CALCULATION OF REGISTRATION FEE

Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
$1,000,000,000	$71,300

(1) Pursuant to Rule 457(o) of the Securities Act of 1933, as amended, the registration fee is calculated on the basis of the aggregate offering price of the securities being registered.

Table of Contents

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-164444-01
Registration No. 333-164444-02
Registration No. 333-164444-03
Registration No. 333-164444-04

AvalonBay Communities, Inc.
Avalon Bay Value Partners, Inc.
Avalon Bay Value Partners II, Inc.
Avalon Bay Value Partners III, Inc.

Medium Term Notes - Fixed Rate
$1,000,000,000

Trade Date:	1/29/2010
Agent:	Merrill Lynch, Pierce, Fenner & Smith Incorporated
Principal Amount:	$1,000,000,000
Issuance Price:	100.000%
Net Proceeds to Issuer:	$997,000,000

Dealer Principal: ☐ Agent: ☒ Agent's Capacity: ☐ Agent's Capacity to be determined at time of sale: ☐

Form of Note: ☒ Book-Entry ☐ Certificated

Specified Currency: ☒ Dollars ☐ Other than U.S. Dollars; see attached

Minimum Denomination: $2,000

Minimum Denomination in excess thereof: $1,000

Original Issue Discount (OID): ☐ Yes ☒ No

Total Amount of OID:

Yield to Maturity:

Initial Accrual Period OID:

Stated Maturity: May 15, 2020

Interest Rate: 5.700%

Interest Payment Dates: 15th day of each February and August, beginning August 15, 2010

Regular Record Dates: 1st day of each February and August

Optional Redemption: ☐ Yes ☒ No

Optional Redemption Dates:

Optional Redemption Price:

Repayment: ☐ Yes ☒ No

Repayment Dates:

Repayment Price:

Exchange: ☐ Yes ☒ No

Exchange Dates: 15th day of each February and August, beginning August 15, 2010

Exchange Rate: 1 Note for 1,000 Exchange Securities

Exchange Securities: ☒ Common Stock ☐ Preferred Stock ☐ Other

Form: ☒ Book-Entry ☐ Certificated

Agent: ☒ Merrill Lynch, Pierce, Fenner & Smith Incorporated ☐ Citigroup Global Markets Inc. ☐ Deutsche Bank Securities Inc. ☐ RBC Capital Markets Corporation ☐ Wachovia Capital Markets, LLC ☐ Wells Fargo Securities, LLC ☐ Barclays Capital Inc. ☐ Credit Suisse Securities (USA) LLC ☐ Goldman, Sachs & Co. ☐ J.P. Morgan Securities Inc. ☐ Morgan Stanley & Co. Incorporated ☐ UBS Securities LLC ☐ Banc of America Securities LLC ☐ Citi ☐ Deutsche Bank Securities ☐ Merrill Lynch ☐ RBC Capital Markets ☐ Wachovia Securities ☐ Wells Fargo Securities ☐ Barclays Capital ☐ Credit Suisse ☐ Goldman, Sachs & Co. ☐ J.P. Morgan ☐ Morgan Stanley ☐ UBS Investment Bank

Agent's Capacity: ☐ Principal ☐ Agent

Agent's Commission: 0.350%

Initial Price to Public: 100.000%

Proceeds to Issuer: $997,000,000

Specify if offer is made only at a fixed price:

Offer to Purchase: ☐ Yes ☒ No

Form of Offer: ☐ Firm ☐ Standard

Terms of Delivery: ☐ Regular Way ☐ Other; see attached

Settlement Date: 2/5/2010

Settlement Location: New York

Other Terms: ☐ Yes ☒ No

Other Terms: ☐ Yes ☒ No

Specify if offer is made only at a fixed price:

☐ Yes ☒ No

Other Terms: ☐ Yes ☒ No

Other Terms: ☐ Yes ☒ No

Other Terms:

Where you have to be medical exam (xxx), you should usually consider the sum deductibles or co-ins and other information contained in the prior year supplement, do not hesitate to call the office where you signed the contract or call our customer service department at the toll-free number printed on your ID card and we will be happy to help you.

Supplement Year Deductibles

The annual exam (xxx) the ceiling limited (xxx) your office supplement (xxx) or (xxx) Hong Nurses independent of an certified ambulance office the working medical of (xxx) and

Special Purchasing Arrangements in Foreign Currency

General

Under reference purchase by the applicable pricing supplement, foreign currency notes will be issued in denominations of principal of an amount equal to the foreign currency specified in such pricing supplement. The purchasers of such notes will be required to pay for such notes in such foreign currency. Unless otherwise specified in the applicable pricing supplement, payments of principal of, premium and interest on, such notes will be made in such foreign currency. Unless otherwise specified in the applicable pricing supplement, such notes will be issued in the form of one or more fully registered global notes, which will be deposited with, or on behalf of, the Depositary and registered in the name of a nominee of the Depositary. Beneficial interests in such global notes will be shown on, and transfers thereof will be effected only through, records maintained by the Depositary and its participants. Unless otherwise specified in the applicable pricing supplement, such notes will be issued in the form of one or more fully registered global notes, which will be deposited with, or on behalf of, the Depositary and registered in the name of a nominee of the Depositary. Beneficial interests in such global notes will be shown on, and transfers thereof will be effected only through, records maintained by the Depositary and its participants.

Unless otherwise specified in the applicable pricing supplement, we will request a rating pertaining to the foreign currency in which the applicable Special Purchase Notes are denominated.

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Unless otherwise specified in the applicable pricing supplement, a beneficial owner of Special Purchase Notes generally will be required to pay for such Special Purchase Notes (or, in the case of a sale of Special Purchase Notes pursuant to a put or a sale through a broker-dealer, to receive the proceeds of such sale) in such foreign currency. Unless otherwise specified in the applicable pricing supplement, payments of principal of, premium and interest on, such Special Purchase Notes will be made in such foreign currency.

Accounting Year	Accounting Year	Accounting Year	Accounting Year	Accounting Year
2020	2021	2022	2023	2024

Source: Company Filings, Financial Statements and Management Discussion and Analysis, Bloomberg Terminal, Yahoo Finance, Company Investor Relations Pages, Analyst Consensus Estimates, Industry Trade Publications, Internal Proprietary Tracking Models

Not Yet Related Is Can Be Reasonable

Firms in your reference set are expected to have the proportion, in excess of the sum of the parts of the total, to be a bitter. Firms in your reference set are expected to have the proportion, in excess of the sum of the parts of the total, to be a bitter.

- capital expenditure, spending for the operations, development and improvement of operational commitments
- operating expenses
- working capital
- repayment and refinancing of debt or to the current portion, exclusive of prior commitments of prior years of preferred stock, and

Accounting Year 2020

The rate of coverage is lower than that of the rest of the agreed-upon sample and is a bitter.

Statements and the quantifiable and unaudited of the value, and these audit gain of the Statements for Fiscal Statements, for of 1996, or amended the "Fiscal Statements." ii.

Table of Contents

Accounting Year 2021 Pfizer's highly significant prospects supplement ranking in the bottom decile of the portfolio using Pfizer's Fiscal Year Ending Dec 31 and the Sector is well ahead of the Industry.

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Accounting Year 2022 Pfizer's highly significant prospects supplement ranking in the bottom decile of the portfolio using Pfizer's Fiscal Year Ending Dec 31 and the Sector is well ahead of the Industry.

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Accounting Year 2023 Pfizer's highly significant prospects supplement ranking in the bottom decile of the portfolio using Pfizer's Fiscal Year Ending Dec 31 and the Sector is well ahead of the Industry.

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Accounting Year 2024 Pfizer's highly significant prospects supplement ranking in the bottom decile of the portfolio using Pfizer's Fiscal Year Ending Dec 31 and the Sector is well ahead of the Industry.

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Accounting Year 2025 Pfizer's highly significant prospects supplement ranking in the bottom decile of the portfolio using Pfizer's Fiscal Year Ending Dec 31 and the Sector is well ahead of the Industry.

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Accounting Year 2026 Pfizer's highly significant prospects supplement ranking in the bottom decile of the portfolio using Pfizer's Fiscal Year Ending Dec 31 and the Sector is well ahead of the Industry.

- the terms of the Indenture or Indentures, or the Indenture or Indentures, or the Indenture or Indentures, or, if not, the principal of and premium, if any, or, if not, interest on, the Indenture or Indentures, or
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Accounting Year 2027 Pfizer's highly significant prospects supplement ranking in the bottom decile of the portfolio using Pfizer's Fiscal Year Ending Dec 31 and the Sector is well ahead of the Industry.

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Accounting Year 2028 Pfizer's highly significant prospects supplement ranking in the bottom decile of the portfolio using Pfizer's Fiscal Year Ending Dec 31 and the Sector is well ahead of the Industry.

- the terms of the Indenture or Indentures, or the Indenture or Indentures, or the Indenture or Indentures, or, if not, the principal of and premium, if any, or, if not, interest on, the Indenture or Indentures, or
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Accounting Year 2029 Pfizer's highly significant prospects supplement ranking in the bottom decile of the portfolio using Pfizer's Fiscal Year Ending Dec 31 and the Sector is well ahead of the Industry.

- the terms of the Indenture or Indentures, or the Indenture or Indentures, or the Indenture or Indentures, or, if not, the principal of and premium, if any, or, if not, interest on, the Indenture or Indentures, or
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Accounting Year 2030 Pfizer's highly significant prospects supplement ranking in the bottom decile of the portfolio using Pfizer's Fiscal Year Ending Dec 31 and the Sector is well ahead of the Industry.

- the terms of the Indenture or Indentures, or the Indenture or Indentures, or the Indenture or Indentures, or, if not, the principal of and premium, if any, or, if not, interest on, the Indenture or Indentures, or
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The rate of coverage is lower than that of the rest of the agreed-upon sample and is a bitter.

Table of Contents

Table of Contents

Table of Contents

upon the conversion and continuance of an Event of Default under the Indenture in respect of the series of such notes.

Upon the occurrence of an Event of Default under the Indenture in respect of the series of such notes, the Trustee or the holders of at least 25% in principal amount of such notes may declare the principal of such notes to be immediately due and payable.

Exchange and Registration of Transfer of Notes

Certificated notes, if any, may be exchanged for transferred interests in global notes.

Description of Preferred Stock

The following is a description of the material terms of our preferred stock, which we may issue from time to time in one or more series or classes. Therefore, you should read our charter and bylaws in conjunction with the terms of our preferred stock.

Authorized Shares

Our charter authorizes us to issue shares of our preferred stock in one or more series or classes and to fix the terms of such series or classes.

Maryland law provides that the preferred shares of any series or class are deemed to be a class of stock authorized by our charter and, therefore, the terms of such series or class of preferred stock may be fixed by our board of directors without further action by our stockholders. Our board of directors may also increase the number of shares of our preferred stock or any series or class of our preferred stock without stockholder approval and may classify or reclassify any unissued shares of our preferred stock and establish the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms or conditions of redemption of such stock. Prior to the issuance of shares of each series or class of our preferred stock, our board of directors will be required by Maryland law and our charter to adopt articles supplementary which will be filed with the State Department of Assessments and Taxation of Maryland. These articles supplementary will set forth the terms, rights, powers and duties of such series or class of our preferred stock.

Rank

The shares of our preferred stock will rank, unless otherwise specified in the applicable prospectus supplement, (i) prior to our common stock in dividends and in liquidation, dissolution and winding up of our affairs, (ii) on a parity with all other series or classes of our preferred stock ranking on a parity with such series of our preferred stock in dividends and in liquidation, dissolution and winding up of our affairs, and (iii) prior to all other series or classes of our capital stock in dividends and in liquidation, dissolution and winding up of our affairs.

Dividends

Holders of our preferred stock of any series or class will be entitled to receive, when and as authorized by our board of directors and declared by us, out of our assets legally available for payment, cash dividends at such rate, and on such dates and payable in such form, as shall be set forth in the applicable prospectus supplement. Dividends on any series of our preferred stock may be cumulative or non-cumulative, as provided in the applicable prospectus supplement. Dividends, if cumulative, will accrue from and after the date set forth in the applicable prospectus supplement. If our board of directors does not authorize and we do not pay a dividend on any series of our preferred stock in respect of a dividend period, such dividend will not accrue or be payable in respect of such dividend period.

Redemption

If any series of our preferred stock is subject to mandatory redemption or redemption at our option, as set forth in the applicable prospectus supplement, the terms of such redemption will be set forth in the applicable prospectus supplement.

Liquidation Preference

Upon our voluntary or involuntary liquidation, dissolution or winding up of our affairs, the holders of our preferred stock of any series or class will be entitled to receive, after payment of or provision for our debts and other liabilities, but before any distribution or payment to our stockholders of any of our assets or proceeds thereof available for distribution in respect of our common stock or any other shares of our capital stock ranking junior to such series or class of our preferred stock in the distribution of assets upon our liquidation, dissolution or winding up of our affairs, the liquidating distribution in the amount set forth in the applicable prospectus supplement, plus any accrued and unpaid dividends (which will not be cumulative unless otherwise provided with respect to such series or class of our preferred stock). Our remaining assets will be distributed among the holders of any other classes or series of our capital stock ranking junior to such series or class of our preferred stock in accordance with our charter. If such liquidating distribution or such assets are not sufficient to pay the amounts payable with respect to such series or class of our preferred stock and any other shares of our capital stock ranking on a parity with such series or class of our preferred stock in the foregoing manner, then the holders of such series or class of our preferred stock and such other shares of our capital stock ranking on a parity with such series or class of our preferred stock will share ratably in such distribution in proportion to the amounts to which they would be entitled if such liquidating distribution or such assets were sufficient to pay the amounts payable with respect to such series or class of our preferred stock and such other shares of our capital stock ranking on a parity with such series or class of our preferred stock in the foregoing manner.

Voting Rights

Except as set forth in the applicable prospectus supplement, the holders of our preferred stock of any series or class ranking on a parity with such series or class of our preferred stock will be entitled to vote on matters on which our stockholders are entitled to vote, in the manner set forth in our charter and bylaws.

Conversion

Except as set forth in the applicable prospectus supplement, the holders of our preferred stock of any series or class ranking on a parity with such series or class of our preferred stock will be entitled to convert such preferred stock into our common stock, in the manner set forth in our charter and bylaws.

Description of Warrants

We may issue warrants for the purchase of our common stock, preferred stock, debt securities or other securities offered by us from time to time. We may offer warrants pursuant to warrant agreements to be entered into between us and a bank or trust company, as warrant agent, all as shall be set forth in the applicable prospectus supplement. We will file a copy of the form of any warrant agreement we may enter into in connection with any such offering of warrants with the Securities and Exchange Commission, or the SEC, in connection with the offering of such warrants. The following is a description of the material terms of the warrants we may offer from time to time. You should read our charter and bylaws in conjunction with the terms of our warrants.

Authorized Shares

Our charter authorizes us to issue shares of our preferred stock in one or more series or classes and to fix the terms of such series or classes.

Description of Debt Securities

We may issue debt securities from time to time in one or more series, which may be secured or unsecured, senior, subordinated or junior in priority of payment, and may be convertible into or exchangeable for our common stock or other securities. We may issue debt securities under one or more indentures between us and a trustee. We will file a copy of the form of any indenture we may enter into in connection with any such offering of debt securities with the SEC in connection with the offering of such debt securities. The following is a description of the material terms of the debt securities we may offer from time to time. You should read our charter and bylaws in conjunction with the terms of our debt securities.

Authorized Shares

Our charter authorizes us to issue shares of our preferred stock in one or more series or classes and to fix the terms of such series or classes.

Description of Depositary Shares

We may issue depositary shares representing fractional interests in shares of our preferred stock of any series or class, which will be deposited with a depositary under a deposit agreement between us and a bank or trust company as depositary. We will file a copy of the form of any deposit agreement we may enter into in connection with any such offering of depositary shares with the SEC in connection with the offering of such depositary shares. The following is a description of the material terms of the depositary shares we may offer from time to time. You should read our charter and bylaws in conjunction with the terms of our depositary shares.

Authorized Shares

Our charter authorizes us to issue shares of our preferred stock in one or more series or classes and to fix the terms of such series or classes.

Description of Rights

We may issue rights to our stockholders from time to time. We may offer rights to our stockholders pursuant to rights agreements, each between us and a bank or trust company, as rights agent, all as shall be set forth in the applicable prospectus supplement. We will file a copy of the form of any rights agreement we may enter into in connection with any such offering of rights with the SEC in connection with the offering of such rights. The following is a description of the material terms of the rights we may offer from time to time. You should read our charter and bylaws in conjunction with the terms of our rights.

Authorized Shares

Our charter authorizes us to issue shares of our preferred stock in one or more series or classes and to fix the terms of such series or classes.

Description of Units

We may issue units from time to time. We may offer units to our stockholders pursuant to unit agreements, each between us and a bank or trust company, as unit agent, all as shall be set forth in the applicable prospectus supplement. We will file a copy of the form of any unit agreement we may enter into in connection with any such offering of units with the SEC in connection with the offering of such units. The following is a description of the material terms of the units we may offer from time to time. You should read our charter and bylaws in conjunction with the terms of our units.

Authorized Shares

Our charter authorizes us to issue shares of our preferred stock in one or more series or classes and to fix the terms of such series or classes.

Ownership Limit

In order to qualify as a REIT, we must meet certain requirements regarding the ownership of our capital stock. Our charter provides that, subject to certain exceptions, no person may own, or be deemed to own, more than 9.8% (in value or number of shares, whichever is more restrictive) of our outstanding common stock or our outstanding capital stock of any class or series. Our board of directors may exempt a person from the ownership limit if such person is not an individual for purposes of the Code and our board of directors determines that such ownership will not cause such person to be an individual for purposes of the Code that would jeopardize our qualification as a REIT. Our ownership limit may have the effect of precluding a tender offer or a change of control or other transaction in which holders of our common stock might receive a premium for their shares over the then prevailing market price or which such holders might believe to be otherwise in their best interest. For more information, see "Risk Factors—Risks Related to Our Business and Operations—Ownership limitations may restrict business combinations" in our Annual Report on Form 10-K for the year ended December 31, 2020.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Computershare Trust Company, N.A., New York, New York.

Anti-Takeover Provisions

Advance Notice

Our bylaws provide that, with respect to annual meetings of our stockholders, nominations of persons for election to our board of directors and the proposal of business to be considered by our stockholders may be made only (i) pursuant to our notice of the meeting, (ii) by or at the direction of our board of directors or (iii) by any stockholder of our common stock who is entitled to vote at the meeting and who has complied with the advance notice provisions set forth in our bylaws. With respect to special meetings of our stockholders, only the business specified in our notice of such meeting may be brought before such meeting and only (i) by or at the direction of our board of directors or (ii) by any stockholder of our common stock who is entitled to vote at the meeting and who has complied with the advance notice provisions set forth in our bylaws. Our bylaws provide that, with respect to any nomination or other business to be brought before a meeting of our stockholders, such stockholder must generally deliver to our secretary not earlier than the ninth day prior to such meeting and not later than the tenth day following the day on which we first publicly announce the date of such meeting, a written notice of such nomination or other business. Our bylaws also specify certain requirements as to the form and content of such notice.

Board of Directors

Our bylaws provide that, except as may be provided with respect to the rights of holders of our preferred stock to elect additional directors under specified circumstances, our number of directors may be fixed only by our board of directors. Our bylaws also provide that, except as may be provided with respect to the rights of holders of our preferred stock to elect additional directors under specified circumstances, any vacancy on our board of directors may be filled only by our board of directors, and any director elected to fill a vacancy will serve for the remainder of the term of the director position in which the vacancy occurred and until his or her successor is duly elected and qualifies. Our bylaws provide that, except as may be provided with respect to the rights of holders of our preferred stock with respect to any such director, our directors may be removed only for cause (as defined in our bylaws) upon the affirmative vote of holders of at least two-thirds of the votes entitled to be cast generally in the election of directors. Our bylaws also provide that, except as may be provided with respect to the rights of holders of our preferred stock with respect to any such director, any director elected by our stockholders may be removed only by the vote of our stockholders in accordance with our bylaws.

Maryland Law

Under Maryland law, our directors and officers have no liability for actions taken in accordance with our charter and bylaws and any amendments and interpretations of our charter and bylaws. Our charter and bylaws provide that we will indemnify our directors and officers for actions taken by them in those capacities to the maximum extent permitted by Maryland law. Our charter and bylaws also permit us to indemnify and advance expenses to any person who served our predecessor in any of the foregoing capacities and any person who is our employee or agent or is a person who, at our request, serves as a director, officer or partner of another entity in such a capacity and who is made a party to the proceeding by reason of his or her service in that capacity.

Under Maryland law, our directors are required to perform their duties in good faith, in a manner they believe to be in our best interests and with the care that an ordinarily prudent person in a similar position would use under similar circumstances. Our directors are not required to devote all of their time to our business and are permitted to engage in other business activities.

Business Combinations

Under Maryland law, business combinations between us and an interested stockholder or an affiliate of an interested stockholder are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. These business combinations are generally prohibited by us unless our board of directors has exclusively opted out of the provisions of Maryland law with respect to such business combinations. Our board of directors has exclusively opted out of the provisions of Maryland law with respect to business combinations between us and our affiliates and any person who is not our affiliate and who is not an interested stockholder. Our board of directors may alter or repeal this exclusion at any time, in whole or in part, without stockholder approval.

Control Share Acquisitions

Under Maryland law, "control shares" of a Maryland corporation acquired in a "control share acquisition" have no voting rights except to the extent approved by our stockholders by the vote required by Maryland law. For purposes of Maryland law, "control shares" are voting shares of stock which, if aggregated with all other shares of stock previously acquired by the acquiror or with respect to which the acquiror is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiror to exercise voting power in electing directors within one of the following ranges of voting power: (i) one-tenth or more but less than one-third, (ii) one-third or more but less than a majority, or (iii) a majority or more of all voting power. Control shares do not include shares the acquiror would be entitled to vote as a director or officer of the corporation or shares acquired in a merger, consolidation or share exchange if the corporation is a party to the transaction, or shares acquired in or pursuant to certain settlements or compromises, or satisfaction of certain conditions, after the beginning of the period in which a person becomes an interested stockholder. A control share acquisition means the acquisition of control shares, with certain exceptions. A person who has made or proposes to make a control share acquisition, upon satisfying certain conditions (including an undertaking to pay expenses and, in most instances, deliver a statement or information pertaining to the identity of the acquiror and the purpose of the acquisition), may compel our board of directors within 10 days after a request to call a special meeting of our stockholders to be held within 50 days of the request to consider the voting rights of the shares of the acquiror. If no such request is made, we may present the question at any stockholders meeting. If voting rights are not approved at a meeting or if the acquiror does not deliver a statement or information that is required, then we may redeem, subject to certain conditions and limitations, the control shares at fair value. If voting rights of such shares are approved at a meeting and the acquiror is then entitled to the voting rights with respect to such shares, then holders of all other shares of our stock will have the right to dissent and receive payment of fair value in accordance with statutory procedures under Maryland law. The foregoing provisions will not apply, if a person has made the control share acquisition in compliance with certain business combination provisions of the Maryland General Corporation Law unless such person has previously obtained voting rights with respect to control shares through such a control share acquisition. We have elected to exclude our shares from the control share provisions of Maryland law.

Subtitle 8

Subtitle 8 of Maryland law, among other things, allows a corporation that has a class of securities registered under the Exchange Act and at least three independent directors to elect to be subject to certain provisions that may have the effect of delaying, deferring or preventing a change in control of the corporation under certain circumstances. We have elected to be subject to Subtitle 8 with respect to any tender offer, merger, consolidation or other transaction in which our common stock is acquired by a person or entity or group of persons and entities in control of our shares (which would include, without limitation, any acquisition pursuant to a tender offer or a merger or consolidation with, or other transaction proposed by, such person or entity or group of persons and entities in control of our shares) unless our board of directors has approved such transaction prior to such person or entity or group of persons and entities gaining control of our shares. Our board of directors may elect to be subject to any of the provisions of Subtitle 8 at any time without stockholder approval.

Tender Offers and Mergers

Our charter provides that, in connection with any tender offer or other offer to our stockholders to purchase our shares, our board of directors may require that any such offer be made to our stockholders generally and that any such offer may be conditioned upon, among other matters, our board of directors being reasonably satisfied that ownership of our shares by the offeror does not jeopardize our status as a REIT for federal income tax purposes. Our board of directors may also require that any such offer be made for all our shares and that the consideration paid in such offer be in cash or other consideration deemed by our board of directors to be adequate or reasonably equivalent to the value of our shares. Our board of directors may also require that any such offer be made on such other terms and conditions as our board of directors may determine in its sole discretion. Our board of directors may also require that any such offer be made in such manner and in such form

operating losses or capital losses.

Rules of Shares. Upon any taxable sale or other disposition of shares, a shareholder will recognize gain or loss for United States federal income tax purposes in an amount equal to the difference between the amount realized and the shareholder's tax basis in the shares sold or otherwise disposed of. Such gain or loss will generally be capital gain or loss. Capital losses are deductible only to the extent of gains and, in the case of a noncorporate shareholder, up to $3,000 of ordinary income per taxable year. Capital gain of a noncorporate shareholder that has been held for one year or less will be taxed at ordinary income tax rates. The applicable tax rate will depend on the shareholder's holding period in the shares (generally, if an asset has been held for more than one year it will produce long-term capital gain), the stockholder's tax bracket and the stockholder's status (i.e., as an individual or other noncorporate U.S. stockholder or as a corporate U.S. stockholder). If a RBS has the election in effect with respect to its common stock described in "Taxation of Shareholders" below, a U.S. stockholder may be able to offset its capital gain tax liability (but not its ordinary income tax liability for non-corporate U.S. stockholders) to a portion of capital gain realized by a non-corporate stockholder on the sale of REIT shares that would correspond to the REIT's "unrecaptured Section 1250 gain." Stockholders are advised to consult their own tax advisors with respect to the treatment of capital gain or loss. In general, any loss recognized by a U.S. stockholder upon the sale or other disposition of shares that have been held for six months or less, after applying the holding period rules, will be treated as a long-term capital loss, to the extent of distributions received by the U.S. stockholder from shares that were required to be treated as long-term capital gain. *Net Investment Income Tax.* Certain U.S. stockholders that are individuals, estates or trusts and whose ordinary income or adjusted gross income from certain passive activities (generally, income from which dividends from REIT shares are not derived) exceeds a specified threshold will be subject to a 3.8% tax on the lesser of (1) this net investment income" for the relevant taxable year or (2) the excess of his or her modified gross income for the taxable year over a certain threshold (currently between $125,000 and $250,000 depending on the individual's U.S. federal income tax filing status). A similar rule applies to certain estates and trusts. Net investment income from certain passive activities generally includes distributions from REITs and capital gain from the sale of REIT shares (see Code) and gain from the sale of our common stock. If you are a U.S. investor that is an individual, an estate or a trust, you are urged to consult your tax advisors regarding the applicability of this tax to your income and gain in respect of your investment in our common stock.

Treatment of Tax-Exempt Stockholders

Provided that a tax-exempt stockholder has not held its common stock as "debt financed property" within the meaning of the Code, the dividend income from our company will not be unrelated business taxable income to such stockholder. Unrelated business taxable income will, however, be subject to the tax unless the stockholder has held its shares as debt financed property within the meaning of the Code or is a dealer in the shares.

However, for tax exempt stockholders that are social clubs, voluntary employee benefit associations, or supplemental unemployment benefit trusts exempt from U.S. federal income taxation under Sections 501(c)(7), (9) or (17) of the Code, unrelated business taxable income from any unrelated business taxable income will be subject to the tax. Prospective tax exempt investors should consult their own tax advisors and review special tax considerations that may be of material importance to their investment.

These organizations are referred to as "disqualified organizations" and a corporate stockholder that is a disqualified organization may be liable for a tax equal to the product of the highest rate of tax applicable to corporations (currently 35%) and the net income from the transfer of such stock to such a disqualified organization. Net income for purposes of the preceding sentence includes unrelated business taxable income and excess inclusion income. Accordingly, to the extent that our stock is held by such a disqualified organization, a portion of our ordinary income will be subject to tax. Moreover, we may be required to withhold tax with respect to our distributions to such a disqualified organization and to report such withholding tax and such distributions to such non-U.S. stockholder and to the applicable IRS service center. Prospective investors should consult their own tax advisors and review special tax considerations that may be of material importance to their investment.

U.S. Taxation of Non-U.S. Stockholders

Distributions to non-U.S. stockholders that are not attributable to gain from sales or exchanges by us of U.S. real property interests and are designated by us as capital gain dividends will be treated as dividends taxed as ordinary income to the extent that they are made out of our current or accumulated earnings and profits. These distributions ordinarily will be subject to withholding of U.S. federal income tax on a gross basis at a rate of 30%, or a lower rate as permitted under an applicable income tax treaty, unless the dividends are treated as effectively connected with the conduct by the non-U.S. stockholder of a U.S. trade or business. Under many treaties, however, lower withholding rates generally applicable to dividends do not apply to dividends from REITs. Dividends in excess of our current and accumulated earnings and profits are not taxable to a non-U.S. stockholder, that is, after allowance for deductions, a gratuitous transfer, in the same manner as U.S. stockholders are taxed with respect to these dividends, and are generally not subject to withholding. Any dividends received by a corporate non-U.S. stockholder that is engaged in a U.S. trade or business generally will be subject to ordinary U.S. federal income tax in the same manner as a U.S. stockholder with respect to such dividends.

Distributions in excess of our current and accumulated earnings and profits (not attributable to gains from disposition of U.S. real property interests) that exceed the non-U.S. stockholder's basis in its common stock will be treated as a tax-free reduction of basis to the extent of such excess. Any excess distributions will be treated as gain from the sale of our current or accumulated earnings and profits not attributable to gains from disposition of U.S. real property interests) that do not exceed the adjusted basis of the non-U.S. stockholder in its common stock will reduce the non-U.S. stockholder's adjusted basis in its common stock and will be treated as gain from the sale of its shares, the tax treatment of which is described below.

Subject to the discussion below regarding capital gain dividends and FIRPTA, we expect to withhold U.S. income tax at the rate of 30% on any dividend distributions (including distributions that

Table of Contents

later may be determined to have been in excess of current and accumulated earnings and profits) made to a non-U.S. stockholder unless:

- a lower treaty rate applies and the non-U.S. stockholder files an IRS Form W-8BEN or W-8BEN-E evidencing eligibility for that reduced treaty rate with us; or
- the non-U.S. stockholder files an IRS Form W-8ECI with us claiming that the distribution is income effectively connected with such non-U.S. stockholder's trade or business within the U.S.

We may be required to withhold at least 15% of any distribution in excess of our current and accumulated earnings and profits, even if a lower treaty rate applies and the non-U.S. stockholder is not liable for tax on the receipt of that distribution. However, a non-U.S. stockholder may seek a refund of these amounts from the IRS if the non-U.S. stockholder's U.S. tax liability with respect to the distribution is less than the amount withheld.

Distributions to a non-U.S. stockholder that we designate as capital gain dividends, other than those arising from the disposition of a U.S. real property interest, generally should not be subject to U.S. federal income taxation unless:

- the investment in our common stock is effectively connected with the non-U.S. stockholder's U.S. trade or business, in which case the non-U.S. stockholder will be subject to the same treatment as U.S. stockholders with respect to any gain, except that a stockholder that is a foreign corporation also may be subject to the 30% branch profits tax, as discussed above; or
- the non-U.S. stockholder is a nonresident alien individual who is present in the U.S. for 183 days or more during the taxable year and has a "tax home" in the U.S., in which case the nonresident alien individual will be subject to a 30% tax on his or her net U.S. source capital gains.

Subject to the exception discussed below for 10% or smaller holders of regularly traded classes of stock and the special rules for "qualified foreign pension funds" or "qualified shareholders," under the Foreign Investment in Real Property Tax Act, which is referred to as "FIRPTA," distributions to a non-U.S. stockholder that are attributable to gain from sales or exchanges by us of U.S. real property interests, whether or not designated as a capital gain dividend, will cause the non-U.S. stockholder to be treated as recognizing gain that is income effectively connected with a U.S. trade or business. The non-U.S. stockholder generally will be subject to withholding of U.S. federal income tax on the maximum U.S. corporate or individual rate, as applicable, to such gain, and may be required to file a U.S. tax return. Non-U.S. stockholders will be taxed on this gain at the same rates applicable to U.S. stockholders, subject to a special alternative minimum tax in the case of nonresident alien individuals. Also, this gain may be subject to the branch profits tax in the hands of a non-U.S. stockholder that is a corporation.

We will be required to withhold and remit to the IRS 21% of any distributions to non-U.S. stockholders attributable to gain from our sale or exchange of U.S. real property interests. Under longstanding administrative interpretations, we expect to report to our shareholders the portion of our distributions that we may designate as being attributable to our U.S. real property interests to the extent that we have designated as capital gain dividends. Distributions can be designated as capital gains to the extent of our net capital gain for the taxable year of the distribution. The amount withheld is creditable against the non-U.S. stockholder's U.S. federal income tax liability or, if the withholding exceeds the non-U.S. stockholder's U.S. federal income tax liability for the taxable year, we will pay to the non-U.S. stockholder the excess of the amount withheld over the non-U.S. stockholder's U.S. tax liability. The amount withheld may be refunded to the non-U.S. stockholder to the extent that we and the non-U.S. stockholder file a U.S. federal income tax return for the taxable year.

A non-U.S. stockholder that owns, actually or constructively, more than 10% of our common stock at any time during the one-year period ending on the date of the distribution will not be treated

Table of Contents

to the 21% FIRPTA withholding tax with respect to distributions that are attributable to gain from our sale or exchange of U.S. real property interests, and also should not be subject to the 35% capital gain withholding tax, provided that our common stock is treated as a "domestically controlled" qualified investment entity. The determination of whether we are a domestically controlled qualified investment entity will be made based on the ownership of our stock. Prospective investors should consult their own tax advisors regarding the withholding rules discussed above which generally impose a withholding tax equal to 30% of the gross amount of such dividend distributions (unless reduced by treaty).

Sales of Common Stock. Gain recognized by a non-U.S. stockholder upon the sale or exchange of our common stock generally would not be subject to U.S. taxation unless:

- the investment in our common stock is effectively connected with the non-U.S. stockholder's U.S. trade or business, in which case the non-U.S. stockholder will be subject to the same treatment as U.S. stockholders with respect to any gain, except that a stockholder that is a foreign corporation also may be subject to the 30% branch profits tax, as discussed above;
- the non-U.S. stockholder is a nonresident alien individual who is present in the U.S. for 183 days or more during the taxable year and has a "tax home" in the U.S., in which case the nonresident alien individual will be subject to a 30% tax on his or her net U.S. source capital gains.

Subject to the exception discussed below for 10% or smaller holders of regularly traded classes of stock and the special rules for "qualified foreign pension funds" or "qualified shareholders," under the Foreign Investment in Real Property Tax Act, which is referred to as "FIRPTA," distributions to a non-U.S. stockholder that are attributable to gain from sales or exchanges by us of U.S. real property interests, whether or not designated as a capital gain dividend, will cause the non-U.S. stockholder to be treated as recognizing gain that is income effectively connected with a U.S. trade or business. The non-U.S. stockholder generally will be subject to withholding of U.S. federal income tax on the maximum U.S. corporate or individual rate, as applicable, to such gain, and may be required to file a U.S. tax return. Non-U.S. stockholders will be taxed on this gain at the same rates applicable to U.S. stockholders, subject to a special alternative minimum tax in the case of nonresident alien individuals. Also, this gain may be subject to the branch profits tax in the hands of a non-U.S. stockholder that is a corporation.

We will be required to withhold and remit to the IRS 21% of any distributions to non-U.S. stockholders attributable to gain from our sale or exchange of U.S. real property interests. Under longstanding administrative interpretations, we expect to report to our shareholders the portion of our distributions that we may designate as being attributable to our U.S. real property interests to the extent that we have designated as capital gain dividends. Distributions can be designated as capital gains to the extent of our net capital gain for the taxable year of the distribution. The amount withheld is creditable against the non-U.S. stockholder's U.S. federal income tax liability or, if the withholding exceeds the non-U.S. stockholder's U.S. federal income tax liability for the taxable year, we will pay to the non-U.S. stockholder the excess of the amount withheld over the non-U.S. stockholder's U.S. tax liability. The amount withheld may be refunded to the non-U.S. stockholder to the extent that we and the non-U.S. stockholder file a U.S. federal income tax return for the taxable year.

A non-U.S. stockholder that owns, actually or constructively, more than 10% of our common stock at any time during the one-year period ending on the date of the distribution will not be treated

Table of Contents

to the 21% FIRPTA withholding tax with respect to distributions that are attributable to gain from our sale or exchange of U.S. real property interests, and also should not be subject to the 35% capital gain withholding tax, provided that our common stock is treated as a "domestically controlled" qualified investment entity. The determination of whether we are a domestically controlled qualified investment entity will be made based on the ownership of our stock. Prospective investors should consult their own tax advisors regarding the withholding rules discussed above which generally impose a withholding tax equal to 30% of the gross amount of such dividend distributions (unless reduced by treaty).

Sales of Common Stock. Gain recognized by a non-U.S. stockholder upon the sale or exchange of our common stock generally would not be subject to U.S. taxation unless:

- the investment in our common stock is effectively connected with the non-U.S. stockholder's U.S. trade or business, in which case the non-U.S. stockholder will be subject to the same treatment as U.S. stockholders with respect to any gain, except that a stockholder that is a foreign corporation also may be subject to the 30% branch profits tax, as discussed above;
- the non-U.S. stockholder is a nonresident alien individual who is present in the U.S. for 183 days or more during the taxable year and has a tax home in the U.S., in which case the nonresident alien individual will be subject to a 30% tax on his or her net U.S. source capital gains;
- our common stock constitutes a U.S. real property interest within the meaning of FIRPTA, as described below.

Our common stock will not constitute a U.S. real property interest if we are a domestically controlled qualified investment entity. We will be a domestically controlled qualified investment entity if, at all times during a specified testing period, we are a REIT and less than 50% in value of our stock is held directly or indirectly by non-U.S. stockholders. For these purposes, since December 18, 2015, a person holding less than 5% of our regularly traded classes of stock for five years has been, and will be, treated as a U.S. person unless we have actual knowledge that such person is not a U.S. person.

Because our common stock is publicly traded, we cannot guarantee that we are or will continue to be a domestically controlled qualified investment entity.

Even if we are a domestically controlled qualified investment entity, upon disposition of our stock, a non-U.S. stockholder may be treated as having gain from the sale or exchange of a U.S. real property interest if the non-U.S. stockholder (1) disposes of an interest in our stock during the 30-day period preceding the ex-dividend date of a distribution, any portion of which, but for the disposition, would have been treated as gain from sale or exchange of a U.S. real property interest and (2) directly or indirectly acquires, enters into a contract or option to acquire, or is deemed to acquire, other shares of our stock during the 61-day period beginning with the first day of such 30-day period, in an amount that equals or exceeds the portion of our stock that such stockholder disposes of in the 30-day period.

Even if we do not qualify as a domestically controlled qualified investment entity at the time a non-U.S. stockholder sells its common stock, our stock sold by such stockholder would not be considered a U.S. real property interest if

- the class or series of stock sold is considered regularly traded under applicable Treasury Regulations on an established securities market, such as the NYSE; and

Table of Contents

2. the selling non-U.S. stockholder owned, actually or constructively, 10% or less in value of the outstanding class or series of stock being sold throughout the five-year period ending on the date of the sale or exchange.

If gain on the sale or exchange of our common stock were subject to taxation under FIRPTA, a non-U.S. stockholder would be subject to regular U.S. income tax with respect to any gain in the same manner as a taxable U.S. stockholder, subject to any applicable alternative minimum tax and special alternative minimum tax in the case of nonresident alien individuals.

Special FIRPTA Rules. To the extent our stock is held directly (or indirectly through one or more partnerships) by a "qualified shareholder," it will not be treated as a U.S. real property interest for such qualified shareholder, provided that such qualified shareholder does not own, actually or constructively, more than 10% of our common stock. Rules similar to such non-U.S. stated clause will be applied to such non-U.S. stated clause. For these purposes, a qualified shareholder is generally a non-U.S. stockholder that (i)(A) is eligible for treaty benefits under an income tax treaty with the United States that includes an exchange of information program, and the principal class of interests of which is listed and regularly traded on one or more stock exchanges as defined by the treaty, or (B) is a foreign limited partnership organized in a jurisdiction with an exchange of information agreement with the United States and that has a class of regularly traded limited partnership units (having a value greater than 50% of the value of all partnership units) that is regularly traded on a securities market in such jurisdiction, (ii) is a "qualified collective investment vehicle" (within the meaning of Section 897(k)(3)(B) of the Code) and (iii) maintains records of persons holding 5% or more of the class of interests described in clauses (i)(A) or (i)(B) above. However, in the case of a qualified shareholder having one or more "applicable investors," the exception described in the preceding sentence will not apply to such qualified shareholder if such applicable investors, taken into account as shareholders of such qualified shareholder, own more than 50% in value of such qualified shareholder's interest in our stock. For purposes of the preceding sentence, an "applicable investor" is a person (other than a qualified shareholder) who holds an interest in the qualified shareholder and holds more than 10% of our stock applying certain constructive ownership rules.

The FIRPTA rules do not apply to any U.S. real property interest held directly (or indirectly through one or more partnerships) by, or to any distribution received from a REIT by, a "qualified foreign pension fund" or any entity all of the interests of which are held by qualified foreign pension fund. For these purposes, a "qualified foreign pension fund" is an organized foreign pension or retirement fund organized in a foreign country, (ii) established to provide retirement or pension benefits to current or former employees (or their designees) of one or more employers for services rendered, (iii) which does not provide a right to a benefit to any shareholder or participant that is a U.S. person and which relinquishes such rights in exchange for contributions made, (iv) which does not provide annual information reporting about its beneficiaries to relevant local tax authorities and (v) with respect to which, under its local laws, contributions that would otherwise be subject to tax are deductible or excluded from the gross income or taxed at a reduced rate, or taxation of the income is deferred or taxed at a reduced rate.

Taxation of U.S. Holders of Our Debt Securities

This summary addresses fixed rate debt securities issued by us without OID (as defined below), and does not deal with holders other than those who purchase the debt securities on original issuance at the initial offering price (i.e., the first price at which a substantial portion of the debt securities is

Table of Contents

sold to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers).

When we refer to a "U.S. holder," we mean a beneficial owner of the debt securities that is for U.S. federal income tax purposes:

1. a citizen or resident, as defined in Section 7701(b) of the United States;
2. a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized under the laws of the United States, any state thereof or the District of Columbia;
3. an estate the income of which is subject to U.S. federal income tax regardless of its source; or
4. a trust that is subject to the primary supervision of a United States court and the control of one or more U.S. persons or that has a valid election in effect under the applicable Treasury Regulations to be treated as a U.S. person.

If a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) holds the debt securities, the U.S. federal income tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership that holds debt securities, you should consult your tax advisors.

Payments of interest. Stated interest on our debt securities will be includable in income of a U.S. holder as ordinary interest income at the time such interest is received or accrued, in accordance with the U.S. holder's regular method of tax accounting.

Original issue discount. If the issue price of a debt security is less than its stated redemption price at maturity, then the debt security will be treated as being issued with original issue discount, or OID, for U.S. federal income tax purposes unless the difference between the debt security's issue price and its stated redemption price at maturity is less than the statutory *de minimis* amount. Unless the de minimis exception applies, a U.S. holder of a debt security which security is equal to the difference and must be included in income as ordinary interest at a accrues under a constant yield method in advance of receipt of the cash payments attributable to such income, regardless of such U.S. holder's regular method of tax accounting. Generally, the "issue price" of a debt security is the first price at which a substantial amount of the debt security is sold to purchasers other than bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers. The "stated redemption price at maturity" of a debt security is the total of all payments to be made under the debt security, other than "qualified stated interest," and generally is expected to equal the principal amount of the debt security. "Qualified stated interest" generally means stated interest that is unconditionally payable at least annually at a single fixed rate that properly takes into account the length of the interval between stated interest payments. The amount of OID on the debt security will be *de minimis* if it is less than 0.0025 multiplied by the product of the stated redemption price at maturity and the number of complete years to maturity.

U.S. holders may, upon election, include in income all interest, including stated interest, *de minimis* OID, market discount, and *de minimis* market discount, as adjusted by any amortizable bond premium or acquisition premium, that accrues to such U.S. holder's debt securities in gross income under a constant yield method.

Disposition of Debt Securities. Except as discussed above, upon the sale, exchange, redemption, repurchase, or other taxable disposition of the debt securities, a U.S. holder generally will recognize gain or loss equal to the difference between the amount realized (less an amount equal to any accrued but unpaid interest, which will be taxable as such) on the sale, exchange, redemption, repurchase, retirement or other taxable disposition and the U.S. holder's adjusted tax basis in the debt security. A

Table of Contents

U.S. holder's adjusted tax basis in the debt security generally will equal the amount the U.S. holder paid for the debt security, decreased by the amount of any payments received, other than stated interest payments. Such gain or loss on the sale, exchange, redemption, repurchase, or other taxable disposition of the debt security generally will be long-term capital gain or loss if the debt security were held for more than one year. Such long-term capital gain generally subject to reduced rates of U.S. federal income taxation on net long-term capital gains. The deductibility of capital losses is generally subject to limitations.

Taxation of Non-U.S. Holders of Debt Securities

When we refer to a "non-U.S. holder" we mean a beneficial owner of the debt securities that is a foreign corporation or a nonresident alien individual for U.S. federal income tax purposes. The rules governing the U.S. federal income taxation of a non-U.S. holder are complex and no attempt will be made herein to provide more than a summary of such rules. Non-U.S. holders should consult their tax advisors with respect to the U.S. federal income tax, U.S. federal estate tax, and state, local and foreign tax consequences of ownership of our debt securities.

Payments of principal and interest (including OID) on the debt securities beneficially owned by a non-U.S. holder generally will not be subject to U.S. federal withholding tax, subject to the discussion below regarding Foreign Account Tax Compliance Act, or FATCA, withholding tax, and provided that such non-U.S. holder satisfies all of the following conditions:

1. the non-U.S. holder does not actually or constructively own 10% or more of the total combined voting power of all classes of our stock entitled to vote;
2. the non-U.S. holder is not a controlled foreign corporation, as defined in the Code, that is related, directly or indirectly, to us; and
3. the non-U.S. holder is not a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business, as described in Code Section 881(c)(3)(A).

In order for a non-U.S. holder to qualify for the above exemption from taxation on interest (including OID), the "withholding agent" (generally, the last U.S. payor or a non-U.S. payor who is a qualified intermediary or withholding foreign partnership) must have received a statement on the appropriate IRS Form W-8 from the non-U.S. holder that: (i) is signed under penalties of perjury by the beneficial owner of the debt security, (ii) certifies that such owner is not a "United States person" within the meaning of the Code and (iii) provides the beneficial owner's name and address. Certain securities clearinghouses, banks and other financial institutions that hold customers' securities in ordinary course of their trade or business in a clearing organization may satisfy the certification requirements of the withholding agent. An appropriate IRS Form W-8 is generally effective for the remainder of the year of signature plus three full calendar years unless a change in circumstances renders any information on such form incorrect, in which case such information must be updated within 30 days. Payments to a non-U.S. holder of interest (including OID) on a debt security that do not qualify for the exemption from withholding described above will be subject to U.S. federal withholding tax at a rate of 30%.

A non-U.S. holder will not be subject U.S. federal income and withholding taxes on gains realized on the sale, exchange or other disposition of the debt securities, subject to the discussion below regarding FATCA withholding tax, provided that such gain is effectively connected with the conduct by such non-U.S. holder of a trade or business in the United States or, in the case of an individual, such non-U.S. holder is present in the United States for 183 days or more in the taxable year in which the sale, exchange or other disposition occurs and certain other conditions are met.

If a non-U.S. holder engages in a trade or business in the United States, and if interest (including OID) on the debt security (or gain realized on its sale, exchange or other disposition) is effectively connected with the conduct by such non-U.S. holder of such trade or business (and where an applicable income tax treaty so provides, is attributable to a U.S. permanent establishment), the non-U.S. holder,

Table of Contents

although exempt from the withholding tax discussed in the preceding paragraphs, will generally be subject to regular U.S. federal income tax on that interest (or gain) on a net basis in the same manner as if such non-U.S. holder were a U.S. holder. In addition, if a non-U.S. holder is classified as a corporation for U.S. federal income tax purposes, such non-U.S. holder may also be subject to a branch profits tax at a 30% rate, or a lower rate if applicable under an applicable income tax treaty, on its effectively connected earnings and profits for the taxable year, subject to certain adjustments. For purposes of the branch profits tax, interest on, and any gain recognized on the sale, exchange or other disposition of, a debt security will be included in the non-U.S. holder's effectively connected earnings and profits if such interest or gain, as the case may be, is effectively connected with the conduct by such non-U.S. holder of a trade or business in the United States.

Information Reporting and Backup Withholding Tax Applicable to Stockholders and Holders of Debt Securities

U.S. Stockholders and U.S. Holders of Debt Securities. In general, information reporting requirements will apply to (i) payments of distributions on our common stock and payments of the proceeds of the sale of our common stock to a U.S. stockholder, (ii) payments of principal, premium, interest and OID on our debt securities to a U.S. holder, and (iii) payments of the proceeds of the sale, exchange, redemption, repurchase or other disposition of a debt security to a U.S. holder, unless an exception applies. Further, the payor will be required to backup withhold on any payments at the current rate of 24% if:

(1) the payee fails to furnish a taxpayer identification number, or TIN, to the payor or to establish an exemption from backup withholding;

(2) the IRS notifies the payor that the TIN furnished by the payee is incorrect;

(3) the payee has failed to report interest and dividends on its tax return and the payee is not subject to backup withholding under the Code; or

(4) in the case of interest on a debt security, there has been a notified payee under-reporting with respect to interest, dividends, or OID described in Code Section 3406(c).

Some U.S. stockholders and U.S. holders, including corporations and tax exempt organizations, will be exempt from backup withholding. Any amounts withheld under the backup withholding rules from a payment to a stockholder or holder of debt securities will be allowed as a credit against the stockholder's or holder's U.S. federal income tax and may entitle the stockholder or holder to a refund, provided that the required information is furnished to the IRS in a timely manner.

Non-U.S. Stockholders. Information reporting requirements and backup withholding may apply to payments of distributions on our common stock to a non-U.S. stockholder. Information reporting and backup withholding will generally apply to payments of principal, premium, interest and OID on our debt securities to a non-U.S. holder unless the stockholder otherwise establishes an exemption, provided that the withholding agent does not have actual knowledge or reason to know that the stockholder is a U.S. person or that the claimed exemption is not in fact satisfied. Information reporting and backup withholding also may apply to payments of the proceeds of a sale of our common stock or our debt securities effected outside the United States by a foreign office of a broker. However, information reporting and backup withholding will not apply to payments that are made outside the United States by a foreign office of a broker. Any amount withheld under the backup withholding rules is allowable as a credit against such holder's U.S. federal income tax liability (which might entitle such holder to a refund), provided that such holder furnishes the required information to the IRS. Information reporting requirements may nonetheless be subject to other reporting requirements.

Other Tax Consequences for Stockholders, Holders of Debt Securities and Shareholders

Other U.S. Federal Income Tax Withholding and Reporting Requirements; FATCA. The FATCA provisions of the Code, subject to administrative guidance and certain intergovernmental agreements entered into thereunder, impose a 30% withholding tax on certain types of payments made to "foreign financial institutions" and certain other non-U.S. entities unless (i) the foreign financial institution undertakes certain diligence and reporting obligations or (ii) the foreign non-financial entity either certifies it does not have any substantial United States owners or furnishes identifying information regarding each substantial United States owner. If payment is subject to withholding pursuant to FATCA, withholding would ordinarily be required even if a reduction or exemption from withholding is ordinarily applicable or generally would be required pursuant to an intergovernmental agreement between the United States Treasury requiring, among other things, that it undertake to identify accounts held by certain United States persons or United States-owned foreign entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent them from complying with these reporting and other requirements. The compliance requirements and withholding tax under FATCA are complex and special requirements may apply to certain categories of payees. Withholding under this legislation will apply after December 31, 2018 with respect to the gross proceeds of a disposition of property that can produce U.S. source interest or dividends and currently applies with respect to other withholdable payments.

Recent Tax Legislation. The recently enacted TCJA, generally applicable for tax years beginning after December 31, 2017, made significant changes to the Code, including a number of provisions of the Code that affect the taxation of, and impose limitations on, REITs. Generally, the TCJA provisions relating to REITs are effective for taxable years beginning after December 31, 2017. Among the foregoing changes:

- For tax years beginning after December 31, 2017 and before January 1, 2026, (1) the U.S. federal income tax rates on ordinary income of individuals, trusts and estates have been generally reduced and (ii) non-corporate taxpayers are permitted to take a deduction for certain pass-through business income, including, as discussed above, a deduction equal to 20% of

Table of Contents

dividends received from REITs that are not designated as capital gain dividends or qualified dividend income, subject to certain limitations.

- The maximum U.S. federal income tax rate for corporations has been reduced, and corporate alternative minimum tax has been eliminated for corporations, which would generally reduce the amount of U.S. tax liability generally attributable to our REIT shareholders and U.S. shareholders of our stock.
- Certain new limitations on the deductibility of interest expense now apply, which limitations may affect the deductibility of interest paid or accrued by us or our taxable REIT subsidiaries.
- Certain new limitations on net operating losses now apply, which limitations may affect net operating losses generated by us or our taxable REIT subsidiaries.
- A U.S. tax exempt stockholder that is subject to tax on UBTI will be required to separately compute its taxable income and loss for each unrelated trade or business activity for purposes of determining UBTI.
- New accounting rules generally require us to recognize income items for federal income tax purposes no later than when we take the item into account for financial statement purposes, which may accelerate our recognition of certain income items.

The effect of the TCJA on us, our stockholders, and holders of our debt securities is uncertain, and administrative guidance will be required in order to fully evaluate the effect of many provisions. Any technical corrections with respect to the TCJA could have an adverse effect on us, our stockholders or holders of our debt securities.

Additional Legislative or Other Actions Affecting REITs. The U.S. federal income tax rules are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Treasury Department and it is possible that there could be future changes that could adversely impact our stockholders or holders of our debt securities. No assurance can be given as to whether, when, or in what form, the U.S. federal income tax laws applicable to us and our stockholders and our holders of debt securities may be enacted. Changes to the U.S. federal income tax laws and interpretations of U.S. federal income tax laws could adversely affect an investor in our common stock or our debt securities.

Certain State, Local, and Non-U.S. Taxes. Ardenheavy, its subsidiaries, its stockholders and holders of the debt securities may be subject to state, local and foreign tax in states, localities or foreign countries, including those in which we or they transact business or reside. The state, local and foreign tax treatment of Ardenheavy, its stockholders and holders of the debt securities may not conform to the U.S. federal income tax consequences discussed above. Consequently, prospective investors should consult their own tax advisors regarding the effect of state, local and foreign taxes on an investment in our common stock or debt securities. The state and local tax laws of Ardenheavy, its subsidiaries, its stockholders and holders of our debt securities may be subject to change, and, if such changes occur, Ardenheavy, its subsidiaries, its stockholders and holders of our debt securities could be required to pay federal, state, local or foreign taxes, we will have less cash available for distribution to stockholders.

Table of Contents

Plan of Distribution

We may sell securities to or through underwriters, and we may also sell securities directly to other purchasers or through dealers or agents. Unless otherwise indicated in a prospectus supplement or other offering materials, the offering of any underwriters to purchase the securities will be subject to conditions precedent and these underwriters will be obligated to purchase all the securities if any are purchased.

The distribution of the securities may be effected from time to time in one or more transactions at a fixed price or prices which may be changed, at market prices prevailing at the time of sale, at prices related to these prevailing market prices or at negotiated prices. The prospectus supplement or other offering materials will describe the method of distribution of the securities.

In connection with the sale of securities, underwriters may receive compensation from us or from purchasers of securities for whom they may act as agents, in the form of discounts, concessions or commissions. Underwriters may sell securities to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions received by them and any profit on the resale of securities by them may be deemed to be underwriting discounts and commissions under the Securities Act. Any underwriter, dealer or agent that will participate in the distribution of the securities will be identified, and any compensation received from us will be described, in the prospectus supplement or other offering materials.

Under agreements which may be entered into by us, underwriters, dealers and agents who participate in the distribution of securities may be entitled to indemnification by us against some liabilities, including liabilities under the Securities Act, or to contribution with respect to payments which the underwriters, dealers or agents may be required to make relating to these liabilities. Any agreement in which we agree to indemnify or contribute will be described in the applicable prospectus supplement or other offering materials.

If so indicated in a prospectus supplement or other offering materials, we will authorize dealers or other persons acting as our agent to solicit offers by some institutions to purchase securities from us pursuant to contracts providing for payment and delivery on a future date. Institutions with which these contracts may be made include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions and others.

Experts

Ernst & Young LLP, independent registered public accounting firm, has audited our consolidated financial statements and schedule included in our Annual Report on Form 10-K for the year ended December 31, 2017, and the effectiveness of our internal control over financial reporting as of December 31, 2017, as set forth in their reports, which are incorporated by reference in this prospectus and elsewhere in the registration statement. Our financial statements and schedule are incorporated by reference in reliance on Ernst & Young LLP's reports, given on their authority as experts in accounting and auditing.

Legal Matters

Certain legal matters with respect to the securities to be offered by this prospectus will be passed upon for us by Goodwin Procter LLP, Boston, Massachusetts.