any person from transferring shares of our stock if such transfer would result in shares of our stock being beneficially owned by fewer than 100 persons (determined without reference to any rules of attribution).

Our board of directors must waive the ownership limit with respect to a particular person if it:

determines that such ownership will not cause any individual's beneficial or constructive ownership of shares of our stock to result in our being closely held under Section 856(b) of the Code (without regard to whether the interest is held during the last half of a taxable year) or otherwise cause us to fail to qualify as a REIT; and

determines that such stockholder does not and will not own, actually or constructively, an interest in a tenant of ours (or a tenant of any entity owned or controlled by us) that would cause us to own, actually or constructively, more than a 9.8% interest (as set forth in Section 856(d)(2)(B) of the Code) in such tenant or that any such ownership would not cause us to fail to qualify as a REIT under the Code.

As a condition of our waiver, our board of directors may require the applicant to submit such information as the board of directors may reasonably need to make the determinations regarding our REIT status and additionally may require an opinion of counsel or the United States Internal Revenue Service ( IRS ) ruling satisfactory to our board of directors, and/or representations or undertakings from the applicant with respect to preserving our REIT status. Our board of directors may also impose such conditions or restrictions as it deems appropriate in connection with granting such exemption.

In connection with the waiver of the ownership limit or at any other time, our board of directors may increase the ownership limitation for some persons and decrease the ownership limit for all other persons and entities; provided, however, that the decreased ownership limit will not be effective for any person or entity whose percentage ownership in our stock is in excess of such decreased ownership limit until such time as such person or entity's percentage of our stock equals or falls below the decreased ownership limit, but any further acquisition of our stock in excess of such percentage ownership of our common stock will be in violation of the ownership limit. Additionally, the new ownership limit may not allow five or fewer persons to beneficially or constructively own more than 49.9% in value of our outstanding stock.

Any person who acquires or attempts or intends to acquire beneficial or constructive ownership of shares of our stock that will or may violate any of the foregoing restrictions on transferability and ownership will be required to give notice immediately to us and provide us with such other information as we may request in order to determine the effect of such transfer on our status as a REIT. The foregoing provisions on transferability and ownership will not apply if and to the extent our board of directors determines that it is no longer required for REIT qualification or if our board of directors determines that it is no longer in our best interests to attempt to qualify, or to continue to qualify, as a REIT.

Pursuant to our charter, any attempted transfer of our stock which, if effective, would result in our stock being beneficially owned by fewer than 100 persons will be void *ab initio*. Any attempted transfer of our stock or any other event which, if effective, would result in any person violating the ownership limits or such other limit as permitted by our board of directors, will be void and of no force or effect as to that number of

TABLE OF CONTENTS

shares in excess of the ownership limit (rounded up to the nearest whole share). That number of shares in excess of the ownership limit will be automatically transferred to, and held by, a trust for the exclusive benefit of one or more charitable organizations selected by us. The automatic transfer will be effective as of the close of business on the business day prior to the date of the purported transfer or other event that results in a transfer to the trust. Any dividend or other distribution paid to the purported record transferee, prior to our discovery that the shares had been automatically transferred to a trust as described above, must be repaid to the trustee upon demand for distribution to the beneficiary of the trust. If the transfer to the trust as described above is not automatically effective, for any reason, to prevent violation of the applicable ownership limit or as otherwise permitted by our board of directors, then our charter provides that the transfer of the excess shares will be void *ab initio*.

Shares of our stock transferred to the trustee are deemed offered for sale to us, or our designee, at a price per share equal to the lesser of: (i) the price paid by the purported record transferee for the shares (or, if the event which resulted in the transfer to the trust did not involve a purchase of such shares of our stock at market price, as a general matter, the last reported sales price reported on the NYSE on the trading day immediately preceding the day of the event which resulted in the transfer of such shares of our stock to the trust); and (ii) the market price on the date we, or our designee, accepts such offer. We have the right to accept such offer until the trustee has sold the shares of our stock held in the trust pursuant to the clauses discussed below. Upon a sale to us, the interest of the charitable beneficiary in the shares sold terminates and the trustee must distribute the net proceeds of the sale to the purported record transferee and any dividends or other distributions held by the trustee with respect to such stock will be paid to the charitable beneficiary.

If we do not buy the shares, the trustee must, within 20 days of receiving notice from us of the transfer of shares to the trust, sell the shares to a person or entity designated by the trustee who could own the shares without violating the ownership limits and the other restrictions on ownership and transfer of our stock contained in our charter. After that, the trustee must distribute to the purported record transferee an amount equal to the lesser of: (i) the price paid by the purported record transferee or owner for the shares (or, if the event which resulted in the transfer to the trust did not involve a purchase of such shares at market price, as a general matter, the last reported sales price reported on the NYSE on the trading day immediately preceding the relevant date); and (ii) the sales proceeds (net of commissions and other expenses of sale) received by the trust for the shares. Neither the purported beneficial transferee nor the purported record transferee has no rights in the shares held by the trustee.

Prior to the sale of any excess shares by the trust, the trustee will receive, in trust for the beneficiary, all dividends and other distributions paid by us with respect to the excess shares, and may also exercise all voting rights with respect to the excess shares.

Subject to Maryland law, effective as of the date that the shares have been transferred to the trust, the trustee shall have the authority, at the trustee's sole discretion:

to rescind as void any vote cast by a purported record transferee prior to our discovery that the shares have been transferred to the trust; and  
to recast the vote in accordance with the desires of the trustee acting for the benefit of the beneficiary of the trust.  
However, if we have already taken irreversible corporate action, then the trustee may not rescind and recast the vote.

Every owner of 5% or more (or such lower percentage as required by the Code or regulations promulgated thereunder) of our stock, within 30 days after the end of each taxable year, must give us written notice, stating the person's name and address, the number of shares of each class and series of our stock that the person beneficially owns (as such term is defined in our charter) and a description of the manner in which the shares are held. In addition, each such owner also must provide us with any additional information we may request in order to determine the effect, if any, of the



person's beneficial ownership on our status as a REIT and to ensure compliance with the ownership limit. In addition, any person or entity that is a beneficial owner or constructive owner of shares of our stock and any person or entity (including the stockholder of record) who is holding shares of our stock for a beneficial owner or constructive owner must, on request,

10

---

TABLE OF CONTENTS

disclose to us in writing such information as we may request in order to determine our status as a REIT and to comply, or determine our compliance with, the requirements of any governmental or taxing authority.

All certificates representing shares of our stock will bear a legend referring to the restrictions described above.

These restrictions on ownership and transfer could delay, defer or prevent a transaction or a change of control of us that might involve a premium price for our stock or otherwise be in the best interest of our stockholders.

## **Transfer and Registrar**

The transfer agent and registrar for our common stock is American Stock Transfer & Trust Company, LLC.

## **Certain Provisions of Maryland Law and Our Charter and Bylaws**

See Certain Provisions of Maryland Law and Our Charter and Bylaws.

TABLE OF CONTENTS

## **DESCRIPTION OF PREFERRED STOCK**

The following description sets forth certain general terms of the preferred shares to which any prospectus supplement may relate. This description and the description contained in any prospectus supplement are not complete and are in all respects subject to and qualified in their entirety by reference to our charter, the applicable articles supplementary that describe the terms of the related class or series of preferred shares, and our bylaws, each of which we will make available upon request.

### **General**

Our charter provides that we may issue up to 10,000,000 shares of preferred stock, \$0.01 par value per share. The following description of our preferred stock sets forth certain general terms and provisions of our preferred stock to which any prospectus supplement may relate. The statements below describing the preferred stock are in all respects subject to and qualified in their entirety by reference to the applicable provisions of our charter (including the applicable articles supplementary) and bylaws.

### **Outstanding Preferred Stock**

As of April 24, 2013, 2,300,000 shares of our preferred stock have been designated as 8.00% Series A Cumulative Redeemable Preferred Stock, \$0.01 par value per share ( Series A Preferred Stock ), of which 2,300,000 shares were issued and outstanding.

Our Series A Preferred Stock ranks senior to (1) all classes or series of our common stock and (2) any other class or series of our capital stock expressly designated as ranking junior to our Series A Preferred Stock with respect to the payment of dividends and distribution of assets upon liquidation, dissolution or winding up of our affairs. Dividends on our Series A Preferred Stock are cumulative and payable quarterly on or about the 15<sup>th</sup> day of each January, April, July and October at the rate of 8.00% per annum of its liquidation preference, which is equivalent to \$2.00 per annum per share. If we liquidate, dissolve or wind up, holders of our Series A Preferred Stock will have the right to receive \$25.00 per share, plus an amount per share equal to accrued and unpaid dividends (whether or not authorized or declared) to, but not including, the date of payment, before any payments are made to holders of our common stock or other junior securities. On and after February 9, 2017, we may, at our option, redeem our Series A Preferred Stock, in whole, at any time, or in part, from time to time, for cash at a redemption price of \$25.00 per share, plus any accrued and unpaid dividends (whether or not authorized or declared) to, but not including, the date of redemption. In addition, upon certain changes of control of the company, holders of our Series A Preferred Shares will have the right (unless we have elected to exercise our special optional redemption right to redeem your Series A Preferred Stock) to convert some or all their Series A Preferred Stock into shares of our common stock at the conversion rate described in the articles supplementary setting forth the terms of the Series A Preferred Stock. Except in certain limited circumstances, holders of our Series A Preferred Shares have no voting rights.

### **Future Series of Preferred Stock**

The following description sets forth certain general terms of the preferred stock to which any prospectus supplement may relate. This description and the description contained in any prospectus supplement are not complete and are in all respects subject to and qualified in their entirety by reference to our charter, the applicable articles supplementary that describe the terms of the related class or series of preferred stock, and our bylaws, each of which we will make

available upon request.

Subject to limitations prescribed by Maryland law and our charter, our board of directors is authorized to fix the number of shares constituting each class or series of preferred stock and the designations and powers, preferences and relative, participating, optional or other special rights and qualifications, limitations or restrictions thereof, including those provisions as may be desired concerning voting, redemption, dividends, dissolution or the distribution of assets, conversion or exchange, and those other subjects or matters as may be fixed by resolution of our board of directors or duly authorized committee thereof. The preferred stock will, when issued, be fully paid and nonassessable and, except as may be determined by our board of directors and set forth in the articles supplementary setting forth the terms of any class or series of preferred stock, will not have, or be subject to, any preemptive or similar rights.

12

---

## TABLE OF CONTENTS

You should refer to the prospectus supplement relating to the class or series of preferred stock offered thereby for specific terms, including:

- the class or series, title and stated value of that preferred stock.
- the number of shares of that preferred stock offered, the liquidation preference per share and the offering price of that preferred stock;
- the dividend rate(s), period(s) and/or payment date(s) or method(s) of calculation thereof applicable to that preferred stock;
- whether dividends on that preferred stock shall be cumulative or not and, if cumulative, the date from which dividends on that preferred stock shall accumulate;
- the procedures for any auction and remarketing, if any, for that preferred stock;
- provisions for a sinking fund, if any, for that preferred stock;
- provisions for repurchase or redemption, if applicable, of that preferred stock, including any restrictions on the repurchase or redemption of such preferred stock by us while there is an arrearage in the payment of dividends or sinking fund installments, if applicable;
- any listing of that preferred stock on any securities exchange;
- the terms and conditions, if applicable, upon which that preferred stock will be convertible into our common stock, including the conversion price (or manner of calculation thereof) and conversion period;
- whether interests in that preferred stock will be represented by our depositary shares;
- the relative ranking and preference of the preferred stock as to distribution rights and rights upon our liquidation, dissolution or winding up if other than as described in this prospectus;
- any limitations on issuance of any other series of preferred stock ranking senior to or on a parity with the preferred stock as to distribution rights and rights upon our liquidation, dissolution or winding up;
- a discussion of any material U.S. federal income tax considerations applicable to that preferred stock;
- any limitations on actual, beneficial or constructive ownership and restrictions on transfer of that preferred stock and, if convertible, the related common stock, in each case as may be appropriate to preserve our status as a REIT; and
- any other specific terms, preferences, rights, limitations or restrictions of that preferred stock.

## **Restrictions on Ownership and Transfer**

With certain exceptions, our charter provides that no person or entity may beneficially own, or be deemed to own by virtue of the applicable constructive ownership provisions of the Code, more than 9.8% by vote or value, whichever is more restrictive, of either our outstanding common stock or our outstanding capital stock in the aggregate. In addition, pursuant to the articles supplementary setting forth the terms of the Series A Preferred Stock, no person may own, or be deemed to own by virtue of the attribution provisions of the Code, more than 9.8% (by value or number of shares, whichever is more restrictive) of our Series A Preferred Stock. For more information regarding these ownership restrictions and certain other restrictions intended to protect our qualification as a REIT, see Description of Capital Stock Restrictions on Ownership and Transfer.

## **Transfer Agent and Registrar**

The transfer agent and registrar for the Series A Preferred Stock is American Stock Transfer & Trust Company, LLC. The transfer agent and registrar for the future class or series of preferred stock will be set forth in the applicable prospectus supplement.

## **Certain Provisions of Maryland Law and Our Charter and Bylaws**

See Certain Provisions of Maryland Law and Our Charter and Bylaws.

13

---

TABLE OF CONTENTS

## **DESCRIPTION OF DEBT SECURITIES**

The following description sets forth certain general terms and provisions of the senior debt securities that may be offered by means of this prospectus. The particular terms of the debt securities being offered and the extent to which the general provisions described below apply will be described in a prospectus supplement relating to the debt securities.

Any senior debt securities offered by means of this prospectus will be issued under a senior indenture, as amended or supplemented from time to time, which we refer to as the Indenture, between us and such trustee as we may appoint. A form of the Indenture has been filed as an exhibit to the Registration Statement of which this prospectus is a part and will be available for inspection at the corporate trust office of the trustee (as defined below) or as described above under Where You Can Find Additional Information and Incorporation of Certain Documents by Reference.

The Indenture is and will be subject to and governed by the Trust Indenture Act of 1939, as amended. The description of the Indenture set forth below assumes that we have entered into the Indenture. We will execute and deliver the Indenture when and if we issue debt securities. The statements made in this prospectus relating to the Indenture and the debt securities to be issued under the Indenture are summaries of some provisions of the Indenture and such debt securities. The summaries do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the Indenture and such debt securities. Unless otherwise specified, capitalized terms used but not defined in this prospectus have the meanings set forth in the Indenture.

### **General**

The debt securities offered by means of this prospectus will be our direct obligations. Senior debt securities will rank equally in right of payment with our other senior unsecured and unsubordinated debt that may be outstanding from time to time, and will rank senior in right of payment to all of any subordinated debt securities that may be outstanding from time to time.

The Indenture provides that debt securities may be issued without limit as to aggregate principal amount, in one or more series, in each case as may be authorized from time to time by us or as established in one or more indentures supplemental to the Indenture. All debt securities of one series need not be issued at the same time and, unless otherwise provided, a series may be reopened, without the consent of the holders of the debt securities of such series, for issuances of additional debt securities of such series.

The Indenture provides that there may be more than one trustee thereunder, each with respect to one or more series of debt securities (each, a trustee). Any trustee under the Indenture may resign or be removed with respect to one or more series of debt securities, and a successor trustee will be appointed by us to act with respect to such series. If two or more persons are acting as trustee with respect to different series of debt securities, each such trustee will be a trustee of a trust under the Indenture separate and apart from the trust administered by any other trustee thereunder, and, except as otherwise indicated herein or therein, any action described to be taken by the trustee may be taken by each such trustee with respect to, and only with respect to, the one or more series of debt securities for which it is trustee under the Indenture.

The prospectus supplement relating to any series of debt securities being offered will contain information on the specific terms of those debt securities, including, without limitation:

the principal amount offered;

the title of the securities of the series;

any limit upon the aggregate principal amount of the securities of the series which may be authenticated and delivered under the Indenture;

the date or dates on which the principal of the securities is payable;

the rate or rates (which may be fixed or variable) at which the securities of the series shall bear interest, if any, the date or dates from which such interest shall accrue, the interest payment dates on which such interest shall be payable and the regular record date for the interest payable on any interest payment date;

14

---



TABLE OF CONTENTS

the person to whom any interest shall be payable;

the place or places where the principal of (and premium, if any) and interest on securities of the series shall be payable, any securities of that series may be surrendered for conversion or exchange and notices and demands to or upon us in respect of the securities of that series and the Indenture may be served;

the basis upon which any interest shall be calculated if other than that of a 360-day year consisting of twelve 30-day months;

the period or periods within which, the price or prices at which, the currency or currency unit in which, and the terms and conditions upon which securities of the series may be redeemed, in whole or in part, at our option, if we have such an option;

the terms, if any, upon which the securities of the series may be convertible into or exchanged for any of our capital stock or other securities or property (including cash or any combination thereof) and the terms and conditions upon which such conversion or exchange may be effected, including, without limitation, the initial conversion or exchange price or rate (or manner of calculation thereof), the portion that is convertible or exchangeable or the method by which any such portion shall be determined, the conversion or exchange period, provisions as to whether conversion or exchange will be at the option of the holders or at our option, the events requiring an adjustment of the conversion or exchange price, and provisions affecting conversion or exchange in the event of the redemption of such securities;

if such debt securities are convertible, any limitation on the ownership or transferability of our common stock or other equity securities into which such debt securities are convertible in connection with the preservation of our status as a REIT;

our obligation, if any, to redeem or purchase securities of the series pursuant to any sinking fund or analogous provisions or at the option of a holder thereof and the period or periods within which, the price or prices at which, the currency or currency unit in which, and the terms and conditions upon which securities of the series shall be redeemed or purchased, in whole or in part, pursuant to such obligation;

whether securities of the series are to be issued in registered form or bearer form or both, and if in bearer form, whether coupons will be attached to them and whether securities of the series in bearer form may be exchanged for securities of the series issued in registered form, and the circumstances under which and the places at which any such exchanges, if permitted, may be made;

if the securities of the series are to be issued in bearer form or as one or more global notes representing securities of the series in bearer form, whether certain provisions for the payment of additional interest or tax redemptions shall apply; whether interest with respect to any portion of temporary securities of the series in bearer form payable with respect to any interest payment date prior to the exchange of such temporary securities in bearer form for definitive securities of a series in bearer form shall be paid to any clearing organization with respect to the portion of such temporary securities in bearer form held for its account and, in such event, the terms and conditions (including any certification requirements) upon which any such interest payment received by a clearing organization will be credited to the persons entitled to interest payable on such interest payment date; and the terms upon which a temporary securities in bearer form may be exchanged for one or more definitive securities of the series in bearer form;

if other than denominations of \$1,000 or any integral multiple thereof, the denominations in which securities of the series shall be issuable;

if other than the trustee, the identity of each security registrar and/or paying agent;

the percentage of the principal amount at which such debt securities will be issued and, if other than the principal amount thereof, the portion of the principal amount of securities of the series which shall be payable upon declaration of acceleration of the maturity thereof pursuant to the Indenture;

## TABLE OF CONTENTS

any events of default and covenants of ours with respect to the securities of that series, whether or not such events of default or covenants are consistent with the events of default or covenants set forth in the Indenture;

if other than the currency of the United States of America, the currency or currency unit in which payment of the principal of (and premium, if any) or interest, if any, on the securities of that series shall be made or in which securities of that series shall be denominated and the particular provisions applicable thereto;

if the principal of (and premium, if any) and interest, if any, on the securities of that series are to be payable, at the election of us or a holder thereof, in a currency or currency unit other than that in which such securities are denominated or stated to be payable, the period or periods within which, and the terms and conditions upon which, such election may be made, and the time and manner of determining the exchange rate between the currency or currency unit in which such securities are denominated or stated to be payable and the currency or currency unit in which such securities are to be so payable;

if the amount of payments or principal of (and premium, if any) or interest, if any, on the securities of the series may be determined with reference to an index based on a currency or currency unit other than that in which securities are denominated or stated to be payable or any other index, the manner in which such amounts shall be determined; whether such securities will be secured or unsecured and if secured, the nature of the collateral securing the debt securities;

whether and to what extent the securities of each series will be guaranteed and the identity of the guarantors;

the terms and conditions, if any, upon which such securities may be subordinated to our other debt;

whether such securities will be issued in certificated or book-entry form;

the applicability, if any, of the defeasance and covenant defeasance provisions of the Indenture;

whether and under what circumstances we will pay any additional amounts on such debt securities in respect of any tax, assessment or governmental charge and, if so, whether we will have the option to redeem such debt securities in lieu of making such payment;

if securities are to be issued upon the exercise of warrants, the time, manner and place for authentication and delivery; and

any other terms of the series (which terms shall not be inconsistent with the provisions of the Indenture).

The debt securities may be issued in one or more series with the same or various maturities.

The terms of the debt securities do not afford holders of the debt securities protection in the event of a highly leveraged transaction involving us that may adversely affect holders of the debt securities.

## **Conversion and Exchange Rights**

The prospectus supplement will describe, if applicable, the terms on which you may convert the debt securities into or exchange them for other debt securities, preferred stock, common stock or other securities or property (including cash or any combination thereof). The conversion or exchange may be mandatory or may be at your option. The prospectus supplement will describe how the amount of debt securities, number of shares of preferred stock or common stock, or the amount of other securities or property to be received upon conversion or exchange would be calculated.

TABLE OF CONTENTS

## **Transfer and Exchange**

The debt securities of a series may be issued in either registered form ( registered securities ) or global form. See Book-Entry Securities. Registered securities may be separated into smaller denominations or combined into larger denominations, as long as the total principal amount is not changed. This is called an exchange.

In accordance with the Indenture, you may transfer or exchange debt securities of a series at the office of the trustee. The trustee will act as our agent for registering registered securities in the names of holders and transferring debt securities. We may designate someone else to perform these functions. Whoever maintains the list of registered holders is called the security registrar. The security registrar also will perform transfers.

You will not be required to pay a service charge to transfer or exchange debt securities, but you may be required to pay for any tax or other governmental charge associated with the exchange or transfer. The transfer or exchange will be made only if the security registrar is satisfied with your proof of ownership.

If we designate additional transfer agents, we will name them in the applicable prospectus supplement. We may cancel the designation of any particular transfer agent. We may also approve a change in the office through which any transfer agent acts.

If we redeem less than all of the debt securities of a redeemable series, we may block the transfer or exchange of registered securities during the period beginning 15 days before the day of the selection for redemption of such registered securities and ending on the day of the mailing of the relevant notice of redemption in order to freeze the list of holders to prepare the mailing. We may also decline to register transfers or exchanges of debt securities selected for redemption, except that we will continue to permit transfers and exchanges of the unredeemed portion of any debt security being partially redeemed.

If the offered debt securities are redeemable, we will describe the procedures for redemption in the applicable prospectus supplement.

In this Transfer and Exchange section of this prospectus, you means direct holders and not indirect holders of debt securities.

## **Merger and Consolidation**

Subject to any terms or conditions specified in the applicable prospectus supplement, so long as any debt securities of any series remain outstanding, we may not merge, consolidate or convey, transfer or lease our properties and assets substantially as an entirety and we will not permit any person to consolidate with or merge into us or convey, transfer or lease its properties and assets substantially as an entirety to us unless:

the successor person is us or another corporation organized and existing under the laws of the United States, any state thereof or the District of Columbia that assumes our obligations on the debt securities and under the Indenture; immediately after giving effect to such transaction, we or the successor person would not be in default under the Indenture; and

we have delivered to the trustee an officers certificate and an opinion of counsel, each stating that such consolidation, merger or transfer and such supplemental indenture (if any) comply with the Indenture.

## Certain of our Covenants

In addition to any covenants with respect to a particular series of debt securities as may be described in the applicable prospectus supplement, we will be subject to the following covenants:

*Corporate Existence.* Except as described above under Merger and Consolidation, we will be required to do or cause to be done all things necessary to preserve and keep in full force and effect our corporate existence, rights (by articles of incorporation, bylaws and statute) and franchises. However, we will

## TABLE OF CONTENTS

not be required to preserve any right or franchise if we determine that its preservation is no longer desirable in the conduct of our business and that its loss is not disadvantageous in any material respect to the holders of the debt securities.

*Maintenance of Properties.* We will be required to cause all properties owned by us or any of our subsidiaries or used or held for use in the conduct of our business or the business of any of our subsidiaries to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and will be required to cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, as in our judgment may be necessary so that the business carried on in connection with these properties may be conducted at all times. However, we will not be prevented from discontinuing the maintenance of any properties if such discontinuance is, in our judgment, desirable in the conduct of our business or the business of any of our subsidiaries and is not disadvantageous in any material respect to holders of the debt securities.

*Payment of Taxes and Other Claims.* We will be required to pay or discharge, or cause to be paid or discharged, before they become delinquent:

all material taxes, assessments and governmental charges levied or imposed upon us or any of our subsidiaries or upon our income, profits or property or the income, profits or property of any of our subsidiaries; and all material lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien upon our property or the property of any of our subsidiaries.

Except as described above, or as otherwise described in the applicable prospectus supplement, the Indenture does not contain any provisions that would afford holders of the debt securities protection in the event of:

a highly leveraged or similar transaction involving us;  
a change in control or a change in our management; or

a reorganization, restructuring, merger or similar transaction involving us that may adversely affect the holders of the debt securities.

In addition, subject to the limitations set forth above and in the applicable prospectus supplement, we may, in the future, enter into certain transactions such as the sale of our properties and assets substantially as an entirety or a merger or consolidation with another entity that could increase the amount of our indebtedness or otherwise adversely affect our financial condition or results of operations, which may have an adverse effect on our ability to service our indebtedness, including the debt securities. We have no present intention of engaging in a highly leveraged or similar transaction involving us.

## **Events of Default**

Unless otherwise provided in the applicable prospectus supplement, an event of default with respect to the debt securities is defined in the Indenture as being:

- (1) default for 30 days in the payment of any installment of interest on the debt securities;
- (2) default in the payment of any principal of the debt securities;
- (3) default by us in the performance of any other covenants or agreements in the Indenture contained therein for the benefit of the debt securities which shall not have been remedied for a period of 90 days after written notice of such default to us by the trustee or to us and the trustee by the holders of at least 25% in aggregate principal amount of the debt securities;
- (4) certain events of bankruptcy, insolvency or reorganization of us; or
- (5) any other event of default specified for a series in the applicable prospectus supplement.

Unless otherwise provided in the applicable prospectus supplement, the Indenture provides that if an event of default under clause (1), (2), (3) or (5) above shall have occurred and be continuing, either the

## TABLE OF CONTENTS

trustee or the holders of not less than 25% in principal amount of the debt securities may declare the principal of all the debt securities, together with any accrued interest, to be due and payable immediately.

Unless otherwise provided in the applicable prospectus supplement, if an event of default under clause (4) above shall have occurred and be continuing, then the principal of all the debt securities, together with any accrued interest, will be due and payable immediately without any declaration or other act on the part of the trustee or any holder of a debt security. Upon certain conditions such declaration (including a declaration caused by a default in the payment of principal or interest, the payment for which has subsequently been provided) may be annulled by the holders of a majority in principal amount of the debt securities.

In addition, subject to any terms or conditions specified in the applicable prospectus supplement, prior to the declaration of the acceleration of the maturity of the debt securities, past defaults may be waived by the holders of a majority in principal amount of the debt securities, except a default in the payment of principal or interest on any debt security or in respect of a covenant or provision of the Indenture which cannot be modified or amended without the approval of the holder of each debt security.

The Indenture contains a provision entitling the trustee, subject to the duty of the trustee during default to act with the required standard of care, to be indemnified by the holders of debt securities issued thereunder before proceeding to exercise any right or power under the Indenture at the request of the holders of such debt securities.

The Indenture also provides that the holders of a majority in principal amount of the outstanding securities of a particular series issued thereunder and affected (each series voting as a separate class) may direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee, with respect to the debt securities of such series.

The Indenture contains a covenant that we will file annually with the trustee a certificate as to the absence of any default or specifying any default that exists.

## **Satisfaction and Discharge**

The Indenture provides that, if the provisions of the relevant article of the Indenture are made applicable to the debt securities of (or within) any series pursuant to such Indenture, the Indenture will cease to be of further effect (except as to surviving rights of registration of transfer or exchange of debt securities, as expressly provided for in the Indenture) as to all debt securities of such series when:

either:

all such debt securities theretofore authenticated and delivered (except lost, stolen or destroyed debt securities that have been replaced or paid) have been delivered to the trustee for cancellation, or with respect to all such debt securities not theretofore delivered to the trustee for cancellation, we have deposited or caused to be deposited with the trustee funds or government obligations (as described below), or any combination thereof, in an amount sufficient to pay and discharge the entire indebtedness on such debt securities not theretofore delivered to the trustee for cancellation, for unpaid principal and interest to maturity;

we have paid all other sums payable by us under the Indenture with respect to such series;

we have delivered to the trustee an officers' certificate and an opinion of counsel each stating that all conditions precedent under the Indenture to the satisfaction and discharge of the Indenture with respect to such series have been complied with; and

if such debt securities are not due and payable within one year of the date of such deposit, we have delivered to the trustee an opinion of counsel to the effect that the holders of the debt securities will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times, as would have been the case if such deposit, defeasance and discharge had not occurred.

19

---



TABLE OF CONTENTS

## **Defeasance and Covenant Defeasance**

The Indenture provides that, if the provisions of the relevant article of the Indenture are made applicable to the debt securities of (or within) any series pursuant to the Indenture, we may elect either (1) to effect a defeasance, in which case we will be discharged from any and all obligations with respect to such debt securities (except for the obligations to register the transfer or exchange of such debt securities, to replace temporary or mutilated, destroyed, lost or stolen debt securities, to maintain an office or agency in respect of such debt securities and to hold moneys for payment in trust), or (2) to effect a covenant defeasance, in which case we will be released from our obligations with respect to the covenants described under Certain of our Covenants or, if provided pursuant to the Indenture, our obligations with respect to any other covenant, and any omission to comply with such obligations will not constitute a default or an Event of Default with respect to such debt securities. Such defeasance or covenant defeasance shall be effected upon the irrevocable deposit by us with the applicable trustee, in trust, of an amount, in such currency or currencies in which such debt securities are payable at their stated maturity, or government obligations (as described below), or both, applicable to such debt securities which through the scheduled payment of principal and interest in accordance with their terms will provide money in an amount sufficient to pay the principal of (and premium, if any) and interest on such debt securities, and any mandatory sinking fund or analogous payments thereon, on the scheduled due dates therefor.

Such a trust may be established only if, among other things, we have delivered to the applicable trustee an opinion of counsel (as specified in the Indenture) to the effect that the holders of such debt securities will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such defeasance or covenant defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance or covenant defeasance had not occurred.

The Indenture defines government obligations to mean securities that are (i) direct obligations of the government which issued the currency in which the securities of a particular series are payable or (ii) obligations of a person controlled or supervised by and acting as an agency or instrumentality of the government that issued the currency in which the securities of such series are payable, the payment of which is unconditionally guaranteed by such government, which, in either case, are full faith and credit obligations of such government payable in such currency and are not callable or redeemable at the option of the issuer thereof.

Unless otherwise provided in the applicable supplemental indenture relating to any series of debt securities, if after we have deposited funds or government obligations to effect defeasance or covenant defeasance with respect to debt securities of any series the holder of a debt security of such series is entitled to, and does, elect pursuant to the Indenture or the terms of such debt security to receive payment in a currency other than that in which such deposit has been made in respect of such debt security, the indebtedness represented by such debt security and any coupons appertaining thereto shall be deemed to have been, and will be, fully discharged and satisfied through the payment of the principal of (and premium, if any) and interest, if any, on such debt security as they become due out of the proceeds yielded by converting the amount or other property so deposited in respect of such debt security into the currency in which such debt security becomes payable as a result of such election based on the applicable market exchange rate. Unless otherwise provided in the applicable prospectus supplement, all payments of principal of (and premium, if any) and interest on any debt security that is payable in a foreign currency that ceases to be used by its government of issuance shall be made in U.S. dollars. If we effect a covenant defeasance with respect to any debt securities and such debt securities are declared due and payable because of the occurrence of an event of default, the amount in such currency in which such debt securities are payable, and government obligations on deposit with the applicable trustee, will be sufficient to pay amounts due on such debt securities at the time of their stated maturity but may not be sufficient to pay amounts due on such debt securities at the time of the acceleration resulting from such

event of default. We, however, would remain liable to make payment of such amounts due at the time of acceleration.

The applicable prospectus supplement may further describe the provisions, if any, permitting such defeasance or covenant defeasance, including any modifications to the provisions described above, with respect to the debt securities of or within a particular series.

TABLE OF CONTENTS

## **Modification and Waiver**

Unless otherwise specified in the applicable prospectus supplement, modifications and amendments of the Indenture will be permitted only with the consent of the holders of not less than a majority in principal amount of all outstanding debt securities issued under the Indenture which are affected by such modification or amendment. However, no such modification or amendment may, without the consent of the holder of each such debt security affected by the modification or amendment:

change the stated maturity of the principal of, or any installment of interest on, any debt security or reduce the principal amount thereof or the rate of interest thereon, or change the coin or currency in which any debt security or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment after the stated maturity thereof;

reduce the percentage in principal amount of outstanding debt securities necessary to waive compliance with certain provisions of the Indenture or to waive certain defaults; or

modify any of the provisions relating to supplemental indentures requiring the consent of holders or relating to the waiver of past defaults or relating to the waiver of certain covenants, except to increase the percentage of outstanding debt securities required for such actions or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the holder of each debt security.

Unless otherwise specified in the applicable prospectus supplement, modifications and amendments of the Indenture may be made by us and the respective trustee without the consent of any holder of debt securities for any of the following purposes:

to evidence the succession of another person as obligor under the Indenture;

to add to our covenants for the benefit of the holders of all or any series of debt securities or to surrender any right or power conferred upon us in the Indenture;

to add events of default with respect to any or all series of debt securities;

to add or change any of the provisions of the Indenture to such extent as necessary to permit or facilitate the issuance of debt securities in bearer form, registrable or not registrable as to principal, and with or without interest coupons; to change or eliminate any of the provisions of the Indenture, provided that any such change or elimination shall become effective only when there are no debt securities outstanding of any series created prior to the execution of such supplemental indenture which is entitled to the benefit of such provision;

to establish the form or terms of debt securities of any series;

to add guarantees with respect to the debt securities;

to secure the debt securities;

to evidence and provide for the acceptance of appointment of a successor trustee with respect to the debt securities of one or more series and to add to or change any of the provisions of the Indenture as necessary to provide for or facilitate the administration of the trusts under the Indenture by more than one trustee;

to cure any ambiguity, to correct or supplement any provision in the Indenture which may be defective or inconsistent with any other provision in the Indenture, or to make any other provisions with respect to matters or questions arising under the Indenture which shall not be inconsistent with the provisions of the Indenture;

to add to the conditions, limitations and restrictions on the authorized amount, form, terms or purposes of issue, authentication and delivery of debt securities;

21

TABLE OF CONTENTS

to supplement any of the provisions of the Indenture to the extent necessary to permit or facilitate the defeasance and discharge of any series of debt securities if such action does not adversely affect the interests of the holders of the debt securities of such series and any related coupons or any other series of debt securities in any material respect; to comply with the requirements of the SEC in order to effect or maintain the qualification of the Indenture under the Trust Indenture Act of 1939, as amended; or to add or modify any other provision in the Indenture with respect to matters or questions arising under the Indenture which we and the trustee may deem necessary or desirable and which does not materially and adversely affect the legal rights under the Indenture of any holder of debt securities of any series.

**Global Securities**

The debt securities of a series may be issued in whole or in part in the form of one or more global securities that will be deposited with, or on behalf of, a depository identified in the applicable prospectus supplement relating to such series. Global securities may be issued in either registered or bearer form and in either temporary or permanent form. The specific terms of the depository arrangement with respect to a series of debt securities will be described in the applicable prospectus supplement relating to such series.

TABLE OF CONTENTS

## **DESCRIPTION OF DEPOSITARY SHARES**

### **General**

We may issue receipts for depositary shares, each of which will represent a fractional interest of a share of a particular series of preferred stock, as specified in the applicable prospectus supplement. We will deposit shares of preferred stock represented by depositary shares under a separate deposit agreement among us, a preferred shares depositary and the holders from time to time of the depositary shares. Subject to the terms of the applicable deposit agreement, each owner of a depositary receipt will be entitled, in proportion to the fractional interest of a share of a particular series of preferred stock represented by the depositary shares evidenced by such depositary receipt, to all the rights and preferences of the preferred stock represented by such depositary shares (including dividend, voting, conversion, redemption and liquidation rights).

The depositary shares will be evidenced by depositary receipts issued pursuant to the applicable deposit agreement.

Immediately following the issuance and delivery of the shares of preferred stock by us to a preferred shares depositary, we will cause such preferred shares depositary to issue, on our behalf, the depositary receipts. Copies of the applicable form of deposit agreement and depositary receipt may be obtained from us upon request, and the statements made hereunder relating to the deposit agreement and the depositary receipts to be issued thereunder are summaries of certain provisions thereof and do not purport to be complete and are subject to, and qualified in their entirety by reference to, all of the provisions of the applicable deposit agreement and related depositary receipts.

### **Dividends and Other Distributions**

The preferred shares depositary will distribute all cash dividends or other cash distributions received in respect of the shares of preferred stock to the record holders of depositary receipts evidencing the related depositary shares in proportion to the number of such depositary receipts owned by such holders, subject to certain obligations of holders to file proofs, certificates and other information and to pay certain charges and expenses to the preferred shares depositary.

In the event of a distribution other than in cash, the preferred shares depositary will distribute property received by it to the record holders of depositary receipts entitled thereto, subject to certain obligations of holders to file proofs, certificates and other information and to pay certain charges and expenses to the preferred shares depositary, unless the preferred shares depositary determines that it is not feasible to make such distribution, in which case the preferred shares depositary may, with our approval, sell such property and distribute the net proceeds from such sale to such holders.

No distribution will be made in respect of any depositary share to the extent that it represents any shares of preferred stock converted into other securities.

### **Withdrawal of Stock**

Upon surrender of the depositary receipts at the corporate trust office of the applicable preferred shares depositary (unless the related depositary shares have previously been called for redemption or converted into other securities), the holders thereof will be entitled to delivery at such office, to or upon such holder's order, of the number of whole or fractional shares of preferred stock and any money or other property represented by the depositary shares evidenced

by such depositary receipts. Holders of depositary receipts will be entitled to receive whole or fractional shares of preferred stock on the basis of the proportion of preferred shares represented by each depositary share as specified in the applicable prospectus supplement, but holders of such preferred shares will not thereafter be entitled to receive depositary shares therefor. If the depositary receipts delivered by the holder evidence a number of depositary shares in excess of the number of depositary shares representing the number of shares of preferred stock to be withdrawn, the preferred shares depositary will deliver to such holder at the same time a new depositary receipt evidencing such excess number of depositary shares.

## **Redemption of Depositary Shares**

Whenever we redeem shares of preferred stock held by the preferred shares depositary, the preferred shares depositary will redeem as of the same redemption date the number of depositary shares representing shares of preferred stock so redeemed, provided we shall have paid in full to the preferred shares depositary

## TABLE OF CONTENTS

the redemption price of the preferred shares to be redeemed plus an amount equal to any accrued and unpaid dividends thereon to the date fixed for redemption. The redemption price per depositary share will be equal to the corresponding proportion of the redemption price and any other amounts per share payable with respect to the preferred shares. If fewer than all the depositary shares are to be redeemed, the depositary shares to be redeemed will be selected pro rata (as nearly as may be practicable without creating fractional depositary shares) or by any other equitable method determined by us that will not result in a violation of the ownership restrictions in our charter.

From and after the date fixed for redemption, all dividends in respect of the preferred shares so called for redemption will cease to accrue, the depositary shares so called for redemption will no longer be deemed to be outstanding and all rights of the holders of the depositary receipts evidencing the depositary shares so called for redemption will cease, except the right to receive any moneys payable upon such redemption and any money or other property to which the holders of such depositary receipts were entitled upon such redemption and surrender thereof to the preferred shares depositary.

## **Voting of the Preferred Stock**

Upon receipt of notice of any meeting at which the holders of the applicable shares of preferred stock are entitled to vote, the preferred shares depositary will mail the information contained in such notice of meeting to the record holders of the depositary receipts evidencing the depositary shares which represent such shares of preferred stock. Each record holder of depositary receipts evidencing depositary shares on the record date (which will be the same date as the record date for the preferred shares) will be entitled to instruct the preferred shares depositary as to the exercise of the voting rights pertaining to the amount of preferred shares represented by such holder's depositary shares. The preferred shares depositary will vote the amount of preferred shares represented by such depositary shares in accordance with such instructions, and we will agree to take all reasonable action which may be deemed necessary by the preferred shares depositary in order to enable the preferred shares depositary to do so. The preferred shares depositary will abstain from voting the amount of preferred shares represented by such depositary shares to the extent it does not receive specific instructions from the holders of depositary receipts evidencing such depositary shares. The preferred shares depositary shall not be responsible for any failure to carry out any instruction to vote, or for the manner or effect of any such vote made, as long as any such action or non-action is in good faith and does not result from negligence or willful misconduct of the preferred shares depositary.

## **Liquidation Preference**

In the event of our liquidation, dissolution or winding up, whether voluntary or involuntary, the holders of each depositary receipt will be entitled to the fraction of the liquidation preference accorded each shares of preferred stock represented by the depositary shares evidenced by such depositary receipt, as set forth in the applicable prospectus supplement.

## **Conversion of Preferred Stock**

The depositary shares, as such, are not convertible into common stock or any of our other securities or property. Nevertheless, if so specified in the applicable prospectus supplement relating to an offering of depositary shares, the depositary receipts may be surrendered by holders thereof to the preferred shares depositary with written instructions to the preferred shares depositary to instruct us to cause conversion of the preferred shares represented by the depositary shares evidenced by such depositary receipts into whole common shares, other preferred shares, and we agree that upon receipt of such instructions and any amounts payable in respect thereof, we will cause the conversion

thereof utilizing the same procedures as those provided for delivery of shares of preferred stock to effect such conversion. If the depositary shares evidenced by a depositary receipt are to be converted in part only, a new depositary receipt or receipts will be issued for any depositary shares not to be converted. No fractional shares common stock will be issued upon conversion, and if such conversion would result in a fractional share being issued, an amount will be paid in cash by us equal to the value of the fractional interest based upon the closing price of the common stock on the last business day prior to the conversion.

## **Amendment and Termination of a Deposit Agreement**

The form of depositary receipt evidencing the depositary shares which represent the preferred stock and any provision of the deposit agreement may at any time be amended by agreement between us and the



## TABLE OF CONTENTS

preferred shares depositary. However, any amendment that materially and adversely alters the rights of the holders of depositary receipts or that would be materially and adversely inconsistent with the rights granted to the holders of the related preferred shares will not be effective unless such amendment has been approved by the existing holders of at least two-thirds of the applicable depositary shares evidenced by the applicable depositary receipts then outstanding.

No amendment shall impair the right, subject to certain exceptions in the deposit agreement, of any holder of depositary receipts to surrender any depositary receipt with instructions to deliver to the holder the related preferred shares and all money and other property, if any, represented thereby, except in order to comply with law. Every holder of an outstanding depositary receipt at the time any such amendment becomes effective shall be deemed, by continuing to hold such receipt, to consent and agree to such amendment and to be bound by the deposit agreement as amended thereby.

The deposit agreement may be terminated by us upon not less than 30 days prior written notice to the preferred shares depositary if (1) such termination is necessary to preserve our status as a REIT or (2) a majority of each series of preferred shares affected by such termination consents to such termination, whereupon the preferred shares depositary shall deliver or make available to each holder of depositary receipts, upon surrender of the depositary receipts held by such holder, such number of whole or fractional preferred shares as are represented by the depositary shares evidenced by such depositary receipts together with any other property held by the preferred shares depositary with respect to such depositary receipts. We have agreed that if the deposit agreement is terminated to preserve our status as a REIT, then we will use our best efforts to list the preferred stock issued upon surrender of the related depositary shares on a national securities exchange. In addition, the deposit agreement will automatically terminate if (a) all outstanding depositary shares shall have been redeemed, (b) there shall have been a final distribution in respect of the related preferred shares in connection with our liquidation, dissolution or winding up and such distribution shall have been distributed to the holders of depositary receipts evidencing the depositary shares representing such preferred shares or (c) each related share of preferred stock shall have been converted into our securities not so represented by depositary shares.

## **Charges of a Preferred Share Depositary**

We will pay all transfer and other taxes and governmental charges arising solely from the existence of the deposit agreement. In addition, we will pay the fees and expenses of the preferred shares depositary in connection with the performance of its duties under the deposit agreement. However, holders of depositary receipts will pay the fees and expenses of the preferred shares depositary for any duties requested by such holders to be performed which are outside of those expressly provided for in the deposit agreement.

## **Resignation and Removal of Depositary**

The preferred shares depositary may resign at any time by delivering to us notice of its election to do so, and we may at any time remove the preferred shares depositary, any such resignation or removal to take effect upon the appointment of a successor preferred shares depositary. A successor preferred shares depositary must be appointed within 60 days after delivery of the notice of resignation or removal and must be a bank or trust company having its principal office in the United States and that meets certain combined capital and surplus requirements.

## **Miscellaneous**

The preferred shares depositary will forward to holders of depositary receipts any reports and communications from the Company which are received by the preferred shares depositary with respect to the related preferred shares.

Neither the preferred shares depository nor we will be liable if it is prevented from or delayed in, by law or any circumstances beyond its control, performing its obligations under the deposit agreement. The obligations of us and the preferred shares depository under the deposit agreement will be limited to performing their duties thereunder in good faith and without negligence (in the case of any action or inaction in the voting of preferred shares represented by the depository shares), gross negligence or willful misconduct, and we and the preferred shares depository will not be obligated to prosecute or defend any legal proceeding in respect of any depository receipts, depository shares or preferred shares represented thereby unless satisfactory indemnity is furnished. We and the preferred shares depository may rely on written advice of

## TABLE OF CONTENTS

counsel or accountants, or information provided by persons presenting preferred shares represented thereby for deposit, holders of depositary receipts or other persons believed in good faith to be competent to give such information, and on documents believed in good faith to be genuine and signed by a proper party.

In the event the preferred shares depositary shall receive conflicting claims, requests or instructions from any holders of depositary receipts, on the one hand, and us, on the other hand, the preferred shares depositary shall be entitled to act on such claims, requests or instructions received from us.

## **Restrictions on Ownership and Transfer**

With certain exceptions, our charter provides that no person or entity may beneficially own, or be deemed to own by virtue of the applicable constructive ownership provisions of the Code, more than 9.8% by vote or value, whichever is more restrictive, of either our outstanding common stock or our outstanding capital stock in the aggregate. In addition, pursuant to the articles supplementary setting forth the terms of the Series A Preferred Stock, no person may own, or be deemed to own by virtue of the attribution provisions of the Code, more than 9.8% (by value or number of shares, whichever is more restrictive) of our Series A Preferred Stock. Holders of our depositary shares will be subject to the same restrictions as holders of our preferred stock. For more information regarding these ownership restrictions and certain other restrictions intended to protect our qualification as a REIT, see [Description of Capital Stock](#) [Restrictions on Ownership and Transfer](#).

## **Depositary**

The prospectus supplement will identify the depositary for the depositary shares.

## **Listing of the Depositary Shares**

The prospectus supplement will specify whether or not the depositary shares will be listed on any securities exchange.

TABLE OF CONTENTS

## DESCRIPTION OF RIGHTS

We may issue rights to our stockholders for the purchase of shares of common stock. Each series of rights will be issued under a separate rights agreement to be entered into between us and a bank or trust company, as rights agent, all as set forth in the prospectus supplement relating to the particular issue of rights. The rights agent will act solely as our agent in connection with the certificates relating to the rights of such series and will not assume any obligation or relationship of agency or trust for or with any holders of rights certificates or beneficial owners of rights. The rights agreement and the rights certificates relating to each series of rights will be filed with the SEC and incorporated by reference as an exhibit to the registration statement of which this prospectus is a part.

The applicable prospectus supplement will describe the terms of the rights to be issued, including the following, where applicable:

- the date for determining the stockholders entitled to the rights distribution;
- the aggregate number of shares common stock purchasable upon exercise of such rights and the exercise price;
- the aggregate number of rights being issued;
- the date, if any, on and after which such rights may be transferable separately;
- the date on which the right to exercise such rights shall commence and the date on which such right shall expire;
- a discussion of material U.S. federal income tax considerations; and
- any other material terms of such rights, including terms, procedures and limitations relating to the distribution, exchange and exercise of such rights.

### Restrictions on Ownership and Transfer

With certain exceptions, our charter provides that no person or entity may beneficially own, or be deemed to own by virtue of the applicable constructive ownership provisions of the Code, more than 9.8% by vote or value, whichever is more restrictive, of either our outstanding common stock or our outstanding capital stock in the aggregate. In addition, pursuant to the articles supplementary setting forth the terms of the Series A Preferred Stock, no person may own, or be deemed to own by virtue of the attribution provisions of the Code, more than 9.8% (by value or number of shares, whichever is more restrictive) of our Series A Preferred Stock. Holders of rights to purchase our common stock will, upon exercise of the rights, be subject to these ownership limits. In addition, such limits could restrict the rights holder's ability to exercise the rights it holds. For more information regarding these ownership restrictions and certain other restrictions intended to protect our qualification as a REIT, see [Description of Capital Stock](#) [Restrictions on Ownership and Transfer](#).

TABLE OF CONTENTS

## **DESCRIPTION OF WARRANTS**

We may issue warrants for the purchase of our common stock or preferred stock. Warrants may be issued independently or together with any of the other securities offered by this prospectus that are offered by any prospectus supplement and may be attached to or separate from the securities offered by this prospectus. Each series of warrants will be issued under a separate warrant agreement to be entered into between us and a warrant agent specified in the applicable prospectus supplement. The warrant agent will act solely as our agent in connection with the warrants of such series and will not assume any obligation or relationship of agency or trust for or with any holders or beneficial owners of warrants.

The applicable prospectus supplement will describe the following terms, where applicable, of the warrants in respect of which this prospectus is being delivered:

- the title of the warrants;
- the aggregate number of the warrants;
- the price or prices at which the warrants will be issued;
- the currencies in which the price or prices of such warrants may be payable;
- the designation, number and terms of the securities purchasable upon exercise of the warrants;
- the designation and terms of the other securities offered by this prospectus with which the warrants are issued and the number of the warrants issued with each security offered by this prospectus;
- the date, if any, on and after which the warrants and the related securities will be separately transferable;
- the price or prices at which and currency or currencies in which the securities purchasable upon exercise of the warrants may be purchased;
- the date on which the right to exercise the warrants shall commence and the date on which that right shall expire;
- the minimum or maximum amount of the warrants which may be exercised at any one time;
- information with respect to book-entry procedures, if any;
- a discussion of material U.S. federal income tax considerations; and

any other material terms of the warrants, including terms, procedures and limitations relating to the exchange and exercise of the warrants.

### **Restrictions on Ownership and Transfer**

With certain exceptions, our charter provides that no person or entity may beneficially own, or be deemed to own by virtue of the applicable constructive ownership provisions of the Code, more than 9.8% by vote or value, whichever is more restrictive, of either our outstanding common stock or our outstanding capital stock in the aggregate. In addition, pursuant to the articles supplementary setting forth the terms of the Series A Preferred Stock, no person may own, or be deemed to own by virtue of the attribution provisions of the Code, more than 9.8% (by value or number of shares, whichever is more restrictive) of our Series A Preferred Stock. Holders of our warrants to purchase our common stock or our preferred stock will, upon exercise of the warrant, be subject to these ownership restrictions. In addition, such restrictions could restrict the warrant holder's ability to exercise the warrants it holds. For more information regarding these ownership restrictions and certain other restrictions intended to protect our qualification as a REIT, see Description of Capital Stock Restrictions on Ownership and Transfer.

TABLE OF CONTENTS

## **CERTAIN PROVISIONS OF MARYLAND LAW AND OF OUR CHARTER AND BYLAWS**

*The following description summarizes certain provisions of Maryland law, including the MGCL, and our charter and bylaws. You should review the MGCL, our charter and our bylaws for complete information. We have filed our charter and bylaws as exhibits to the registration statement of which this prospectus is a part. See [Where You Can Find More Information](#).*

### **Our Board of Directors, Vacancies on Our Board of Directors and Removal of Directors**

*Number and Election of Directors.* Our bylaws provide that the number of our directors will be fixed by a majority of our entire board of directors, but may not be fewer than the minimum number permitted under Maryland law or more than fifteen. In establishing the number of directors, the board of directors may not alter the term of office of any director in office at that time.

Pursuant to our charter, each of our directors is elected to serve until the next annual meeting of our stockholders and until their successors are duly elected and qualified. Holders of shares of our common stock will have no right to cumulative voting in the election of directors. Our bylaws provide that at each annual meeting of stockholders, a plurality of votes cast will be able to elect the directors standing for election.

*Vacancies on Our Board of Directors.* In our charter, we have elected to be subject to Section 3-804(c) of the MGCL, and subject to the rights of holders of one or more classes or series of preferred stock, any vacancy may be filled only by an affirmative vote of a majority of the remaining directors in office, even if the remaining directors do not constitute a quorum, and any director elected to fill a vacancy will serve for the full term of the directorship in which such vacancy occurred and until a successor is elected and qualifies.

*Removal of Directors.* Our charter provides that, except for any directors elected by holders of a class or series of shares other than common stock, a director may be removed by the stockholders only with the affirmative vote of at least two-thirds of the votes entitled to be cast generally in the election of directors and only for cause. In our charter, cause means, with respect to any particular director, conviction of a felony or a final judgment of a court of competent jurisdiction holding that such director caused demonstrable, material harm to us through bad faith or active and deliberate dishonesty. This provision, when coupled with the exclusive power of our board of directors to fill vacant directorships, may preclude stockholders from removing incumbent directors and filling the vacancies created by such removal with their own nominees.

### **Amendment of Our Charter**

Our charter generally provides that charter amendments requiring stockholder approval must be declared advisable by our board of directors and approved by the affirmative vote of stockholders entitled to cast a majority of all the votes entitled to be cast on the matter. However, our charter's provisions regarding removal of directors, restrictions on ownership and transfer of our stock and the number of votes required to amend either of these sections may be amended only if such amendment is declared advisable by our board of directors and approved by the affirmative vote of stockholders entitled to cast not less than two-thirds of all the votes entitled to be cast on the matter.

## **Bylaw Amendments**

Our board of directors has the exclusive power to adopt, alter or repeal any provision of our bylaws and to make new bylaws.

### **Transactions Outside the Ordinary Course of Business**

Under Maryland law, a Maryland corporation may not merge with or into another entity, sell all or substantially all of its assets, engage in a share exchange or engage in similar transactions outside the ordinary course of its business unless the transaction or transactions are recommended by a majority of the entire board of directors and approved by the affirmative vote of the holders of not less than two-thirds of all of the votes entitled to be cast on the matter.

However, a Maryland corporation may provide in its charter for approval of these matters by a lesser percentage of the shares entitled to vote on the matter, but not less than a majority of all of the votes entitled to be cast on the matter.

Our charter provides for approval of these matters by at least a majority of the votes entitled to be cast. However, because operating assets may be held by a corporation's subsidiaries, as in our situation, this may mean that one of our subsidiaries could transfer all of its assets without any vote of our stockholders.